

BOOK POST
Printed Matter
UNDER POSTAL CERTIFICATE

If undelivered please return to:
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, 2022**

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, 2022. 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, 2021 continued till March 24, 2022. The mills crushed 1,885,437 tons (2021: 1,468,505 tons) of sugarcane to produce 195,219.05 tons (2021: 145,987 tons) of sugar having an average recovery of 10.35% (2021: 9.94%). The Provincial Government of Khyber Pakhtunkhwa (KPK) fixed sugarcane price @ Rs. 225/- per maund. The KPK Government forced us to start the crushing season on November 15, 2021 that resulted in low harvesting and the sugarcane prices increased abnormally. However, after mid-January 2022 the sugarcane supply increase and sugarcane prices decreased to notified rates by the KPK Government.

SUGAR PRICES

The Country produced 8.00 million tons of sugar, therefore the sugar prices remained low since the start of crushing season.

ETHANOL FUEL PLANT AT UNIT-II

The Ethanol Fuel Plant produced 17,257.872 MT of Ethanol during the half year ended on March 31, 2022.

FINANCIAL PERFORMANCE

The Company earned Rs. 209.925 million profit after taxation (2021: loss of Rs. 36.635 million) during the half year ended March 31, 2022.

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

Mardan:
May 26, 2022

بہتھنول فیول پلانٹ پونٹ-2

ڈسٹری پلانٹ نے 31 مارچ 2022 کو ختم ہونے والی شش ماہی کے دوران 17,257.872 میٹرک ٹن بہتھنول کی پیداوار کی۔

مالیاتی کارکردگی

31 مارچ 2022 کو ختم ہونے والی شش ماہی کے دوران کمپنی کا منافع بعد از ٹیکس 209.925 ملین روپے رہا (2021 میں 36.635 ملین روپے نقصان تھا)

اکاؤنٹنگ کی پالیسیاں

کمپنی کی شش ماہی کنڈسٹرانسیرم مالیاتی معلومات کی تیاری کے دوران اپنی گئی اکاؤنٹنگ پالیسیاں وہی ہیں جو پچھلے سال سالانہ مالیاتی حسابات میں اپنی گئی تھیں۔

اعتراف

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

منجانب بورڈ



مردان

اسکندر محمد خان

بتاریخ: 26 مئی 2022

ڈائریکٹر



عزیز سر فراز خان

چیف ایگزیکٹو آفیسر

چشمہ شوگر ملز لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ

ڈائریکٹرز کمپنی کے غیر آڈٹ شدہ کنڈسٹرانسیرم مالیاتی معلومات کی شش ماہی رپورٹ 31 مارچ 2022 کو چھ ماہ کے اختتام پذیر ہونے مسرت محسوس کرتے ہیں۔ یہ کنڈسٹرانسیرم مالیاتی معلومات حصص داروں کو اکاؤنٹنگ اسٹیٹرز نمبر 34، انسیرم فنانشل رپورٹنگ، دی کوڈ آف کارپوریٹ گورننس، کمپنیز ایکٹ 2017 کے سیکشن 237 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے قواعد کے مطابق ہیں۔ مشکک مالیاتی معلومات کا کوڈ آف کارپوریٹ گورننس کے مطابق بیرونی آڈیٹرز کے ذریعے جائزہ لیا گیا ہے۔

آپریشنل کارکردگی

گئے کارکننگ سیزن 2021-22 کا آغاز 15 نومبر 2021 کو شروع ہوا اور 24 مارچ 2022 تک جاری رہا۔ ملنے 1,885,437 (ٹن: 1,468,505: 2021) ٹن گئے کو کرش کرتے ہوئے 195,219.05 (ٹن: 145,987: 2021) ٹن چینی کی پیداوار کی جس کی اوسط ریکوری 10.35 فیصد (9.94: 2021) فیصد رہی۔ خیر پختون خواہ (کے پی کے) کی صوبائی حکومت نے 225 روپے فی من گئے کی قیمت مقرر کی تھی۔ کے پی کے حکومت نے ہمیں 15 نومبر 2021 کو کارکننگ سیزن شروع کرنے پر مجبور کیا جس کے نتیجے میں فصل کی کٹائی کم ہوئی اور گئے کی قیمتوں میں غیر معمولی اضافہ ہوا۔ تاہم، جنوری 2022 کے وسط کے بعد گئے کی سپلائی میں اضافہ ہوا اور گئے کی قیمتیں کم ہو کر کے پی کے حکومت کی طرف سے نوٹیفائیڈ ریٹ پر آگئیں۔

چینی کی قیمت

ملک نے 8.00 ملین ٹن چینی کی پیداوار کی، اس لئے کارکننگ سیزن کے آغاز سے چینی کی قیمتیں کم رہیں۔



A.F. FERGUSON & 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, 2022 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, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended March 31, 2022.

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.

A.F. Ferguson & Co.
Chartered Accountants
Islamabad:
May 27, 2022

UDIN: RR202210083JhxXZtod4

CHASHMA SUGAR MILLS LIMITED

**CONDENSED INTERIM STATEMENT OF
FINANCIAL POSITION (UN-AUDITED) AS AT MARCH 31, 2022**

Note	Un-audited March 31, 2022	Audited September 30, 2021
(Rupees in thousand)		
NON CURRENT ASSETS		
Property, plant and equipment	5 14,441,585	11,833,225
Right-of-use assets	6 319,493	339,575
Long term investments	7 423,964	423,964
Long term loans and deposits	8 250,685	240,577
	15,435,727	12,837,341
CURRENT ASSETS		
Stores and spares	567,920	522,564
Stock-in-trade	9 10,280,581	1,354,545
Trade debts	10 91,802	533,462
Loans and advances	11 1,362,670	885,455
Trade deposits and other receivables	12 267,277	257,638
Income tax refundable	336,268	300,980
Cash and bank balances	299,627	281,463
	13,206,145	4,136,107
TOTAL ASSETS	28,641,872	16,973,448
SHARE CAPITAL AND RESERVES		
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	3,575,476	3,332,184
Surplus on revaluation of property, plant and equipment	4,888,904	5,065,731
Shareholders' equity	9,078,300	9,011,835
NON-CURRENT LIABILITIES		
Long term finances - secured	14 3,780,502	1,583,318
Loans from related parties - secured	15 178,707	173,075
Lease liabilities	16 187,472	226,887
Deferred Liabilities		
- Deferred taxation	1,731,584	1,669,930
- Provision for gratuity	12,669	11,467
- Deferred government grant	2,515	6,204
	1,746,768	1,687,601
	5,893,449	3,670,881
CURRENT LIABILITIES		
Trade and other payables	17 1,096,320	933,025
Contract liabilities - advance payments from customers	1,098,985	17,241
Unclaimed dividend	12,353	12,353
Unpaid dividend	2,292	-
Short term running finance - secured	18 10,371,681	2,466,100
Current maturity of non-current liabilities	19 1,088,492	862,013
	13,670,123	4,290,732
	19,563,572	7,961,613
Contingencies and commitments	20	
TOTAL EQUITY AND LIABILITIES	28,641,872	16,973,448

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 STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2022

