



CHASHMA SUGAR MILLS LIMITED

**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED
DECEMBER 31, 2023**

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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

COMPANY INFORMATION

Board of Directors

Begum Laila Sarfaraz	Chief Executive
Mr. Abbas Sarfaraz Khan	Chairman
Ms. Zarmine Sarfaraz	Director
Mr. Iskander M. Khan	Director
Mr. Abdul Qadar Khattak	Director
Ms. Samia Liaquat Ali 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	The Bank of Punjab
MCB Bank Limited	Soneri Bank Limited
National Bank of Pakistan	Askari Bank Limited
Bank Al-Falah Limited	United Bank Limited
Dubai Islamic Bank (Pakistan) 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 for the three months period ended December 31, 2023 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 PERFORMANCE

The sugarcane crushing season 2023-24 commenced on November 27, 2023. The mills have crushed 1,565,978 tons of sugarcane and have produced 151,830 tons of sugar till February 21, 2024. The Provincial Government of Punjab and Khyber Pakhtunkhwa (KPK) fixed the sugar cane price @ Rs. 300/- per 40kg.

SUGAR PRICES

For ongoing crushing season 2023-24, notified support prices of sugarcane have again been increased to Rs. 400 from Rs. 300 per 40 kgs by the Provincial Government of Khyber Pakhtunkhwa (KPK) and Punjab (net increase of 33%). This increased the cost of production manifolds, however, because of over supply of sugar coupled with regular intervention by the provincial government, due to this the cost of production is higher than the prevailing sugar prices in the market.

ETHANOL FUEL PLANT AT UNIT-II

The Ethanol Fuel Plant produced 10,667 M.T of Ethanol during the first Quarter ended December 31, 2023.

FINANCIAL PERFORMANCE

The Company earned Rs. 547,925 million profit after taxation (2022: 45,105 million) during the first quarter ended December 31, 2023.

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



(BEGUM LAILA SARFARAZ)
Chief Executive

Islamabad

February 27, 2024

چشمہ شوگر ملز لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ

ڈائریکٹرز کی جائزہ رپورٹ

چشمہ شوگر ملز لمیٹڈ کے ڈائریکٹرز 31 دسمبر 2023 کو ختم ہونے والی پہلی سہ ماہی کے اختتام پر کمپنی کی غیر آڈٹ شدہ کنڈر نڈا نمبر 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۔

آپریٹس کارکردگی

گنے کا کرشنگ سیزن 24-2023 کا آغاز 27 نومبر 2023 کو شروع ہوا۔ ملز نے 1,565,978 ٹن گنا کرش کیا۔ اور 21 فروری 2024 تک 151,830 ٹن چینی بنائی۔ پنجاب اور خیبر پختونخوا کی صوبائی حکومتوں نے گنے کی قیمت = 300 روپے فی من مقرر کی۔

چینی کی قیمت

جاری کرشنگ سیزن 24-2023 کے لئے گنے کی نوڈینا پڈ سپورٹ قیمتیں 300 سے دوبارہ بڑھا کر 400 روپے کر دی گئی خیبر پختون خواہ (کے پی کے) اور پنجاب کی صوبائی حکومت کی طرف سے (33 فیصد خالص اضافہ) تھا۔ اس سے پیداواری لاگت میں کئی گنا اضافہ ہوا۔ تاہم صوبائی حکومت کی جانب سے مسلسل مداخلت کے ساتھ اور چینی کی زائد سپلائی کی وجہ سے پیداواری لاگت چینی کی قیمتوں سے زیادہ ہے۔

ڈپٹری

ہتھنول فیول پلانٹ نے 31 دسمبر 2022 کو ختم ہونے والی پہلی سہ ماہی کے دوران 10,667 میٹرک ٹن ہتھنول کی پیداواری کی۔

مالیاتی کارکردگی

31 دسمبر 2023 کو ختم ہونے والی پہلی سہ ماہی کے دوران کمپنی کا منافع بعد از ٹیکس 547.925 ملین روپے رہا (2022 میں 45.105 ملین روپے تھا)۔

اکاؤنٹنگ کی پالیسیاں

کمپنی کی سہ ماہی کنڈر نڈا نمبر 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

سعید احمد

نیمم سربراہ

چیف ایگزیکٹو

اسلام آباد

اصلاح مسلمان

اسکندر محمد خان

ڈائریکٹر

تاریخ: 27 فروری 2024

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

	Un-audited Note December 31, 2023 (Rupees in thousand)	Audited September 30, 2023 (Rupees in thousand)
NON CURRENT ASSETS		
Property, plant and equipment	5 20,063,315	20,371,132
Right-of-use assets	6 296,544	296,124
Long term investment	7 638,357	638,357
Long term loans and deposits	8 290,162	283,936
	<u>21,288,378</u>	<u>21,589,549</u>
CURRENT ASSETS		
Stores and spares	9 909,807	841,710
Stock-in-trade	10 9,556,801	5,177,676
Trade debts	11 174,980	1,214,104
Loans and advances	12 5,220,603	1,742,423
Trade deposits and other receivables	178,886	200,991
Income tax refundable	13,635	-
Cash and bank balances	1,062,142	811,313
	<u>17,116,854</u>	<u>9,988,217</u>
TOTAL ASSETS	<u>38,405,232</u>	<u>31,577,766</u>
SHARE CAPITAL AND RESERVES		
Authorized capital	500,000	500,000
Issued, subscribed and paid-up capital	13 286,920	286,920
General reserve	327,000	327,000
Unappropriated profits	6,475,646	5,775,450
Surplus on revaluation of property, plant and equipment	7,996,455	8,148,726
Shareholders' equity	<u>15,086,021</u>	<u>14,538,096</u>
NON-CURRENT LIABILITIES		
Long term finances - secured	14 3,168,032	3,261,715
Loans from related parties - secured	15 116,236	131,854
Lease liabilities	16 131,250	140,314
Deferred liabilities		
-Deferred taxation	3,486,125	3,472,814
-Provision for gratuity	20,265	19,965
-Deferred government grant	69,369	76,280
	<u>3,575,759</u>	<u>3,569,059</u>
	6,991,277	7,102,942
CURRENT LIABILITIES		
Trade and other payables	17 3,988,063	3,375,789
Unclaimed dividend	14,572	14,572
Short term running finance - secured	18 10,625,366	4,871,003
Current maturity of non-current liabilities	19 1,699,933	1,581,737
Provision for taxation - net	-	93,627
	<u>16,327,934</u>	<u>9,936,728</u>
TOTAL LIABILITIES	23,319,211	17,039,670
Contingencies and commitments		
TOTAL EQUITY AND LIABILITIES	<u>38,405,232</u>	<u>31,577,766</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, 2023

