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CHASHMA SUGAR MILLS LIMITED
KING'S ARCADE, 20-A, MARKAZ F-7,
ISLAMABAD - PAKISTAN
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CHASHMA SUGAR MILLS LIMITED

**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED
DECEMBER 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	National Bank of Pakistan
MCB Bank Limited	Soneri Bank Limited
The Bank of Punjab	Askari Bank Limited
Bank Al-Falah Limited	United Bank Limited
Dubai Islamic Bank Limited	Meezan Bank Limited
Al-Baraka Bank (Pakistan) Limited	Allied Bank Limited
Habib Metropolitan Bank Limited	Samba Bank Limited

CHASHMA SUGAR MILLS LIMITED

DIRECTORS' REVIEW REPORT

The Directors of Chashma Sugar Mills Limited are pleased to present the un-audited condensed interim financial information of the Company for the three month period ended December 31, 2021 to the shareholders of the Company in compliance with Section 237 of the Companies Act, 2017 (the Act) and the rule book of the Pakistan Stock Exchange.

OPERATIONAL OPERATIONS

The sugarcane crushing season 2021-22 commenced on November 15, 2021. The mills have crushed 1,463,558 tons of sugarcane and have produced 146,906 tons of sugar till February 20, 2022. The Provincial Government of Punjab and Khyber Pakhtunkhwa (KPK) fixed sugarcane price @ Rs. 225/- per maund. The KPK Government forced us to start the Mills on November 15, 2021, despite the fact that the harvesting had not commenced; this coupled with the un-mature sugarcane resulted in loss of sugar production, a national loss. The competing Sugar Mills of the area, in order to maximize their supply, started to compete in prices; causing massive increase in sugar production cost.

SUGAR PRICES

The sugar prices declined since the start of crushing season and we expect prices to remain suppress due to hefty production this year.

ETHANOL FUEL PLANT AT UNIT-II

The Ethanol Fuel Plant produced 8187 MT of Ethanol during the first Quarter ended December 31, 2021.

FINANCIAL PERFORMANCE

The Company earned Rs. 39.608 million profit after taxation (2020: 44.842 million) during the first quarter ended December 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 good work done by the Company's staff at all levels.

FOR AND ON BEHALF OF THE BOARD



(ISKANDER M. KHAN)

Director



(AZIZ SARFARAZ KHAN)

Chief Executive

Islamabad
February 24, 2022

چشمہ شوگر ملز لمیٹڈ ڈائریکٹرز کی جائزہ رپورٹ

چشمہ شوگر ملز لمیٹڈ کے ڈائریکٹرز 31 دسمبر 2021 کو ختم ہونے والی پہلی سہ ماہی کی اختتام پر کمپنی کی غیر آڈٹ شدہ کنڈنسڈ انٹیرم مالیاتی معلومات حصص داروں کو جو کہ کمپنیز ایکٹ 2017 (دی ایکٹ) کے سیکشن 237 اور پاکستان سٹاک ایکسچینج کے قواعد کے مطابق ہیں پیش کرنے پر مسرت محسوس کرتے ہیں۔

آپریشن کا جائزہ

گنے کا کرٹنگ سیزن 2021-22 کا آغاز 15 نومبر 2021 کو شروع ہوا۔ ملوں نے 1،463،463 ٹن گنا کرش کیا۔ اور 20 فروری 2022 تک 146،906 ٹن چینی بنائی پنجاب اور خیبر پختونخوا کی صوبائی حکومت نے چینی کی قیمت = 225 روپے فی من مقرر کی۔ خیبر پختونخوا حکومت نے ہمیں 15 نومبر 2021 کو ملز شروع کرنے پر مجبور کیا باوجود اس حقیقت کے کہ کٹائی شروع نہیں ہوئی اس کے اور غیر پختہ گنے کے نتیجے میں چینی کی پیداوار میں کمی واقع ہوئی۔ جو کہ قومی نقصان ہے۔ علاقے کی شوگر ملوں نے اپنی سپلائی کو زیادہ سے زیادہ کرنے کے لیے قیمتوں میں مقابلہ کرنا شروع کر دیا۔ جس کی وجہ سے چینی کی پیداواری لاگت میں زبردست اضافہ ہوا ہے۔

چینی کی قیمت

کرٹنگ سیزن کے آغاز کے بعد سے چینی کی قیمتوں میں کمی واقع ہوئی ہے اور ہمیں توقع ہے کہ اس سال اچھی پیداوار کی وجہ سے قیمتیں کم رہیں گی۔

ڈسٹری

اینتھنول فیول پلانٹ نے 31 دسمبر 2021 کو ختم ہونے والی پہلی سہ ماہی کے دوران MT8187 انتھنول کی پیداوار کی۔

مالیاتی کارکردگی

31 دسمبر 2021 کو ختم ہونے والی پہلی سہ ماہی کے دوران کمپنی کا منافع بعد از ٹیکس 39.608 ملین روپے رہا (2020 میں 44.842 ملین روپے تھا)۔

اکاؤنٹنگ کی پالیسیاں

کمپنی کی سہ ماہی کنڈنسڈ انٹیرم مالیاتی معلومات کی تیاری کے دوران اپنائی گئی اکاؤنٹنگ پالیسیاں وہی ہیں جو پچھلے سال سالانہ مالیاتی حسابات میں اپنائی گئی تھیں۔

