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**CHASHMA SUGAR MILLS LIMITED**  
KING'S ARCADE, 20-A, MARKAZ F-7,  
ISLAMABAD - PAKISTAN  
TEL: 051-2650805-7



**CHASHMA SUGAR MILLS LIMITED**

**CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE HALF YEAR ENDED  
MARCH 31, 2021**

## CHASHMA SUGAR MILLS LIMITED

### COMPANY INFORMATION

#### Board of Directors

Mr. Aziz Sarfaraz Khan	Chief Executive
Mr. Abbas Sarfaraz Khan	Chairman
Ms. Zarmine Sarfaraz	Director
Mr. Iskander M. Khan	Director
Mr. Abdul Qadar Khattak	Director
Mr. Sher Ali Jafar Khan	Independent Director
Mr. Feisal Kemal Khan	Independent Director

#### Company Secretary

Mr. Mujahid Bashir

#### Chief Financial Officer

Mr. Rizwan Ullah Khan

#### Head of Internal Audit

Mr. Zaheer Mir

#### Auditors

M/s. A.F Ferguson & Co.  
Chartered Accountants

#### Tax Consultants

M/s. ShineWing Hameed Chaudhri & Co.,  
Chartered Accountants

#### Legal Advisor

Mr. Tariq Mehmood Khokhar  
Barrister-at-Law, Advocate

#### Shares Registrar

M/s. Hameed Majeed Associates (Pvt.) Limited,  
H.M. House, 7-Bank Square, Lahore.  
Phone No. : 042-37235081 Fax No. : 042-37235083

#### Bankers

Bank Al-Habib Limited	Habib Bank Limited
The Bank of Khyber	Bank Al-Falah Limited
MCB Bank Limited	Soneri Bank Limited
National Bank of Pakistan	Askari Bank Limited
Habib Metropolitan Bank Limited	United Bank Limited
Dubai Islamic Bank (Pakistan) Limited	Meezan Bank Limited
Al-Baraka Bank (Pakistan) Limited	The Bank of Punjab
Allied Bank Limited	Samba Bank Limited

## CHASHMA SUGAR MILLS LIMITED

### DIRECTORS' REVIEW REPORT

The Board of Directors are pleased to present the un-audited condensed interim financial information of the Company for the six months period ended on March 31, 2021. This condensed financial information is presented to the shareholders of the Company in compliance with the International Accounting Standard No. 34 "Interim Financial Reporting", the Code of Corporate Governance, under Section 237 of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019. The enclosed financial information is un-audited and have been reviewed by the external auditors as required by the Code of Corporate Governance.

#### OPERATIONAL PERFORMANCE

The sugarcane crushing season commenced on November 15, 2020 continued till March 01, 2021. The mills crushed 1,468,505 tons (2020: 1,432,075 tons) of sugarcane to produce 145,987.00 tons (2020: 151,012.50 tons) of sugar. We have lost an average recovery of 0.61% i.e. 9.94% (2020: 10.55%) because we were forced to commence operations 20 days contrary to the Sugar Factories Control Act, 1950. The Provincial Government of the Khyber Pakhtunkhwa fixed sugarcane support price @ Rs. 200/- per maund. However, due to failure of the Khyber Pakhtunkhwa Government to control the purchase of sugarcane by middleman, the rates of sugarcane increased exorbitantly and crossed Rs. 300 per maund.

#### SUGAR PRICES AND FINANCIAL PERFORMANCE

The sugar prices remained stable throughout the crushing season, however, after the closure of crushing season and before the start of the month of Ramazan, the KPK Government illegally issued notification to procure 20,800 tons of sugar at Rs. 80 per kg, which is far below the cost of production. The Company filed a writ petition against this unlawful act of the KPK Government. The hasty implementation of The Khyber Pakhtunkhwa Sugar (Supply-chain Management) Order, 2021 disturbed the supply-chain and the retailers are hesitant to sell sugar due to the harassment by the KPK Government. Due to above said factors, the sugar sale and prices are depressed and the Company has suffered losses.

The Company has suffered loss of Rs. 36.635 million after incorporating GoP taxes (2020: profit of 189.177 million) during the half year ended March 31, 2021. Loss for the period is attributable to mainly higher input costs and low recovery as compared to prior period and low sales volumes.

#### ETHANOL FUEL PLANT AT UNIT-II

The Ethanol Fuel Plant produced 17,405.13 MT of Ethanol during the half year ended on March 31, 2021.

#### ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this quarterly condensed interim financial information are the same as applied in the preparation of the preceding annual financial statements of the Company.

#### ACKNOWLEDGEMENT

The Directors appreciate the spirit of good work done by the Company's staff at all levels.

ON BEHALF OF THE BOARD



(AZIZ SARFARAZ KHAN)  
Chief Executive



(ISKANDER M. KHAN)  
Director

Islamabad  
May 27, 2021

## چشمہ شوگر ملز لمیٹڈ ڈائریکٹرز کی جائزہ رپورٹ

ڈائریکٹرز 31 مارچ 2021 کو ختم ہونے والی سش ماہی کی اختتامی مدت پر غیر آڈٹ شدہ کنڈنڈ انٹیرم مالیاتی معلومات پیش کرنے پر مسرت محسوس کرتے ہیں۔ یہ کنڈنڈ مالیاتی معلومات حصص داروں کو انٹرنیشنل اکاؤنٹنگ کے قواعد نمبر 34 انٹیرم فنانشل رپورٹنگ کمپنی ایکٹ 2017 (دی ایکٹ) کے سیکشن 237 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشن 2019 کے مطابق ہیں۔ مشترکہ مالیاتی معلومات غیر آڈٹ شدہ بیرونی آڈیٹرز کی جانب سے جائزہ لینے کے بعد کوڈ آف کارپوریٹ گورننس کی ضرورت کے مطابق ہیں۔

### آپریٹل کارکردگی

گنے کا کرشنگ سیزن 2020-21 کا آغاز 15 نومبر 2020 کو شروع ہوا۔ 01 مارچ 2021 تک ملز نے 1,468,505 ٹن گنے کو کرش کرتے ہوئے (2020 میں) 1,432,075 ٹن گنے کرش کیا۔ ہم سے اوسط 0.61% کی کم ریکوری کی یعنی 9.94% (2020 میں 10.55%) کیونکہ ہمیں شوگر فیکٹریز کنٹرول ایکٹ 1950 کے برعکس 20 دن آپریشن کرنے پر مجبور کیا گیا۔ خیبر پختون خواہ کی صوبائی حکومت کی جانب سے گنے کی قیمت 200 روپے مقرر تھی۔ جبکہ خیبر پختون خواہ کی صوبائی حکومت کی جانب سے مڈل مین کے ذریعہ گنے کی خریداری پر قابو پانے میں ناکامی کی وجہ سے گنے کے نرخوں میں غیر معمولی اضافہ ہوا اور گنے کی قیمت 300 روپے سے زیادہ ہو گئی۔

### چینی کی قیمت اور مالیاتی کارکردگی

کرشنگ سیزن میں چینی کی قیمتیں مستحکم رہیں۔ تاہم کرشنگ سیزن کی بندش کے بعد اور رمضان کے مہینے کے آغاز سے پہلے کے پی کے کی حکومت نے غیر قانونی طور پر 20,800 ٹن چینی کی خریداری کا نوٹیفیکیشن جاری کیا۔ 80 روپے فی کلو کے حساب سے جو کہ پیداوار کی لاگت سے بہت کم ہے۔ کمپنی کے کے پیکے حکومت کے

اس غیر قانونی اقدام کے خلاف رٹ پٹیشن دائر کی تھی خیبر پختون خواہ شوگر (سپلائی چین مینجمنٹ) آرڈر 2021 سپلائی چین میں تقسیم کیا گیا اور چون فروش چینی کی فروخت کرنے میں انکاری تھے کیونکہ کے پی کے حکومت تنگ کر رہی تھی۔ اس کی وجہ سے چینی کی قیمتیں دباؤ کا شکار ہیں اور کمپنی نے نقصان اٹھایا۔

31 مارچ 2021 کو ختم ہونے والے سش ماہی سال کے دوران حکومتی ٹیکس (2020 میں 189.177 ملین کا منافع) شامل کرنے کے بعد 36.635 ملین روپے کا نقصان ہوا۔ اس مدت میں ہونے والے نقصان کم وصولی کی وجہ سے ہے جو پہلے کی مدت اور کم فروخت کی مقدار کی مقابلے میں ہے۔

### ہتھنول فیول پلانٹ یونٹ II

ہتھنول فیول پلانٹ نے 31 مارچ 2021 کو ختم ہونے والے سش ماہی کے دوران 17,405.13 MT ہتھنول کی پیداوار کی۔

### اکاؤنٹنگ کی پالیسیاں

کمپنی کی سش ماہی کنڈنڈ انٹیرم مالیاتی معلومات کی تیاری کے دوران اپنا ہی گنی اکاؤنٹنگ پالیسیاں وہی ہیں جو پچھلے سال سالانہ مالیاتی حسابات میں اپنا ہی گئی تھیں۔

### اعتراف

ڈائریکٹرز نے کمپنی کے عملے کی طرف سے کئے گئے ہر سطح پر اچھے کاموں کو سراہتے ہیں۔

منجانب بورڈ



اسلام آباد

اسکندر محمد خان

بتاریخ: 27 مئی 2021

ڈائریکٹر



عزیز سرفراز خان

چیف ایگزیکٹو آفیسر



A.F. FERGUSON &amp; CO.