	Note	Three month period ended December 31, 2023 (Rupees in thousand)	December 31, 2022 (Rupees in thousand)
Gross sales	21	6,993,502	3,813,940
Sales tax, other government levies and discounts	22	(726,501)	(385,086)
Sales - net		<u>6,267,001</u>	<u>3,428,854</u>
Cost of sales		(4,380,781)	(2,726,671)
Gross profit		<u>1,886,220</u>	<u>702,183</u>
Selling and distribution expenses		(236,323)	(134,660)
Administrative and general expenses		(299,744)	(231,492)
Other income		73,844	6,487
Other expenses		(54,179)	(5,755)
Operating profit		<u>1,369,818</u>	<u>336,763</u>
Finance cost		(677,257)	(312,136)
Profit before taxation		<u>692,561</u>	<u>24,627</u>
Taxation (expense) / credit			
- Current		(131,320)	(41,716)
- Deferred		(13,316)	62,194
		<u>(144,636)</u>	<u>20,478</u>
Profit for the period		<u>547,925</u>	<u>45,105</u>
Earnings per share - basic and diluted (Rs)		<u>19.10</u>	<u>1.57</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, 2023

	Three month period ended December 31, 2023	December 31, 2022
	(Rupees in thousand)	
Profit for the period	547,925	45,105
Other comprehensive income / (loss)	-	-
Total comprehensive income for the period	547,925	45,105

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, 2023

	Three month period ended December 31, 2023	December 31, 2022
	(Rupees in thousand)	
Cash flow from operating activities	692,561	24,627
Profit for the period - before taxation	385,556	330,749
Adjustments for non-cash items:	(2,335)	-
Depreciation	(693)	-
Gain on sale of operating fixed assets	(29,919)	-
Profit on deposit accounts	-	-
Mark-up income on loan to a related party	(22,509)	-
Mark-up earned on term depository receipts	677,257	312,136
Finance cost	2,070	1,393
Provision for gratuity	1,701,988	668,905

Changes in working capital

Decrease / (Increase) in stores and spares	(68,097)	(220,321)
stock-in-trade	(4,379,125)	(3,323,925)
trade debts	1,039,124	(185,646)
loans and advances	(3,478,180)	(1,334,461)
trade deposits and other receivables	22,105	15,435
Increase in trade and other payables	612,274	3,175,647
	(6,251,899)	(1,873,271)

Income tax paid	(4,549,911)	(1,204,366)
Gratuity paid	(238,582)	(38,575)
	(1,770,419)	419

Net cash used in operating activities

(4,790,263) (1,242,522)

Cash flow from investing activities

Purchase of property, plant and equipment	(60,704)	(327,095)
Sale proceeds of operating fixed assets	10,222	-
Long term loans and deposits	(200)	-
Profits on bank deposits received	693	-
Interest income on loan provided to related party	29,919	-
Profits on term finance certificates	22,509	-
	2,439	(327,095)

Net cash generated / (used) in investing activities

2,439 (327,095)

Cash flow from financing activities

Long term finances - net	(93,683)	329,902
Short term loan received	3,801,105	1,920,000
Loan repaid to related party	(15,618)	(15,618)
Lease obligation repaid	(34,850)	(36,388)
Finance cost paid	(709,680)	(352,224)
	2,947,274	1,845,672

Net cash generated in financing activities

(1,840,550) 276,055

Net (decrease) / increase in cash and cash equivalents

(2,610,917) (2,389,042)

Cash and cash equivalents at beginning of the period

(4,451,467) (2,112,987)

Cash and cash equivalents at end of the period

608,142 205,734

Cash and cash equivalents comprised of:

Bank balances 5,059,609 (2,318,721)

Short term running finance - secured 18 (4,451,467) (2,112,987)

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, 2023

	Share capital	General reserve	Unappropriated profits	Surplus on revaluation of property, plant and equipment	Total
	Rupees in thousand				
Balance as at October 01, 2022	286,920	327,000	3,587,555	6,934,478	11,115,953
Total comprehensive income for the three month period ended December 31, 2022	-	-	45,105	-	45,105
Income for the period	-	-	45,105	-	45,105
Other comprehensive income / (loss) for the period	-	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	130,898	(130,898)	-
Balance as at December 31, 2022	286,920	327,000	3,743,558	6,803,580	11,161,058
Balance as at September 30, 2023	286,920	327,000	5,775,450	8,148,726	14,538,096
Total comprehensive income for the three month period ended December 31, 2023	-	-	547,925	-	547,925
Income for the period	-	-	547,925	-	547,925
Other comprehensive income / (loss) for the period	-	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	152,271	(152,271)	-
Balance as at December 31, 2023	286,920	327,000	6,475,646	7,986,455	15,086,021

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, 2023

1. Legal status and operations

Chashma Sugar Mills Limited (the Company) was incorporated in Pakistan on May 05, 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 three month period ended December 31, 2023 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, 2023.

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, 2023.

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, 2023.