اعتراف

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

منجانب بورڈ



عزیز سرفراز خان
چیف ایگزیکٹو

اسلام آباد



اسکندر محمد خان
ڈائریکٹر

بتاریخ: 24 فروری 2022

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	Note	Un-audited December 31, 2021	Audited September 30, 2021
(Rupees in thousand)			
NON CURRENT ASSETS			
Property, plant and equipment	5	14,087,989	11,833,225
Right-of-use assets	6	332,615	339,575
Long term investment	7	423,964	423,964
Long term loans and deposits	8	245,631	240,577
		<u>15,090,199</u>	<u>12,837,341</u>
CURRENT ASSETS			
Stores and spares		441,244	522,564
Stock-in-trade	9	3,455,203	1,354,545
Trade debts	10	145,119	533,462
Loans and advances	11	1,820,151	885,455
Trade deposits and other receivables	12	264,548	257,638
Income tax refundable		315,804	300,980
Cash and bank balances		394,371	281,463
		<u>6,836,440</u>	<u>4,136,107</u>
TOTAL ASSETS		<u>21,926,639</u>	<u>16,973,448</u>
SHARE CAPITAL AND RESERVES			
Authorized capital		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up capital	13	286,920	286,920
Capital reserve			
General reserve		327,000	327,000
Revenue reserve			
Unappropriated profits		3,459,696	3,332,184
Surplus on revaluation of property, plant and equipment		4,977,827	5,065,731
Shareholders' equity		<u>9,051,443</u>	<u>9,011,835</u>
NON-CURRENT LIABILITIES			
Long term finances - secured	14	3,834,992	1,583,318
Loans from related parties - secured	15	146,832	173,075
Lease liabilities	16	202,571	226,887
Deferred taxation		1,618,830	1,669,930
Provision for gratuity		11,294	11,467
Deferred government grant		4,144	6,204
		<u>5,818,663</u>	<u>3,670,881</u>
CURRENT LIABILITIES			
Trade and other payables	17	1,410,896	950,266
Unclaimed dividend		12,353	12,353
Short term running finance	18	4,632,181	2,466,100
Current maturity of non-current liabilities	19	1,001,103	862,013
		<u>7,056,533</u>	<u>4,290,732</u>
Contingencies and commitments	20		
TOTAL EQUITY AND LIABILITIES		<u>21,926,639</u>	<u>16,973,448</u>

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

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

Note	Three month period ended		
	December 31, 2021	December 31, 2020	
(Rupees in thousand)			
Gross sales	21	2,985,902	2,694,164
Sales tax, other government levies and discounts	22	(224,881)	(226,977)
Sales - net		<u>2,761,021</u>	<u>2,467,187</u>
Cost of sales		(2,329,625)	(2,009,854)
Gross profit		<u>431,396</u>	<u>457,333</u>
Selling and distribution expenses		(127,304)	(124,623)
Administrative and general expenses		(175,245)	(148,180)
Other income		15,626	27,880
Other expenses		(988)	(20,387)
Operating profit		<u>143,485</u>	<u>192,023</u>
Finance cost		(123,959)	(118,838)
Profit before taxation		<u>19,526</u>	<u>73,185</u>
Taxation			
- Current		(31,020)	(11,718)
- Deferred		51,102	(16,985)
		<u>20,082</u>	<u>(28,703)</u>
Profit for the period		<u>39,608</u>	<u>44,482</u>
Earnings per share - basic and diluted (Rs)		<u>1.38</u>	<u>1.55</u>

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2021

	Three month period ended	
	December 31, 2021	December 31, 2020
	(Rupees in thousand)	
Profit for the period	39,608	44,482
Other comprehensive income / (loss)	-	-
Total comprehensive income for the period	39,608	44,482

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2021

	Three month period ended	
	December 31, 2021	December 31, 2020
	(Rupees in thousand)	
Cash flow from operating activities		
Profit for the period - before taxation	19,526	73,185
Adjustments for non-cash items:		
Depreciation	250,306	228,702
(Gain) / loss on sale of operating fixed assets	(1,175)	15,032
Finance cost	123,959	118,234
	392,616	435,153
Changes in working capital		
Decrease / (Increase) in		
stores and spares	81,320	47,554
stock-in-trade	(2,100,658)	(2,526,100)
trade debts	388,343	60,829
loans and advances	(934,696)	(311,596)
trade deposits, prepayments and other receivables	(6,910)	(13,555)
Increase in trade and other payables	460,630	883,090
	(2,111,971)	(1,859,778)
	(1,719,355)	(1,424,625)
Income tax paid	(45,844)	(15,310)
Gratuity paid	(173)	(250)
	(1,765,372)	(1,440,185)
Net cash used in operating activities		
Cash flow from investing activities		
Purchase of property, plant and equipment	(2,525,811)	(372,063)
Sale proceeds of operating fixed assets	40,266	855
Long term investment	-	2,735
Long term loans and deposits	(5,054)	(2,761)
	(2,490,599)	(371,234)
Net cash used in investing activities		
Cash flow from financing activities		
Long term finances - net	2,348,035	120,190
Short term loan received / (repaid)	10,000	-
Loan (repaid) / received to related party	(10,625)	(24,238)
Lease obligation repaid	(32,549)	6,291
Finance cost paid	(85,196)	(105,743)
	2,229,665	(3,500)
Net cash generated / (used) in financing activities		
Net decrease in cash and cash equivalents	(2,026,306)	(1,814,919)
Cash and cash equivalents at beginning of the period	51,133	(2,098,554)
Cash and cash equivalents at end of the period	(1,975,173)	(3,913,473)
Cash and cash equivalents comprised of:		
Bank balances	394,371	850,370
Short term running finance	(2,369,544)	(4,763,843)
	(1,975,173)	(3,913,473)

