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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  
UNCONSOLIDATED FINANCIAL INFORMATION  
FOR THE NINE MONTH PERIOD  
ENDED JUNE 30, 2021  
(UN-AUDITED)**

**CHASHMA SUGAR MILLS LIMITED**  
**COMPANY INFORMATION**

**Board of Directors**

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

**Company Secretary**

Mr. Mujahid Bashir

**Chief Financial Officer**

Mr. Rizwan Ullah Khan

**Head of Internal Audit**

Mr. Zaheer Mir

**Auditors**

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

**Tax Consultants**

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

**Legal Advisor**

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

**Shares Registrar**

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

**Bankers**

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

**CHASHMA SUGAR MILLS LIMITED**  
**DIRECTORS' REVIEW REPORT**

The Board of Directors is pleased to present the un-audited condensed interim financial information of the Company for the nine months period ended on June 30, 2021. This condensed financial information is presented to the shareholders of the Company in compliance with the International Accounting Standard No. 34 "Interim Financial Reporting", the Code of Corporate Governance, under Section 237 of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019.

**OPERATIONAL PERFORMANCE**

The sugarcane crushing season commenced on November 15, 2020 continued till March 01, 2021. The mills crushed 1,468,505 tons (2020: 1,432,075 tons) of sugarcane to produce 145,987.00 tons (2020: 151,012.50 tons) of sugar. The Provincial Government of Khyber Pakhtunkhwa (KPK) fixed sugarcane support price @ Rs. 200/- per maund. However, due to failure of the Khyber Pakhtunkhwa Government to ensure supply of sugarcane at fixed rate, the cost of production increased exorbitantly.

**SUGAR PRICES**

The KPK Government through a notification no. 3/12-Sugar/IND/Vol-V/3375 dated 10-4-2021 confiscated 10,100 MT of sugar @ Rs. 80/kg which is far below the cost of production. The Government's continuous interference and harassment to retailers pressurized the sugar prices resulting in major blow to the financial results of the Company.

**ETHANOL FUEL PLANT AT UNIT-II**

The Ethanol Fuel Plant produced 26,011.43MT of Ethanol during the nine months period that ended on June 30, 2021.

**FINANCIAL PERFORMANCE**

The Company has earned profit of Rs. 202.996 million after taxation (2020: 1,127.372 million) during the nine months period ended June 30, 2021.

**ACCOUNTING POLICIES**

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

**ACKNOWLEDGEMENT**

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

ON BEHALF OF THE BOARD



Islamabad  
July 28, 2021

(AZIZ SARFARAZ KHAN)  
CHIEF EXECUTIVE



(ISKANDER M. KHAN)  
DIRECTOR

## چشمہ شوگر ملز لمیٹڈ

### ڈائریکٹرز کی جائزہ رپورٹ

ڈائریکٹرز 30 جون 2021 کو ختم ہونے والے نو مہینوں کی اختتامی مدت پر غیر آڈٹ شدہ کنڈسڈ انیمیرم مالیاتی معلومات پیش کرنے پر مسرت محسوس کرتے ہیں۔ یہ کنڈسڈ مالیاتی معلومات حصص داروں کو انٹرنیشنل اکاؤنٹنگ سٹینڈرڈز کے قواعد نمبر 34 انیمیرم فنانشل رپورٹنگ، کمپنی ایکٹ 2017 (دی ایکٹ) کے سیکشن 237 اور لسٹڈ کمپنیز (کوڈ آف کارپورٹ گورننس) ریگولیشن 2019 کے مطابق ہیں۔

### آپریٹنگ کارکردگی

گئے کارکنگ سیزن 2020-21 کا آغاز 15 نومبر 2020 کو شروع ہوا اور 01 مارچ 2021 تک جاری رہا۔ ملز نے 1,468,5050 ٹن (2020 میں 1,432,075 ٹن) گئے کو کرش کرتے ہوئے 145.987 ٹن (2020 میں 151,012.50 ٹن) چینی کی پیداوار کی۔ خمیر پختون خواہ کی صوبائی حکومت کی جانب سے گئے کی قیمت 200 مقرر تھی۔ تاہم صوبائی حکومت مقرر کردہ قیمت پر گئے کی سپلائی یقینی نابنا سکی جس کی وجہ پیداواری لاگت میں بے حد اضافہ ہوا۔

### چینی کی قیمتیں

کے پی کے حکومت نے بزرگ پور نوٹیفیکیشن نمبر 12/3/3375-Vol-V/IND/Sugar، مورخہ بتاریخ 10-04-2021 کو MT10,100 چینی 80 روپے فی کلو کے حساب سے ضبط کی جو کہ پیداواری لاگت سے بھی انتہائی کم تھی۔ حکومت کی جانب سے مسلسل مداخلت اور ریٹیلروں کو ہراساں کرنے سے چینی کی قیمتوں پر دباؤ جس کا اثر کمپنی کے مالی نتائج پر ہوا۔

## ڈپٹی

بہتھنول فیول پلانٹ نے 30 جون 2021 کو اختتام ہونے والے نو ماہ کے دوران MT26,011.43 بہتھنول کی پیداواری۔

### مالیاتی کارکردگی

30 جون 2021 کو ختم ہونے والے نو ماہ کے اختتام تک کمپنی کا ٹیکس کی ادائیگی کے بعد کامنافع 202,996 ملین روپے رہا (2020 میں 1,127,372 ملین روپے تھا)۔

### اکاؤنٹنگ کی پالیسیاں

کمپنی کی نو ماہ کی کنڈسڈ انیمیرم 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



اسلام آباد

اسکندر محمد خان

بتاریخ: 28 جولائی 2021

ڈائریکٹر



عزیز مسرفراز خان

چیف ایگزیکٹو آفیسر

**CHASHMA SUGAR MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2021**

	Note	Un-audited June 30, 2021	Audited September 30, 2020
(Rupees in thousand)			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	9,779,233	9,892,348
Right-of-use assets	6	366,149	395,099
Long term investment	7	219,964	139,154
Long term deposits and other receivables	8	235,634	75,904
		10,600,980	10,502,505
<b>CURRENT ASSETS</b>			
Stores and spares		404,009	502,275
Stock-in-trade	9	5,149,940	1,241,999
Trade debts	10	307,456	143,049
Loans and advances	11	1,261,916	1,619,493
Trade deposits and other receivables	12	313,729	311,098
Income tax refundable		299,780	287,685
Cash and bank balances		527,431	281,856
		8,264,261	4,387,455
<b>TOTAL ASSETS</b>		18,865,241	14,889,960
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital		500,000	500,000
Issued, subscribed and paid-up capital	13	286,920	286,920
Capital reserve			
General reserve		327,000	327,000
Revenue reserve			
Unappropriated profits		3,151,382	2,853,561
Surplus on revaluation of property, plant and equipment		3,984,758	4,223,043
<b>Shareholders' equity</b>		7,750,060	7,690,524
<b>NON-CURRENT LIABILITIES</b>			
Long term finances - secured	14	1,543,852	1,362,318
Loans from related parties - secured	15	181,825	194,325
Lease liabilities	16	247,482	278,846
Deferred liabilities	17	1,443,612	1,341,555
		3,416,771	3,177,044
<b>CURRENT LIABILITIES</b>			
Trade and other payables	18	728,014	942,856
Unclaimed dividend		10,539	10,539
Unpaid dividend		1,814	-
Short term running finance	19	6,119,033	2,419,737
Current maturity of non-current liabilities	20	839,010	649,260
		7,698,410	4,022,392
Contingencies and commitments	21	11,115,181	7,199,436
<b>TOTAL EQUITY AND LIABILITIES</b>		18,865,241	14,889,960