	Un-audited December 31, 2023	Audited September 30, 2023
	(Rupees in thousand)	
5. Property, plant and equipment		
Operating fixed assets	5.1	18,510,207
Capital work-in-progress	5.2	1,553,108
	20,063,315	20,371,132

	Un-audited December 31, 2023 (Rupees in thousand)	Audited September 30, 2023 (Rupees in thousand)
5.1 Operating fixed assets - at net book value		
Net book value at the beginning of the period / year	18,853,151	14,475,625
Add: Revaluation surplus during the period / year	-	2,567,400
Add: Additions during the period / year	25,577	3,130,126
Add: Transfers from right of use assets to owned	8,209	20,553
Less: Disposals during the period / year	(7,887)	(20,574)
Depreciation charged for the period / year	(368,843)	(1,319,979)
	(376,730)	(1,340,553)
Net book value at the end of the period / year	18,510,207	18,853,151
5.1.1 Additions during the period / year		
Leasehold land	-	2,722,248
Building and roads	-	79,122
Plant and machinery	-	271,725
Electric Installations	-	23,989
Office equipment	6,397	13,624
Farm equipment	-	168
Furniture and fixtures	7,246	15,475
Vehicles	11,934	3,775
	25,577	3,130,126
5.2 Capital work-in-progress		
At the beginning of the period / year	1,517,981	3,541,099
Add: Additions during the period / year	60,634	1,187,766
Less: Capitalized / adjusted during the period / year	(25,507)	(3,210,884)
Balance at the end of the period / year	1,553,108	1,517,981
5.2.1 Additions during the period / year		
Land and building	20,296	244,536
Plant and machinery	11,882	730,401
Electric installations	10,637	100,623
Vehicles - owned	4,531	1,597
Vehicles - leased	9,988	108,609
Advance payments against land and buildings	3,500	2,000
	60,634	1,187,766
6. Right of Use Assets		
Net book value at the beginning of the period / year	296,124	283,515
Add: Additions during the period / year	25,342	113,552
Less: Remeasurement during the period / year	-	(9,365)
Less: Transfers from right of use assets to owned	(8,209)	(20,552)
Less: Depreciation charge for the period / year	(16,713)	(71,026)
Net book value at the end of the period / year	296,544	296,124

	Un-audited December 31, 2023 (Rupees in thousand)	Audited September 30, 2023 (Rupees in thousand)
7. Long term investment		
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	504,000	504,000
Difference in fair value and present value on initial recognition of interest free loan	119,964	119,964
	723,964	723,964
Less : Impairment recognised on subsidiary - Whole Foods (Private) Limited	85,607	85,607
Balance as at end of the period / year	638,357	638,357
7.1 Whole Foods (Private) Limited - Un-quoted	134,357	134,357
Ultimate Whole Foods (Private) Limited - Un-quoted	504,000	504,000
	638,357	638,357
8. Long term loans and deposits - considered good		
Long term security deposits	15,284	15,084
Loan to subsidiary company - WFL - at amortized cost	274,878	268,852
	290,162	283,936
8.1 This represents an amount of Rs 335 million paid by the Company intermittently on behalf of the WFL. Further, tripartite subordination agreement dated June 29, 2020 and June 30, 2021 have been entered into between the Company, WFL and Soneri Bank Limited (the lender) whereby the related amount is subordinated to the principal, markup and any and all other amounts that may be payable to the lender under the financing agreements. Further, no payment of the aforesaid amount can be made by WFL, except with prior written consent of the lender. Accordingly, all payments due to Company shall be postponed till repayment of loan to the lender. The Company expects that repayment will be made in full after repayment of the amount due to lender. Owing to the substance of transactions at non-market interest rate (nil in this case), the difference between the present value and proceeds is recognised as a long term investment made in WFL by the Company using the effective interest method.		
At the beginning of the period / year	268,852	246,220
Unwinding of interest on loan to subsidiary company	6,026	22,632
Balance as at end of the period / year	274,878	268,852
9. Stock-in-trade		
Finished goods		
- Sugar	7,039,243	3,252,578
- Molasses	1,553,128	1,129,284
- Ethanol	551,440	742,952
- Bagasse	202,748	36,569
	9,346,559	5,161,383
Work-in-process	210,242	16,293
	9,556,801	5,177,676
9.1 Certain short term and long term borrowings of the Company are secured by way of collateral charge on stock-in-trade.		

	Un-audited December 31, 2023 (Rupees in thousand)	Audited September 30, 2023 (Rupees in thousand)
10. Trade debts - unsecured		
Considered good	-	450
Due from related parties	174,980	1,213,654
Others	174,980	1,214,104
	3,333	3,333
Considered doubtful	178,313	1,217,437
Less: loss allowance	(3,333)	(3,333)
	174,980	1,214,104
11. Loans and advances		
Advances to:		
Employees - secured	12,310	12,077
Suppliers and contractors - unsecured	4,340,780	1,025,502
	4,353,090	1,037,579
Due from related parties	882,404	723,431
Letters of credit - secured	14,852	11,156
	5,250,346	1,772,166
Less:		
- Provision for doubtful advances	(28,838)	(28,838)
- Loss allowance	(905)	(905)
	5,220,603	1,742,423
11.1 This represents amounts due from the associated companies:		
Due from subsidiary company	189,516	170,002
Whole Foods (Private) Limited	692,888	553,429
Ultimate Whole Foods (Private) Limited	882,404	723,431
12. Trade deposits and other receivables		
Deposits	-	2,500
Prepayments	7,591	9,304
Export subsidy receivable	305,519	305,519
Insurance claim receivable	16,742	33,746
Accrued mark-up on term deposit receipts	1,264	1,520
Others	3,552	4,184
	334,668	356,773
Less: loss allowance	(155,782)	(155,782)
	178,886	200,991
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:		