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF CHASHMA SUGAR MILLS LIMITED  
REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Chashma Sugar Mills Limited (the Company) as at March 31, 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three month period ended March 31, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended March 31, 2021.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is JehanZeb Amin.

Chartered Accountants  
Islamabad  
Date: May 27, 2021

**CHASHMA SUGAR MILLS LIMITED**

**CONDENSED INTERIM STATEMENT OF  
FINANCIAL POSITION (UN-AUDITED) AS AT MARCH 31, 2021**

	Note	Un-audited March 31, 2021	Audited September 30, 2020
(Rupees in thousand)			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	9,886,895	9,892,348
Right-of-use assets	6	384,976	395,099
Long term investment	7	139,154	139,154
Long term deposits and other receivables	8	80,032	75,904
		<u>10,491,057</u>	<u>10,502,505</u>
<b>CURRENT ASSETS</b>			
Stores and spares		422,562	502,275
Stock-in-trade	9	9,147,071	1,241,999
Trade debts	10	105,178	143,049
Loans and advances	11	1,061,928	1,619,493
Trade deposits and other receivables	12	315,800	311,098
Income tax refundable		295,338	287,685
Cash and bank balances		516,511	281,856
		<u>11,864,388</u>	<u>4,387,455</u>
<b>TOTAL ASSETS</b>		<u>22,355,445</u>	<u>14,889,960</u>
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital		500,000	500,000
Issued, subscribed and paid-up capital	13	286,920	286,920
Capital reserve			
General reserve		327,000	327,000
Revenue reserve			
Unappropriated profits		2,824,695	2,853,561
Surplus on revaluation of property, plant and equipment		4,071,814	4,223,043
<b>Shareholders' equity</b>		<u>7,510,429</u>	<u>7,690,524</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term finances - secured	14	1,407,480	1,362,318
Loans from related parties - secured	15	181,825	194,325
Lease liabilities	16	261,173	278,846
Deferred liabilities	17	1,370,328	1,341,555
		<u>3,220,806</u>	<u>3,177,044</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	18	1,757,218	942,856
Unclaimed dividend		10,539	10,539
Unpaid dividend		1,816	-
Short term running finance	19	8,987,741	2,419,737
Current maturity of non-current liabilities	20	866,896	649,260
		<u>11,624,210</u>	<u>4,022,392</u>
		<u>14,845,016</u>	<u>7,199,436</u>
Contingencies and commitments	21		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>22,355,445</u>	<u>14,889,960</u>

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

**Rizwan Ullah Khan**  
Chief Financial Officer

**Aziz Sarfaraz Khan**  
Chief Executive

**Iskander M. Khan**  
Director

## CHASHMA SUGAR MILLS LIMITED

### CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2021

Note	Three month period ended		Six month period ended	
	March 31, 2021	March 31, 2020 (Rupees in thousand)	March 31, 2021	March 31, 2020
Gross sales	22	3,621,497	4,388,330	6,315,661
Sales tax, other government levies and discounts	23	(405,317)	(525,787)	(632,294)
Sales - net		3,216,180	3,862,543	5,683,367
Cost of sales		(2,788,391)	(3,326,429)	(4,798,245)
<b>Gross profit</b>		427,789	536,114	885,122
Selling and distribution expenses		(124,982)	(174,797)	(249,605)
Administrative and general expenses		(155,464)	(162,062)	(303,644)
Other income		14,273	17,198	42,153
Other expenses - net		8,223	(1,093)	(12,164)
<b>Operating profit</b>		169,839	215,360	361,862
Finance cost		(227,249)	(288,710)	(346,087)
<b>(Loss) / profit before taxation</b>		(57,410)	(73,350)	15,775
Taxation				
- Current		(8,783)	(57,936)	(20,501)
- Prior year		-	(154)	-
- Deferred		(14,924)	78,774	(31,909)
		(23,707)	20,684	(52,410)
<b>(Loss) / profit for the period</b>		(81,117)	(52,666)	(36,635)
(Loss) / earnings per share - basic and diluted (Rs)		(2.83)	(1.84)	(1.28)
				6.59

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

  
Rizwan Ullah Khan  
Chief Financial Officer

  
Aziz Sarfaraz Khan  
Chief Executive

  
Iskander M. Khan  
Director


## CHASHMA SUGAR MILLS LIMITED

### CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2021

	Three month period ended		Six month period ended	
	March 31, 2021	March 31, 2020 (Rupees in thousand)	March 31, 2021	March 31, 2020
(Loss) / profit for the period	(81,117)	(52,666)	(36,635)	189,177
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive (loss) / income for the period	(81,117)	(52,666)	(36,635)	189,177

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

  
Rizwan Ullah Khan  
Chief Financial Officer

  
Aziz Sarfaraz Khan  
Chief Executive

  
Iskander M. Khan  
Director

# CHASHMA SUGAR MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

### FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2021

	Share capital	General reserve	Unappropriated profits	Surplus on revaluation of property, plant and equipment	Total
	(Rupees in thousand)				
Balance as at October 1, 2019	286,920	327,000	1,994,085	3,713,454	6,321,459
Total comprehensive income for the six month period ended March 31, 2020	-	-	189,177	-	189,177
Income for the period	-	-	189,177	-	189,177
Other comprehensive income for the period	-	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the half year - net of deferred taxation	-	-	257,148	(257,148)	-
Cash dividend at rate of Rs 5.00 per ordinary share for the year ended September 30, 2019	-	-	(143,460)	-	(143,460)
Balance as at March 31, 2020	286,920	327,000	2,296,950	3,456,306	6,367,176
Total comprehensive income for the six month period ended September 30, 2020	-	-	556,938	-	556,938
Income for the period	-	-	(327)	766,737	766,410
Other comprehensive income for the period	-	-	556,611	766,737	1,323,348
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the half year - net of deferred taxation	-	-	-	-	-
Balance as at September 30, 2020	286,920	327,000	2,853,561	4,223,043	7,690,524
Total comprehensive loss for the six month period ended March 31, 2021	-	-	(36,635)	-	(36,635)
Loss for the period	-	-	(36,635)	-	(36,635)
Other comprehensive income for the period	-	-	(36,635)	-	(36,635)
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	147,327	(147,327)	-
- on account of incremental depreciation for the half year	-	-	3,902	(3,902)	-
- upon disposal of revalued assets	-	-	-	-	-
Cash dividend at rate of Rs 5.00 per ordinary share for the year ended September 30, 2020	-	-	(143,460)	-	(143,460)
Balance as at March 31, 2021	286,920	327,000	2,824,695	4,071,814	7,510,429

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

Rizwan Ullah Khan  
Chief Financial Officer

Aziz Sarfaraz Khan  
Chief Executive

Iskander M. Khan  
Director

# CHASHMA SUGAR MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

### FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2021

	Six month period ended March 31, 2021	March 31, 2020
	(Rupees in thousand)	
<b>Cash flow from operating activities</b>		
Profit for the period - before taxation	15,775	171,687
Adjustments for non-cash items:		
Depreciation	461,764	411,419
Loss / (gain) on sale of operating fixed assets	11,492	(1,496)
Profit on deposit accounts	(2,416)	(2,755)
Finance cost	346,087	450,322
Provision for doubtful debts	-	779
Provision for doubtful advances	-	2,256
Provision for gratuity	1,722	1,563
	834,424	1,033,775
<b>Changes in working capital</b>		
Decrease / (Increase) in		
stores and spares	79,713	119,332
stock-in-trade	(7,905,072)	(5,619,561)
trade debts	37,871	(468,016)
loans and advances	557,565	415,935
trade deposits, prepayments and other receivables	(4,702)	24,172
Increase in trade and other payables	814,362	1,735,414
	(6,420,263)	(3,792,724)
	(5,585,839)	(2,758,949)
Income tax paid	(28,154)	(66,076)
Gratuity paid	(1,618)	(457)
<b>Net cash used in operating activities</b>	(5,615,611)	(2,825,482)
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(423,441)	(432,282)
Sale proceeds of operating fixed assets	14,492	5,676
Long term security deposits & other receivables	(26)	-
Profit on bank deposits received	2,416	2,755
<b>Net cash used in investing activities</b>	(406,559)	(423,851)
<b>Cash flow from financing activities</b>		
Long term finances - net	268,246	(122,097)
Deferred Government grant received	2,976	-
Short term loan received / (repaid)	(222,000)	-
Loan repaid to related party	(23,318)	(24,848)
Repayment of lease liabilities	(85,260)	(82,301)
Dividend paid	(141,644)	(141,598)
Finance cost paid	(212,168)	(348,543)
<b>Net cash used in financing activities</b>	(413,168)	(719,387)
<b>Net decrease in cash and cash equivalents</b>	(6,435,338)	(3,968,720)
<b>Cash and cash equivalents - at beginning of the period</b>	(136,554)	(2,794,062)
<b>Cash and cash equivalents - at end of the period</b>	(6,571,892)	(6,762,782)
<b>Cash and cash equivalents comprised of:</b>		
Bank balances	516,511	639,128
Short term running finance	(7,088,403)	(7,401,910)
	(6,571,892)	(6,762,782)