Note	Three month period ended		Six month period ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(Rupees in thousand)			
Gross sales	21	4,974,205	3,621,497	7,960,107
Sales tax, other government levies and discounts	22	(679,171)	(405,317)	(904,052)
Sales - net		4,295,034	3,216,180	7,056,055
Cost of sales		(3,352,418)	(2,778,067)	(5,682,043)
Gross profit		942,616	438,113	1,374,012
Selling and distribution expenses		(98,950)	(124,982)	(226,254)
Administrative and general expenses		(191,562)	(155,464)	(366,807)
Other income		8,902	3,949	24,528
Other expenses		(24,777)	8,223	(25,765)
Operating profit		636,229	169,839	779,714
Finance cost		(365,409)	(227,249)	(489,368)
Profit / (loss) before taxation		270,820	(57,410)	290,346
Taxation (expense) / credit				
- Current		12,251	(8,783)	(18,769)
- Deferred		(112,754)	(14,924)	(61,652)
		(100,503)	(23,707)	(80,421)
Profit / (loss) for the period		170,317	(81,117)	209,925
Earnings / (loss) per share - basic and diluted (Rs)		5.94	(2.83)	7.32

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 STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2022

	Three month period ended		Six month period ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(Rupees in thousand)			
Profit / (loss) for the period	170,317	(81,117)	209,925	(36,635)
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive income / (loss) for the period	170,317	(81,117)	209,925	(36,635)

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 STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2022

	Share capital	General reserve	Unappropriated profits	Surplus on revaluation of property, plant and	Total
	(Rupees in thousand)				
Balance as at October 1, 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	-	-	-	-	-
Other comprehensive income for the period	-	-	(36,635)	-	(36,635)
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	-	-	-
- on account of incremental depreciation for the half year	-	-	147,327	(147,327)	-
- upon disposal of revalued assets	-	-	3,902	(3,902)	-
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	7,501,429
Total comprehensive income for the six month period ended September 30, 2021	-	-	347,016	-	347,016
Income for the period	-	-	(247)	1,154,637	1,154,390
Other comprehensive income for the period	-	-	346,769	1,154,637	1,501,406
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	160,720	(160,720)	-
Balance as at September 30, 2021	286,920	327,000	3,332,184	5,065,731	9,011,835
Total comprehensive income for the six month period ended March 31, 2022	-	-	209,925	-	209,925
Profit for the period	-	-	-	-	-
Other comprehensive income for the period	-	-	209,925	-	209,925
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	176,827	(176,827)	-
Cash dividend at rate of Rs 5.00 per ordinary share for the year ended September 30, 2021	-	-	(143,460)	-	(143,460)
Balance as at March 31, 2022	286,920	327,000	3,575,476	4,888,904	9,078,300

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 STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2022

	Six month period ended March 31, 2022 March 31, 2021 (Rupees in thousand)	
	Note	
Cash flow from operating activities		
Profit for the period - before taxation		290,346 15,775
Adjustments for non-cash items:		
Depreciation		506,646 461,764
(Gain) / loss on sale of operating fixed assets		(1,115) 11,492
Profit on deposit accounts		(3,840) (2,416)
Finance cost		489,368 346,087
Provision for gratuity		1,944 1,722
		1,283,349 834,424
Changes in working capital		
Decrease / (Increase) in		
stores and spares		(45,356) 79,713
stock-in-trade		(8,926,036) (7,905,072)
trade debts		441,660 37,871
loans and advances		(477,215) 557,565
trade deposits, prepayments and other receivables		(9,639) (4,702)
Increase in trade and other payables		163,295 128,043
Increase in contract liability - advance payments from customers		1,081,744 686,319
		(7,771,547) (6,420,263)
		(6,488,198) (5,585,839)
Income tax paid		(54,057) (28,154)
Gratuity paid		(742) (1,618)
Net cash used in operating activities		(6,542,997) (5,615,611)
Cash flow from investing activities		
Purchase of property, plant and equipment		(3,116,444) (423,441)
Sale proceeds of operating fixed assets		40,477 14,492
Long term security deposits & other receivables		- (26)
Profit on bank deposits received		3,840 2,416
Net cash used in investing activities		(3,072,127) (406,559)
Cash flow from financing activities		
Long term finances - net		2,302,356 268,246
Deferred Government grant - net		- 2,976
Short term loan received / (repaid)		200,000 (222,000)
Loan repaid to related party		- (23,318)
Repayment of lease liabilities		(66,323) (85,260)
Dividend paid		(141,168) (141,644)
Finance cost paid		(177,191) (212,168)
Net cash generated / (used) in financing activities		2,117,674 (413,168)
Net decrease in cash and cash equivalents		(7,497,450) (6,435,338)
Cash and cash equivalents- at beginning of the period		51,133 (136,554)
Cash and cash equivalents- at end of the period		(7,446,317) (6,571,892)
Cash and cash equivalents comprised of:		
Cash and bank balances		299,627 516,511
Short term running finance	18	(7,745,944) (7,088,403)
		(7,446,317) (6,571,892)

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 FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2022

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 October 01, 1992. 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, 2022 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, 2021.

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, 2021.

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, 2022 (Rupees in thousand)	Audited September 30, 2021
5. Property, plant and equipment			
Operating fixed assets	5.1	13,702,099	11,035,865
Capital work-in-progress	5.2	739,486	797,360
		<u>14,441,585</u>	<u>11,833,225</u>
5.1 Operating fixed assets - at net book value			
Net book value at the beginning of the period / year		11,035,865	9,593,270
Revaluation surplus during the period / year		-	1,524,300
Additions during the period / year	5.1.1	3,174,318	804,653
Transfers from right of use assets to owned		678	32,665
Disposals during the period / year		(39,362)	(69,253)
Depreciation charged for the period / year		(469,400)	(849,770)
		<u>(508,762)</u>	<u>(919,023)</u>
Net book value at the end of the period / year		<u>13,702,099</u>	<u>11,035,865</u>

	Note	Un-audited March 31, 2022 (Rupees in thousand)	Audited September 30, 2021
5.1.1 Additions during the period / year			
Freehold land		2,520,086	158,292
Building and roads		91,381	52,452
Plant and machinery		421,367	450,502
Electric installations		134,496	104,716
Office equipment		3,682	26,882
Farm equipment		168	776
Furniture and fixtures		2,178	7,242
Vehicles		960	3,791
		<u>3,174,318</u>	<u>804,653</u>
5.2 Capital work-in-progress			
At the beginning of the period / year		797,360	299,078
Additions during the period / year	5.2.1	3,128,303	1,350,281
Capitalized during the period / year		(3,186,177)	(851,999)
Balance at the end of the period / year		<u>739,486</u>	<u>797,360</u>
5.2.1 Additions during the period / year			
Buildings on freehold land		86,050	171,884
Plant and machinery		222,430	497,878
Electric installations		31,377	179,939
Vehicles - owned		7,066	1,060
Vehicles - leased		15,294	67,228
Advance payments against land - freehold and buildings		2,766,086	432,292
		<u>3,128,303</u>	<u>1,350,281</u>
6. Right of Use Assets			
Net book value at the beginning of the period / year		339,575	395,099
Additions during the period / year		17,899	67,729
Remeasurement / deletion during the period / year		(57)	(4,522)
Transfers from right of use assets to owned		(678)	(32,665)
Depreciation charged for the period / year		(37,246)	(86,066)
Net book value at the end of the period / year		<u>319,493</u>	<u>339,575</u>
7. Long term investments			
Investment in shares of Whole Foods (Private) Limited (WFL) - at cost		100,000	100,000
Investment in shares of Ultimate Whole Foods (Private) Limited (UWFL) - at cost		204,000	204,000
Difference in fair value and present value on initial recognition of interest free loan		119,964	119,964
Balance as at end of the period / year		<u>423,964</u>	<u>423,964</u>
8. Long term loans and deposits - considered good			
Long term security deposits		15,084	15,084
Loan to subsidiary company - WFL - at amortized cost	8.1	235,601	225,493
		<u>250,685</u>	<u>240,577</u>
8.1 The Company has subordinated an aggregate interest free loan of Rs 335 million to its subsidiary company, WFL. Pursuant to a tripartite subordination agreement dated June 29, 2020 and June 30, 2021 entered into between the Company, WFL and Soneri Bank Limited (the lender), the related amount has been subordinated to the principle, markup and all other amounts that may be payable to the lender under the financing agreements and no payment of the aforesaid amount can be made, except with the prior written consent of the lender. Owing to the substance of loan at non-market interest rate (nil in this case), the difference between present value and loan proceeds is recognized as an investment in the subsidiary.			