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

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

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

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

**CHASHMA SUGAR MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2021**

	Note	Three month period ended		Nine month period ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
(Rupees in thousand)					
Gross sales	22	6,161,686	9,089,413	12,477,347	16,240,553
Sales tax, other government levies and discounts	23	(746,584)	(1,172,383)	(1,378,878)	(2,021,925)
Sales - net		5,415,102	7,917,030	11,098,469	14,218,628
Cost of sales		(4,617,443)	(6,156,097)	(9,415,688)	(11,233,542)
<b>Gross profit</b>		797,659	1,760,933	1,682,781	2,985,086
Selling and distribution expenses		(113,119)	(246,349)	(362,724)	(553,943)
Administrative and general expenses		(143,155)	(150,009)	(446,799)	(452,239)
Other income		5,317	32,024	47,470	58,037
Other expenses - net		(14,865)	(67,303)	(27,029)	(85,636)
<b>Operating profit</b>		531,837	1,329,295	893,699	1,951,304
Finance cost		(206,883)	(251,846)	(552,970)	(702,168)
<b>Profit before taxation</b>		324,954	1,077,449	340,729	1,249,136
Taxation					
- Current		(10,058)	(112,996)	(30,559)	(200,382)
- Prior year		-	-	-	(154)
- Deferred		(75,265)	(26,258)	(107,174)	78,772
		(85,323)	(139,254)	(137,733)	(121,764)
<b>Profit for the period</b>		239,631	938,195	202,996	1,127,372
Earnings per share - basic and diluted (Rs)		8.35	32.70	7.08	39.29

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

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

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

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

## CHASHMA SUGAR MILLS LIMITED

### CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2021

	Three month period ended		Nine month period ended	
	June 30, 2021	June 31, 2020	June 30, 2021	June 31, 2020
	(Rupees in thousand)			
Profit for the period	239,631	938,195	202,996	1,127,372
Other comprehensive income / (loss)	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>239,631</b>	<b>938,195</b>	<b>202,996</b>	<b>1,127,372</b>

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

  
Aziz Sarfaraz Khan  
Chief Executive

  
Iskander M. Khan  
Director

  
Rizwan Ullah Khan  
Chief Financial Officer

## CHASHMA SUGAR MILLS LIMITED

### CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2021

	Nine month period ended	
	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
<b>Cash flow from operating activities</b>		
Profit for the period - before taxation	340,729	1,249,136
Adjustments for non-cash items:		
Depreciation	702,042	630,394
Loss / (gain) on sale of operating fixed assets	2,774	(1,496)
Profit on deposit accounts	(3,676)	(2,755)
Finance cost	552,970	702,168
Provision for doubtful debts	-	779
Provision for doubtful advances	-	2,256
Provision for gratuity	2,583	2,345
	<b>1,597,422</b>	<b>2,582,827</b>
<b>Changes in working capital</b>		
Decrease / (Increase) in stores and spares	98,266	6,948
stock-in-trade	(3,907,941)	(781,091)
trade debts	(164,407)	(1,805,275)
loans and advances	357,577	(356,879)
trade deposits, prepayments and other receivables	(2,631)	20,192
Increase in trade and other payables	(214,836)	389,933
	<b>(3,833,972)</b>	<b>(2,526,172)</b>
	<b>(2,236,550)</b>	<b>56,655</b>
Income tax paid	(42,654)	(185,475)
Gratuity paid	(1,664)	(539)
<b>Net cash used in operating activities</b>	<b>(2,280,868)</b>	<b>(129,359)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(619,372)	(400,746)
Sale proceeds of operating fixed assets	56,621	5,676
Increase in long term investment	(80,810)	-
Increase in long term deposits and other receivables	(159,730)	-
Profit on bank deposits received	3,676	2,755
<b>Net cash used in investing activities</b>	<b>(799,615)</b>	<b>(392,315)</b>
<b>Cash flow from financing activities</b>		
Long term finances - net	376,336	(152,683)
Short term loan repaid	(462,000)	-
Loan repaid to related party	(24,238)	(34,848)
Repayment of lease liabilities	(30,763)	(88,975)
Dividend paid	(141,646)	(141,609)
Finance cost paid	(436,861)	(638,178)
<b>Net cash used in financing activities</b>	<b>(719,172)</b>	<b>(1,056,293)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(3,799,655)</b>	<b>(1,577,967)</b>
<b>Cash and cash equivalents - at beginning of the period</b>	<b>(136,554)</b>	<b>(2,794,062)</b>
<b>Cash and cash equivalents - at end of the period</b>	<b>(3,936,209)</b>	<b>(4,372,029)</b>
<b>Cash and cash equivalents comprised of:</b>		
Bank balances	527,431	216,881
Short term running finance	(4,463,640)	(4,588,910)
	<b>(3,936,209)</b>	<b>(4,372,029)</b>

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

  
Aziz Sarfaraz Khan  
Chief Executive

  
Iskander M. Khan  
Director

  
Rizwan Ullah Khan  
Chief Financial Officer

## CHASHMA SUGAR MILLS LIMITED

### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2021

	Share capital	General reserve	Unappropriated profits	Surplus on revaluation of property, plant and equipment	Total
	(Rupees in thousand)				
Balance as at October 1, 2019	286,920	327,000	1,994,085	3,713,454	6,321,459
Total comprehensive income for the nine month period ended June 30, 2020	-	-	1,127,372	-	1,127,372
Income for the period	-	-	-	-	-
Other comprehensive income for the period	-	-	1,127,372	-	1,127,372
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the nine months - net of deferred taxation	-	-	192,861	(192,861)	-
Cash dividend at rate of Rs 5.00 per ordinary share for the year ended September 30, 2019	-	-	(143,460)	-	(143,460)
Balance as at June 30, 2020	286,920	327,000	3,170,858	3,520,593	7,305,371
Total comprehensive income for the three month period ended September 30, 2020	-	-	(381,257)	-	(381,257)
Loss for the period	-	-	(327)	766,737	766,410
Other comprehensive income for the period	-	-	(381,584)	766,737	385,153
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the three months - net of deferred taxation	-	-	64,287	(64,287)	-
Balance as at September 30, 2020	286,920	327,000	2,853,561	4,223,043	7,690,524
Total comprehensive income for the nine month period ended June 30, 2021	-	-	202,996	-	202,996
Profit for the period	-	-	-	-	-
Other comprehensive income for the period	-	-	202,996	-	202,996
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	-	-	-
- on account of incremental depreciation for the nine month period	-	-	220,990	(220,990)	-
- upon disposal of revalued assets	-	-	17,295	(17,295)	-
Cash dividend at rate of Rs 5.00 per ordinary share for the year ended September 30, 2020	-	-	(143,460)	-	(143,460)
<b>Balance as at June 30, 2021</b>	<b>286,920</b>	<b>327,000</b>	<b>3,151,382</b>	<b>3,984,758</b>	<b>7,750,060</b>

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.



**Aziz Sarfaraz Khan**  
Chief Executive



**Iskander M. Khan**  
Director



**Rizwan Ullah Khan**  
Chief Financial Officer

## CHASHMA SUGAR MILLS LIMITED

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED JUNE 30, 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 nine month period ended June 30, 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, 2020.