	Un-audited December 31, 2023 (Number of shares)	Audited September 30, 2023 (Number of shares)
14. Long term finances - secured		
Holding Company	13,751,000	13,751,000
The Premier Sugar Mills & Distillery Co. Ltd.		
Associated Companies		
Aziak Enterprises (Pvt.) Ltd.	1,477,359	1,477,359
Phipson & Co. Pakistan (Pvt.) Ltd.	307,500	307,500
Syntronics Ltd.	3,590,475	3,590,475
	19,126,334	19,126,334
	(Rupees in thousand)	
Bank Al-Habib Limited	2,848,055	2,818,700
Sonari Bank Limited	332,139	332,139
Dubai Islamic Bank Pakistan Limited	200,000	250,000
MCB Bank Limited	121,267	139,237
Al Baraka Bank Limited	390,425	445,493
United Bank Limited	450,000	450,000
Total	4,341,886	4,435,569
Accrued mark-up	362,589	245,132
	4,704,475	4,680,701
Less: amount payable within next 12 months		
Principal	(1,173,854)	(1,173,854)
Accrued mark-up	(362,589)	(245,132)
	3,168,032	3,261,715
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 / L.C.		
15. Loans from related parties - secured		
Associated Companies		
Premier Board Mills Limited	37,472	46,840
Arpak International Investments Limited	25,000	31,250
Aziak Enterprises (Private) Limited	85,000	85,000
Accrued mark-up	49,999	46,236
	197,471	209,326
Less: amount payable within next 12 months		
Principal	(31,236)	(31,236)
Accrued mark-up	(49,999)	(46,236)
	116,236	131,854
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 instalments 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 instalments 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.

16. Lease liabilities	Note	Un-audited Audited	
		December 31, 2023	September 30, 2023
Balance at beginning of the period / year		225,593	236,797
Additions during the period / year		9,466	99,874
Unwinding of interest on lease liabilities		13,296	43,479
Payments made during the period / year		(34,850)	(145,192)
Remeasurement gain		-	(9,365)
Balance at end of the period / year		213,505	225,593
Less: current portion of long term lease liabilities		(82,255)	(85,279)
		<u>131,250</u>	<u>140,314</u>

17. Trade and other payables		Un-audited	Audited
		December 31, 2023	September 30, 2023
Creditors		1,948,866	441,581
Due to related parties	17.1	270,246	296,018
Accrued expenses		183,816	135,498
Retention money		19,740	20,288
Security deposits		1,299	1,299
Advance payments from customers - contract liability		1,031,070	1,957,552
Sales tax payable		247,942	246,710
Income tax deducted at source		24,948	85,466
Payable for workers' profit participation fund		117,710	83,166
Payable for workers' welfare fund		49,884	30,258
Payable to employees		54,171	58,202
Payable to provident fund		7,113	8,459
Others		31,258	11,292
		<u>3,988,063</u>	<u>3,375,789</u>

17.1 This represents amounts due to the following related parties and are interest free and payable on demand:
Holding Company

The Premier Sugar Mills and Distillery Company Limited	38,986	150,161
Associated Companies		
The Frontier Sugar Mills and Distillery Limited	-	733
Syntron Limited	97,250	-
Phipson & Company Pakistan (Private) Limited	63	55
Azliak Enterprises (Private) Limited	14,021	25,143
Directors	119,926	119,926
	<u>270,246</u>	<u>296,018</u>

18. Short term running finance - secured	Note	Un-audited	Audited
		December 31, 2023	September 30, 2023
Cash / running finance		5,059,609	2,968,230
Export re finance		5,325,000	1,523,895
	18.1	<u>10,384,609</u>	<u>4,492,125</u>
Accrued mark-up		240,757	378,878
		<u>10,625,366</u>	<u>4,871,003</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.

19. Current maturity of non-current liabilities		Un-audited	Audited
		December 31, 2023	September 30, 2023
Long term finances	14	1,536,443	1,418,986
Loans from related parties	15	81,235	77,472
Lease liabilities	16	82,255	85,279
		<u>1,699,933</u>	<u>1,581,737</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 25 to the audited financial statements of the Company for the year ended September 30, 2023.

20.2 Commitments		Un-audited	Audited
		December 31, 2023	September 30, 2023
The Company has following commitments in respect of:			
- local letter of credit for purchase of plant and machinery		141,062	143,681
- capital expenditure other than for letter of credit		3,180	14,386
		<u>144,242</u>	<u>158,067</u>

21. Gross sales		Un-audited	Audited
		December 31, 2023	September 30, 2023
Local		4,746,601	2,636,498
Export		2,246,901	1,177,442
		<u>6,993,502</u>	<u>3,813,940</u>

22. Sales tax, other government levies and discounts		Un-audited	Audited
		December 31, 2023	September 30, 2023
Indirect taxes		724,085	383,314
Discounts		2,416	1,772
		<u>726,501</u>	<u>385,086</u>