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2021

	Share capital	General reserve	Unappropriated profits	Surplus on revaluation of property, plant and equipment	Total
----- Rupees in thousand -----					
Balance as at October 01, 2020	286,920	327,000	2,853,561	4,223,043	7,690,524
Total comprehensive income for the three month period ended December 31, 2020					
Income for the period	-	-	44,482	-	44,482
Other comprehensive income / (loss) for the period	-	-	44,482	-	44,482
Transfer from surplus on revaluation of property, plant and (net of deferred taxation)	-	-	77,663	(77,663)	-
Balance as at December 31, 2020	286,920	327,000	2,975,706	4,145,380	7,735,006
Balance as at September 30, 2021	286,920	327,000	3,332,184	5,065,731	9,011,835
Total comprehensive income for the three month period ended December 31, 2021					
Income for the period	-	-	39,608	-	39,608
Other comprehensive income / (loss) for the period	-	-	39,608	-	39,608
Transfer from surplus on revaluation of property, plant and (net of deferred taxation)	-	-	87,904	(87,904)	-
Balance as at December 31, 2021	286,920	327,000	3,459,696	4,977,827	9,051,443

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED DECEMBER 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 three month period ended December 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:

- i) International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- ii) 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. Financial risk management

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

5. Property, plant and equipment

		Un-audited December 31, 2021	Audited September 30, 2021
	Note	(Rupees in thousand)	
Operating fixed assets	5.1	10,768,760	11,035,865
Capital work-in-progress	5.2	3,319,229	797,360
		<u>14,087,989</u>	<u>11,833,225</u>

	Note	Un-audited December 31, 2021 (Rupees in thousand)	Audited September 30, 2021
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
Add: Revaluation surplus during the period / year		-	1,524,300
Add: Additions during the period / year	5.1.1	3,264	804,653
Add: Transfers from right of use assets to owned		678	32,665
Less: Disposals during the period / year		(39,091)	(69,253)
Depreciation charged for the period / year		(231,956)	(849,770)
		(271,047)	(919,023)
Net book value at the end of the period / year		<u>10,768,760</u>	<u>11,035,865</u>
5.1.1 Additions during the period / year			
Freehold land		-	158,292
Building and roads		-	52,452
Plant and machinery		-	450,502
Electric Installations		-	104,716
Office equipment		1,806	26,882
Farm equipment		-	776
Furniture and fixtures		1,056	7,242
Vehicles		402	3,791
		<u>3,264</u>	<u>804,653</u>
5.2 Capital work-in-progress			
At the beginning of the period / year		797,360	299,078
Add: Additions during the period / year	5.2.1	2,534,396	1,350,281
Less: Capitalized / adjusted during the period / year		(12,527)	(851,999)
Balance at the end of the period / year		<u>3,319,229</u>	<u>797,360</u>
5.2.1 Additions during the period / year			
Buildings on freehold land		46,891	171,884
Plant and machinery		50,421	497,878
Electric installations		24,544	179,939
Vehicles - owned		596	1,060
Vehicles - leased		8,610	67,228
Advance payments against land - freehold and buildings		2,403,334	432,292
		<u>2,534,396</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
Add: Additions during the period / year		12,125	67,729
Less: Remeasurement / deletion during the period / year		(57)	(4,522)
Less: Transfers from right of use assets to owned		(678)	(32,665)
Less: Depreciation charge for the period / year		(18,350)	(86,066)
Net book value at the end of the period / year		<u>332,615</u>	<u>339,575</u>

	Note	Un-audited December 31, 2021 (Rupees in thousand)	Audited September 30, 2021
7. Long term investment			
Balance at beginning of the period / year		423,964	139,154
Investment made during the period / year		-	204,000
Difference in fair value and present value on initial recognition of interest free loan		-	80,810
Balance as at end of the period / year	7.1	<u>423,964</u>	<u>423,964</u>
	% age holding		
7.1 Whole Foods (Private) Limited - Un-quoted	100%	219,964	219,964
Ultimate Whole Foods (Private) Limited - Un-quoted	51%	204,000	204,000
		<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	230,547	225,493
		<u>245,631</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.			
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		5,054	10,457
Balance as at end of the period / year		<u>230,547</u>	<u>225,493</u>
9. Stock-in-trade			
Finished goods			
- Sugar		2,603,620	169,689
- Molasses		638,731	748,145
- Ethanol		134,177	423,262
		<u>3,376,528</u>	<u>1,341,096</u>
Work-in-process		78,675	13,449
		<u>3,455,203</u>	<u>1,354,545</u>

		Un-audited December 31, 2021	Audited September 30, 2021
10. Trade debts	Note	(Rupees in thousand)	
Considered good		145,119	533,462
Considered doubtful		2,446	2,446
		<u>147,565</u>	<u>535,908</u>
Less: loss allowance		(2,446)	(2,446)
		<u>145,119</u>	<u>533,462</u>
11. Loans and advances			
Advances to:			
Employees - secured		8,795	7,867
Suppliers and contractors - unsecured		1,378,944	582,083
		<u>1,387,739</u>	<u>589,950</u>
Due from related parties	11.1	232,946	117,413
Letters of credit		228,649	207,275
		<u>1,849,334</u>	<u>914,638</u>
Less:			
- Provision for doubtful advances		(28,838)	(28,838)
- Loss allowance		(345)	(345)
		<u>1,820,151</u>	<u>885,455</u>
11.1 This represents amounts due from the following related parties:			
Due from holding company:			
The Premier Sugar Mills and Distillery Company Limited		145,774	89,995
Due from subsidiary companies:			
Whole Foods (Private) Limited		46,304	27,418
Ultimate Whole Foods (Private) Limited		40,868	-
		<u>232,946</u>	<u>117,413</u>
12. Trade deposits and other receivables			
Deposits		5,845	1,942
Prepayments		8,337	5,197
Export subsidy receivable		305,519	305,519
Others		967	1,100
		<u>320,668</u>	<u>313,758</u>
Less: loss allowance		(56,120)	(56,120)
		<u>264,548</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 related parties;			
		(Number of shares)	
Holding company			
The Premier Sugar Mills & Distillery Co. Ltd.		13,751,000	13,751,000
Associated companies			
Aztlak 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>