#### 3. Significant accounting policies

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

#### 4. Seasonality of operations

Due to seasonal nature of sugar segment of the Company, operating results of the Company are expected to fluctuate in the fourth quarter of the year in comparison with the first three quarters of the year.

#### 5. Property, plant and equipment

		Un-audited June 30, 2021	Audited September 30, 2020
	Note	(Rupees in thousand)	
Operating fixed assets	5.1	9,420,725	9,593,270
Capital work-in-progress	5.2	358,508	299,078
		<u>9,779,233</u>	<u>9,892,348</u>

	Note	Un-audited June 30, 2021 (Rupees in thousand)	Audited September 30, 2020
5.1 Operating fixed assets - at net book value			
Net book value at the beginning of the period / year		9,593,270	9,091,077
Revaluation surplus during the period / year		-	1,026,555
Additions during the period / year	5.1.1	506,271	414,111
Transfers from right of use assets to owned		11,102	4,849
Impact of adoption of IFRS - 16		-	(146,591)
Disposals during the period / year		(59,395)	(4,920)
Depreciation charged for the period / year		(630,523)	(791,811)
		(689,918)	(796,731)
Net book value at the end of the period / year		<u>9,420,725</u>	<u>9,593,270</u>
5.1.1 Additions during the period / year			
Building and roads		28,802	51,521
Plant and machinery		367,832	307,042
Electric installations		94,094	37,016
Office equipment		8,703	6,465
Farm equipment		-	672
Furniture and fixtures		3,856	5,981
Owned vehicles		2,984	5,414
		<u>506,271</u>	<u>414,111</u>
5.2 Capital work-in-progress			
At the beginning of the period / year		299,078	132,876
Additions during the period / year	5.2.1	615,643	676,150
Capitalized / adjusted during the period / year		(556,213)	(509,948)
Balance at the end of the period / year		<u>358,508</u>	<u>299,078</u>
5.2.1 Additions during the period / year			
Buildings on freehold land		84,063	60,193
Plant and machinery		374,795	462,783
Electric installations		82,919	54,494
Office equipments		-	11,157
Vehicles - leased		58,078	55,831
Vehicles - owned		1,551	6,528
Plant and machinery - leased		-	25,164
Advance payments against land - freehold		14,237	-
		<u>615,643</u>	<u>676,150</u>
6. Right of use assets			
Net book value at the beginning of the period / year		395,099	-
Impact of adoption of IFRS - 16		-	379,005
Additions during the period / year		60,667	109,427
Deletions during the period / year - net book value		(6,995)	-
Transfers from right of use assets to owned		(11,102)	(4,849)
Depreciation charged for the period / year		(71,520)	(88,484)
Net book value at the end of the period / year		<u>366,149</u>	<u>395,099</u>

	Note	Un-audited June 30, 2021 (Rupees in thousand)	Audited September 30, 2020
7. Long term investment			
Investment in shares of Whole Foods (Private) Limited (WFL) - at cost		100,000	100,000
Difference in fair value and present value on initial recognition of interest free loan	7.1	119,964	39,154
Balance as at end of the period / year		<u>219,964</u>	<u>139,154</u>
7.1 During the period, The Company has subordinated an aggregate interest free loan of Rs 235 million to its subsidiary company, WFL in addition to loan provided in preceding year of amount to Rs 100 million. Pursuant to a tripartite subordination agreement dated 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. Movement during the period is as follows:			
Balance at beginning of the period / year		39,154	-
Add: Additional investment in subsidiary			
Amount receivable from WFL - unsecured		235,000	100,000
Present value at market rate of interest		(154,190)	(60,846)
		80,810	39,154
Balance as at end of the period / year		<u>119,964</u>	<u>39,154</u>
8. Long term deposits and other receivables - considered good			
Long term security deposits		15,084	15,058
Loan to subsidiary company - WFL - at amortized cost	8.1	220,550	60,846
		<u>235,634</u>	<u>75,904</u>
8.1 Loan to subsidiary company - WFL - at amortized cost			
At the beginning of the period / year		60,846	-
Additions during the period / year	7.1	154,190	60,846
Unwinding of interest on loan to subsidiary company		5,514	-
Balance as at end of the period / year		<u>220,550</u>	<u>60,846</u>
9. Stock-in-trade			
Finished goods			
- Sugar		2,877,298	278,876
- Molasses		1,678,203	701,352
- Ethanol		581,867	250,147
		<u>5,137,368</u>	<u>1,230,375</u>
Work-in-process		12,572	11,624
		<u>5,149,940</u>	<u>1,241,999</u>

	Note	Un-audited June 30, 2021 (Rupees in thousand)	Audited September 30, 2020
<b>10. Trade debts</b>			
Considered good		307,456	143,049
Considered doubtful		1,945	1,945
		<u>309,401</u>	<u>144,994</u>
Less: Loss allowance		(1,945)	(1,945)
		<u>307,456</u>	<u>143,049</u>
<b>11. Loans and advances</b>			
Advances to:			
Employees - secured		8,561	6,675
Suppliers and contractors - unsecured		<u>678,586</u>	<u>1,180,198</u>
		687,147	1,186,873
Due from associated companies	11.1	413,086	230,175
Letters of credit		<u>194,276</u>	<u>235,038</u>
		1,294,509	1,652,086
Less:			
- Provision for doubtful advances		(28,838)	(28,838)
- Loss allowance		(3,755)	(3,755)
		<u>1,261,916</u>	<u>1,619,493</u>
11.1 This represents amounts due from the following associated companies:			
Due from holding company:			
The Premier Sugar Mills and Distillery Company Limited		401,448	65,947
Due from subsidiary company:			
Whole Foods (Private) Limited		11,638	164,228
		<u>413,086</u>	<u>230,175</u>
<b>12. Trade deposits, prepayments and other receivables</b>			
Deposits		-	858
Prepayments		6,602	4,658
Export subsidy receivable		305,519	305,519
Others		1,608	63
		<u>313,729</u>	<u>311,098</u>
<b>13. Share Capital</b>			
As at period end, the issued, subscribed and paid-up capital of the Company includes following share capital holdings by the associated companies;			
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.		<u>3,590,475</u>	<u>3,590,475</u>
		<u>19,111,834</u>	<u>19,111,834</u>

	Note	Un-Audited June 30, 2021 (Rupees in thousand)	Audited September 30, 2020
<b>14. Long term finances - secured</b>			
Bank Al-Habib Limited		560,651	372,831
Soneri Bank Limited		902,279	700,823
The Bank of Punjab		-	14,100
Dubai Islamic Bank Pakistan Limited		292,479	487,466
MCB Bank Limited		206,144	249,113
Al-Baraka Bank (Pakistan) Limited		<u>245,158</u>	-
Total	14.1	2,206,711	1,824,333
Accrued mark-up		<u>38,654</u>	<u>42,356</u>
		2,245,365	1,866,689
Less: amount payable within next 12 months			
Principal		(662,859)	(462,015)
Accrued mark-up		<u>(38,654)</u>	<u>(42,356)</u>
Amount due after June 30, 2022		<u>1,543,852</u>	<u>1,362,318</u>
14.1 These represent term and demand finance obtained by the Company from the aforesaid banks and are repayable in 3-5 years with varied grace period. The rate of mark-up ranges from KIBOR + 1% per annum to KIBOR + 2% per annum and SBP rate + 1%. These are secured against first / joint pari passu hypothecation charge over all present and future movable fixed assets of the Company and first / joint pari passu charge by way of equitable mortgage on all present and future immovable fixed assets of the Company, pledge of sugar stock and lien on export contract / LC.			
<b>15. Loans from related parties - secured</b>			
Holding Company			
The Premier Sugar Mills & Distillery Company Limited	15.1	-	24,238
Associated Companies			
Premier Board Mills Limited	15.2	65,575	65,575
Arpak International Investments Limited	15.3	43,750	43,750
Aztrak Enterprises (Private) Limited	15.4	85,000	85,000
Accrued mark-up		<u>30,505</u>	<u>26,760</u>
		224,830	245,323
Less: amount payable within next 12 months			
Principal		(12,500)	(24,238)
Accrued mark-up		<u>(30,505)</u>	<u>(26,760)</u>
Amount due after June 30, 2022		<u>181,825</u>	<u>194,325</u>
15.1 The long term finance facility had been renewed on February 9, 2017. The principal is repayable in 7 semi annual installments commencing from February 2020. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the holding company is not less than the borrowing cost of the holding company. These loans are secured against promissory note from the Company.			
15.2 The long term finance facility has been renewed on November 04, 2019. The principal is repayable in 7 semi annual installments commencing from November 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Company.			
15.3 The long term finance facility has been renewed on November 04, 2019. The principal is repayable in 7 semi annual installments commencing from November 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Company.			