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

Rizwan Ullah Khan  
Chief Financial Officer

Aziz Sarfaraz Khan  
Chief Executive

Iskander M. Khan  
Director

# CHASHMA SUGAR MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2021

### 1. Legal status and operations

Chashma Sugar Mills Limited (the Company) was incorporated in Pakistan on May 5, 1988 as a public limited company, under the repealed Companies Ordinance, 1984 (repealed upon enactment of the Companies Act, 2017 on May 30, 2017) and commenced its commercial production from July 9, 1988. The Company has its shares quoted on the Pakistan Stock Exchange Limited. The Company is principally engaged in manufacturing, production, processing, compounding, preparation and sale of sugar, other allied compound, intermediates and allied products. The Company is a subsidiary of The Premier Sugar Mills and Distillery Company Limited. The head office of the Company is situated at King's Arcade, 20-A, Markaz F-7, Islamabad and its manufacturing facilities are located at Dera Ismail Khan, Khyber Pakhtunkhwa.

### 2. Statement of compliance

These condensed interim financial statements for six month period ended March 31, 2021 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The disclosures in this condensed interim financial statements does not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended September 30, 2020.

### 3. Significant accounting policies

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the audited financial statements for the year ended September 30, 2020.

### 4. Seasonality of operations

Due to seasonal nature of sugar segment of the Company, operating results of the Company are expected to fluctuate in the second half of the year in comparison with the first six months of the year.

	Note	Un-audited March 31, 2021 (Rupees in thousand)	Audited September 30, 2020
<b>5. Property, plant and equipment</b>			
Operating fixed assets	5.1	9,659,653	9,593,270
Capital work-in-progress	5.2	227,242	299,078
		<u>9,886,895</u>	<u>9,892,348</u>
<b>5.1 Operating fixed assets - at net book value</b>			
Net book value at the beginning of the period / year		9,593,270	9,091,077
Revaluation surplus during the period / year		-	1,026,555
Additions during the period / year	5.1.1	495,277	414,111
Transfers from right of use assets to owned		10,644	4,849
Impact of adoption of IFRS - 16		-	(146,591)
Disposals during the period / year		(25,984)	(4,920)
Depreciation charged for the period / year		(413,554)	(791,811)
		<u>(439,538)</u>	<u>(796,731)</u>
Net book value at the end of the period / year		<u>9,659,653</u>	<u>9,593,270</u>

	Note	Un-audited March 31, 2021 (Rupees in thousand)	Audited September 30, 2020
<b>5.1.1 Additions during the period / year</b>			
Building and roads		19,564	51,521
Plant and machinery		367,832	307,042
Electric installations		98,026	37,016
Office equipment		5,653	6,465
Farm equipment		-	672
Furniture and fixtures		1,571	5,981
Owned vehicles		2,631	5,414
		<u>495,277</u>	<u>414,111</u>
<b>5.2 Capital work-in-progress</b>			
At the beginning of the period / year		299,078	132,876
Additions during the period / year	5.2.1	464,005	676,150
Capitalized / adjusted during the period / year		(535,841)	(509,948)
Balance at the end of the period / year		<u>227,242</u>	<u>299,078</u>
<b>5.2.1 Additions during the period / year</b>			
Building and roads		68,314	60,193
Plant and machinery		272,295	462,783
Electric installations		79,025	54,494
Office equipment		-	11,157
Furniture and fixtures		-	6,528
Vehicles - leased		44,371	55,831
Plant and machinery - leased		-	25,164
		<u>464,005</u>	<u>676,150</u>
<b>6. Right of use assets</b>			
Net book value at the beginning of the period / year		395,099	-
Impact of adoption of IFRS - 16		-	379,005
Additions during the period / year		48,731	109,427
Transfers from right of use assets to owned		(10,644)	(4,849)
Depreciation charged for the period / year		(48,210)	(88,484)
Net book value at the end of the period / year		<u>384,976</u>	<u>395,099</u>
<b>7. Long term investment</b>			
Investment in shares of Whole Foods (Private) Limited (WFL) - at cost		100,000	100,000
Difference in fair value and present value on initial recognition of interest free loan		39,154	39,154
Balance as at end of the period / year		<u>139,154</u>	<u>139,154</u>
<b>8. Long term deposits and other receivables - considered good</b>			
Long term security deposits		15,084	15,058
Loan to subsidiary company - WFL - at amortized cost		64,948	60,846
		<u>80,032</u>	<u>75,904</u>

		Un-audited March 31, 2021	Audited September 30, 2020
	Note	(Rupees in thousand)	
<b>9. Stock-in-trade</b>			
Finished goods			
- sugar		6,203,050	278,876
- molasses		2,404,470	701,352
- ethanol		527,215	250,147
		<u>9,134,735</u>	<u>1,230,375</u>
Work-in-process		12,336	11,624
		<u>9,147,071</u>	<u>1,241,999</u>
<b>10. Trade debts</b>			
Considered good		105,178	143,049
Considered doubtful		1,945	1,945
		<u>107,123</u>	<u>144,994</u>
Less: Loss allowance		(1,945)	(1,945)
		<u>105,178</u>	<u>143,049</u>
<b>11. Loans and advances</b>			
Advances to:			
Employees - secured		8,628	6,675
Suppliers and contractors - unsecured		<u>732,899</u>	<u>1,180,198</u>
		741,527	1,186,873
Due from associated companies	11.1	314,024	230,175
Letters of credit		<u>38,970</u>	<u>235,038</u>
		1,094,521	1,652,086
Less:			
- Provision for doubtful advances		(28,838)	(28,838)
- Loss allowance		(3,755)	(3,755)
		<u>1,061,928</u>	<u>1,619,493</u>
11.1 This represents amounts due from the following associated companies:			
Due from holding company:			
The Premier Sugar Mills and Distillery Company Limited		79,429	65,947
Due from subsidiary company:			
Whole Foods (Private) Limited		<u>234,595</u>	<u>164,228</u>
		<u>314,024</u>	<u>230,175</u>
<b>12. Trade deposits and other receivables</b>			
Deposits		-	858
Prepayments		8,820	4,658
Export subsidy receivable		305,519	305,519
Others		1,461	63
		<u>315,800</u>	<u>311,098</u>
<b>13. Share Capital</b>			
As at period end, the issued, subscribed and paid-up capital of the Company includes following share capital holdings by the associated companies;			
		(Number of shares)	
Holding company			
Premier Sugar Mills & Distillery Co. Ltd.		13,751,000	13,751,000
Associated companies			
Azlake Enterprises (Pvt.) Ltd.		1,462,859	1,462,859
Phipson & Co. Pakistan (Pvt.) Ltd.		307,500	307,500
Syntronics Ltd.		<u>3,590,475</u>	<u>3,590,475</u>
		<u>19,111,834</u>	<u>19,111,834</u>