		Un-audited December 31, 2021	Audited September 30, 2021
14. Long term finances - secured	Note	(Rupees in thousand)	
Bank Al-Habib Limited		2,496,006	617,766
Soneri Bank Limited		774,990	785,489
Dubai Islamic Bank Pakistan Limited		694,986	292,480
MCB Bank Limited		177,498	191,821
Al Baraka Bank Limited		446,715	352,544
Total	14.1	<u>4,590,195</u>	<u>2,240,100</u>
Accrued mark-up		67,612	50,282
		<u>4,657,807</u>	<u>2,290,382</u>
Less: amount payable within next 12 months			
Principal		(755,203)	(656,782)
Accrued mark-up		(67,612)	(50,282)
		<u>3,834,992</u>	<u>1,583,318</u>
Amount due after December 31, 2022			
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 + 2.1% 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
Aztlak Enterprises (Private) Limited	15.3	74,375	85,000
Accrued mark-up		37,012	32,296
		<u>220,712</u>	<u>226,621</u>
Less: amount payable within next 12 months			
Principal		(36,868)	(21,250)
Accrued mark-up		(37,012)	(32,296)
		<u>146,832</u>	<u>173,075</u>
Amount due after December 31, 2022			
15.1 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.			
15.2 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 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.			

	Note	Un-audited December 31, 2021 (Rupees in thousand)	Audited September 30, 2021
16. Lease liabilities			
Balance at beginning of the period / year		328,290	372,737
Additions during the period / year		2,883	67,729
Unwinding of interest on lease liabilities		8,355	42,484
Payments made during the period / year		(32,549)	(150,138)
Remeasurement of lease liabilities		-	(4,522)
Balance at end of the period / year		<u>306,979</u>	<u>328,290</u>
Less: current portion of long term lease liabilities		<u>(104,408)</u>	<u>(101,403)</u>
		<u>202,571</u>	<u>226,887</u>
17. Trade and other payables			
Creditors		670,607	358,491
Due to related parties	17.1	289,017	245,823
Accrued expenses		131,296	105,433
Retention money		18,868	18,390
Security deposits		2,199	774
Advance payments from customers		61,716	17,241
Income tax deducted at source		46,325	48,603
Sales tax payable		66,014	46,554
Payable for workers welfare obligations		60,868	59,373
Payable to employees		47,107	42,047
Payable to provident fund		3,771	34
Others		13,108	7,503
		<u>1,410,896</u>	<u>950,266</u>
17.1 This represents amounts due to the following related parties:			
Subsidiary Company			
Ultimate Whole Foods (Private) Limited		204,000	204,000
Associated Companies			
Syntronics Limited		24,768	4,603
Azlak Enterprises (Private) Limited		34,865	37,220
Syntron Limited		25,084	-
The Frontier Sugar Mills and Distillery Limited		300	-
		<u>289,017</u>	<u>245,823</u>
18. Short term running finance - secured			
Cash / running finance		2,369,544	230,330
Export re finance		2,210,000	2,200,000
	18.1	<u>4,579,544</u>	<u>2,430,330</u>
Accrued mark-up		52,637	35,770
		<u>4,632,181</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 December 31, 2021 (Rupees in thousand)	Audited September 30, 2021
19. Current maturity of non-current liabilities			
Long term finances	14	822,815	707,064
Loans from related parties	15	73,880	53,546
Lease liabilities	16	104,408	101,403
		<u>1,001,103</u>	<u>862,013</u>

20. Contingencies and commitments

20.1 Contingencies

20.1.1 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	197,901	178,967
- local letters of credit for purchase of plant and machinery	282,733	257,546
- capital expenditure other than for letters of credit	74,927	144,647
	<u>555,561</u>	<u>581,160</u>

21. Gross sales

	Three month period ended	
Local	1,523,000	1,522,378
Export	1,462,902	1,171,786
	<u>2,985,902</u>	<u>2,694,164</u>

22. Sales tax, other government levies and discounts

Indirect taxes	223,804	225,763
Discounts	1,077	1,214
	<u>224,881</u>	<u>226,977</u>