15.4 The long term finance facility was obtained on July 6, 2018. The principal is repayable in 8 semi annual installments commencing from December 2021. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Company.

	Note	Un-audited June 30, 2021	Audited September 30, 2020
(Rupees in thousand)			
<b>16. Lease liabilities</b>			
Balance at beginning of the period / year		372,737	136,472
Impact of adoption of IFRS - 16		-	231,214
Additions during the period / year		60,667	89,579
Unwinding of interest on lease liabilities		33,592	55,099
Payments made during the period / year		(118,027)	(137,851)
Early termination / remeasurement of lease liabilities		(6,995)	(1,776)
Balance at end of the period / year		<u>341,974</u>	<u>372,737</u>
<b>Less: current portion of long term lease liabilities</b>		<u>(94,492)</u>	<u>(93,891)</u>
		<u>247,482</u>	<u>278,846</u>

**17. Deferred liabilities**

	Note	1,424,411	1,317,231
Deferred taxation		1,424,411	1,317,231
Provision for gratuity		10,550	9,631
Deferred government grant	17.1	8,651	14,693
		<u>1,443,612</u>	<u>1,341,555</u>

17.1 This represent deferred government grant in respect of term finance facility obtained under SBP Salary Refinance Scheme. During the year 2020, the Company had entered into an arrangement with Habib Bank Limited for obtaining term finance facility under State Bank of Pakistan (SBP) Salary Refinance Scheme to pay three month salaries & wages to permanent, contractual and temporary employees upto a maximum of Rs 262 million. The repayment of loan (principal amount) will be made in 8 equal quarterly installments commencing from April 1, 2021. Mark up rate is SBP rate + 1% on this facility and shall also be paid on quarterly basis. The availed facility at June 30, 2021 was Rs 262 million (2020: Rs 217.48 million). The facility will expire on January 1, 2023. There are no unfulfilled conditions or other contingencies attaching to this grant.

		14,693	-
Opening balance		14,693	-
Additions during the period / year		2,976	14,864
Amortization during the period / year		(9,018)	(171)
Closing Balance		<u>8,651</u>	<u>14,693</u>

**18. Trade and other payables**

	Note	285,005	454,970
Creditors		285,005	454,970
Due to related parties	18.1	44,375	88,431
Accrued expenses		74,594	120,094
Retention money		18,037	15,334
Security deposits		774	1,964
Advance payments from customers		122,980	39,548
Income tax deducted at source		28,630	29,902
Sales tax payable		45,020	28,834
Payable for workers welfare obligations		53,657	107,275
Payable to employees		47,204	45,512
Payable to provident fund		3,514	3,672
Others		4,224	7,320
		<u>728,014</u>	<u>942,856</u>

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

Associated Companies	Note	Un-audited June 30, 2021	Audited September 30, 2020
(Rupees in thousand)			
Syntronics Limited		4,603	55,809
Azlak Enterprises (Private) Limited		39,772	32,622
		<u>44,375</u>	<u>88,431</u>

**19. Short term running finance - secured**

	Note	4,463,640	4,184,410
Cash / running finance		4,463,640	4,184,410
Export re finance		1,500,000	1,962,000
	19.1	5,963,640	2,380,410
Accrued mark-up		155,393	39,327
		<u>6,119,033</u>	<u>2,419,737</u>

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

**20. Current maturity of non-current liabilities**

	Note	701,513	504,371
Long term finances	14	701,513	504,371
Loans from related parties	15	43,005	50,998
Lease liabilities	16	94,492	93,891
		<u>839,010</u>	<u>649,260</u>

**21. Contingencies and commitments**

**21.1 Contingencies**

21.1.1 There has been no significant change in the status of contingencies as disclosed in note 26 to the audited financial statements of the Company for the year ended September 30, 2020.

**21.2 Commitments**

The Company has following commitments in respect of:

	160,492	5,527
- foreign letters of credit for purchase of plant and machinery	160,492	5,527
- local letter of credit for purchase of plant and machinery	263,436	229,510
- capital expenditure other than for letters of credit	317,123	12,042
	<u>741,051</u>	<u>247,079</u>

**22. Gross sales**

	Three month period ended		Nine month period ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
(Rupees in thousand)				
Local	5,155,862	7,841,738	9,421,445	13,568,649
Export	1,005,624	1,247,674	3,055,902	2,671,903
	<u>6,161,486</u>	<u>9,089,412</u>	<u>12,477,347</u>	<u>16,240,552</u>

**23. Sales tax, other government levies and discounts**

	743,375	1,169,561	1,372,304	2,014,356
Indirect taxes	743,375	1,169,561	1,372,304	2,014,356
Discounts	3,209	2,822	6,574	7,569
	<u>746,584</u>	<u>1,172,383</u>	<u>1,378,878</u>	<u>2,021,925</u>