	Note	Un-audited March 31, 2022 (Rupees in thousand)	Audited September 30, 2021
At the beginning of the period / year		225,493	60,846
Additions during the period / year		-	154,190
Unwinding of interest on loan to subsidiary company		10,108	10,457
Balance as at end of the period / year		<u>235,601</u>	<u>225,493</u>
9. Stock-in-trade			
Finished goods			
- Sugar		7,039,573	169,689
- Molasses		2,477,394	748,145
- Ethanol		<u>752,001</u>	<u>423,262</u>
		10,268,968	1,341,096
Work-in-process		<u>11,613</u>	<u>13,449</u>
		<u>10,280,581</u>	<u>1,354,545</u>
10. Trade debts			
Considered good		91,802	533,462
Considered doubtful		<u>2,446</u>	<u>2,446</u>
		94,248	535,908
Less: Loss allowance		<u>(2,446)</u>	<u>(2,446)</u>
		<u>91,802</u>	<u>533,462</u>
11. Loans and advances			
Advances to:			
Employees - secured		9,023	7,867
Suppliers and contractors - unsecured		<u>1,009,972</u>	<u>582,083</u>
		1,018,995	589,950
Due from associated companies	11.1	166,444	117,413
Letters of credit		<u>206,414</u>	<u>207,275</u>
		1,391,853	914,638
Less:			
- Provision for doubtful advances		(28,838)	(28,838)
- Loss allowance		<u>(345)</u>	<u>(345)</u>
		<u>1,362,670</u>	<u>885,455</u>
11.1 This represents amounts due from the following associated companies:			
Due from holding company:			
The Premier Sugar Mills and Distillery Company Limited		101,332	89,995
Due from subsidiary company:			
Whole Foods (Private) Limited		<u>65,112</u>	<u>27,418</u>
		<u>166,444</u>	<u>117,413</u>
12. Trade deposits and other receivables			
Deposits		5,845	1,942
Prepayments		4,533	5,197
Export subsidy receivable		305,519	305,519
Others		<u>7,500</u>	<u>1,100</u>
		323,397	313,758
Less: Loss allowance		<u>(56,120)</u>	<u>(56,120)</u>
		<u>267,277</u>	<u>257,638</u>
13. Share Capital			
As at period end, the issued, subscribed and paid-up capital of the Company includes following share capital holdings by the associated companies;			

		Un-audited March 31, 2022 (Number of shares)	Audited September 30, 2021
Holding company			
The Premier Sugar Mills & Distillery Company Limited		13,751,000	13,751,000
Associated companies			
Azlak Enterprises (Private) Limited		1,477,359	1,462,859
Phipson & Co. Pakistan (Private) Limited		307,500	307,500
Syntronics Limited		<u>3,590,475</u>	<u>3,590,475</u>
		<u>19,126,334</u>	<u>19,111,834</u>
14. Long term finances - secured			
	Note	Un-audited March 31, 2022 (Rupees in thousand)	Audited September 30, 2021
Bank Al-Habib Limited		2,573,301	617,766
Soneri Bank Limited		664,279	785,489
Dubai Islamic Bank Pakistan Limited		694,986	292,480
MCB Bank Limited		163,175	191,821
Al-Baraka Bank Limited		<u>446,715</u>	<u>352,544</u>
Total	14.1	4,542,456	2,240,100
Accrued mark-up		<u>161,802</u>	<u>50,282</u>
		4,704,258	2,290,382
Less: amount payable within next 12 months			
Principal		(761,954)	(656,782)
Accrued mark-up		<u>(161,802)</u>	<u>(50,282)</u>
Amount due after March 31, 2023		<u>3,780,502</u>	<u>1,583,318</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 + 2.10% 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.			
15. Loans from related parties - secured			
Associated companies			
Premier Board Mills Limited	15.1	65,575	65,575
Arpak International Investments Limited	15.2	43,750	43,750
Azlak Enterprises (Private) Limited	15.3	85,000	85,000
Accrued mark-up		<u>42,582</u>	<u>32,296</u>
		236,907	226,621
Less: amount payable within next 12 months			
Principal		(15,618)	(21,250)
Accrued mark-up		<u>(42,582)</u>	<u>(32,296)</u>
Amount due after March 31, 2023		<u>178,707</u>	<u>173,075</u>
15.1 The long term finance facility has 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.			
15.2 The long term finance facility has 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.			

- 15.3 The long term finance facility has been renewed on January 3, 2022. The principal is repayable in 8 semi annual installments commencing from December 2024. 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.

	Note	Un-audited March 31, 2022	Audited September 30, 2021
		(Rupees in thousand)	
16. Lease liabilities			
Balance at beginning of the period / year		328,290	372,737
Additions during the period / year		15,206	67,729
Unwinding of interest on lease liabilities		16,835	42,484
Payments made during the period / year		(66,323)	(150,138)
Early termination / remeasurement of lease liabilities		-	(4,522)
Balance at end of the period / year		294,008	328,290
Less: current portion of long term lease liabilities		(106,536)	(101,403)
		<u>187,472</u>	<u>226,887</u>

17. Trade and other payables

Creditors		354,428	358,491
Due to related parties	17.1	136,286	245,823
Accrued expenses		114,002	105,433
Retention money		18,159	18,390
Security deposits		1,009	774
Advance against sale of floor area - building		100,000	-
Income tax deducted at source		55,395	48,603
Sales tax payable		187,641	46,554
Payable for workers welfare obligations		63,995	59,373
Payable to employees		52,595	42,047
Payable to provident fund		4,491	34
Others		8,319	7,503
		<u>1,096,320</u>	<u>933,025</u>

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

Subsidiary Company			
Ultimate Whole Foods (Private) Limited	-		204,000
Associated Companies			
Syntronics Limited	78,217		4,603
Azlak Enterprises (Private) Limited	32,884		37,220
Syntron Limited	24,834		-
The Frontier Sugar Mills and Distillery Limited	351		-
	<u>136,286</u>		<u>245,823</u>

18. Short term running finance - secured

Cash / running finance	18.1	7,745,944	230,330
Export re finance		2,400,000	2,200,000
		<u>10,145,944</u>	<u>2,430,330</u>
Accrued mark-up		225,737	35,770
		<u>10,371,681</u>	<u>2,466,100</u>

- 18.1 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.