		Un-audited March 31, 2021	Audited September 30, 2020
	Note	(Rupees in thousand)	
<b>14. Long term finances - secured</b>			
Bank Al-Habib Limited		419,904	372,831
Soneri Bank Limited		912,778	700,823
The Bank of Punjab		-	14,100
Dubai Islamic Bank Pakistan Limited		389,972	487,466
MCB Bank Limited		220,467	249,113
Al-Baraka Bank (Pakistan) Limited		149,458	-
Total	14.1	<u>2,092,579</u>	<u>1,824,333</u>
Accrued mark-up		43,645	42,356
		<u>2,136,224</u>	<u>1,866,689</u>
Less: amount payable within next 12 months			
Principal		(685,099)	(462,015)
Accrued mark-up		(43,645)	(42,356)
Amount due after March 31, 2022		<u>1,407,480</u>	<u>1,362,318</u>
14.1 These represent term and demand finance obtained by the Company from the aforesaid banks and are repayable in 3-5 years with varied grace period. The rate of mark-up ranges from KIBOR + 1% per annum to KIBOR + 2% per annum and SBP rate + 1%. These are secured against first / joint pari passu hypothecation charge over all present and future movable fixed assets of the Company and first / joint pari passu charge by way of equitable mortgage on all present and future immovable fixed assets of the Company, pledge of sugar stock and lien on export contract / LC.			
<b>15. Loans from related parties - secured</b>			
Holding company			
The Premier Sugar Mills & Distillery Co. Ltd.	15.1	-	24,238
Associated companies			
Premier Board Mills Ltd.	15.2	65,575	65,575
Arpak International Investments Ltd.	15.3	43,750	43,750
Azlake Enterprises (Private) Ltd.	15.4	85,000	85,000
Accrued mark-up		<u>27,680</u>	<u>26,760</u>
		222,005	245,323
Less: amount payable within next 12 months			
Principal		(12,500)	(24,238)
Accrued mark-up		(27,680)	(26,760)
Amount due after March 31, 2022		<u>181,825</u>	<u>194,325</u>
15.1 The long term finance facility had been renewed on February 9, 2017. The principal is repayable in 7 semi annual installments commencing from February 2020. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the holding company is not less than the borrowing cost of the holding company. These loans are secured against promissory note from the Company.			
15.2 The long term finance facility has been renewed on November 04, 2019. The principal is repayable in 7 semi annual installments commencing from November 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Company.			
15.3 The long term finance facility has been renewed on November 04, 2019. The principal is repayable in 7 semi annual installments commencing from November 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Company.			
15.4 The long term finance facility was obtained on July 6, 2018. The principal is repayable in 8 semi annual installments commencing from December 2021. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Company.			

		Un-audited March 31, 2021	Audited September 30, 2020
	Note	(Rupees in thousand)	
<b>16. Lease liabilities</b>			
Balance at beginning of the period / year		372,737	136,472
Impact of adoption of IFRS - 16		-	231,214
Additions during the period / year		48,731	89,579
Unwinding of interest on lease liabilities		22,937	55,099
Payments made during the period / year		(85,260)	(137,851)
Remeasurement of lease liabilities		-	(1,776)
Balance at end of the period / year		359,145	372,737
<b>Less: current portion of long term lease liabilities</b>		(97,972)	(93,891)
		<u>261,173</u>	<u>278,846</u>
<b>17. Deferred liabilities</b>			
Deferred taxation		1,349,146	1,317,231
Provision for gratuity		9,735	9,631
Deferred government grant	17.1	11,447	14,693
		<u>1,370,328</u>	<u>1,341,555</u>
17.1	This represent deferred government grant in respect of term finance facility obtained under SBP Salary Refinance Scheme. During the year 2020, the Company had entered into an arrangement with Habib Bank Limited for obtaining term finance facility under State Bank of Pakistan (SBP) Salary Refinance Scheme to pay three month salaries & wages to permanent, contractual and temporary employees upto a maximum of Rs 262 million. The repayment of loan (principal amount) will be made in 8 equal quarterly installments commencing from April 1, 2021. Mark up rate is SBP rate + 1% on this facility and shall also be paid on quarterly basis. The availed facility at March 31, 2021 was Rs 262 million (2020: Rs 217.48 million). The facility will expire on January 1, 2023. There are no unfulfilled conditions or other contingencies attaching to this grant.		
		Opening balance	14,693
		Additions during the period / year	2,976
		Amortization during the period / year	(6,222)
		Closing Balance	<u>11,447</u>
<b>18. Trade and other payables</b>			
Creditors		377,969	454,970
Due to related parties	18.1	128,295	88,431
Accrued expenses		94,201	120,094
Retention money		17,216	15,334
Security deposits		774	1,964
Advance payments from customers		725,867	39,548
Income tax deducted at source		50,463	29,902
Sales tax payable		281,643	28,834
Payable for workers welfare obligations		31,135	107,275
Payable to employees		42,230	45,512
Payable to provident fund		3,517	3,672
Others		3,908	7,320
		<u>1,757,218</u>	<u>942,856</u>
18.1	This represents amounts due to the following related parties and are payable on demand:		
		Syntronics Limited	4,603
		Syntron Limited	87,435
		Aztrak Enterprises (Private) Limited	36,257
		<u>128,295</u>	<u>88,431</u>

		Un-audited March 31, 2021	Audited September 30, 2020
	Note	(Rupees in thousand)	
<b>19. Short term running finance - secured</b>			
Cash / running finance	19.1	7,088,403	418,410
Export re finance		1,740,000	1,962,000
		<u>8,828,403</u>	<u>2,380,410</u>
Accrued mark-up		159,338	39,327
		<u>8,987,741</u>	<u>2,419,737</u>
19.1	These represent cash finance and export re-finance facilities and are repayable in six months to one year period. The rate of mark-up ranges from SBP Rate+1% per annum to KIBOR + 1.75% per annum and are secured against pledge of sugar stock with margin ranging from 10% to 25%, lien on export contracts / LCs and import documents.		
<b>20. Current maturity of non-current liabilities</b>			
Long term finances	14	728,744	504,371
Loans from related parties	15	40,180	50,998
Lease liabilities	16	97,972	93,891
		<u>866,896</u>	<u>649,260</u>
<b>21. Contingencies and commitments</b>			
<b>21.1 Contingencies</b>			
21.1.1	There has been no significant change in the status of contingencies as disclosed in note 26 to the audited financial statements of the Company for the year ended September 30, 2020.		
<b>21.2 Commitments</b>			
	The Company has following commitments in respect of:		
- foreign letters of credit for purchase of plant and machinery		69,750	5,527
- local letter of credit for purchase of plant and machinery		39,774	229,510
- capital expenditure other than for letters of credit		29,049	12,042
		<u>138,573</u>	<u>247,079</u>
<b>22. Gross sales</b>			
		Three month period ended	Six month period ended
		March 31, 2021	March 31, 2020
		March 31, 2021	March 31, 2020
		(Rupees in thousand)	
Local		2,743,205	3,648,997
Export		878,292	739,333
		<u>3,621,497</u>	<u>4,388,330</u>
		6,315,661	7,151,140
<b>23. Sales tax, other government levies and discounts</b>			
Indirect taxes		403,166	522,987
Discounts		2,151	2,800
		<u>405,317</u>	<u>525,787</u>
		632,294	844,795
		<u>849,542</u>	

**24. Segment operating results for the six month period ended March 31, 2021 (Un-audited)**

	Sugar Division			Ethanol Division			Total		
	Three month period ended			Three month period ended			Three month period ended		
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2020
Rupees in thousand									
<b>Sales</b>									
-External Customers	2,699,105	3,470,002	4,015,974	5,344,521	922,392	918,328	2,299,687	1,806,619	3,621,497
-Inter segment	315,175	300,991	619,192	568,191	-	-	-	-	315,175
	3,014,280	3,770,993	4,635,166	5,912,712	922,392	918,328	2,299,687	1,806,619	3,936,672
Less : sales tax & others	(398,709)	(499,259)	(594,350)	(792,829)	(6,608)	(26,528)	(37,944)	(56,713)	(405,317)
Sales - net	2,615,571	3,271,734	4,040,816	5,119,883	915,784	891,800	2,261,743	1,749,906	3,531,355
<b>Segment expenses:</b>									
<u>Cost of sales</u>									
Cost of Sales	(2,349,498)	(2,747,267)	(3,594,876)	(4,158,692)	(438,893)	(579,162)	(1,203,369)	(918,753)	(2,788,391)
less: Inter segment cost	-	-	-	-	(315,175)	(300,991)	(619,192)	(568,191)	(315,175)
	(2,349,498)	(2,747,267)	(3,594,876)	(4,158,692)	(754,068)	(880,153)	(1,822,561)	(1,486,944)	(3,103,566)
Gross profit	266,073	524,467	445,940	961,191	161,716	11,647	439,182	262,962	427,789
Selling and distribution expenses	(7,306)	(26,830)	(12,604)	(32,718)	(117,676)	(147,967)	(237,001)	(274,876)	(124,982)
Administrative and general expenses	(157,401)	(149,176)	(272,861)	(275,726)	1,937	(12,886)	(30,783)	(26,504)	(155,464)
	(164,707)	(176,006)	(285,465)	(308,444)	(115,739)	(160,853)	(267,784)	(301,380)	(280,446)
Profit from operations	101,366	348,461	160,475	652,747	45,977	(149,206)	171,398	(38,418)	147,343
Other income	13,531	17,127	40,265	24,914	742	71	1,888	1,099	14,273
Other expenses - net	8,448	(1,093)	3,093	(18,333)	(225)	-	(15,257)	-	8,223
	21,979	16,034	43,358	6,581	517	71	(13,369)	1,099	22,466
Segment results	123,345	364,495	203,833	659,328	46,494	(149,135)	158,029	(37,319)	169,839
Finance cost	-	-	-	-	-	-	-	-	(227,249)
(Loss) / profit before taxation	-	-	-	-	-	-	-	-	(57,410)
Taxation	-	-	-	-	-	-	-	-	(23,707)
(Loss) / profit for the period	-	-	-	-	-	-	-	-	(81,117)