24. Segment operating results for the nine month period ended June 30, 2021 (Un-audited)

	Sugar Division			Ethanol Division			Total				
	Three month period ended		Nine month period ended	Three month period ended		Nine month period ended	Three month period ended		Nine month period ended		
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020		
<b>Sales</b>	7,462,537	9,027,655	12,807,058	1,150,005	1,626,876	3,449,692	3,433,495	6,161,686	9,089,413	12,477,347	16,240,553
- External Customers	(100,253)	693,670	467,938	-	-	-	-	74,478	(100,253)	693,670	467,938
- Inter segment	7,362,284	9,721,325	13,274,996	1,150,005	1,626,876	3,449,692	3,433,495	6,236,164	8,989,160	13,171,017	16,708,491
Less: sales tax & others	(731,445)	(1,115,903)	(1,325,795)	(15,139)	(56,480)	(53,083)	(113,193)	(746,584)	(1,172,383)	(1,378,678)	(2,021,925)
Sales - net	4,354,714	6,246,381	8,395,530	1,134,866	1,570,396	3,396,609	3,320,302	5,489,580	7,816,777	11,792,139	14,686,566
<b>Segment expenses:</b>											
<u>Cost of sales</u>	(4,822,076)	(7,261,559)	(8,980,768)	(950,760)	(1,334,021)	(2,154,129)	(2,252,774)	(4,617,443)	(6,156,097)	(9,415,688)	(11,233,542)
Cost of Sales	(4,822,076)	(7,261,559)	(8,980,768)	(74,478)	100,253	(693,670)	(467,938)	(74,478)	100,253	(693,670)	(467,938)
less: Inter segment cost	(3,686,683)	(4,822,076)	(5,980,768)	(1,025,238)	(1,233,768)	(2,847,799)	(2,720,742)	(4,691,921)	(6,055,844)	(10,109,358)	(11,701,480)
Gross profit	688,031	1,424,305	2,385,496	109,628	336,628	548,810	599,590	797,659	1,760,933	1,682,781	2,985,086
Selling and distribution expenses	(3,428)	(127,606)	(16,032)	(109,691)	(118,741)	(346,892)	(393,617)	(113,119)	(246,349)	(362,724)	(553,943)
Administrative and general expenses	(128,973)	(134,267)	(401,834)	(14,182)	(15,742)	(44,965)	(42,246)	(143,155)	(150,009)	(446,799)	(452,239)
	(132,401)	(261,875)	(417,866)	(123,873)	(134,483)	(391,857)	(435,863)	(256,274)	(396,358)	(809,523)	(1,006,182)
Profit from operations	555,630	1,162,430	716,105	1,815,177	(14,245)	202,145	157,153	541,385	1,364,575	873,258	1,978,904
Other income	4,237	30,694	44,502	1,080	1,330	2,968	2,429	5,317	32,024	47,470	58,037
Other expenses - net	(14,865)	(32,359)	(11,772)	-	(14,944)	(15,257)	(14,944,00)	(14,865)	(67,303)	(27,029)	(65,636)
	(10,628)	(21,666)	32,730	1,080	(13,614)	(12,289)	(12,515)	(9,548)	(35,280)	20,441	(27,600)
Segment results	545,002	1,140,764	748,835	1,800,092	(13,165)	186,531	144,864	531,837	1,329,295	893,699	1,951,304
Finance cost								(206,883)	(251,846)	(552,970)	(702,168)
Profit before taxation								324,954	1,077,449	340,729	1,249,136
Taxation								(85,323)	(139,254)	(137,733)	(121,764)
Profit for the period								239,631	938,195	202,996	1,127,372

24.1 Segment assets and liabilities

	Un-audited June 30, 2021 (Rupees in thousand)		Audited September 30, 2020 (Rupees in thousand)	
	Assets	Liabilities	Assets	Liabilities
	Sugar	13,248,632	6,892,771	9,318,606
Ethanol	5,616,609	2,338,952	5,571,354	3,088,321
Total for reportable segment	18,865,241	9,231,723	14,889,960	5,484,241
Others	-	1,883,458	-	1,715,195
Total assets / liabilities	18,865,241	11,115,181	14,889,960	7,199,436

25. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

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

Fair value estimation

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

Fair value hierarchy

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

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

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

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

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

26. Transactions with related parties

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

	Three month period ended		Nine month period ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
(Rupees in thousand)				
<b>The Premier Sugar Mills and Distillery Company Limited</b>				
Sale of molasses	42,920	207,156	63,980	207,156
Sale of store items	-	12,543	5,527	14,907
Sale of bagasse	-	-	1,067	6,000
Purchase of store items	-	-	1,369	1,675
Mark-up charged	-	4,886	541	18,441
Expenses paid by Holding Company	492	4,099	5,810	4,756
Expenses paid on behalf of Holding Company	7,113	4,465	18,875	13,343
Rent expense	5,445	4,950	16,335	14,850
Rent income	28	28	86	86
Dividend paid	-	-	68,755	68,755
<u>Associated undertakings</u>				
Services	7,634	7,249	22,903	22,036
Expenses paid by associated companies	729	1,851	1,283	2,843
Purchase of goods	4,766	84,398	90,928	173,131
Expenses paid on behalf of associated companies	12,045	49,302	82,411	109,878
Dividend paid	-	-	26,804	26,804
Mark-up charged	4,243	-	12,663	-
<u>Post employment benefit</u>				
Expense charged in respect of retirement benefit plan	861	781	2,583	2,344
<u>Key management personnel / Directors</u>				
Salaries and other benefits	35,473	30,589	92,330	98,153
Dividend paid	-	12,976	14,741	12,976

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

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

**28. General**

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

**29. 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 July 28, 2021.

  
Aziz Sarfaraz Khan  
Chief Executive

  
Iskander M. Khan  
Director

  
Rizwan Ullah Khan  
Chief Financial Office



# CHASHMA SUGAR MILLS LIMITED

**CONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION  
FOR THE NINE MONTH PERIOD  
ENDED JUNE 30, 2021  
(UN-AUDITED)**

**CHASHMA SUGAR MILLS LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF**  
**FINANCIAL POSITION AS AT JUNE 30, 2021**

	Note	Un-audited June 30, 2021 (Rupees in thousand)	Audited September 30, 2020
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	10,292,300	10,449,980
Right-of-use assets	6	366,149	395,099
Long term security deposits		15,084	15,058
		<u>10,673,533</u>	<u>10,860,137</u>
<b>CURRENT ASSETS</b>			
Stores and spares		404,009	502,275
Stock-in-trade	7	5,149,940	1,241,999
Trade debts	8	307,456	143,049
Loans and advances	9	1,250,816	1,455,609
Trade deposits, prepayments and other receivables	10	371,295	339,966
Income tax refundable		310,896	298,767
Cash and bank balances		530,610	292,152
		<u>8,325,022</u>	<u>4,273,817</u>
<b>TOTAL ASSETS</b>		<u>18,998,555</u>	<u>15,133,954</u>
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up capital	11	286,920	286,920
Capital reserve			
General reserve		327,000	327,000
Revenue reserve			
Unappropriated profits		3,064,216	2,833,119
Surplus on revaluation of property, plant and equipment		3,984,758	4,223,043
<b>Shareholders' equity</b>		<u>7,662,894</u>	<u>7,670,082</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term finances - secured	12	1,671,288	1,515,175
Loans from related parties - secured	13	206,825	219,325
Lease liabilities	14	247,482	278,846
Deferred liabilities	15	1,466,019	1,367,510
		<u>3,591,614</u>	<u>3,380,856</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	730,579	958,721
Unclaimed dividend		10,539	10,539
Unpaid dividend		1,814	-
Short term running finance	17	6,119,033	2,419,737
Current maturity of non-current liabilities	18	882,082	694,019
		<u>7,744,047</u>	<u>4,083,016</u>
Contingencies and commitments	19	11,335,661	7,463,872
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>18,998,555</u>	<u>15,133,954</u>

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

  
**Aziz Sarfaraz Khan**  
 Chief Executive

  
**Iskander M. Khan**  
 Director

  
**Rizwan Ullah Khan**  
 Chief Financial Officer

**CHASHMA SUGAR MILLS LIMITED**  
**CONSOLIDATED CONDENSED INTERIM**  
**STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2021**

	Note	Three month period ended		Nine month period ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
----- (Rupees in thousand) -----					
Gross sales	20	6,161,686	9,089,413	12,479,804	16,240,553
Sales tax, other government levies and discounts	21	(746,584)	(1,154,122)	(1,378,878)	(2,021,925)
Sales - net		<u>5,415,102</u>	<u>7,935,291</u>	<u>11,100,926</u>	<u>14,218,628</u>
Cost of sales		<u>(4,617,443)</u>	<u>(6,205,339)</u>	<u>(9,415,688)</u>	<u>(11,233,542)</u>
<b>Gross profit</b>		<u>797,659</u>	<u>1,729,952</u>	<u>1,685,238</u>	<u>2,985,086</u>
Selling and distribution expenses		(113,119)	(247,064)	(362,724)	(553,943)
Administrative and general expenses		(160,401)	(166,682)	(498,200)	(461,296)
Other income		5,317	32,024	47,470	58,037
Other expenses		(14,865)	(67,303)	(27,029)	(85,636)
<b>Operating profit</b>		<u>514,591</u>	<u>1,280,927</u>	<u>844,755</u>	<u>1,942,248</u>
Finance cost		(212,218)	(253,748)	(570,750)	(702,178)
<b>Profit before taxation</b>		<u>302,373</u>	<u>1,027,179</u>	<u>274,005</u>	<u>1,240,070</u>
- Current		(10,058)	(112,996)	(30,559)	(200,382)
- Prior year		-	-	-	(154)
- Deferred		(75,265)	26,257	(107,174)	78,772
		<u>(85,323)</u>	<u>(86,739)</u>	<u>(137,733)</u>	<u>(121,765)</u>
<b>Profit after taxation</b>		<u>217,050</u>	<u>940,440</u>	<u>136,272</u>	<u>1,118,305</u>
Earnings per share-basic and diluted (Rs)		<u>7.56</u>	<u>32.78</u>	<u>4.75</u>	<u>38.98</u>

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

  
**Aziz Sarfaraz Khan**  
 Chief Executive

  
**Iskander M. Khan**  
 Director

  
**Rizwan Ullah Khan**  
 Chief Financial Officer

**CHASHMA SUGAR MILLS LIMITED**  
**CONSOLIDATED CONDENSED INTERIM**  
**STATEMENT OF COMPREHENSIVE INCOME UN-AUDITED)**  
**FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2021**

	Three month period ended		Nine month period ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	(Rupees in thousand)			
Profit after taxation	217,050	940,440	136,272	1,118,305
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>217,050</b>	<b>940,440</b>	<b>136,272</b>	<b>1,118,305</b>

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

  
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**Chief Executive**

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

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

**CHASHMA SUGAR MILLS LIMITED**  
**CONSOLIDATED CONDENSED INTERIM**  
**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2021**

	Share capital	General reserve	Unappropriated profits	Surplus on revaluation of property, plant and equipment	Total
	(Rupees in thousand)				
Balance as at October 1, 2019	286,920	327,000	1,985,055	3,713,454	6,312,429
Total comprehensive income for the nine month period ended June 30, 2020	-	-	1,118,305	-	1,118,305
Income for the period	-	-	-	-	-
Other comprehensive income for the period	-	-	1,118,305	-	1,118,305
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the nine months - net of deferred taxation	-	-	192,861	(192,861)	-
Cash dividend at rate of Rs. 5.00 per ordinary share for the year ended September 30, 2019	-	-	(143,460)	-	(143,460)
Balance as at June 30, 2020	286,920	327,000	3,152,761	3,520,593	7,287,274
Total comprehensive income for the three month period ended September 30, 2020	-	-	(383,602)	-	(383,602)
Loss for the period	-	-	(327)	766,737	766,410
Other comprehensive income for the period	-	-	(383,929)	766,737	382,808
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the three months - net of deferred	-	-	64,287	(64,287)	-
Balance as at September 30, 2020	286,920	327,000	2,833,119	4,223,043	7,670,082
Total comprehensive income for the nine month period ended June 30, 2021	-	-	136,272	-	136,272
Profit for the period	-	-	-	-	-
Other comprehensive income for the period	-	-	136,272	-	136,272
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	-	-	-
- on account of incremental depreciation for the nine month period	-	-	220,990	(220,990)	-
- upon disposal of revalued assets	-	-	17,295	(17,295)	-
Cash dividend at rate of Rs 5.00 per ordinary share for the year ended September 30, 2020	-	-	(143,460)	-	(143,460)
<b>Balance as at June 30, 2021</b>	<b>286,920</b>	<b>327,000</b>	<b>3,064,216</b>	<b>3,984,758</b>	<b>7,662,894</b>

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

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

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

**CHASHMA SUGAR MILLS LIMITED**  
**CONSOLIDATED CONDENSED INTERIM**  
**STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2021**

Note	Nine month period ended	
	June 30, 2021	June 30, 2020
	(Rupees in thousand)	
<b>Cash flow from operating activities</b>		
Profit before taxation	274,005	1,240,070
Adjustments for non-cash items:		
Depreciation	741,472	630,533
Loss / (gain) on sale of operating fixed assets	2,774	(1,496)
Profit on deposit accounts	(3,676)	(2,755)
Finance cost	570,750	702,178
Provision for doubtful debts	-	779
Provision for doubtful advances	-	2,256
Provision for gratuity	2,583	2,345
	<u>1,587,908</u>	<u>2,573,910</u>
<b>Changes in working capital</b>		
Decrease / (Increase) in		
stores and spares	98,266	6,947
stock-in-trade	(3,907,941)	(787,754)
trade debts	(164,407)	(1,805,275)
loans and advances	204,793	(247,328)
trade deposits, prepayments and other receivables	(31,329)	39,169
Increase in trade and other payables	(228,136)	377,958
	<u>(4,028,754)</u>	<u>(2,416,283)</u>
	(2,440,846)	157,627
Income taxes paid	(42,688)	(185,475)
Gratuity paid	(1,664)	(539)
<b>Net cash used in operating activities</b>	<u>(2,485,198)</u>	<u>(28,387)</u>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(614,237)	(603,441)
Sale proceeds of operating fixed assets	56,621	5,676
Long term security deposits	(26)	-
Profit on bank deposits received	3,676	2,755
<b>Net cash used in investing activities</b>	<u>(553,966)</u>	<u>(595,010)</u>
<b>Cash flow from financing activities</b>		
Long term finances - net	347,367	(102,696)
Short term loan repaid	(462,000)	-
Loans from related parties - repaid	(24,238)	(9,848)
Obligations under finance leases	(30,763)	(88,975)
Dividends paid	(141,646)	(141,609)
Finance cost paid	(456,328)	(634,905)
<b>Net cash used in financing activities</b>	<u>(767,608)</u>	<u>(978,032)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(3,806,772)</u>	<u>(1,601,430)</u>
<b>Cash and cash equivalents - at beginning of the period</b>	<u>(126,258)</u>	<u>(2,769,345)</u>
<b>Cash and cash equivalents - at end of the period</b>	<u>(3,933,030)</u>	<u>(4,370,775)</u>
<b>Cash and cash equivalents comprised of:</b>		
Bank balances	530,610	218,135
Short term running finance	(4,463,640)	(4,588,910)
	<u>(3,933,030)</u>	<u>(4,370,775)</u>

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

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

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

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

**CHASHMA SUGAR MILLS LIMITED**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM**  
**FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2021**

**1. Legal status and operations**

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

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

**2. Statement of compliance**

These condensed interim financial statements for nine month period ended June 30, 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, 2020.