	Note	Un-Audited March 31, 2022	Audited September 30, 2021
		(Rupees in thousand)	
19. Current maturity of non-current liabilities			
Long term finances	14	923,756	707,064
Loans from related parties	15	58,200	53,546
Lease liabilities	16	106,536	101,403
		<u>1,088,492</u>	<u>862,013</u>

20. Contingencies and commitments

20.1 Contingencies

- 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, 2021.

20.2 Commitments

The Company has following commitments in respect of:

- foreign letters of credit for purchase of plant and machinery	136,701	178,967
- local letter of credit for purchase of plant and machinery	213,472	257,546
- capital expenditure other than for letters of credit	68,038	144,647
	<u>418,211</u>	<u>581,160</u>

21. Gross sales

	Three month period ended		Six month period ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(Rupees in thousand)			
Local	4,560,246	2,743,205	6,083,246	4,265,583
Export	413,959	878,292	1,876,861	2,050,078
	<u>4,974,205</u>	<u>3,621,497</u>	<u>7,960,107</u>	<u>6,315,661</u>

22. Sales tax, other government levies and discounts

Indirect taxes	675,645	403,166	899,449	628,929
Discounts	3,526	2,151	4,603	3,365
	<u>679,171</u>	<u>405,317</u>	<u>904,052</u>	<u>632,294</u>

23. Segment operating results for the six month period ended March 31, 2022 (Un-audited)

	Sugar Division				Ethanol Division				Total			
	Three month period ended		Six month period ended		Three month period ended		Six month period ended		Three month period ended		Six month period ended	
	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022
	Rupees in thousand											
Sales	4,428,570	2,699,105	5,776,080	4,015,974	545,635	922,392	2,184,027	2,299,687	4,974,205	3,621,497	7,960,107	6,315,661
- External Customers	453,307	315,175	912,033	619,192	-	-	-	-	453,307	315,175	912,033	619,192
- Inter segment	4,881,877	3,014,280	6,688,113	4,635,166	545,635	922,392	2,184,027	2,299,687	5,427,512	3,306,322	8,872,140	6,334,853
Less : sales tax & others	(658,549)	(398,709)	(855,590)	(594,350)	(20,622)	(6,608)	(48,462)	(37,944)	(679,171)	(405,317)	(904,052)	(632,294)
Sales - net	4,223,328	2,615,571	5,832,523	4,040,816	525,013	915,784	2,135,565	2,261,743	4,748,341	3,531,355	7,968,088	6,302,559
Segment expenses:												
<u>Cost of sales</u>												
Cost of Sales	(3,393,699)	(2,339,174)	(4,928,914)	(3,572,117)	41,281	(438,893)	(753,129)	(1,203,369)	(3,352,418)	(2,778,067)	(5,682,043)	(4,775,486)
less: Inter segment cost	-	-	-	-	(453,307)	(315,175)	(912,033)	(619,192)	(453,307)	(315,175)	(912,033)	(619,192)
Gross profit	829,629	276,397	903,609	468,699	(412,026)	(754,068)	(1,865,162)	(1,822,551)	(3,895,725)	(3,093,242)	(6,594,076)	(5,594,678)
Selling and distribution expenses	(25,454)	(7,306)	(31,415)	(12,604)	(73,496)	(117,676)	(194,839)	(237,001)	(88,950)	(124,982)	(226,254)	(249,605)
Administrative and general expenses	(169,942)	(157,401)	(277,692)	(272,861)	(21,620)	1,937	(89,115)	(30,783)	(191,562)	(155,464)	(366,607)	(303,844)
	(195,396)	(164,707)	(309,107)	(285,465)	(95,116)	(115,739)	(283,954)	(267,784)	(290,512)	(280,446)	(593,061)	(553,249)
Profit from operations	634,233	111,690	594,502	183,234	17,871	45,977	186,449	171,398	652,104	157,667	780,951	354,632
Other income	7,845	3,207	22,243	17,506	1,057	742	2,285	1,888	8,902	3,949	24,528	19,394
Other expenses	(24,777)	8,448	(25,765)	3,093	-	(225)	-	(15,257)	(24,777)	8,223	(25,765)	(12,164)
Segment results	(16,932)	11,655	(3,522)	20,599	1,057	517	2,285	(13,369)	(15,875)	12,172	(1,237)	7,230
Finance cost	617,301	123,345	590,980	203,833	18,928	46,494	188,734	158,029	636,229	169,839	779,714	361,862
Profit before taxation	-	-	-	-	-	-	-	-	(385,409)	(227,249)	(489,368)	(346,087)
Taxation	-	-	-	-	-	-	-	-	270,820	(57,410)	290,346	15,775
Profit / (loss) for the period	-	-	-	-	-	-	-	-	(100,503)	(23,707)	(80,421)	(52,410)
	170,317	(81,117)	209,925	(36,635)	-	-	-	-	170,317	(81,117)	209,925	(36,635)

23.1 Segment assets and liabilities

	Un-audited March 31, 2022 (Rupees in thousand)		Audited September 30, 2021 (Rupees in thousand)	
	Assets	Liabilities	Assets	Liabilities
Sugar	21,242,178	16,154,583	11,336,792	4,739,128
Ethanol	7,399,694	3,028,165	5,636,656	2,810,170
Total for reportable segment	28,641,872	19,182,748	16,973,448	7,549,298
Others	-	380,824	-	412,315
Total assets / liabilities	28,641,872	19,563,572	16,973,448	7,961,613

24. Transactions with related parties

24.1 The Company has related party relationship, with its Holding Company, subsidiary companies 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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(Rupees in thousand)			
Holding Company				
Sale / purchase of molasses	-	21,060	-	21,060
Sale of store items	14,261	5,473	18,645	7,002
Advance paid against purchase of building	250,000	-	250,000	-
Sale of bagasse	-	-	4,965	1,067
Purchase of store items	31,164	-	31,164	-
Mark-up charged	-	-	-	541
Expenses paid by Holding Company	714	735	1,266	5,318
Expenses paid on behalf of Holding Company	28,591	4,332	40,990	11,762
Rent expense	5,445	5,445	10,890	10,890
Rent income	29	29	58	58
Dividend paid	68,755	68,755	68,755	68,755
Subsidiary Companies				
Freehold land	-	-	39,424	-
Funds transferred by the company	204,000	-	204,000	-
Expenses paid by the company	20,532	45,509	22,872	70,366
Associated undertakings				
Services	7,644	7,634	15,283	15,269
Expenses paid by associated companies	1,350	-	1,350	554
Purchase of goods	121,646	47,866	167,195	86,162
Expenses paid on behalf of associated companies	-	45,509	-	70,366
Dividend paid	26,877	26,804	26,877	26,804
Mark-up charged	5,569	4,175	10,286	8,420
Post employment benefit				
Expense charged in respect of retirement benefit plan	5,470	861	10,218	1,722
Key management personnel / Directors				
Salaries and other benefits	39,103	26,867	76,476	56,857
Dividend paid	19,103	14,741	19,103	14,741
Advance against sale of floor area - building	-	-	100,000	-
Vehicle leased	-	-	-	21,685

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, 2021. 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. Corresponding figures

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of better presentation and / or to comply with requirements of accounting and reporting standards, the effects of which are not considered material. These reclassifications have no effect on previously reported net income or shareholders' equity.

Description	Reclassified		Amount Rs (000)
	From	To	
Seed sales - net of expenses	Other Income	Cost of Sales	22,759
Advance payments from customers	Trade and other payables	Contract liabilities - advance payments from customers	17,241

27. General

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 26, 2022.

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, 2022**

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2022

	Note	Un-audited March 31, 2022	Audited September 30, 2021
(Rupees in thousand)			
NON CURRENT ASSETS			
Property, plant and equipment	6	15,239,750	12,500,913
Right-of-use assets	7	319,493	339,575
Long term deposits		15,084	15,084
		<u>15,574,327</u>	<u>12,855,572</u>
CURRENT ASSETS			
Stores and spares		664,446	522,564
Stock-in-trade	8	10,280,581	1,354,545
Trade debts	9	91,802	533,462
Loans and advances	10	1,341,863	859,840
Trade deposits and other receivables	11	288,470	278,346
Income tax refundable		368,001	312,498
Cash and bank balances		448,490	441,753
		<u>13,483,653</u>	<u>4,303,008</u>
TOTAL ASSETS		<u>29,057,980</u>	<u>17,158,580</u>
SHARE CAPITAL AND RESERVES			
Authorised capital		500,000	500,000
Issued, subscribed and paid-up capital	12	286,920	286,920
Capital reserve			
General reserve		327,000	327,000
Revenue reserve			
Unappropriated profits		3,388,938	3,190,740
Surplus on revaluation of property, plant and equipment		4,976,425	5,157,980
Equity attributable to owners of the parent		8,979,283	8,962,640
Non-controlling interest		194,067	194,780
		<u>9,173,350</u>	<u>9,157,420</u>
NON-CURRENT LIABILITIES			
Long term finances - secured	13	3,958,686	1,702,294
Loans from related parties - secured	14	203,707	198,075
Lease liabilities	15	187,472	226,887
Deferred Liabilities			
- Deferred taxation		1,794,744	1,733,208
- Provision for gratuity		12,669	11,467
- Deferred government grant		2,515	6,204
- Deferred benefit of below market rate of interest on refinance facility		18,845	21,211
		<u>1,828,773</u>	<u>1,772,090</u>
		<u>6,178,638</u>	<u>3,899,346</u>
CURRENT LIABILITIES			
Trade and other payables	16	1,074,198	700,631
Contract liabilities - advance payments from customers		1,098,985	17,241
Unclaimed dividend		12,353	12,353
Unpaid dividend		2,292	-
Short term running finance	17	10,371,681	2,466,100
Current maturity of non-current liabilities	18	1,146,483	905,489
		<u>13,705,992</u>	<u>4,101,814</u>
TOTAL LIABILITIES		<u>19,884,630</u>	<u>8,001,160</u>
Contingencies and commitments	19		
TOTAL EQUITY AND LIABILITIES		<u>29,057,980</u>	<u>17,158,580</u>

The annexed notes 1 to 27 form an integral part of these condensed interim consolidated 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, 2022

	Note	Three month period ended		Six month period ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
(Rupees in thousand)					
Gross sales	20	4,974,205	3,623,954	7,960,107	6,318,118
Sales tax, other government levies and discounts	21	(679,171)	(405,317)	(904,052)	(632,294)
Sales - net		<u>4,295,034</u>	<u>3,218,637</u>	<u>7,056,055</u>	<u>5,685,824</u>
Cost of sales		<u>(3,352,418)</u>	<u>(2,778,067)</u>	<u>(5,682,043)</u>	<u>(4,775,486)</u>
Gross profit		<u>942,616</u>	<u>440,570</u>	<u>1,374,012</u>	<u>910,338</u>
Selling and distribution expenses		(98,950)	(124,982)	(226,254)	(249,605)
Administrative and general expenses		(207,433)	(171,449)	(399,088)	(337,799)
Other income		9,264	3,949	23,866	19,394
Other expenses		(24,777)	8,223	(25,765)	(12,164)
Operating profit		<u>620,720</u>	<u>156,311</u>	<u>746,771</u>	<u>330,164</u>
Finance cost		(372,921)	(235,343)	(507,077)	(358,532)
Profit / (loss) before taxation		<u>247,799</u>	<u>(79,032)</u>	<u>239,694</u>	<u>(28,368)</u>
- Current		12,251	(8,783)	(18,769)	(20,501)
- Deferred		(111,826)	(14,924)	(61,535)	(31,909)
		<u>(99,575)</u>	<u>(23,707)</u>	<u>(80,304)</u>	<u>(52,410)</u>
Profit / (loss) after taxation		<u>148,224</u>	<u>(102,739)</u>	<u>159,390</u>	<u>(80,778)</u>
Attributable to:					
Owners of the Parent Company		147,597	(102,739)	160,103	(80,778)
Non-controlling interest		627	-	(713)	-
		<u>148,224</u>	<u>(102,739)</u>	<u>159,390</u>	<u>(80,778)</u>
Earnings / (loss) per share-basic and diluted (Rs)		<u>5.17</u>	<u>(3.58)</u>	<u>5.56</u>	<u>(2.82)</u>

The annexed notes 1 to 27 form an integral part of these condensed interim consolidated 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, 2022

	Three month period ended		Six month period ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(Rupees in thousand)			
Profit / (loss) after taxation	148,224	(102,739)	159,390	(80,778)
Other comprehensive income	-	-	-	-
Total comprehensive Income / (loss) for the period	<u>148,224</u>	<u>(102,739)</u>	<u>159,390</u>	<u>(80,778)</u>
Attributable to:				
Owners of the Parent Company	147,597	(102,739)	160,103	(80,778)
Non-controlling interest	<u>627</u>	<u>-</u>	<u>(713)</u>	<u>-</u>
	<u>148,224</u>	<u>(102,739)</u>	<u>159,390</u>	<u>(80,778)</u>

The annexed notes 1 to 27 form an integral part of these condensed interim consolidated 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, 2022

	Share capital	General reserve	Unappropriated profits	Surplus on revaluation of property, plant and (Rupees in thousand)	Total	Non-controlling interest	Total
Balance as at October 1, 2020	286,920	327,000	2,833,119	4,223,043	7,670,082	-	7,670,082
Total comprehensive loss for the six month period ended March 31, 2021	-	-	(80,778)	-	(80,778)	-	(80,778)
Loss for the period	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	(80,778)	-	(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)	-	(143,460)
Balance as at March 31, 2021	286,920	327,000	2,760,110	4,071,814	7,445,844	-	7,445,844
Share capital subscribed by non controlling interest	-	-	-	-	-	196,000	196,000
Total comprehensive income for the six month period ended September 30, 2021	-	-	267,793	-	267,793	(1,220)	266,573
Income for the period	-	-	(247)	1,249,250	1,249,003	-	1,249,003
Other comprehensive income for the period	-	-	267,546	1,249,250	1,516,796	(1,220)	1,515,576
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	163,084	(163,084)	-	-	-
Balance as at September 30, 2021	286,920	327,000	3,190,740	5,157,980	8,962,640	194,780	9,157,420
Total comprehensive income for the six month period ended March 31, 2022	-	-	160,103	-	160,103	(713)	159,390
Income for the period	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	160,103	-	160,103	(713)	159,390
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	181,555	(181,555)	-	-	-
Cash dividend at rate of Rs 5.00 per ordinary share for the year ended September 30, 2021	-	-	(143,460)	-	(143,460)	-	(143,460)
Balance as at March 31, 2022	<u>286,920</u>	<u>327,000</u>	<u>3,388,938</u>	<u>4,976,425</u>	<u>8,979,283</u>	<u>194,067</u>	<u>9,173,350</u>

The annexed notes 1 to 27 form an integral part of these condensed interim consolidated 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, 2022

	Six month period ended	
	March 31, 2022	March 31, 2021
	(Rupees in thousand)	
Cash flow from operating activities		
Profit / (loss) before taxation	239,694	(28,368)
Adjustments for non-cash items:		
Depreciation	530,923	488,049
(Gain) / loss on sale of operating fixed assets	(91)	11,492
Profit on deposit accounts	(3,840)	(2,416)
Finance cost	507,077	358,532
Provision for gratuity	1,944	1,722
	<u>1,275,707</u>	<u>829,011</u>
Changes in working capital		
Decrease / (Increase) in		
stores and spares	(141,882)	79,713
stock-in-trade	(8,926,036)	(7,905,072)
trade debts	441,660	37,871
loans and advances	(482,023)	627,604
trade deposits, prepayments and other receivables	(10,124)	(33,354)
Increase in trade and other payables	373,567	114,605
Increase in contract liability - advance payments from customers	1,081,744	686,319
	<u>(7,663,094)</u>	<u>(6,392,314)</u>
	(6,387,387)	(5,563,303)
Income taxes paid	(74,272)	(28,169)
Gratuity paid	(742)	(1,618)
Net cash used in operating activities	<u>(6,462,401)</u>	<u>(5,593,090)</u>
Cash flow from investing activities		
Purchase of property, plant and equipment	(3,235,491)	(467,035)
Sale proceeds of operating fixed assets	1,053	14,492
Long term security deposits	-	(26)
Profit on bank deposits received	3,840	2,416
Net cash used in investing activities	<u>(3,230,598)</u>	<u>(450,153)</u>
Cash flow from financing activities		
Long term finances - net	2,369,355	245,687
Short term loan received / (repaid)	200,000	(222,000)
Loans from related parties - repaid	-	(24,238)
Repayment of lease liabilities	(66,323)	(13,592)
Dividends paid	(141,168)	(141,644)
Finance cost paid	(177,742)	(238,459)
Net cash generated / (used) in financing activities	<u>2,184,122</u>	<u>(394,246)</u>
Net decrease in cash and cash equivalents	<u>(7,508,877)</u>	<u>(6,437,489)</u>
Cash and cash equivalents at beginning of the period	211,423	(126,258)
Cash and cash equivalents at end of the period	<u>(7,297,454)</u>	<u>(6,563,747)</u>
Cash and cash equivalents comprised of:		
Bank balances	448,490	524,656
Short term running finance	(7,745,944)	(7,088,403)
	<u>(7,297,454)</u>	<u>(6,563,747)</u>

The annexed notes 1 to 27 form an integral part of these condensed interim consolidated 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, 2022

1. THE GROUP AND ITS OPERATIONS

1.1 Chashma Sugar Mills Limited (the Holding Company)

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 October 01, 1992. 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.

1.2 Subsidiary Companies

(a) Whole Foods (Private) Limited

Whole Foods (Private) Limited (WFPL) - 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 WFPL is to setup, manage, supervise and control the storage facilities for agricultural produce.

(b) Ultimate Whole Foods (Private) Limited

Ultimate Whole Foods (Private) Limited ("the Subsidiary Company") was incorporated in Pakistan as a Private Limited Company under Companies Act, 2017 on May 17, 2021. The objective of UWFPL is to set up mills for milling wheat, gram, other grains and other allied products and by-products from flours. The operations of the UWFPL have not yet started. The Holding Company holds 51% shares of the Subsidiary Company.

For the purpose of these condensed interim consolidated financial statements, Chashma Sugar Mills Limited and its subsidiaries are referred to as the Group.

2. Statement of compliance

These condensed interim financial statements for six month period ended March 31, 2022 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 consolidated 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, 2021.

3. Significant Accounting Policies

The Accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the audited financial statements for the year ended September 30, 2021.

4. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended September 30, 2021.

5. Seasonality of operations

Due to seasonal nature of sugar segment of the Group, operating results of the Group 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, 2022 (Rupees in thousand)	Audited September 30, 2021
6. Property, plant and equipment			
Operating fixed assets	6.1	14,384,310	11,701,695
Capital work-in-progress	6.2	855,440	799,218
		<u>15,239,750</u>	<u>12,500,913</u>
6.1 Operating fixed assets - at net book value			
Net book value at the beginning of the period / year		11,701,695	9,629,242
Revaluation surplus during the period / year		-	1,657,526
Additions during the period / year	6.1.1	3,176,576	1,320,556
Transfers from right of use assets to owned		678	32,665
Disposals during the period / year		(962)	(37,003)
Depreciation charged for the period / year		(493,677)	(901,291)
		<u>(494,639)</u>	<u>(938,294)</u>
Net book value at the end of the period / year		<u>14,384,310</u>	<u>11,701,695</u>
6.1.1 Additions during the period / year			
Freehold land		2,522,159	158,292
Building and roads		91,381	237,814
Plant and machinery		421,367	762,213
Electric installations		134,496	123,340
Office equipment		3,731	27,088
Farm equipment		168	776
Furniture and fixtures		2,178	7,242
Vehicles		1,096	3,791
		<u>3,176,576</u>	<u>1,320,556</u>
6.2 Capital work-in-progress			
At the beginning of the period / year		799,218	820,738
Additions during the period / year	6.2.1	3,244,657	1,356,171
Capitalized / adjusted during the period / year		(3,188,435)	(1,367,696)
Other adjustments		-	(9,995)
Balance at the end of the period / year		<u>855,440</u>	<u>799,218</u>
6.2.1 Additions during the period / year			
Freehold land		1,050	1,024
Buildings on freehold land		93,249	172,716
Plant and machinery		330,350	501,672
Electric installations		31,377	179,939
Office equipments		49	-
Vehicles - owned		7,202	1,060
Vehicles - leased		15,294	67,228
Advance payments to contractors		-	240
Advance payments against land - freehold and buildings		2,766,086	432,292
		<u>3,244,657</u>	<u>1,356,171</u>
7. Right of Use Assets			
Net book value at the beginning of the period / year		339,575	395,099
Additions during the period / year		17,899	67,729
Remeasurement / deletion during the period / year		(57)	(4,522)
Transfers from right of use assets to owned		(678)	(32,665)
Depreciation charged for the period / year		(37,246)	(86,066)
Net book value at the end of the period / year		<u>319,493</u>	<u>339,575</u>

	Un-audited March 31, 2022 (Rupees in thousand)	Audited September 30, 2021
8. Stock-in-trade		
Finished goods		
- Sugar	7,039,573	169,689
- Molasses	2,477,394	748,145
- Ethanol	<u>752,001</u>	<u>423,262</u>
	10,268,968	1,341,096
Work-in-process	11,613	13,449
	<u>10,280,581</u>	<u>1,354,545</u>
9. Trade debts		
Considered good	91,802	533,462
Considered doubtful	<u>2,446</u>	<u>2,446</u>
	94,248	535,908
Less: Loss allowance	<u>(2,446)</u>	<u>(2,446)</u>
	<u>91,802</u>	<u>533,462</u>
10. Loans and advances		
Advances to:		
Employees - secured	<u>9,023</u>	<u>7,867</u>
Suppliers and contractors - unsecured	<u>1,053,327</u>	<u>582,832</u>
	1,062,350	590,699
Due from holding company		
The Premier Sugar Mills & Distillery Co. Ltd.	101,404	89,995
Letters of credit	<u>207,292</u>	<u>208,329</u>
	1,371,046	889,023
Less:		
- Provision for doubtful advances	(28,838)	(28,838)
- Loss allowance	<u>(345)</u>	<u>(345)</u>
	<u>1,341,863</u>	<u>859,840</u>
11. Trade deposits and other receivables		
Deposits	7,464	3,561
Prepayments	5,107	5,286
Export subsidy receivable	305,519	305,519
Guarantee issued	19,000	19,000
Others	<u>7,500</u>	<u>1,100</u>
	<u>344,590</u>	<u>334,466</u>
Less: loss allowance	<u>(56,120)</u>	<u>(56,120)</u>
	<u>288,470</u>	<u>278,346</u>
12. 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;		
	(Number of shares)	
Holding company		
Premier Sugar Mills & Distillery Co. Ltd.	13,751,000	13,751,000
Associated companies		
Azlake Enterprises (Pvt.) Ltd.	1,477,359	1,462,859
Phipson & Co. Pakistan (Pvt.) Ltd.	307,500	307,500
Syntronics Ltd.	3,590,475	3,590,475
	<u>19,126,334</u>	<u>19,111,834</u>

	Note	Un-Audited March 31, 2022	Audited September 30, 2021
13. Long term finances - secured			
Bank Al Habib Limited		2,573,301	617,766
Soneri Bank Limited		823,779	964,301
Dubai Islamic Bank Pakistan Limited		694,986	292,480
MCB Bank Limited		163,175	191,821
Al-Baraka Bank (Pakistan) Limited		446,715	352,544
The Bank of Khyber		90,000	-
Total	13.1	4,791,956	2,418,912
Accrued mark-up		166,605	53,498
		4,958,561	2,472,410
Less: amount payable within next 12 months			
Principal		(814,425)	(695,407)
Accrued mark-up		(166,605)	(53,498)
Deferred Benefit of below market rate of interest on refinance facility		(18,845)	(21,211)
Amount due after March 31, 2023		3,958,686	1,702,294

13.1 These represent term and demand finance obtained by the Group 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 + 2.10% 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.

14. Loans from related parties - secured

Associated companies

Premier Board Mills Limited	14.1	90,575	90,575
Arpak International Investments Limited	14.2	43,750	43,750
Aztrak Enterprises (Private) Limited	14.3	85,000	85,000
Accrued mark-up		43,299	33,931
		262,624	253,256

Less: amount payable within next 12 months

Principal		(15,618)	(21,250)
Accrued mark-up		(43,299)	(33,931)
Amount due after March 31, 2023		203,707	198,075

14.1 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.

- 14.2 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 Group.
- 14.3 The long term finance facility has been renewed on January 3, 2022. The principal is repayable in 8 semi annual installments commencing from December 2024. 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.

	Note	Un-Audited March 31, 2022	Audited September 30, 2021
15. Lease liabilities			
Balance at beginning of the period / year		328,290	372,737
Additions during the period / year		15,206	67,729
Unwinding of interest on lease liabilities		16,835	42,484
Payments made during the period / year		(66,323)	(150,138)
Remeasurement of lease liabilities		-	(4,522)
Balance at end of the period / year		294,008	328,290
Less: current portion of long term lease liabilities		(106,536)	(101,403)
		187,472	226,887

16. Trade and other payables

Creditors		359,961	359,105
Due to related parties	16.1	136,286	41,823
Accrued expenses		115,549	107,023
Retention money		18,159	18,390
Security deposits		1,009	774
Advance against sale of floor area - building		100,000	-
Income tax deducted at source		57,567	49,651
Sales tax payable		155,858	14,908
Payable for workers welfare obligations		63,995	59,373
Payable to employees		52,595	42,047
Payable to provident fund		4,491	34
Others		8,728	7,503
		1,074,198	700,631

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

Syntronics Limited	78,219	4,608
Syntron Limited	24,834	-
Aztrak Enterprises (Private) Limited	32,884	37,220
The Frontier Sugar Mills and Distillery Limited	351	-
	136,286	41,823

17. Short term running finance - secured

Cash / running finance	17.1	7,745,944	230,330
Export re finance		2,400,000	2,200,000
		10,145,944	2,430,330
Accrued mark-up		225,737	35,770
		10,371,681	2,466,100

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.

	Note	Un-Audited March 31, 2022 (Rupees in thousand)	Audited September 30, 2021
18. Current maturity of non-current liabilities			
Long term finances	13	981,030	748,905
Loans from related parties	14	58,917	55,181
Lease liabilities	15	106,536	101,403
		<u>1,146,483</u>	<u>905,489</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, 2021.

19.2 Commitments

The Group has following commitments in respect of:

- foreign letters of credit for purchase of plant and machinery	605,490	264,820
- local letter of credit for purchase of plant and machinery	213,472	257,546
- capital expenditure other than for letters of credit	68,038	144,647

20. Gross sales

	Three month period ended		Six month period ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(Rupees in thousand)			
Local	4,560,246	2,745,662	6,083,246	4,268,040
Export	413,959	878,292	1,876,861	2,050,078
	<u>4,974,205</u>	<u>3,623,954</u>	<u>7,960,107</u>	<u>6,318,118</u>

21. Sales tax, other government levies and discounts

	675,645	403,166	899,449	628,929
	3,526	2,151	4,603	3,365
	<u>679,171</u>	<u>405,317</u>	<u>904,052</u>	<u>632,294</u>

22. Segment operating results for the six month period ended March 31, 2022 (Un-audited)

	Sugar Division						Ethanol Division						Total					
	Three month period ended March 31, 2022	Three month period ended March 31, 2021	Six month period ended March 31, 2022	Six month period ended March 31, 2021	Three month period ended March 31, 2022	Six month period ended March 31, 2021	Three month period ended March 31, 2022	Three month period ended March 31, 2021	Six month period ended March 31, 2022	Six month period ended March 31, 2021	Three month period ended March 31, 2022	Six month period ended March 31, 2021	Three month period ended March 31, 2022	Three month period ended March 31, 2021	Six month period ended March 31, 2022	Six month period ended March 31, 2021	Three month period ended March 31, 2022	Six month period ended March 31, 2021
Sales	4,428,570	2,701,562	5,776,080	4,018,431	545,635	922,392	2,184,027	2,299,687	4,974,205	3,623,954	4,974,205	3,623,954	7,960,107	6,318,118	7,960,107	6,318,118	4,974,205	3,623,954
- External Customers	453,307	315,175	912,033	619,192	-	-	-	-	453,307	315,175	453,307	315,175	912,033	619,192	453,307	315,175	453,307	315,175
- Intersegment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less : sales tax and others	4,881,877	3,016,737	6,688,113	4,637,623	545,635	922,392	2,184,027	2,299,687	5,427,512	3,939,129	5,427,512	3,939,129	8,872,140	6,937,310	5,427,512	3,939,129	8,872,140	6,937,310
Sales - net	(658,549)	(398,709)	(855,590)	(594,350)	(20,622)	(6,608)	(48,462)	(37,944)	(679,171)	(405,317)	(679,171)	(405,317)	(904,052)	(632,294)	(679,171)	(405,317)	(904,052)	(632,294)
	<u>4,223,328</u>	<u>2,618,028</u>	<u>5,832,523</u>	<u>4,043,273</u>	<u>525,013</u>	<u>915,784</u>	<u>2,135,565</u>	<u>2,261,743</u>	<u>4,748,341</u>	<u>3,533,812</u>	<u>4,748,341</u>	<u>3,533,812</u>	<u>7,968,088</u>	<u>6,305,016</u>	<u>4,748,341</u>	<u>3,533,812</u>	<u>7,968,088</u>	<u>6,305,016</u>
Segment expenses:																		
Cost of Sales	(3,393,699)	(2,339,174)	(4,928,914)	(3,572,117)	41,281	(438,893)	(753,129)	(1,203,369)	(3,352,416)	(2,778,067)	(3,352,416)	(2,778,067)	(5,682,043)	(4,775,486)	(3,352,416)	(2,778,067)	(5,682,043)	(4,775,486)
less: Intersegment cost	-	-	-	-	(453,307)	(315,175)	(912,033)	(619,192)	(453,307)	(315,175)	(453,307)	(315,175)	(912,033)	(619,192)	(453,307)	(315,175)	(912,033)	(619,192)
Gross profit	829,629	278,854	903,609	471,156	(412,026)	(754,068)	(1,665,162)	(1,822,561)	(3,805,725)	(3,095,242)	(3,805,725)	(3,095,242)	(6,594,076)	(5,394,678)	(3,805,725)	(3,095,242)	(6,594,076)	(5,394,678)
Selling and distribution expenses	(25,454)	(7,306)	(31,415)	(12,604)	(73,496)	(117,676)	(194,839)	(237,001)	(98,950)	(124,982)	(98,950)	(124,982)	(226,254)	(249,605)	(98,950)	(124,982)	(226,254)	(249,605)
Administrative and general expenses	(169,942)	(157,401)	(277,692)	(272,722)	(21,620)	1,937	(89,115)	(30,783)	(191,562)	(155,464)	(191,562)	(155,464)	(366,807)	(303,505)	(191,562)	(155,464)	(366,807)	(303,505)
Others	(195,396)	(164,707)	(309,107)	(285,326)	(95,116)	(115,739)	(283,954)	(267,784)	(15,871)	(15,985)	(15,871)	(15,985)	(32,281)	(34,294)	(15,871)	(15,985)	(32,281)	(34,294)
Profit from operations	634,233	114,147	594,502	185,830	17,871	45,977	186,449	171,398	636,233	144,139	636,233	144,139	748,670	322,934	636,233	144,139	748,670	322,934
Other income	7,845	3,207	21,219	17,506	1,057	742	2,285	1,888	8,902	3,949	8,902	3,949	23,504	13,394	8,902	3,949	23,504	13,394
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	(24,777)	8,448	(25,765)	3,093	-	(225)	-	(15,257)	(24,777)	8,223	(24,777)	8,223	(25,765)	(12,164)	(24,777)	8,223	(25,765)	(12,164)
	<u>(16,932)</u>	<u>11,655</u>	<u>(4,546)</u>	<u>20,599</u>	<u>1,057</u>	<u>517</u>	<u>2,285</u>	<u>(13,369)</u>	<u>(15,513)</u>	<u>12,172</u>	<u>(15,513)</u>	<u>12,172</u>	<u>(1,899)</u>	<u>7,230</u>	<u>(15,513)</u>	<u>12,172</u>	<u>(1,899)</u>	<u>7,230</u>
Segment results	617,301	125,802	589,956	206,429	18,928	46,494	188,734	158,029	620,720	156,311	620,720	156,311	746,771	330,164	620,720	156,311	746,771	330,164
Finance cost	-	-	-	-	-	-	-	-	(372,921)	(235,343)	(372,921)	(235,343)	(507,077)	(358,532)	(372,921)	(235,343)	(507,077)	(358,532)
Profit / (loss) before tax	-	-	-	-	-	-	-	-	247,799	(79,032)	247,799	(79,032)	239,694	(28,368)	247,799	(79,032)	239,694	(28,368)
Taxation	-	-	-	-	-	-	-	-	(99,575)	(23,707)	(99,575)	(23,707)	(80,304)	(52,410)	(99,575)	(23,707)	(80,304)	(52,410)
Profit / (loss) for the period	-	-	-	-	-	-	-	-	<u>148,224</u>	<u>(102,739)</u>	<u>148,224</u>	<u>(102,739)</u>	<u>159,390</u>	<u>(80,778)</u>	<u>148,224</u>	<u>(102,739)</u>	<u>159,390</u>	<u>(80,778)</u>

22.1 Segment assets and liabilities

	Un-audited March 31, 2022 (Rupees in thousand)		Audited September 30, 2021 (Rupees in thousand)	
	Assets	Liabilities	Assets	Liabilities
Sugar	20,478,245	16,097,798	10,621,822	4,619,616
Ethanol	7,399,694	3,028,165	5,636,656	2,810,170
Total for reportable segment	27,877,939	19,125,963	16,258,478	7,429,786
Others	1,180,041	758,667	900,102	571,374
Total assets / liabilities	29,057,980	19,884,630	17,158,580	8,001,160

23. Transactions with related parties

23.1 The Group 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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(Rupees in thousand)			
The Premier Sugar Mills and Distillery Company Limited				
Sale / purchase of molasses	-	21,060	-	21,060
Sale of store items	14,333	5,473	18,717	7,002
Advance paid against purchase of building	250,000	-	250,000	-
Sale of bagasse	-	-	4,965	1,067
Purchase of store items	31,164	-	31,164	-
Mark-up charged	-	-	-	541
Expenses paid by Holding Company	714	735	1,266	5,318
Expenses paid on behalf of Holding Company	28,591	4,332	40,990	11,762
Rent expense	5,445	5,445	10,890	10,890
Rent income	29	29	58	58
Dividend paid	68,755	68,755	68,755	68,755
<u>Associated undertakings</u>				
Services	7,644	7,634	15,283	15,269
Expenses paid by associated companies	1,350	-	1,350	554
Purchase of goods	121,646	47,866	167,195	86,162
Expenses paid on behalf of associated companies	-	45,509	-	70,366
Dividend paid	26,877	26,804	26,877	26,804
Mark-up charged	6,936	4,712	12,798	9,502
<u>Post employment benefit</u>				
Expense charged in respect of retirement benefit plan	5,470	861	10,218	1,722
<u>Key management personnel / Directors</u>				
Salaries and other benefits	39,103	26,867	76,476	56,857
Dividend paid	19,103	14,741	19,103	14,741
Advance against sale of floor area - building	-	-	100,000	-
Vehicle leased	-	-	-	21,685

24. Fair value of financial assets and liabilities

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 Group was valued by independent valuer to determine the fair value of property, plant and equipment as at September 30, 2021. 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.

25. Corresponding figures

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of better presentation and / or to comply with requirements of accounting and reporting standards, the effects of which are not considered material. These reclassifications have no effect on previously reported net income or shareholders' equity.

Description	From	Reclassified To	Amount Rs (000)
Seed sales - net of expenses	Other Income	Cost of Sales	22,759
Advance payments from customers	Trade and other payables	Contract liabilities - advance payments from customers	17,241

26. General

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

27. Date of authorisation for issue

These condensed interim consolidated financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on May 26, 2022.


Rizwan Ullah Khan
Chief Financial Officer


Aziz Sarfaraz Khan
Chief Executive


Iskander M. Khan
Director