**24.1 Segment assets and liabilities**

	Un-audited March 31, 2021 (Rupees in thousand)		Audited September 30, 2020 (Rupees in thousand)	
	Assets	Liabilities	Assets	Liabilities
Sugar	16,018,831	10,245,969	9,318,606	2,395,920
Ethanol	6,336,614	2,775,182	5,571,354	3,088,321
Total for reportable segment	22,355,445	13,021,151	14,889,960	5,484,241
Others	-	1,823,865	-	1,715,195
Total assets / liabilities	22,355,445	14,845,016	14,889,960	7,199,436

**25. FINANCIAL RISK MANAGEMENT**

**Financial risk factors**

The Company's activities expose it to variety of financial risk namely market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

There have been no changes in the financial risk management policies of the Company during the period, consequently these condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

**Fair value estimation**

The carrying value of financial assets and liabilities reflected in financial statements approximate their respective fair value.

**Fair value hierarchy**

Certain property, plant and equipment of the Company was valued by independent valuer to determine the fair value of property, plant and equipment as at September 30, 2020. The revaluation surplus was credited to other comprehensive income and is shown as 'surplus on revaluation of property, plant and equipment'. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Level 2 fair value of certain property, plant and equipment has been derived using the comparison approach. Sales prices of comparable property, plant and equipment in identical circumstances or close proximity are adjusted for differences in key attributes such as property size, structure, location, capacity etc. The most significant inputs into this valuation approach are price per marla, price per square feet, depreciated replacement cost etc.

**26. Transactions with related parties**

26.1 The Company has related party relationship, with its Holding Company and associated companies, its directors, key management personnel and employee benefit plan. The Company in the normal course of business carries out transactions with various related parties. There were no transactions with key management personnel other than under the terms of employment. Aggregate transactions with the related parties during the period were as follows:

	Three month period ended		Six month period ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(Rupees in thousand)				
<b>The Premier Sugar Mills and Distillery Company Limited</b>				
Sale / purchase of molasses	21,060	-	21,060	105,920
Sale of store items	5,473	2,364	7,002	2,364
Sale of bagasse	-	-	1,067	6,000
Purchase of store items	-	1,675	-	1,675
Mark-up charged	-	6,821	541	13,555
Expenses paid by Holding Company	735	239	5,318	657
Expenses paid on behalf of Holding Company	4,332	4,658	11,762	8,878
Rent expense	5,445	4,950	10,890	9,900
Rent income	29	29	58	58
Dividend paid	68,755	68,755	68,755	68,755
<u>Associated undertakings</u>				
Services	7,634	7,533	15,269	14,787
Expenses paid by associated companies	-	16,095	554	60,714
Purchase of goods	47,866	55,892	86,162	88,733
Expenses paid on behalf of associated companies	45,509	405	70,366	992
Dividend paid	26,804	26,804	26,804	26,804
Mark-up charged	4,175	-	8,420	-
<u>Post employment benefit</u>				
Expense charged in respect of retirement benefit plan	861	781	1,722	1,563
<u>Key management personnel / Directors</u>				
Salaries and other benefits	26,867	43,265	56,857	67,564
Dividend paid	14,741	12,976	14,741	12,976
Vehicle leased	-	-	21,685	-

**27. Impact of COVID - 19 on condensed interim financial statements**

The spread of Covid-19 as a pandemic and consequent imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) caused an overall economic slow down and disruption to various businesses. While this is still an evolving situation at the time of issuing these condensed interim financial statements, the management believes that to date no discernible impact is attracted on the amounts being reported in these financial statement, however the future effects cannot be predicted. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

**28. Non-adjusting event after the reporting date**

Subsequent to the period end, the Board of Directors of the Company resolved to incorporate a new company with the name of "Ultimate Whole Foods (Private) Limited". The objective of company will be to set up mills for milling wheat, gram, other grains and other allied products and by-products from flours. The Chashma Sugar Mills Limited will own 51% (i.e. 20,400,000 shares of Rs 10 each) of the total shareholding of Ultimate Whole Foods (Private) Limited (i.e. 40,000,000 shares of Rs 10 each).

**29. General**

Figures in these condensed interim financial statements have been rounded-off to the nearest thousand Rupees.

**30. Date of authorisation for issue**

These condensed interim financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on May 27, 2021.

  
Rizwan Ullah Khan  
Chief Financial Officer

  
Aziz Sarfaraz Khan  
Chief Executive

  
Iskander M. Khan  
Director



# CHASHMA SUGAR MILLS LIMITED

## CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED MARCH 31, 2021

**CHASHMA SUGAR MILLS LIMITED**  
**CONDENSED INTERIM CONSOLIDATED**  
**STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT MARCH 31, 2021**

	Note	Un-audited March 31, 2021	Audited September 30, 2020
(Rupees in thousand)			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	10,413,106	10,449,980
Right-of-use assets	6	384,976	395,099
Long term security deposits		15,084	15,058
		<u>10,813,166</u>	<u>10,860,137</u>
<b>CURRENT ASSETS</b>			
Stores and spares		422,562	502,275
Stock-in-trade	7	9,147,071	1,241,999
Trade debts	8	105,178	143,049
Loans and advances	9	828,005	1,455,609
Trade deposits, prepayments and other receivables	10	373,320	339,966
Income tax refundable		306,435	298,767
Cash and bank balances		524,656	292,152
		<u>11,707,227</u>	<u>4,273,817</u>
<b>TOTAL ASSETS</b>		<u>22,520,393</u>	<u>15,133,954</u>
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital		500,000	500,000
Issued, subscribed and paid-up capital	11	286,920	286,920
Capital reserve			
General reserve		327,000	327,000
Revenue reserve			
Unappropriated profits		2,760,110	2,833,119
Surplus on revaluation of property, plant and equipment		4,071,814	4,223,043
<b>Shareholders' equity</b>		<u>7,445,844</u>	<u>7,670,082</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term finances - secured	12	1,539,823	1,515,175
Loans from related parties - secured	13	206,825	219,325
Lease liabilities	14	261,173	278,846
Deferred liabilities	15	1,397,484	1,367,510
		<u>3,405,305</u>	<u>3,380,856</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	1,759,640	958,721
Unclaimed dividend		12,355	10,539
Short term running finance	17	8,987,741	2,419,737
Current maturity of non-current liabilities	18	909,508	694,019
		<u>11,669,244</u>	<u>4,083,016</u>
		<u>15,074,549</u>	<u>7,463,872</u>
Contingencies and commitments	19		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>22,520,393</u>	<u>15,133,954</u>

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

  
**Rizwan Ullah Khan**  
Chief Financial Officer

  
**Aziz Sarfaraz Khan**  
Chief Executive

  
**Iskander M. Khan**  
Director

**CHASHMA SUGAR MILLS LIMITED**  
**CONDENSED INTERIM CONSOLIDATED**  
**STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2021**

	Note	Three month period ended		Six month period ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(Rupees in thousand)					
Gross sales	20	3,623,954	4,388,330	6,318,118	7,151,140
Sales tax, other government levies and discounts	21	(405,317)	(525,787)	(632,294)	(849,542)
Sales - net		<u>3,218,637</u>	<u>3,862,543</u>	<u>5,685,824</u>	<u>6,301,598</u>
Cost of sales		(2,788,391)	(3,326,429)	(4,798,245)	(5,077,445)
<b>Gross profit</b>		<u>430,246</u>	<u>536,114</u>	<u>887,579</u>	<u>1,224,153</u>
Selling and distribution expenses		(124,982)	(174,797)	(249,605)	(307,594)
Administrative and general expenses		(171,449)	(165,973)	(337,799)	(308,721)
Other income		14,273	17,198	42,153	26,013
Other expenses		8,223	(1,093)	(12,164)	(18,333)
<b>Operating profit</b>		<u>156,311</u>	<u>211,449</u>	<u>330,164</u>	<u>615,518</u>
Finance cost		(235,343)	(288,368)	(358,532)	(450,329)
<b>Loss / profit before taxation</b>		<u>(79,032)</u>	<u>(76,919)</u>	<u>(28,368)</u>	<u>165,189</u>
- Current		(8,783)	(57,936)	(20,501)	(87,386)
- Prior year		-	(154)	-	(154)
- Deferred		(14,924)	78,774	(31,909)	105,030
		<u>(23,707)</u>	<u>20,684</u>	<u>(52,410)</u>	<u>17,490</u>
<b>Loss / profit after taxation</b>		<u>(102,739)</u>	<u>(56,235)</u>	<u>(80,778)</u>	<u>182,679</u>
Loss / earnings per share-basic and diluted (Rs)		<u>(3.58)</u>	<u>(1.96)</u>	<u>(2.82)</u>	<u>6.37</u>