**3. Significant Accounting Policies**

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

**4. Financial risk management**

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

Note	Un-audited	Audited
	June 30, 2021	September 30, 2020
	(Rupees in thousand)	
<b>5. Property, plant and equipment</b>		
Operating fixed assets	9,933,791	9,629,242
Capital work-in-progress	358,509	820,738
	<u>10,292,300</u>	<u>10,449,980</u>

		Un-audited June 30, 2021	Audited September 30, 2020
	Note	(Rupees in thousand)	
5.1 Operating fixed assets - at net book value			
Net book value at the beginning of the period / year		9,629,242	9,119,317
Revaluation surplus during the period / year		-	1,026,555
Additions during the period / year	5.1.1	1,022,794	422,155
Transfers from right of use assets to owned		11,102	4,849
Impact of adoption of IFRS - 16		-	(146,591)
Disposals during the period / year		(59,395)	(4,920)
Depreciation charged for the period / year		(669,952)	(792,123)
		(729,347)	(797,043)
Net book value at the end of the period / year		<u>9,933,791</u>	<u>9,629,242</u>
5.1.1 Additions during the period / year			
Building and roads		214,164	51,521
Plant and machinery		698,787	307,042
Electric installations		94,094	37,016
Office equipment		8,909	14,465
Farm equipment		-	672
Furniture and fixtures		3,856	6,025
Owned vehicles		2,984	5,414
		<u>1,022,794</u>	<u>422,155</u>
5.2 Capital work-in-progress			
At the beginning of the period / year		820,738	416,895
Additions during the period / year	5.2.1	617,205	968,119
Capitalized / adjusted during the period / year		(1,072,531)	(509,948)
Other adjustments		(6,903)	(54,328)
Balance at the end of the period / year		<u>358,509</u>	<u>820,738</u>
5.2.1 Additions during the period / year			
Buildings on freehold land		80,971	173,605
Plant and machinery		379,209	610,143
Electric installations		82,919	54,494
Office equipments		-	11,157
Vehicles - owned		1,551	6,528
Vehicles - leased		58,078	55,831
Plant and machinery - leased		-	25,164
Advance payments against land - freehold		14,237	-
Advances to contractors		240	31,197
		<u>617,205</u>	<u>968,119</u>

		Un-audited June 30, 2021	Audited September 30, 2020
	Note	(Rupees in thousand)	
<b>6. Right of Use Assets</b>			
Net book value at the beginning of the period / year		395,099	-
Impact of adoption of IFRS - 16		-	379,005
Additions during the period / year		60,667	109,427
Deletions during the period / year - net book value		(6,995)	-
Transfers from right of use assets to owned		(11,102)	(4,849)
Depreciation charged for the period / year		(71,520)	(88,484)
Net book value at the end of the period / year		<u>366,149</u>	<u>395,099</u>
<b>7. Stock-in-trade</b>			
Finished goods			
- Sugar		2,877,298	278,876
- Molasses		1,678,203	701,352
- Ethanol		581,867	250,147
		<u>5,137,368</u>	<u>1,230,375</u>
Work-in-process		12,572	11,624
		<u>5,149,940</u>	<u>1,241,999</u>
<b>8. Trade debts</b>			
Considered good		307,456	143,049
Considered doubtful		1,945	1,945
		<u>309,401</u>	<u>144,994</u>
Less: Loss allowance		(1,945)	(1,945)
		<u>307,456</u>	<u>143,049</u>
<b>9. Loans and advances</b>			
Advances to:			
Employees - secured		8,561	7,019
Suppliers and contractors - unsecured		679,124	1,180,198
		<u>687,685</u>	<u>1,187,217</u>
Due from holding company			
The Premier Sugar Mills & Distillery Co. Ltd.		401,448	65,947
Letters of credit		194,276	235,038
		<u>1,283,409</u>	<u>1,488,202</u>
Less:			
- Provision for doubtful advances		(28,838)	(28,838)
- Loss allowance		(3,755)	(3,755)
		<u>1,250,816</u>	<u>1,455,609</u>

**10. Trade deposits, prepayments and other receivables**

	Un-audited June 30, 2021	Audited September 30, 2020
	(Rupees in thousand)	
Deposits	1,619	2,480
Prepayments	6,666	4,745
Export subsidy receivable	305,519	305,519
Sales tax	36,883	7,640
Guarantee issued	19,000	19,000
Others	1,608	582
	<u>371,295</u>	<u>339,966</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;

	Un-audited June 30, 2021	Audited September 30, 2020
	(Number of shares)	
Holding company		
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>

**12. Long term finances - secured**

	Un-audited June 30, 2021	Audited September 30, 2020
	(Rupees in thousand)	
Bank Al-Habib Limited	560,651	372,831
Soneri Bank Limited	1,090,747	918,260
The Bank of Punjab	-	14,100
Dubai Islamic Bank Pakistan Limited	292,479	487,466
MCB Bank Limited	206,144	249,113
Al-Baraka Bank (Pakistan) Limited	245,158	-
Total	2,395,179	2,041,770
Accrued mark-up	42,018	46,199
	<u>2,437,197</u>	<u>2,087,969</u>
Less: amount payable within next 12 months		
Principal	(701,484)	(500,640)
Accrued mark-up	(42,018)	(46,199)
Deferred Benefit of below market rate of interest on refinance facility	(22,407)	(25,955)
Amount due after June 30, 2022	<u>1,671,288</u>	<u>1,515,175</u>

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

	Un-audited June 30, 2021	Audited September 30, 2020
	(Rupees in thousand)	
<b>13. Loans from related parties - secured</b>		
Holding Company		
The Premier Sugar Mills & Distillery Company Limited	13.1	24,238
Associated Companies		
Premier Board Mills Limited	13.2	90,575
Arpak International Investments Limited	13.3	43,750
Aztlak Enterprises (Private) Limited	13.4	85,000
Accrued mark-up		29,051
		<u>250,913</u>
Less: amount payable within next 12 months		
Principal	(12,500)	(24,238)
Accrued mark-up	(31,588)	(29,051)
Amount due after June 30, 2022		<u>219,325</u>

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

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

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

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

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

	Note	Un-audited June 30, 2021 (Rupees in thousand)	Audited September 30, 2020
<b>14. Lease liabilities</b>			
Balance at beginning of the period / year		372,737	136,472
Impact of adoption of IFRS - 16		-	231,214
Additions during the period / year		60,667	89,579
Unwinding of interest on lease liabilities		33,592	55,099
Payments made during the period / year		(118,027)	(137,851)
Early termination / remeasurement of lease liabilities		(6,995)	(1,776)
Balance at end of the period / year		341,974	372,737
<b>Less: current portion of long term lease liabilities</b>		<b>(94,492)</b>	<b>(93,891)</b>
		<u>247,482</u>	<u>278,846</u>
<b>15. Deferred liabilities</b>			
Deferred taxation		1,424,411	1,317,231
Provision for gratuity		10,550	9,631
Deferred government grant		8,651	14,693
Deferred Benefit of below market rate of interest on refinance facility		22,407	25,955
		<u>1,466,019</u>	<u>1,367,510</u>
<b>16. Trade and other payables</b>			
Creditors		285,625	496,222
Due to related parties	16.1	44,375	88,431
Accrued expenses		75,231	120,594
Retention money		18,037	15,334
Security deposits		774	1,964
Advance payments from customers		122,980	39,548
Income tax deducted at source		29,941	32,849
Sales tax payable		45,020	-
Payable for workers welfare obligations		53,657	107,275
Payable to employees		47,204	45,512
Payable to provident fund		3,514	3,672
Others		4,221	7,320
		<u>730,579</u>	<u>958,721</u>
16.1 This represents amounts due to the following related parties and are payable on demand:			
Syntronics Limited		4,603	55,809
Azlak Enterprises (Private) Limited		39,772	32,622
		<u>44,375</u>	<u>88,431</u>
<b>17. Short term running finance</b>			
Secured			
Cash / running finance	17.1	4,463,640	418,410
Export refinance		1,500,000	1,962,000
		5,963,640	2,380,410
Accrued mark-up		155,393	39,327
		<u>6,119,033</u>	<u>2,419,737</u>