23. Segment operating results for the three month period ended December 31, 2023 (Un-audited)

	Sugar Division		Ethanol Division		Total	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	-----Rupees in thousand-----					
Sales	4,615,066	2,451,930	2,378,436	1,362,010	6,993,502	3,813,940
-External Customers	311,387	622,329	-	-	311,387	622,329
-Inter segment	4,323,465	3,074,259	2,378,436	1,362,010	7,304,889	4,436,269
Less: sales tax & others	(706,436)	(358,268)	(20,065)	(26,818)	(726,501)	(385,086)
Sales - net	4,220,017	2,715,991	2,358,371	1,335,192	6,578,388	4,051,183
Segment expenses:						
Cost of Sales	(3,091,021)	(2,541,634)	(1,289,760)	(185,037)	(4,380,781)	(2,726,671)
less: Inter segment cost	-	-	(311,387)	(622,329)	(311,387)	(622,329)
Gross profit	1,128,996	174,357	757,224	527,826	1,886,220	702,183
Selling and distribution expenses	(10,808)	(9,398)	(225,515)	(125,262)	(236,323)	(134,660)
Administrative and general expenses	(211,723)	(161,007)	(88,021)	(70,485)	(299,744)	(231,492)
	(222,531)	(170,405)	(313,536)	(195,747)	(536,067)	(366,152)
Profit from operations	906,465	3,952	443,688	332,079	1,350,153	336,031
Other income	72,751	5,424	1,093	1,063	73,844	6,487
Other expenses	(54,179)	(5,755)	-	-	(54,179)	(5,755)
Segment results	18,572	(331)	1,093	1,063	19,665	732
Finance cost	925,037	3,621	444,781	333,142	1,369,818	336,763
Profit before tax	(67,465)	(3,949)	(343,688)	(332,079)	(677,257)	(312,136)
Taxation (expense) / credit	-	-	-	-	692,561	24,627
Profit for the period	(67,465)	(3,949)	(343,688)	(332,079)	(677,257)	(312,136)

23.1 Segment assets and liabilities

	Un-audited		Audited	
	December 31, 2023	September 30, 2023	December 31, 2023	September 30, 2023
	-----Rupees in thousand-----			
	Assets	Liabilities	Assets	Liabilities
Sugar	28,885,092	17,147,982	24,210,428	14,716,856
Ethanol	9,520,140	5,909,171	7,367,338	1,942,447
Total for reportable segment	38,405,232	23,057,153	31,577,766	16,659,303
Others	262,058	380,367	380,367	380,367
Total assets / liabilities	38,405,232	23,319,211	31,577,766	17,039,670

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
December 31,
2023
(Rupees in thousand)

Holding Company		
Sales	54	8,119
Expenses paid on behalf of the Company	998	892
Expenses paid by the Company	7,088	36,882
Rent income	29	29
Subsidiary Companies		
Expenses paid by the company	95,733	3,797
Expenses paid on behalf of the Company	-	20
Markup charged by the Company	29,919	-
Associated Companies		
Services on behalf of the company	13,236	9,163
Expenses paid on behalf of the Company	1,008	404
Purchase of goods	213,524	125,710
Mark-up charged	9,340	8,101
Post employment benefit		
Expense charged in respect of retirement benefit plan	9,496	7,521
Key management personnel / Directors		
Salaries and other benefits	71,212	47,483

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 as at September 30, 2023. 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 27, 2024.



DIRECTOR



CHIEF FINANCIAL OFFICER



CHASHMA SUGAR MILLS LIMITED

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED
DECEMBER 31, 2023**

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

	Un-audited December 31, 2023	Audited September 30, 2023
	(Rupees in thousand)	
NON CURRENT ASSETS		
Property, plant and equipment	5 23,579,404	23,783,471
Right-of-use assets	6 322,567	322,672
Long term deposits	15,284	15,084
Deferred tax asset	60,700	10,100
	23,977,955	24,131,327
CURRENT ASSETS		
Stores and spares	910,544	842,019
Stock-in-trade	10,391,986	5,376,443
Trade debts	309,652	1,214,104
Loans and advances	4,342,238	1,022,562
Trade deposits and other receivables	209,898	226,809
Income tax refundable	69,327	59,730
Cash and bank balances	1,238,732	822,656
	17,472,377	9,586,323
TOTAL ASSETS	41,450,332	33,697,650
SHARE CAPITAL AND RESERVES		
Authorised capital	500,000	500,000
Issued, subscribed and paid-up capital	286,920	286,920
General reserve	327,000	327,000
Unappropriated profits	5,987,213	5,426,972
Surplus on revaluation of property, plant and equipment	8,224,933	8,382,950
Equity attributable to owners of the parent	14,828,066	14,423,842
Non-controlling interest	136,532	181,631
	14,962,598	14,605,473
NON-CURRENT LIABILITIES		
Long term finances - secured	4,529,599	4,673,542
Loans from related parties - secured	141,236	163,064
Lease liabilities	148,122	157,994
Deferred liabilities		
-Deferred taxation	3,631,679	3,620,702
-Provision for gratuity	20,265	19,965
-Deferred government grant	69,369	76,280
	3,721,313	3,716,947
	8,540,270	8,711,547
CURRENT LIABILITIES		
Trade and other payables	4,425,134	3,500,977
Unclaimed dividend	14,572	14,572
Short term running finance - secured	11,561,501	4,994,853
Current maturity of non-current liabilities	1,946,257	1,776,601
Provision for taxation - net	-	93,627
	17,947,464	10,380,630
TOTAL LIABILITIES	26,487,734	19,092,177
Contingencies and commitments		
TOTAL EQUITY AND LIABILITIES	41,450,332	33,697,650

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, 2023

	Note	Three month period ended December 31, 2023	December 31, 2022
		(Rupees in thousand)	
Gross sales	19	8,844,179	3,813,940
Sales tax, other government levies and discounts	20	(775,533)	(385,086)
Sales - net		8,068,646	3,428,854
Cost of sales		(6,233,170)	(2,726,671)
Gross profit		1,835,476	702,183
Selling and distribution expenses		(236,323)	(134,660)
Administrative and general expenses		(363,063)	(257,876)
Other income		43,925	6,869
Other expenses		(54,179)	(5,755)
Operating profit		1,225,836	310,761
Finance cost		(772,508)	(322,123)
Profit / (loss) before taxation		453,328	(11,362)
Taxation (expense) / credit			
- Current		(135,824)	(41,743)
- Deferred		39,621	69,476
		(96,203)	27,733
Profit after taxation		357,125	16,371
Attributable to:			
Owners of the parent company		402,224	19,274
Non-controlling interest		(45,099)	(2,903)
		357,125	16,371
Earnings per share attributable to owners of parent company - basic and diluted (Rs)		14.02	0.67

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, 2023

	December 31, 2023	December 31, 2022
	(Rupees in thousand)	
Profit after taxation	357,125	16,371
Other comprehensive income / (loss)	-	-
Total comprehensive income for the period	357,125	16,371
Attributable to:		
Owners of the Parent Company	402,224	19,274
Non-controlling interest	(45,099)	(2,903)
	357,125	16,371

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, 2023

	December 31, 2023	December 31, 2022
	(Rupees in thousand)	
Cash flow from operating activities	453,328	(11,362)
Profit / (loss) before taxation	466,753	347,632
Adjustments for non-cash items:	(2,335)	-
Depreciation	(693)	-
Gain on sale of operating fixed assets	(22,509)	-
Profit on deposit accounts	772,508	322,123
Mark-up earned on term depository receipts	2,070	1,393
Finance cost	1,669,122	659,786
Provision for gratuity		

Changes in working capital	(68,525)	(220,321)
Decrease / (Increase) in stores and spares stock-in-trade	(5,013,543)	(3,323,925)
trade debts	904,452	(185,646)
loans and advances	(3,319,676)	(1,220,911)
trade deposits and other receivables	16,911	(78,328)
Increase in trade and other payables	924,157	3,246,893
	(6,556,224)	(1,782,438)
Income tax paid	(4,887,102)	(1,122,652)
Gratuity paid	(239,046)	(43,043)
	(1,093)	419
	(5,127,243)	(1,165,276)

Net cash used in operating activities	(244,542)	(856,702)
Cash flow from investing activities	10,222	-
Purchase of property, plant and equipment	(200)	-
Sale proceeds of operating fixed assets	693	(160,151)
Increase in long term security deposits	22,509	-
Short term investment		
Profits on bank deposits received		
Profits on term finance certificates		
	(211,318)	(1,116,853)

Cash flow from financing activities	(103,341)	1,005,142
Long term finances (repaid) / received	3,801,105	1,920,000
Short term loan received	(21,828)	(15,618)
Loan repaid to related party	(35,972)	(36,388)
Lease obligation repaid	(762,074)	(355,550)
Finance cost paid		
	2,877,890	2,517,586
Net cash generated in financing activities	(2,460,671)	235,457
Net (decrease) / increase in cash and cash equivalents	(2,723,034)	(2,345,755)
Cash and cash equivalents at beginning of the period	(5,183,705)	(2,110,298)
Cash and cash equivalents at end of the period		
Cash and cash equivalents comprised of:		
Bank balances	784,732	208,423
Short term running finance - secured	(5,968,437)	(2,318,721)
	(5,183,705)	(2,110,298)

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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, 2023

	Balance as at October 01, 2022	Total comprehensive income for the three month period ended December 31, 2022	Income for the period	Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	Balance as at September 30, 2022	Total comprehensive income for the three month period ended December 31, 2022	Income for the period	Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	Balance as at September 30, 2023	Total comprehensive income for the three month period ended December 31, 2023	Income for the period	Other comprehensive income for the period	Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	Balance as at December 31, 2023
Share capital	286,920	-	-	-	286,920	-	-	-	286,920	-	-	-	-	286,920
General reserve	327,000	-	-	-	327,000	-	-	-	327,000	-	-	-	-	327,000
Unappropriated profits	3,220,146	19,274	19,274	-	3,412,861	402,224	402,224	-	3,815,085	402,224	(45,099)	357,125	4,212,309	
Surplus on revaluation of property, plant and equipment	7,097,094	-	-	-	7,097,094	-	-	-	7,097,094	-	-	-	-	7,097,094
Total	11,031,160	19,274	19,274	-	11,050,434	402,224	402,224	-	11,452,658	402,224	(45,099)	357,125	11,857,784	
Non-controlling interest	190,605	-	-	-	190,605	-	-	-	190,605	-	-	-	-	190,605
Total	11,221,765	19,274	19,274	-	11,241,039	402,224	402,224	-	11,643,263	402,224	(45,099)	357,125	12,054,569	

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



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE

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

FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2023

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 05, 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 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 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. The WFPL is yet to commence its operations.

(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 Holding Company holds 72% 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, 2023 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 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, 2023.

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, 2023.

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, 2023.

	Un-audited December 31, 2023 (Rupees in thousand)	Audited September 30, 2023 (Rupees in thousand)
5. Property, plant and equipment		
Operating fixed assets	21,781,554	19,700,369
Capital work-in-progress	1,797,850	4,083,102
	<u>23,579,404</u>	<u>23,783,471</u>
5.1 Operating fixed assets - at net book value		
Net book value at the beginning of the period / year	19,700,369	15,229,277
Add: Revaluation surplus during the period / year	-	2,693,463
Add: Additions during the period / year	2,529,794	3,169,455
Add: Transfers from right of use assets to owned	8,209	20,553
Less: Disposals during the period / year	(7,887)	(20,574)
Depreciation charged for the period / year	(448,931)	(1,391,805)
	<u>(456,818)</u>	<u>(1,412,379)</u>
Net book value at the end of the period / year	<u>21,781,554</u>	<u>19,700,369</u>
5.1.1 Additions during the period / year		
Leasehold land	-	2,722,248
Building and roads	1,073,331	81,674
Plant and machinery	1,223,241	271,725
Electric installations	195,423	23,989
Office equipment	18,393	38,473
Farm equipment	-	168
Furniture and fixtures	7,472	19,778
Vehicles	11,934	11,400
	<u>2,529,794</u>	<u>3,169,455</u>
5.2 Capital work-in-progress		
At the beginning of the period / year	4,083,102	4,342,048
Add: Additions during the period / year	382,110	4,232,936
Less: Capitalized / adjusted during the period / year	(2,667,362)	(4,505,774)
Other adjustments	-	13,892
Balance at the end of the period / year	<u>1,797,850</u>	<u>4,083,102</u>
5.2.1 Additions during the period / year		
Land and building	70,385	940,176
Plant and machinery	27,422	1,814,720
Electric installations	15,519	291,166
Vehicles - owned	4,531	1,597
Vehicles - leased	9,988	108,609
Capital stores	129,339	262,244
Advance payments to contractors	121,426	812,424
Advance payments against land - freehold and buildings	3,500	2,000
	<u>382,110</u>	<u>4,232,936</u>