23. Segment operating results for the three month period ended December 31, 2021 (Un-audited)

	Sugar Division		Ethanol Division		Total	
	Three month period ended December 31, 2021	December 31, 2020	Three month period ended December 31, 2021	December 31, 2020	Three month period ended December 31, 2021	December 31, 2020
----- Rupees in thousand -----						
Sales						
-External Customers	1,347,510	1,316,869	1,638,392	1,377,295	2,985,902	2,694,164
-Inter segment	458,726	304,017	-	-	458,726	304,017
	1,806,236	1,620,886	1,638,392	1,377,295	3,444,628	2,998,181
Less : sales tax & others	(197,041)	(195,641)	(27,840)	(31,336)	(224,881)	(226,977)
Sales - net	1,609,195	1,425,245	1,610,552	1,345,959	3,219,747	2,771,204
Segment expenses:						
Cost of Sales	(1,535,215)	(1,245,378)	(794,410)	(764,476)	(2,329,625)	(2,009,854)
less: Inter segment cost	-	-	(458,726)	(304,017)	(458,726)	(304,017)
	(1,535,215)	(1,245,378)	(1,253,136)	(1,068,493)	(2,788,351)	(2,313,871)
Gross profit	73,980	179,867	357,416	277,466	431,396	457,333
Selling and distribution expenses	(5,961)	(5,298)	(121,343)	(119,325)	(127,304)	(124,623)
Administrative and general expenses	(107,750)	(115,460)	(67,495)	(32,720)	(175,245)	(148,180)
	(113,711)	(120,758)	(188,838)	(152,045)	(302,549)	(272,803)
Profit from operations	(39,731)	59,109	168,578	125,421	128,847	184,530
Other income	14,398	26,734	1,228	1,146	15,626	27,880
Other expenses	(988)	(5,355)	-	(15,032)	(988)	(20,387)
	13,410	21,379	1,228	(13,886)	14,638	7,493
Segment results	(26,321)	80,488	169,806	111,535	143,485	192,023
Finance cost					(123,959)	(118,838)
Profit before tax					19,526	73,185
Taxation					20,082	(28,703)
Profit for the period					39,608	44,482

23.1 Segment assets and liabilities

	Un-audited		Audited	
	December 31, 2021	(Rupees in thousand)	September 30, 2021	(Rupees in thousand)
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
Sugar	16,184,147	9,746,082	11,336,792	4,739,128
Ethanol	5,742,492	2,767,358	5,636,656	2,810,170
Total for reportable segment	21,926,639	12,513,440	16,973,448	7,549,298
Others	-	361,756	-	412,315
Total assets / liabilities	21,926,639	12,875,196	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
(Rupees in thousand)
December 31, 2021 December 31, 2020

Holding Company

Sales	9,349	2,596
Mark-up charged	-	541
Expenses paid on behalf of the Company	552	4,583
Expenses paid by the Company	12,399	7,430
Rent income	29	29
Rent expense	5,445	5,445

Subsidiary Companies

Freehold land	39,424	-
Expenses paid by the company	2,340	24,857

Associated Companies

Services on behalf of the company	7,639	7,635
Expenses paid on behalf of the Company	-	554
Purchase of goods	45,549	38,296
Mark-up charged	4,717	4,245

Post employment benefit

Expense charged in respect of retirement benefit plan	4,748	4,172
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Key management personnel / Directors

Salaries and other benefits	37,373	29,990
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25. 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 Company was valued by independent valuer to determine the fair value of property, plant and equipments 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. General

26.1 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 these condensed interim financial statements.

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

27. 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 February 24, 2022.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



CHASHMA SUGAR MILLS LIMITED

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED
DECEMBER 31, 2021**

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM CONSOLIDATED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

		Un-audited December 31, 2021	Audited September 30, 2021
(Rupees in thousand)			
NON CURRENT ASSETS			
Property, plant and equipment	5	14,783,573	12,500,913
Right-of-use assets	6	332,615	339,575
Long term deposits		<u>15,084</u>	<u>15,084</u>
		15,131,272	12,855,572
CURRENT ASSETS			
Stores and spares		441,244	522,564
Stock-in-trade	7	3,455,203	1,354,545
Trade debts	8	145,119	533,462
Loans and advances	9	1,849,163	859,840
Trade deposits, prepayments and other receivables	10	285,459	278,346
Income tax refundable		347,198	312,498
Cash and bank balances		<u>512,052</u>	<u>441,753</u>
		7,035,438	4,303,008
TOTAL ASSETS		<u>22,166,710</u>	<u>17,158,580</u>
SHARE CAPITAL AND RESERVES			
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		3,293,513	3,190,740
Surplus on revaluation of property, plant and equipment		<u>5,067,713</u>	<u>5,157,980</u>
Equity attributable to owners of the parent		8,975,146	8,962,640
Non-controlling interest		<u>193,440</u>	<u>194,780</u>
		9,168,586	9,157,420
NON-CURRENT LIABILITIES			
Long term finances - secured	12	4,025,123	1,702,294
Loans from related parties - secured	13	168,707	198,075
Lease liabilities	14	202,571	226,887
Deferred taxation		1,682,920	1,733,208
Provision for gratuity		11,294	11,467
Deferred government grant		4,144	6,204
Deferred benefit of below market rate of interest on refinance facility		<u>20,015</u>	<u>21,211</u>
		6,114,774	3,899,346
CURRENT LIABILITIES			
Trade and other payables	15	1,178,819	717,872
Unclaimed dividend		12,353	12,353
Short term running finance	16	4,632,181	2,466,100
Current maturity of non-current liabilities	17	1,059,997	905,489
		6,883,350	4,101,814
		12,998,124	8,001,160
Contingencies and commitments	18		
TOTAL EQUITY AND LIABILITIES		<u>22,166,710</u>	<u>17,158,580</u>

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED)

FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2021

		Three month period ended December 31, December 31, 2021 2020 (Rupees in thousand)	
Gross sales	19	2,985,902	2,724,287
Sales tax, other government levies and discounts	20	(224,881)	(226,977)
Sales - net		<u>2,761,021</u>	<u>2,497,310</u>
Cost of sales		(2,329,625)	(2,009,854)
Gross profit		431,396	487,456
Selling and distribution expenses		(127,304)	(124,623)
Administrative and general expenses		(191,655)	(166,350)
Other income		14,602	27,880
Other expenses		(988)	(20,387)
Operating profit		<u>126,051</u>	<u>203,976</u>
Finance cost		(134,156)	(123,189)
(Loss) / profit before taxation		<u>(8,105)</u>	<u>80,787</u>
Taxation			
- Current		(31,020)	(11,718)
- Deferred		50,291	(16,985)
		19,271	(28,703)
Profit after taxation		<u>11,166</u>	<u>52,084</u>
Attributable to:			
Owners of the parent company		12,506	52,084
Non-controlling interest		(1,340)	-
		<u>11,166</u>	<u>52,084</u>
Earnings per share-basic and diluted (Rs)		<u>0.39</u>	<u>1.82</u>