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

	Note	Un-Audited June 30, 2021 (Rupees in thousand)	Audited September 30, 2020
<b>18. Current maturity of non-current liabilities</b>			
Long term finances - secured	12	743,502	546,839
Loans from related parties - secured	13	44,088	53,289
Lease liabilities	14	94,492	93,891
		<u>882,082</u>	<u>694,019</u>

#### 19. Contingencies and commitments

##### 19.1 Contingencies

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

##### 19.2 Commitments

The Group has following commitments in respect of:

- foreign letters of credit for purchase of plant and machinery	160,492	5,574
- local letter of credit for purchase of plant and machinery	263,436	299,510
- capital expenditure other than for letters of credit	317,123	12,042

#### 20. Gross sales

	Three month period ended		Nine month period ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	(Rupees in thousand)			
Local	5,155,862	7,841,739	9,423,902	13,568,649
Export	1,005,824	1,247,675	3,055,902	2,671,903
	<u>6,161,686</u>	<u>9,089,414</u>	<u>12,479,804</u>	<u>16,240,552</u>

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

	743,375	1,151,300	1,372,304	2,014,356
	3,209	2,822	6,574	7,569
	<u>746,584</u>	<u>1,154,122</u>	<u>1,378,878</u>	<u>2,021,925</u>

22. Segment operating results for the nine month period ended June 30, 2021 (Un-audited)

	Sugar Division			Ethanol Division			Total				
	Three month period ended			Three month period ended			Three month period ended				
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020		
<b>Sales</b>	5,011,681	7,462,537	9,027,655	1,150,005	1,626,876	3,449,692	3,433,495	6,161,686	9,089,413	12,477,347	16,240,553
-External Customers	74,478	(100,253)	683,670	-	-	-	-	74,478	(100,253)	683,670	467,938
-Intersegment	-	-	-	-	-	-	-	-	-	-	2,457
-Others	5,086,159	7,362,284	9,721,325	1,150,005	1,626,876	3,449,692	3,433,495	6,236,164	8,989,160	13,173,474	16,708,491
Less: sales tax and others	(731,445)	(1,097,642)	(1,325,795)	(15,139)	(56,480)	(53,083)	(113,193)	(746,584)	(1,154,122)	(1,378,878)	(2,004,925)
Sales - net	4,354,714	6,264,642	8,395,530	1,134,866	1,570,396	3,396,609	3,320,302	5,489,580	7,835,038	11,794,596	14,686,566
<b>Segment expenses:</b>											
Cost of sales	(3,666,683)	(4,871,319)	(7,281,559)	(950,760)	(1,334,021)	(2,154,129)	(2,252,774)	(4,617,443)	(6,205,339)	(9,415,688)	(11,233,542)
Cost of Sales	-	-	-	(74,478)	100,253	(693,670)	(467,938)	(74,478)	100,253	(693,670)	(467,938)
less: Intersegment cost	(3,666,683)	(4,871,319)	(7,281,559)	(8,980,768)	-	-	-	(4,691,921)	(6,105,086)	(10,109,358)	(11,701,480)
Gross profit	688,031	1,393,324	1,133,971	109,628	336,628	548,810	599,590	797,659	1,729,952	1,685,238	2,985,066
Selling and distribution expenses	(3,428)	(128,323)	(16,032)	(109,691)	(118,741)	(346,692)	(393,617)	(113,119)	(247,064)	(362,724)	(553,943)
Administrative and general expenses	(128,973)	(147,867)	(401,834)	(14,132)	(15,742)	(44,965)	(42,246)	(143,155)	(163,609)	(446,799)	(449,702)
Others	(132,401)	(276,190)	(417,866)	(667,282)	(134,483)	(391,657)	(435,863)	(47,246)	(3,073)	(51,401)	(12,094)
Profit from operations	555,630	1,117,134	716,105	1,818,214	202,145	157,153	163,727	524,139	1,316,206	824,314	1,969,847
Other income	4,237	30,694	44,502	1,090	1,330	2,968	2,429	5,317	32,024	47,470	58,037
Other expenses	(14,865)	(52,359)	(11,772)	-	(14,944,000)	(15,257)	(14,944,000)	(14,865)	(67,303)	(27,029)	(85,636)
	(10,628)	(21,665)	32,730	1,080	(13,614)	(12,289)	(12,515)	(9,548)	(35,279)	20,441	(27,599)
Segment results	545,002	1,095,469	748,835	1,803,129	(13,165)	144,864	151,212	514,591	1,280,927	844,755	1,942,248
Finance cost	-	-	-	-	-	-	-	(312,218)	(253,748)	(570,750)	(702,178)
Profit before tax	545,002	1,095,469	748,835	1,803,129	(13,165)	144,864	151,212	302,373	1,027,179	274,005	1,240,070
Taxation	-	-	-	-	-	-	-	(85,323)	(86,739)	(137,733)	(121,765)
Profit for the period	545,002	1,095,469	748,835	1,803,129	(13,165)	144,864	151,212	217,050	940,440	136,272	1,118,305

22.1 Segment assets and liabilities

	Un-audited June 30, 2021 (Rupees in thousand)		Audited September 30, 2020 (Rupees in thousand)	
	Assets	Liabilities	Assets	Liabilities
	Sugar	12,796,479	6,892,772	9,318,606
Ethanol	5,616,609	2,338,952	5,571,354	3,088,321
Total for reportable segment	18,413,088	9,231,724	14,889,960	5,484,241
Others	585,467	2,103,937	243,994	1,979,631
Entity's total assets / liabilities	18,998,555	11,335,661	15,133,954	7,463,872

23. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

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

Fair value estimation

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

Fair value hierarchy

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

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

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

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

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

24. Transactions with related parties

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

	Three month period ended		Nine month period ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
(Rupees in thousand)				
<b>The Premier Sugar Mills and Distillery Company Limited</b>				
Sale of molasses	42,920	207,156	63,980	207,156
Sale of store items	-	12,543	5,527	14,907
Sale of bagasse	-	-	1,067	6,000
Purchase of store items	-	-	1,369	1,675
Mark-up charged	-	4,886	541	18,441
Expenses paid by Holding Company	492	4,099	5,810	4,756
Expenses paid on behalf of Holding Company	7,113	4,465	18,875	13,343
Rent expense	5,445	4,950	16,335	14,850
Rent income	28	28	86	86
Dividend paid	-	-	68,755	68,755
<u>Associated undertakings</u>				
Services	7,634	7,249	22,903	22,036
Expenses paid by associated companies	729	1,851	1,283	2,843
Purchase of goods	4,766	84,398	90,928	173,131
Expenses paid on behalf of associated companies	12,045	49,302	82,411	109,878
Dividend paid	-	-	26,804	26,804
Mark-up charged	4,788	-	14,290	-
Post employment benefit				
Expense charged in respect of retirement benefit plan	861	781	2,583	2,344
Key management personnel / Directors				
Salaries and other benefits	35,473	30,589	92,330	98,153
Dividend paid	-	12,976	14,741	12,976

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

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

## 26. 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 this condensed interim financial information.

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 July 28, 2021.



**Aziz Sarfaraz Khan**  
Chief Executive



**Iskander M. Khan**  
Director



**Rizwan Ullah Khan**  
Chief Financial Officer