6. Right of Use Assets

	Un-audited December 31, 2023 (Rupees in thousand)	Audited September 30, 2023 (Rupees in thousand)
Net book value at the beginning of the period / year	322,672	283,515
Add: Additions during the period / year	25,926	144,957
Less: Remeasurement during the period / year	-	(9,365)
Less: Transfers from right of use assets to owned	(8,209)	(20,552)
Less: Depreciation charge for the period / year	(17,822)	(75,883)
Net book value at the end of the period / year	<u>322,567</u>	<u>322,672</u>

7. Stock-in-trade

Finished goods	7,039,243	3,252,578
- Sugar	1,553,128	1,129,284
- Molasses	551,440	742,952
- Ethanol	202,748	36,569
- Bagasse	58,080	-
- Wheat flour- UWFPL	9,404,639	5,161,383

Raw material - UWFPL

- Wheat	777,105	200,767
Work-in-process	210,242	16,293
	<u>10,391,986</u>	<u>5,378,443</u>

8. Trade debts - unsecured

Considered good	-	450
Due from related parties	309,652	1,213,654
Others	309,652	1,214,104
	<u>309,652</u>	<u>3,333</u>
Considered doubtful	312,985	1,217,437
Less: loss allowance	(3,333)	(3,333)
	<u>309,652</u>	<u>1,214,104</u>

9. Loans and advances

Advances to:		
Employees - secured	12,815	15,007
Suppliers and contractors - unsecured	4,344,314	1,026,142
	<u>4,357,129</u>	<u>1,041,149</u>
Letters of credit	14,852	11,156
	<u>4,371,981</u>	<u>1,052,305</u>
Less:		
- Provision for doubtful advances	(28,838)	(28,838)
- Loss allowance	(905)	(905)
	<u>4,342,238</u>	<u>1,022,562</u>

10. Trade deposits and other receivables

	Un-audited December 31, 2023 (Rupees in thousand)	Audited September 30, 2023 (Rupees in thousand)
Deposits	6,376	8,876
Prepayments	16,824	13,343
Export subsidy receivable	305,519	305,519
Insurance claim receivable	16,742	33,746
Accrued mark-up on term deposit receipts	1,264	1,520
Guarantees issued	15,000	15,000
Others	3,955	4,587
	<u>365,680</u>	<u>382,591</u>
Less: loss allowance	<u>(155,782)</u>	<u>(155,782)</u>
	<u>209,898</u>	<u>226,809</u>

11. Share Capital

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

Holding Company	(Number of shares)
The Premier Sugar Mills & Distillery Co. Ltd.	13,751,000
Associated Companies	1,477,359
Aziak Enterprises (Pvt.) Ltd.	307,500
Phipson & Co. Pakistan (Pvt.) Ltd.	3,590,475
Syntronics Ltd.	19,126,334

12. Long term finances - secured

	(Rupees in thousand)
Bank Al-Habib Limited	2,848,055
Soneri Bank Limited	924,045
Dubai Islamic Bank Pakistan Limited	200,000
MCB Bank Limited	680,813
Al Baraka Bank Limited	390,425
The Bank of Khyber	382,692
United Bank Limited	450,000
Total	<u>5,876,030</u>
Accrued mark-up	<u>422,661</u>
	<u>6,298,691</u>
Less: amount payable within next 12 months	<u>(1,346,431)</u>
Principal	<u>(422,661)</u>
Accrued mark-up	<u>(302,368)</u>
Amount due after December 31, 2024	<u>4,529,599</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 assets of the Group and first / joint pari passu charge by way of equitable mortgage on all present and future immovable assets of the Group, pledge of sugar stock and lien on export contract / LC.

13. Loans from related parties - secured

	Un-audited December 31, 2023 (Rupees in thousand)	Audited September 30, 2023 (Rupees in thousand)
Associated Companies		
Premier Board Mills Limited	62,472	71,840
Arpak International Investments Limited	25,000	31,250
Aziak Enterprises (Private) Limited	85,000	85,000
Accrued mark-up	<u>57,690</u>	<u>52,446</u>
	<u>230,162</u>	<u>240,536</u>
Less: amount payable within next 12 months		
Principal	<u>(31,236)</u>	<u>(31,236)</u>
Accrued mark-up	<u>(57,690)</u>	<u>(46,236)</u>
	<u>141,236</u>	<u>163,064</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 November4, 2019. The principal is repayable in 7 semi annual installments commencing from November2022. 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 November04, 2019. The principal is repayable in 7 semi annual installments commencing from November2022. 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 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 Group.