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

  
**Rizwan Ullah Khan**  
Chief Financial Officer

  
**Aziz Sarfaraz Khan**  
Chief Executive

  
**Iskander M. Khan**  
Director

## CHASHMA SUGAR MILLS LIMITED

### CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2021

	Three month period ended		Six month period ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	(Rupees in thousand)			
Loss / profit after taxation	(102,739)	(56,235)	(80,778)	182,679
Other comprehensive income	-	-	-	-
Total comprehensive loss / income for the period	<u>(102,739)</u>	<u>(56,235)</u>	<u>(80,778)</u>	<u>182,679</u>

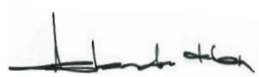
The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



Rizwan Ullah Khan  
Chief Financial Officer



Aziz Sarfaraz Khan  
Chief Executive



Iskander M. Khan  
Director

## CHASHMA SUGAR MILLS LIMITED

### CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2021

	Share capital	General reserve	Unappropriated profits	Surplus on revaluation of property, plant and equipment	Total
	(Rupees in thousand)				
Balance as at October 1, 2019	286,920	327,000	1,985,055	3,713,454	6,312,429
Total comprehensive income for the six month period ended March 31, 2020	-	-	182,679	-	182,679
Income for the period	-	-	-	-	-
Other comprehensive income for the period	-	-	182,679	-	182,679
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the half year - net of deferred taxation	-	-	257,148	(257,148)	-
Cash dividend at rate of Rs. 5.00 per ordinary share for the year ended September 30, 2019	-	-	(143,460)	-	(143,460)
Balance as at March 31, 2020	286,920	327,000	2,281,422	3,456,306	6,351,648
Total comprehensive income for the six month period ended September 30, 2020	-	-	552,024	-	552,024
Income for the period	-	-	(327)	766,737	766,410
Other comprehensive income for the period	-	-	551,697	766,737	1,318,434
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the half year - net of deferred taxation	-	-	-	-	-
Balance as at September 30, 2020	286,920	327,000	2,833,119	4,223,043	7,670,082
Total comprehensive loss for the six month period ended March 31, 2021	-	-	(80,778)	-	(80,778)
Loss for the period	-	-	-	-	-
Other comprehensive income for the period	-	-	(80,778)	-	(80,778)
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	147,327	(147,327)	-
- on account of incremental depreciation for the half year	-	-	3,902	(3,902)	-
- upon disposal of revalued assets	-	-	-	-	-
Cash dividend at rate of Rs 5.00 per ordinary share for the year ended September 30, 2020	-	-	(143,460)	-	(143,460)
Balance as at March 31, 2021	<u>286,920</u>	<u>327,000</u>	<u>2,760,110</u>	<u>4,071,814</u>	<u>7,445,844</u>

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



Rizwan Ullah Khan  
Chief Financial Officer



Aziz Sarfaraz Khan  
Chief Executive



Iskander M. Khan  
Director

**CHASHMA SUGAR MILLS LIMITED**  
**CONDENSED INTERIM CONSOLIDATED**  
**STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2021**

	Note	Six month period ended March 31, 2021 (Rupees in thousand)	March 31, 2020 (Rupees in thousand)
<b>Cash flow from operating activities</b>			
Loss / profit before taxation		(28,368)	165,189
Adjustments for non-cash items:			
Depreciation		488,049	411,502
Loss / (gain) on sale of operating fixed assets		11,492	(1,496)
Profit on deposit accounts		(2,416)	(2,755)
Finance cost		358,532	450,329
Provision for doubtful debts		-	779
Provision for doubtful advances		-	2,256
Provision for gratuity		1,722	1,563
		829,011	1,027,367
<b>Changes in working capital</b>			
Decrease / (Increase) in			
stores and spares		79,713	119,332
stock-in-trade		(7,905,072)	(5,619,561)
trade debts		37,871	(468,016)
loans and advances		627,604	476,503
trade deposits, prepayments and other receivables		(33,354)	51,969
Increase in trade and other payables		800,924	1,710,978
		(6,392,314)	(3,728,795)
		(5,563,303)	(2,701,428)
Income taxes paid		(28,169)	(66,076)
Gratuity paid		(1,618)	(457)
<b>Net cash used in operating activities</b>		(5,593,090)	(2,767,961)
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment		(467,035)	(592,368)
Sale proceeds of operating fixed assets		14,492	5,676
Long term security deposits		(26)	-
Profit on bank deposits received		2,416	2,755
<b>Net cash used in investing activities</b>		(450,153)	(583,937)
<b>Cash flow from financing activities</b>			
Long term finances - net		245,687	(62,454)
Short term loan received / (repaid)		(222,000)	-
Loans from related parties - repaid		(24,238)	153
Obligations under finance leases		(13,592)	(82,301)
Dividends paid		(141,644)	(141,598)
Finance cost paid		(238,459)	(346,212)
<b>Net cash used in financing activities</b>		(394,246)	(632,412)
<b>Net Increase in cash and cash equivalents</b>		(6,437,489)	(3,984,311)
<b>Cash and cash equivalents</b> at beginning of the period		(126,258)	(2,769,345)
<b>Cash and cash equivalents</b> at end of the period		(6,563,747)	(6,753,656)
<b>Cash and cash equivalents comprised of:</b>			
Bank balances		524,656	648,254
Short term running finance	17	(7,088,403)	(7,401,910)
		(6,563,747)	(6,753,656)

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

  
**Rizwan Ullah Khan**  
**Chief Financial Officer**

  
**Aziz Sarfaraz Khan**  
**Chief Executive**

  
**Iskander M. Khan**  
**Director**

**CHASHMA SUGAR MILLS LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED**  
**FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2021**

**1. Legal status and operations**

Chashma Sugar Mills Limited (the Company) was incorporated in Pakistan on May 5, 1988 as a public Group, under the Companies Ordinance, 1984 (which is repealed on the promulgation of the Companies Act, 2017 on May 30, 2017) and commenced its commercial production from July 9, 1988. The Company has its shares quoted on the Pakistan Stock Exchange Limited. The Company is principally engaged in manufacturing, production, processing, compounding, preparation and sale of sugar, other allied compound, intermediates and by products. The Company is a subsidiary of Premier Sugar Mills and Distillery Company Limited. The head office of the Company is situated at King's Arcade, 20-A, Markaz F-7, Islamabad and its manufacturing facilities are located at Dera Ismail Khan, Khyber Pakhtunkhwa.

Whole Foods (Private) Limited (100% owned subsidiary of the Company) was incorporated in Pakistan as a Private Limited Company under Companies Act, 2017 on October 26, 2017. The principal activity of the subsidiary is to setup, manage, supervise and control the storage facilities for agricultural produce.

**2. Statement of compliance**

These condensed interim financial statements for SIX month period ended March 31, 2021 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The disclosures in this condensed interim financial statements does not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended September 30, 2020.

**3. Significant Accounting Policies**

The Accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the audited financial statements for the year ended September 30, 2020.

**4. Financial risk management**

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended September 30, 2020.

		Un-audited March 31, 2021 (Rupees in thousand)	Audited September 30, 2020
<b>5. Property, plant and equipment</b>	Note		
Operating fixed assets	5.1	10,185,863	9,629,242
Capital work-in-progress	5.2	227,243	820,738
		<u>10,413,106</u>	<u>10,449,980</u>

		Un-audited March 31, 2021 (Rupees in thousand)	Audited September 30, 2020
5.1	Operating fixed assets - at net book value		
	Net book value at the beginning of the period / year	9,629,242	9,119,317
	Revaluation surplus during the period / year	-	1,026,555
	Additions during the period / year	5.1.1 1,011,800	422,155
	Transfers from right of use assets to owned	10,644	4,849
	Impact of adoption of IFRS - 16	-	(146,591)
	Disposals during the period / year	(25,984)	(4,920)
	Depreciation charged for the period / year	(439,839)	(792,123)
		(465,823)	(797,043)
	Net book value at the end of the period / year	10,185,863	9,629,242
5.1.1	Additions during the period / year		
	Building and roads	204,926	51,521
	Plant and machinery	698,787	307,042
	Electric installations	98,026	37,016
	Office equipment	5,859	14,465
	Farm equipment	-	672
	Furniture and fixtures	1,571	6,025
	Owned vehicles	2,631	5,414
		1,011,800	422,155
5.2	Capital work-in-progress		
	At the beginning of the period / year	820,738	416,895
	Additions during the period / year	5.2.1 465,567	968,119
	Capitalized / adjusted during the period / year	(1,052,159)	(509,948)
	Other adjustments	(6,903)	(54,328)
	Balance at the end of the period / year	227,243	820,738
5.2.1	Additions during the period / year		
	Building and roads	65,222	173,605
	Plant and machinery	276,709	610,143
	Electric installations	79,025	54,494
	Office equipment	-	11,157
	Vehicles - owned	-	6,528
	Vehicles - leased	44,371	55,831
	Plant and machinery - leased	-	25,164
	Advances to contractors	240	31,197
		465,567	968,119
6.	Right of Use Assets		
	Net book value at the beginning of the period / year	395,099	-
	Impact of adoption of IFRS - 16	-	379,005
	Additions during the period / year	48,731	109,427
	Transfers from right of use assets to owned	(10,644)	(4,849)
	Depreciation charged for the period / year	(48,210)	(88,484)
	Net book value at the end of the period / year	384,976	395,099

	Un-audited March 31, 2021 (Rupees in thousand)	Audited September 30, 2020
7.	Stock-in-trade	
	Finished goods	
	- sugar	6,203,050 278,876
	- molasses	2,404,470 701,352
	- ethanol	527,215 250,147
		9,134,735 1,230,375
	Work-in-process	12,336 11,624
		9,147,071 1,241,999
8.	Trade debts	
	Considered good	105,178 143,049
	Considered doubtful	1,945 1,945
		107,123 144,994
	Less: Loss allowance	(1,945) (1,945)
		105,178 143,049
9.	Loans and advances	
	Advances to:	
	Employees - secured	8,761 7,019
	Suppliers and contractors - unsecured	733,438 1,180,198
		742,199 1,187,217
	Due from holding company	
	The Premier Sugar Mills & Distillery Co. Ltd.	79,429 65,947
	Letters of credit	38,970 235,038
		860,598 1,488,202
	Less:	
	- Provision for doubtful advances	(28,838) (28,838)
	- Loss allowance	(3,755) (3,755)
		828,005 1,455,609
10.	Trade deposits, prepayments and other receivables	
	Deposits	1,619 2,480
	Prepayments	8,968 4,745
	Export subsidy receivable	305,519 305,519
	Sales tax	36,753 7,640
	Guarantee issued	19,000 19,000
	Others	1,461 582
		373,320 339,966

## 11. Share Capital

As at period end, the issued, subscribed and paid-up capital of the Company includes following share capital holdings by the related parties;

	Un-audited March 31, 2021 (Number of shares)	Audited September 30, 2020
Holding company		
Premier Sugar Mills & Distillery Co. Ltd.	13,751,000	13,751,000
Associated companies		
Aztrak Enterprises (Pvt.) Ltd.	1,462,859	1,462,859
Phipson & Co. Pakistan (Pvt.) Ltd.	307,500	307,500
Syntronics Ltd.	3,590,475	3,590,475
	<u>19,111,834</u>	<u>19,111,834</u>

## 12. Long term finances - secured

	Note	Un-audited March 31, 2021 (Rupees in thousand)	Audited September 30, 2020
Bank Al-Habib Limited		419,904	372,831
Sonari Bank Limited		1,110,902	918,260
The Bank of Punjab		-	14,100
Dubai Islamic Bank Pakistan Limited		389,972	487,466
MCB Bank Limited		220,467	249,113
Al-Baraka Bank (Pakistan) Limited		149,458	-
Total	12.1	<u>2,290,703</u>	<u>2,041,770</u>
Accrued mark-up		<u>47,095</u>	<u>46,199</u>
		<u>2,337,798</u>	<u>2,087,969</u>
Less: amount payable within next 12 months			
Principal		(723,724)	(500,640)
Accrued mark-up		(47,095)	(46,199)
Deferred Benefit of below market rate of interest on refinance facility		(27,156)	(25,955)
Amount due after March 31, 2022	12.2	<u>1,539,823</u>	<u>1,515,175</u>

12.1 These represent term and demand finance obtained by the Company from the aforesaid banks and are repayable in 3-5 years with varied grace period. The rate of mark-up ranges from KIBOR + 1% per annum to KIBOR + 2% per annum and SBP rate + 1%. These are secured against first / joint pari passu hypothecation charge over all present and future movable fixed assets of the Company and first / joint pari passu charge by way of equitable mortgage on all present and future immovable fixed assets of the Company, pledge of sugar stock and lien on export contract / LC.

## 13. Loans from related parties - secured

Holding company			
The Premier Sugar Mills & Distillery Co. Ltd.	13.1	-	24,238
Associated companies			
Premier Board Mills Ltd.	13.2	90,575	90,575
Arpak International Investments Ltd.	13.3	43,750	43,750
Aztrak Enterprises (Private) Limited	13.4	85,000	85,000
Accrued mark-up		<u>28,217</u>	<u>29,051</u>
		<u>247,542</u>	<u>272,614</u>
Less: amount payable within next 12 months			
Principal		(12,500)	(24,238)
Accrued mark-up		(28,217)	(29,051)
Amount due after March 31, 2022		<u>206,825</u>	<u>219,325</u>

13.1 The long term finance facility had been renewed on February 9, 2017. The principal is repayable in 7 semi annual installments commencing from February 2020. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the holding company is not less than the borrowing cost of the holding company. These loans are secured against promissory note from the Company.

13.2 This include long term finance facilities obtained by the Company and the Subsidiary.

The long term finance facility obtained by the Company had been renewed on November 4, 2019. The principal is repayable in 7 semi annual installments commencing from November 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Company.

Long term finance facility amounting to Rs 25 million was obtained during the year by the Subsidiary. The principal is repayable in 8 semi annual installments commencing from December 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Subsidiary.

13.3 The long term finance facility has been renewed on November 04, 2019. The principal is repayable in 7 semi annual installments commencing from November 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Group.

13.4 The long term finance facility was obtained in previous year. The principal is repayable in 8 semi annual installments commencing from December 2021. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Group.

	Note	Un-audited March 31, 2021 (Rupees in thousand)	Audited September 30, 2020
<b>14. Lease liabilities</b>			
Balance at beginning of the period / year		372,737	136,472
Impact of adoption of IFRS - 16		-	231,214
Additions during the period / year		36,906	89,579
Unwinding of interest on lease liabilities		22,937	55,099
Payments made during the period / year		(73,435)	(137,851)
Remeasurement of lease liabilities		-	(1,776)
Balance at end of the period / year		<u>359,145</u>	<u>372,737</u>
<b>Less: current portion of long term lease liabilities</b>		<u>(97,972)</u>	<u>(93,891)</u>
		<u>261,173</u>	<u>278,846</u>

## 15. Deferred liabilities

Deferred taxation	1,349,146	1,317,231
Provision for gratuity	9,735	9,631
Deferred government grant	11,447	14,693
Deferred Benefit of below market rate of interest on refinance facility	<u>27,156</u>	<u>25,955</u>
	<u>1,397,484</u>	<u>1,367,510</u>

		Un-Audited March 31, 2021	Audited September 30, 2020
<b>16. Trade and other payables</b>	Note	(Rupees in thousand)	
Creditors		378,589	496,222
Due to Associated Companies	16.1	128,295	88,431
Accrued expenses		94,774	120,594
Retention money		17,216	15,334
Security deposits		774	1,964
Advance payments from customers		725,867	39,548
Income tax deducted at source		51,692	32,849
Sales tax payable		281,643	-
Payable for workers welfare obligations		31,135	107,275
Payable to employees		42,230	45,512
Payable to provident fund		3,517	3,672
Others		3,908	7,320
		<u>1,759,640</u>	<u>958,721</u>

16.1 This represents amounts due to the following related parties and are payable on demand:

Syntronics Limited	4,603	55,809
Syntron Limited	87,435	-
Azlak Enterprises (Private) Limited	36,257	32,622
	<u>128,295</u>	<u>88,431</u>

#### 17. Short term running finance

Secured

Cash / running finance	17.1	7,088,403	418,410
Export refinance		<u>1,740,000</u>	<u>1,962,000</u>
		8,828,403	2,380,410
Accrued mark-up		159,338	39,327
		<u>8,987,741</u>	<u>2,419,737</u>

17.1 These represent cash finance and export re-finance facilities and are repayable in six months to one year period. The rate of mark-up ranges from SBP Rate+1% per annum to KIBOR + 1.75% per annum and are secured against pledge of sugar stock with margin ranging from 10% to 25%, lien on export contracts / LCs and import documents.

#### 18. Current maturity of non-current liabilities

Long term finances - secured	12	770,819	546,839
Loans from related parties - secured	13	40,717	53,289
Lease liabilities	14	97,972	93,891
		<u>909,508</u>	<u>694,019</u>

#### 19. Contingencies and commitments

19.1 Contingencies

19.1.1 There has been no significant change in the status of contingencies as disclosed in note 24 to the audited consolidated financial statements of the Company for the year ended September 30, 2020.

#### 19.2 Commitments

The Company has following commitments in respect of:

	Un-Audited March 31, 2021 (Rupees in thousand)	Audited September 30, 2020 (Rupees in thousand)
- foreign letters of credit for purchase of plant and machinery	69,750	5,574
- local letter of credit for purchase of plant and machinery	39,774	299,510
- capital expenditure other than for letters of credit	29,049	12,042

#### 20. Gross sales

	Three month period ended		Six month period ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	(Rupees in thousand)			
Local	2,715,539	3,648,997	4,268,040	5,726,911
Export	878,292	739,333	2,050,078	1,424,229
	<u>3,593,831</u>	<u>4,388,330</u>	<u>6,318,118</u>	<u>7,151,140</u>

#### 21. Sales tax, other government levies and discounts

	403,166	522,987	628,929	844,795
	2,151	2,800	3,365	4,747
	<u>405,317</u>	<u>525,787</u>	<u>632,294</u>	<u>849,542</u>

22. Segment operating results for the six month period ended March 31, 2021 (Un-audited)

	Sugar Division			Ethanol Division			Total		
	Three month period ended March 31, 2021	Six month period ended March 31, 2021	March 31, 2020	Three month period ended March 31, 2021	Six month period ended March 31, 2021	March 31, 2020	Three month period ended March 31, 2021	Six month period ended March 31, 2021	March 31, 2020
	Rupees in thousand			Rupees in thousand			Rupees in thousand		
<b>Sales</b>									
- External Customers	2,701,562	3,470,002	4,018,431	5,344,521	922,392	918,328	3,623,954	4,388,330	6,318,118
- Intersegment	315,175	300,991	619,192	565,191	-	-	315,175	300,991	619,192
	3,016,737	3,770,993	4,637,623	5,912,712	922,392	918,328	3,939,129	4,689,321	6,937,310
Less : sales tax and others	(388,709)	(499,259)	(594,350)	(792,829)	(6,608)	(26,528)	(405,317)	(525,787)	(632,294)
Sales - net	2,618,028	3,271,734	4,043,273	5,119,883	915,784	891,800	3,533,812	4,163,534	6,305,016
<b>Segment expenses:</b>									
Cost of sales									
Cost of Sales	(2,349,498)	(2,747,267)	(3,594,876)	(4,158,692)	(438,893)	(579,162)	(2,788,391)	(3,326,429)	(4,798,245)
less: Intersegment cost	-	-	-	-	(315,175)	(300,991)	(315,175)	(300,991)	(619,192)
	268,530	524,467	(3,594,876)	(4,158,692)	(754,068)	(880,153)	(3,103,566)	(3,627,420)	(5,417,437)
Gross profit					161,716	11,647	430,246	536,114	887,579
Selling and distribution expenses	(7,306)	(26,830)	(12,604)	(32,718)	(117,676)	(147,967)	(124,982)	(174,797)	(249,605)
Administrative and general expenses	(173,386)	(153,087)	(307,016)	(282,217)	1,937	(12,886)	(171,449)	(165,973)	(337,799)
	(180,692)	(179,917)	(319,620)	(314,935)	(115,739)	(160,853)	(296,431)	(340,770)	(587,404)
Profit from operations	87,838	344,550	128,777	648,256	45,977	(149,206)	133,815	195,344	300,175
Other income	13,531	17,127	40,265	24,914	742	71	14,273	17,198	42,153
Other expenses	8,448	(1,093)	3,093	(18,333)	(225)	-	8,223	(1,093)	(12,164)
	21,979	16,034	43,358	6,581	517	71	22,496	16,105	29,989
Segment results	109,817	360,584	172,135	652,837	46,494	(149,135)	156,311	211,449	615,518
Finance cost							(235,343)	(288,368)	(358,532)
Loss / profit before tax							(79,032)	(76,919)	(28,368)
Taxation							(23,707)	20,684	(52,410)
Loss / profit for the period							(102,739)	(56,235)	(80,778)

22.1 Segment assets and liabilities

	Un-audited March 31, 2021 (Rupees in thousand)		Audited September 30, 2020 (Rupees in thousand)	
	Assets	Liabilities	Assets	Liabilities
Sugar	16,183,779	10,421,530	9,318,606	2,395,920
Ethanol	6,336,614	2,775,182	5,571,354	3,088,321
Total for reportable segment	22,520,393	13,196,712	14,889,960	5,484,241
Others	-	1,877,837	243,994	1,979,631
Entity's total assets / liabilities	22,520,393	15,074,549	15,133,954	7,463,872

23. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to variety of financial risk namely market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

There have been no changes in the financial risk management policies of the Company during the period, consequently these condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

Fair value estimation

The carrying value of financial assets and liabilities reflected in financial statements approximate their respective fair value.

Fair value hierarchy

Certain property, plant and equipment of the Company was valued by independent valuer to determine the fair value of property, plant and equipment as at September 30, 2020. The revaluation surplus was credited to other comprehensive income and is shown as 'surplus on revaluation of property, plant and equipment'. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Level 2 fair value of certain property, plant and equipment has been derived using the comparison approach. Sales prices of comparable property, plant and equipment in identical circumstances or close proximity are adjusted for differences in key attributes such as property size, structure, location, capacity etc. The most significant inputs into this valuation approach are price per marla, price per square feet, depreciated replacement cost etc.

24. Transactions with related parties

24.1 The Company has related party relationship, with its Holding Company and associated companies, its directors, key management personnel and employee benefit plan. The Company in the normal course of business carries out transactions with various related parties. There were no transactions with key management personnel other than under the terms of employment. Aggregate transactions with the related parties during the period were as follows:

	Three month period ended		Six month period ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	(Rupees in thousand)			
The Premier Sugar Mills and Distillery Company Limited				
Sale / purchase of molasses	21,060	-	21,060	105,920
Sale of store items	5,473	2,364	7,002	2,364
Sale of bagasse	-	-	1,067	6,000
Purchase of store items	-	1,675	-	1,675
Mark-up charged	-	6,821	541	13,555
Expenses paid by Holding Company	735	239	5,318	657
Expenses paid on behalf of Holding Company	4,332	4,658	11,762	8,878
Rent expense	5,445	4,950	10,890	9,900
Rent income	29	29	58	58
Dividend paid	68,755	68,755	68,755	68,755

**Associated undertakings**

Services	7,634	7,533	15,269	14,787
Expenses paid by associated companies	-	16,095	554	60,714
Purchase of goods	47,866	55,892	86,162	88,733
Expenses paid on behalf of associated companies	45,509	405	70,366	992
Dividend paid	26,804	26,804	26,804	26,804
Mark-up charged	4,712	-	9,502	-
Post employment benefit				
Expense charged in respect of retirement benefit plan	861	781	1,722	1,563
Key management personnel / Directors				
Salaries and other benefits	26,867	43,265	56,857	67,564
Dividend paid	14,741	12,976	14,741	12,976
Vehicle leased	-	-	21,685	-

**25. Impact of COVID - 19 on condensed interim financial statements**

The spread of Covid-19 as a pandemic and consequent imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) caused an overall economic slow down and disruption to various businesses. While this is still an evolving situation at the time of issuing these condensed interim financial statements, the management believes that to date no discernible impact is attracted on the amounts being reported in these financial statement, however the future effects cannot be predicted. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

**26. Non-adjusting event after the reporting date**

Subsequent to the period end, the Board of Directors of the Company resolved to incorporate a new company with the name of "Ultimate Whole Foods (Private) Limited". The objective of company will be to set up mills for milling wheat, gram, other grains and other allied products and by-products from flours. The Chashma Sugar Mills Limited will own 51% (i.e. 20,400,000 shares of Rs 10 each) of the total shareholding of Ultimate Whole Foods (Private) Limited (i.e. 40,000,000 shares of Rs 10 each).

**27. General**

27.1 Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of better presentation and comparison; however, no material re-arrangements / re-classifications have been made in this condensed interim financial information.

27.2 Figures in these condensed interim financial statements have been rounded-off to the nearest thousand Rupees.

**28. Date of authorisation for issue**

These Condensed interim financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on May 27, 2021



**Rizwan Ullah Khan**  
Chief Financial Officer



**Aziz Sarfaraz Khan**  
Chief Executive



**Iskander M. Khan**  
Director