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2021

	Three month period ended	
	December 31, 2021	December 31, 2020
	(Rupees in thousand)	
Profit after taxation	11,166	52,084
Other comprehensive income	-	-
Total comprehensive income for the period	11,166	52,084
Attributable to:		
Owners of the Parent Company	12,506	52,084
Non-controlling interest	(1,340)	-
	11,166	52,084

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

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

	Note	Three month period ended	
		December 31, 2021	December 31, 2020
		(Rupees in thousand)	
Cash flow from operating activities			
(Loss) / profit before taxation		(8,105)	80,787
Adjustments for non-cash items:			
Depreciation		262,447	241,844
(Gain) / loss on sale of operating fixed assets		(151)	15,032
Finance cost		134,156	123,189
		388,347	460,852
Changes in working capital			
Decrease / (Increase) in stores and spares		81,320	47,555
stock-in-trade		(2,100,658)	(2,526,100)
trade debts		388,343	30,706
loans and advances		(989,323)	(263,218)
trade deposits, prepayments and other receivables		(7,113)	(42,790)
Increase in trade and other payables		460,947	873,126
		(2,166,484)	(1,880,721)
		(1,778,137)	(1,419,869)
Income tax paid		(65,720)	(15,320)
Gratuity paid		(173)	(250)
Net cash used in operating activities		(1,844,030)	(1,435,439)
Cash flow from investing activities			
Purchase of property, plant and equipment		(2,527,447)	(373,831)
Sale proceeds of operating fixed assets		842	855
Increase in long term security deposits		-	(26)
		(2,526,605)	(373,002)
Net cash used in investing activities			
Cash flow from financing activities			
Long term finances		2,428,379	110,534
Short term loan received / (repaid)		10,000	-
Loan (repaid) / received to related party		(10,625)	(24,238)
Lease obligation (repaid) / received		(32,549)	6,291
Finance cost paid		(93,485)	(110,324)
		2,301,720	(17,737)
Net cash generated / (used) in financing activities			
		(2,068,915)	(1,826,178)
Net decrease in cash and cash equivalents			
Cash and cash equivalents at beginning of the period		211,423	(2,088,258)
Cash and cash equivalents at end of the period		(1,857,492)	(3,914,436)
Cash and cash equivalents comprised of:			
Bank balances		512,052	849,407
Short term running finance	16	(2,369,544)	(4,763,843)
		(1,857,492)	(3,914,436)

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2021

	Share capital	General reserve	Unappropriated profits	Surplus on revaluation of property, plant and equipment	Total	Non-controlling interest	Total
Rupees in thousand							
Balance as at September 30, 2020	286,920	327,000	2,833,119	4,223,043	7,670,082	-	7,670,082
Total comprehensive income for the three month period ended December 31, 2020	-	-	52,084	-	52,084	-	52,084
Income for the period	-	-	52,084	-	52,084	-	52,084
Other comprehensive income for the period	-	-	-	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	77,663	(77,663)	-	-	-
Balance as at December 31, 2020	286,920	327,000	2,962,966	4,145,380	7,722,166	-	7,722,166
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 three month period ended December 31, 2021	-	-	12,506	-	12,506	(1,340)	11,166
Income for the period	-	-	12,506	-	12,506	(1,340)	11,166
Other comprehensive income for the period	-	-	-	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	90,267	(90,267)	-	-	-
Balance as at December 31, 2021	286,920	327,000	3,293,513	5,067,713	8,975,146	193,440	9,168,586

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2021

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 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.

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 consolidated financial statements for three month period ended December 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:

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

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 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, 2021.

	Note	Un-audited December 31, 2021 (Rupees in thousand)	Audited September 30, 2021 (Rupees in thousand)
5. Property, plant and equipment			
Operating fixed assets	5.1	11,460,850	11,701,695
Capital work-in-progress	5.2	3,322,723	799,218
		<u>14,783,573</u>	<u>12,500,913</u>
5.1 Operating fixed assets - at net book value			
Net book value at the beginning of the period / year		11,701,695	9,629,242
Add: Revaluation surplus during the period / year		-	1,657,526
Add: Additions during the period / year	5.1.1	3,265	1,320,556
Add: Transfers from right of use assets to owned		678	32,665
Less: Disposals during the period / year		(691)	(37,003)
Depreciation charged for the period / year		(244,097)	(901,291)
		<u>(244,788)</u>	<u>(938,294)</u>
Net book value at the end of the period / year		<u>11,460,850</u>	<u>11,701,695</u>
5.1.1 Additions during the period / year			
Freehold land		-	158,292
Building and roads		-	237,814
Plant and machinery		-	762,213
Electric Installations		-	123,340
Office equipment		1,807	27,088
Farm equipment		-	776
Furniture and fixtures		1,056	7,242
Vehicles		402	3,791
		<u>3,265</u>	<u>1,320,556</u>
5.2 Capital work-in-progress			
At the beginning of the period / year		799,218	820,738
Add: Additions during the period / year	5.2.1	2,536,032	1,356,171
Less: Capitalized / adjusted during the period / year		(12,527)	(1,377,691)
Balance at the end of the period / year		<u>3,322,723</u>	<u>799,218</u>
5.2.1 Additions during the period / year			
Freehold land		1,050	1,024
Buildings on freehold land		47,108	172,716
Plant and machinery		50,611	501,672
Electric installations		24,544	179,939
Office equipment		49	-
Vehicles - owned		726	1,060
Vehicles - leased		8,610	67,228
Advances to contractors		-	240
Advance payments against land - freehold and buildings		2,403,334	432,292
		<u>2,536,032</u>	<u>1,356,171</u>