14. Lease liabilities

Balance at beginning of the period / year	248,926	236,797
Additions during the period / year	9,466	124,878
Unwinding of interest on lease liabilities	13,941	46,928
Payments made during the period / year	<u>(35,972)</u>	<u>(150,312)</u>
Remeasurement of lease liabilities	-	<u>(9,365)</u>
Balance at end of the period / year	<u>236,361</u>	<u>248,926</u>
Less: current portion of long term lease liabilities	<u>(88,239)</u>	<u>(90,932)</u>
	<u>148,122</u>	<u>157,994</u>

15. Trade and other payables

	Un-Audited December 31, 2023 (Rupees in thousand)	Audited September 30, 2023 (Rupees in thousand)
Creditors	2,341,868	523,081
Due to related parties	270,245	296,017
Accrued expenses	184,596	139,236
Retention money	39,291	39,839
Security deposits	1,299	1,299
Advance payments from customers - contract liability	1,031,070	1,957,552
Sales tax payable	247,942	246,710
Income tax deducted at source	46,933	102,848
Payable for workers welfare obligations	117,710	83,166
Payable for workers' welfare fund	49,884	30,258
Payable to employees	54,171	58,231
Payable to provident fund	7,113	8,459
Others	33,012	14,281
	<u>4,425,134</u>	<u>3,500,977</u>

15.1 This represents amounts due to the following related parties and are interest free and payable on demand:
Due to holding company:

The Premier Sugar Mills and Distillery Company Limited	38,986	150,161
Associated Companies		
Syntron Limited	97,250	-
Phipson & Company Pakistan (Private) Limited	63	55
The Frontier Sugar Mills & Distillery Limited	-	733
Azliak Enterprises (Private) Limited	14,021	25,143
Directors	119,925	119,925
	<u>270,245</u>	<u>296,017</u>

16. Short term running finance - secured

Cash / running finance	5,968,437	3,091,690
Export re finance	5,325,000	1,523,895
	16.1	11,293,437
Accrued mark-up	268,064	379,268
		<u>11,561,501</u>
		<u>4,994,853</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

Long term finances	12	1,769,092	1,608,197
Loans from related parties	13	88,926	77,472
Lease liabilities	14	88,239	90,932
		<u>1,946,257</u>	<u>1,776,601</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, 2023.

	Un-Audited December 31, 2023 (Rupees in thousand)	Audited September 30, 2023 (Rupees in thousand)
18.2 Commitments		
The Group has following commitments in respect of:		
- local letter of credit for purchase of plant and machinery	141,062	143,681
- capital expenditure other than for letters of credit	3,180	14,386
	<u>Three month period ended</u>	
	Un-Audited December 31, 2023	Audited September 30, 2023

19. Gross sales

Local	6,597,278	2,636,498
Export	2,246,901	1,177,442
	<u>8,844,179</u>	<u>3,813,940</u>
	724,085	383,314
Indirect taxes	51,448	1,772
Discounts	<u>775,533</u>	<u>385,086</u>

20. Sales tax, other government levies and discounts

21. Segment operating results for the three month period ended December 31, 2023 (Un-audited)

	Sugar Division		Ethanol Division		Total	
	Three month period ended		Three month period ended		Three month period ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Sales						
-External Customers	4,615,066	2,451,930	2,378,436	1,362,010	6,993,502	3,813,940
-Inter segment	311,387	622,329	-	-	311,387	622,329
-Others - UWFPL	-	-	-	-	1,850,677	-
	4,926,453	3,074,259	2,378,436	1,362,010	9,155,566	4,436,269
Less: Sales tax and others	(706,436)	(358,268)	(20,065)	(26,818)	(726,501)	(385,086)
	4,220,017	2,715,991	2,358,371	1,335,192	8,380,033	4,051,183
Segment expenses:						
Cost of Sales	(3,091,021)	(2,541,634)	(1,289,760)	(185,037)	(4,380,781)	(2,726,671)
less: Inter segment cost	-	-	(311,387)	(622,329)	(911,387)	(622,329)
	(3,091,021)	(2,541,634)	(1,601,147)	(807,366)	(4,380,781)	(2,726,671)
Gross profit	1,128,996	174,357	757,224	527,826	1,835,476	702,183
Selling and distribution expenses	(10,808)	(9,389)	(225,515)	(125,262)	(236,323)	(134,660)
Administrative and general expenses	(211,723)	(161,007)	(88,021)	(70,485)	(299,744)	(231,492)
Others	-	-	-	-	(63,319)	(26,384)
	(222,531)	(170,405)	(313,536)	(195,747)	(599,386)	(392,536)
Profit from operations	906,465	3,952	443,688	332,079	1,236,090	309,647
Other income	42,832	5,424	1,093	1,063	43,925	6,487
Other expenses	(54,179)	(5,755)	-	-	(54,179)	(5,755)
	(11,347)	(331)	1,093	1,063	(10,254)	1,114
Segment results	895,118	3,621	444,781	333,142	1,225,836	310,761
Finance cost	-	-	-	-	(772,508)	(322,123)
Profit / (loss) before tax	895,118	3,621	444,781	333,142	453,328	(11,362)
Taxation	-	-	-	-	(96,203)	27,793
Profit for the period	895,118	3,621	444,781	333,142	357,125	16,371

21.1 Segment assets and liabilities

	Un-audited December 31, 2023 (Rupees in thousand)		Audited September 30, 2023 (Rupees in thousand)	
	Assets	Liabilities	Assets	Liabilities
Sugar	27,051,990	17,189,004	24,583,109	15,877,806
Ethanol	9,520,140	5,909,171	7,367,338	1,942,447
Total for reportable segment	36,572,130	23,098,175	31,950,447	17,820,253
Others	4,878,202	3,389,559	1,747,203	1,271,924
Total assets / liabilities	41,450,332	26,487,734	33,697,650	19,092,177

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
December 31, 2023 December 31, 2022
(Rupees in thousand)

<u>Holding Company</u>		
Sales	54	8,119
Expenses paid on behalf of the Company	998	892
Expenses paid by the Company	7,088	36,882
Rent income	29	29
<u>Associated Companies</u>		
Services on behalf of the company	13,236	9,163
Expenses paid on behalf of the Company	1,008	404
Purchase of goods	213,524	125,710
Mark-up charged	10,821	9,181
<u>Post employment benefit</u>		
Expense charged in respect of retirement benefit plan	9,496	7,521
<u>Key management personnel / Directors</u>		
Salaries and other benefits	71,212	47,483

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, 2023. 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 maifa, 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 consolidated 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 27, 2024.



CHIEF EXECUTIVE



DIRECTOR

CHIEF FINANCIAL OFFICER