	Note	Un-audited December 31, 2021 (Rupees in thousand)	Audited September 30, 2021 (Rupees in thousand)
6. Right of Use Assets			
Net book value at the beginning of the period / year		339,575	395,099
Add: Additions during the period / year		12,125	67,729
Less: Remeasurement / deletion during the period / year		(57)	(4,522)
Less: Transfers from right of use assets to owned		(678)	(32,665)
Less: Depreciation charge for the period / year		(18,350)	(86,066)
Net book value at the end of the period / year		<u>332,615</u>	<u>339,575</u>
7. Stock-in-trade			
Finished goods			
- Sugar		2,603,620	169,689
- Molasses		638,731	748,145
- Ethanol		134,177	423,262
		<u>3,376,528</u>	<u>1,341,096</u>
Work-in-process		78,675	13,449
		<u>3,455,203</u>	<u>1,354,545</u>
8. Trade debts			
Considered good		145,119	533,462
Considered doubtful		2,446	2,446
		<u>147,565</u>	<u>535,908</u>
Less: loss allowance		(2,446)	(2,446)
		<u>145,119</u>	<u>533,462</u>
9. Loans and advances			
Advances to:			
Employees		8,795	7,867
Suppliers and contractors		1,389,693	582,832
		<u>1,398,488</u>	<u>590,699</u>
Due from holding company		145,774	89,995
Letters of credit		334,084	208,329
		<u>1,878,346</u>	<u>889,023</u>
Less:			
- Provision for doubtful advances		(28,838)	(28,838)
- Loss allowance		(345)	(345)
		<u>1,849,163</u>	<u>859,840</u>
10. Trade deposits, prepayments and other receivables			
Deposits		7,464	3,561
Prepayments		8,629	5,286
Export subsidy receivable		305,519	305,519
Guarantee issued		19,000	19,000
Others		967	1,100
		<u>341,579</u>	<u>334,466</u>
Less: loss allowance		(56,120)	(56,120)
		<u>285,459</u>	<u>278,346</u>

		Un-audited December 31, 2021	Audited September 30, 2021
11. Share Capital	Note	(Rupees in thousand)	
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			
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			
Bank Al-Habib Limited		2,496,006	617,766
Soneri Bank Limited		944,146	964,301
Dubai Islamic Bank Pakistan Limited		694,986	292,480
MCB Bank Limited		177,498	191,821
Al Baraka Bank Limited		446,715	352,544
The Bank of Khyber		90,000	-
Total	12.1	<u>4,849,351</u>	<u>2,418,912</u>
Accrued mark-up		<u>72,129</u>	<u>53,498</u>
		4,921,480	2,472,410
Less: amount payable within next 12 months			
Principal		(804,213)	(695,407)
Accrued mark-up		(72,129)	(53,498)
Deffered Benefit of below market rate of interest on refinance facility		(20,015)	(21,211)
Amount due after December 31, 2022		<u>4,025,123</u>	<u>1,702,294</u>
12.1	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 + 2.1% 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 Group and first / joint pari passu charge by way of equitable mortgage on all present and future immovable fixed assets of the Group, pledge of sugar stock and lien on export contract / LC.		
13. Loans from related parties - secured			
Associated companies			
Premier Board Mills Limited	13.1	90,575	90,575
Arpak International Investments Limited	13.2	43,750	43,750
Aztrak Enterprises (Private) Limited	13.3	74,375	85,000
Accrued mark-up		<u>39,254</u>	<u>33,931</u>
		247,954	253,256
Less: amount payable within next 12 months			
Principal		(39,993)	(21,250)
Accrued mark-up		(39,254)	(33,931)
		<u>168,707</u>	<u>198,075</u>

13.1	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.		
	WFPL obtained long term finance facility amounting to Rs 25 million. 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 WFPL.		
13.2	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.		
13.3	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.		
		Un-audited December 31, 2021	Audited September 30, 2021
	Note	(Rupees in thousand)	
14. Lease liabilities			
Balance at beginning of the period / year		328,290	372,737
Additions during the period / year		2,883	67,729
Unwinding of interest on lease liabilities		8,355	42,484
Payments made during the period / year		(32,549)	(150,138)
Remeasurement of lease liabilities		-	(4,522)
Balance at end of the period / year		<u>306,979</u>	<u>328,290</u>
Less: current portion of long term lease liabilities		<u>(104,408)</u>	<u>(101,403)</u>
		<u>202,571</u>	<u>226,887</u>
15. Trade and other payables			
Creditors		670,645	359,105
Due to related parties	15.1	85,017	41,823
Accrued expenses		133,323	107,023
Retention money		18,868	18,390
Security deposits		2,199	774
Advance payments from customers		61,716	17,241
Income tax deducted at source		47,892	49,651
Sales tax payable		34,304	14,908
Payable for workers welfare obligations		60,868	59,373
Payable to employees		47,107	42,047
Payable to provident fund		3,771	34
Others		13,109	7,503
		<u>1,178,819</u>	<u>717,872</u>

	Note	Un-Audited December 31, 2021 (Rupees in thousand)	Audited September 30, 2021
15.1			
This represents amounts due to the following related parties:			
Associated Companies			
		24,768	4,603
		25,084	-
		300	-
		34,865	37,220
		<u>85,017</u>	<u>41,823</u>
16. Short term running finance			
Secured			
	16.1	2,369,544	230,330
		<u>2,210,000</u>	<u>2,200,000</u>
		4,579,544	2,430,330
		<u>52,637</u>	<u>35,770</u>
		<u>4,632,181</u>	<u>2,466,100</u>
16.1			
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.			
17. Current maturity of non-current liabilities			
	12	876,342	748,905
	13	79,247	55,181
	14	104,408	101,403
		<u>1,059,997</u>	<u>905,489</u>
18. Contingencies and commitments			
18.1			
Contingencies			
18.1.1			
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.			
18.2			
Commitments			
The Group has following commitments in respect of:			
		658,113	264,820
		282,733	257,546
		74,927	144,647
19. Gross sales		Three month period ended	
		1,523,000	1,552,501
		1,462,902	1,171,786
		<u>2,985,902</u>	<u>2,724,287</u>
20. Sales tax, other government levies and discounts			
		223,804	225,763
		1,077	1,214
		<u>224,881</u>	<u>226,977</u>

21. Segment operating results for the three month period ended December 31, 2021 (Un-audited)

	Sugar Division		Ethanol Division		Total	
	Three month period ended December 31, 2021	December 31, 2020	Three month period ended December 31, 2021	December 31, 2020	Three month period ended December 31, 2021	December 31, 2020
	Rupees in thousand					
Sales						
-External Customers	1,347,510	1,346,992	1,638,392	1,377,295	2,985,902	2,724,287
-Intersegment	458,726	304,017	-	-	458,726	304,017
	<u>1,806,236</u>	<u>1,651,009</u>	<u>1,638,392</u>	<u>1,377,295</u>	<u>3,444,628</u>	<u>3,028,304</u>
Less : sales tax and others	(197,041)	(195,641)	(27,840)	(31,336)	(224,881)	(226,977)
Sales - net	<u>1,609,195</u>	<u>1,455,368</u>	<u>1,610,552</u>	<u>1,345,959</u>	<u>3,219,747</u>	<u>2,801,327</u>
Segment expenses:						
Cost of sales						
Cost of Sales	(1,535,215)	(1,245,378)	(794,410)	(764,476)	(2,329,625)	(2,009,854)
less: Intersegment cost	-	-	(458,726)	(304,017)	(458,726)	(304,017)
	<u>(1,535,215)</u>	<u>(1,245,378)</u>	<u>(1,253,136)</u>	<u>(1,068,493)</u>	<u>(2,788,351)</u>	<u>(2,313,871)</u>
Gross profit	73,980	209,990	357,416	277,466	431,396	487,456
Selling and distribution expenses	(5,961)	(5,298)	(121,343)	(119,325)	(127,304)	(124,623)
Administrative and general expenses	(107,750)	(115,326)	(67,495)	(32,720)	(175,245)	(148,046)
Others	-	-	-	-	(16,410)	(18,304)
	<u>(113,711)</u>	<u>(120,624)</u>	<u>(188,838)</u>	<u>(152,045)</u>	<u>(318,959)</u>	<u>(290,973)</u>
Profit from operations	(39,731)	89,366	168,578	125,421	112,437	196,483
Other income	13,374	26,734	1,228	1,146	14,602	27,880
Other expenses	(988)	(5,355)	-	(15,032)	(988)	(20,387)
	<u>12,386</u>	<u>21,379</u>	<u>1,228</u>	<u>(13,886)</u>	<u>13,614</u>	<u>7,493</u>
Segment results	<u>(27,345)</u>	<u>110,745</u>	<u>169,806</u>	<u>111,535</u>	<u>126,051</u>	<u>203,976</u>
Finance cost					(134,156)	(123,189)
(Loss) / profit before tax					(8,105)	80,787
Taxation					19,271	(28,703)
Profit for the period					<u>11,166</u>	<u>52,084</u>
21.1						
Segment assets and liabilities						
		Un-audited December 31, 2021 (Rupees in thousand)		Audited September 30, 2021 (Rupees in thousand)		
		Assets	Liabilities	Assets	Liabilities	
Sugar		15,403,283	9,515,740	10,621,822	4,619,616	
Ethanol		5,742,492	2,767,356	5,636,656	2,810,170	
Total for reportable segment		<u>21,145,775</u>	<u>12,283,096</u>	<u>16,258,478</u>	<u>7,429,786</u>	
Others		1,020,935	715,028	900,102	571,374	
Total assets / liabilities		<u>22,166,710</u>	<u>12,998,124</u>	<u>17,158,580</u>	<u>8,001,160</u>	
22. Transactions with related parties						
22.1						
The Group has related party relationship, with its Holding Company and associated companies, its directors, key management personnel and employee benefit plan. The Group 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
(Rupees in thousand)
December 31, December 31,
2021 2020

Holding Company

Sales	9,349	2,596
Mark-up charged	-	541
Expenses paid on behalf of the Company	552	4,583
Expenses paid by the Company	12,399	7,430
Rent income	29	29
Rent expense	5,445	5,445

Associated Companies

Services on behalf of the company	7,639	7,635
Expenses paid on behalf of the Company	-	554
Purchase of goods	45,549	38,296
Mark-up charged	5,862	4,790

Post employment benefit

Expense charged in respect of retirement benefit plan	4,748	4,172
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Key management personnel / Directors

Salaries and other benefits	37,373	29,990
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23. 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 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.

24. General

24.1 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.

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

25. 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 February 24, 2022.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER