

BOOK POST
Printed Matter
UNDER POSTAL CERTIFICATE

If undelivered please return to:
CHASHMA SUGAR MILLS LIMITED
KING'S ARCADE, 20-A, MARKAZ F-7,
ISLAMABAD - PAKISTAN
TEL: 051-2650805-7



CHASHMA SUGAR MILLS LIMITED

**CONDENSED INTERIM
UNCONSOLIDATED FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD
ENDED JUNE 30, 2023
(UN-AUDITED)**

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

CHASHMA SUGAR MILLS LIMITED
DIRECTORS' REVIEW REPORT

The Directors are pleased to present the un-audited condensed interim financial information of the Company for the nine months period ended on June 30, 2023. 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 28, 2022 continued till March 14, 2023. The mills crushed 1,963,169 tons (2022: 1,885,437 tons) of sugarcane to produce 211,871 tons (2022: 195,219.05 tons) of sugar having an average recovery of 10.80% (2022: 10.35%) The Provincial Government of Khyber Pakhtunkhwa (KPK) Fixed sugarcane price @ Rs. 300/- per 40 kg.

SUGAR PRICES

Sugar prices remained stable during the period.

ETHANOL FUEL PLANT AT UNIT-II

The Ethanol Fuel Plant produced 25,689 MT of Ethanol during the nine months ended on June 30, 2023.

FINANCIAL PERFORMANCE

The Company earned Rs. 257.048 million profit after taxation (2022: Rs. 256.517 million) during the nine months period ended June 30, 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 spirit of good work done by the Company's staff at all levels.

ON BEHALF OF THE BOARD



Mardan
July 25, 2023

(BEGUM LAILA SARFARAZ)
Chief Executive



(ISKANDER M. KHAN)
Director

چشمہ شوگر ملز لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ

ڈائریکٹرز 30 جون 2023 کو ختم ہونے والے نو مہینوں کی اختتامی مدت پر کمپنی کی غیر آڈٹ شدہ کنٹرسٹڈ عبوری مالیاتی معلومات پیش کرنے پر مسرت محسوس کرتے ہیں۔ یہ کنٹرسٹڈ مالیاتی معلومات حصہ داروں کو انٹرنیشنل اکاؤنٹنگ کے قواعد نمبر 34 نمبر فائنٹشل رپورٹنگ، کمپنی ایکٹ 2017 (دی ایکٹ) کے سیکشن 237 اور لسٹڈ کمپنیز (کوڈ آف کارپورٹ گورننس) ریگولیشن، 2019 کے مطابق ہیں۔ مشترکہ مالیاتی معلومات غیر آڈٹ شدہ اور بیرونی آڈیٹرز کی جانب سے جائزہ لینے کے بعد کوڈ آف کارپورٹ گورننس کی ضرورت کے مطابق ہے۔

آپریٹس کارکردگی

گنے کا کرٹنگ سیزن 28 نومبر 2022 کو شروع ہوا اور 14 مارچ 2023 تک جاری رہا۔ ملز نے 1,963,169 ٹن (2022: میں 1,885,437 ٹن) گنا کرش کیا اور 10.80 فیصد اوسط (2022 میں 10.35 فیصد) کے حساب سے چینی کی پیداوار 211,871 ٹن (2022 میں 195,219.05 ٹن) کر رہی۔ پنجاب اور خیبر پختونخوا کی صوبائی حکومتوں کے گنے کی قیمت 300 روپے فی چالیس کلو مقرر کی۔

چینی کی قیمتیں

ملک میں اس دوران چینی کی قیمتیں مستحکم رہی۔

ہتھنول فیول پلانٹ پونٹ II

ہتھنول فیول پلانٹ نے نومبر کے اختتام تک 30 جون 2023 تک 25,689 میٹرک ٹن کی پیداوار ہوئی۔

مالیاتی کارکردگی

30 جون 2023 کو ختم ہونے والے نو ماہ کے اختتام تک کمپنی کا ٹیکس کی ادائیگی کے بعد کا منافع 257.048 ملین روپے رہا (2022: میں 256.517 ملین روپے تھا)۔

اکاؤنٹنگ کی پالیسیاں

کمپنی کی سرماہی کنٹرسٹڈ عبوری مالیاتی معلومات کی تیاری کے دوران اپنائی گئی اکاؤنٹنگ پالیسیاں وہی ہیں جو پچھلے سال سالانہ مالیاتی معاملات میں اپنائی گئی تھی۔

اعتراف

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

منجانب بورڈ

 

مردان

اسکندر محمد خان

بیگم لیلہ سرفراز

بتاریخ: 25 جولائی 2023

ڈائریکٹر

چیف ایگزیکٹو

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	Un-audited June 30, 2023	Audited September 30, 2022
(Rupees in thousand)			
NON CURRENT ASSETS			
Property, plant and equipment	5	18,097,495	18,016,724
Right-of-use assets	6	310,808	283,515
Long term investment	7	723,964	423,964
Long term loans and deposits	8	278,043	261,304
		19,410,310	18,985,507
CURRENT ASSETS			
Stores and spares		489,520	509,428
Stock-in-trade	9	11,174,649	3,379,869
Trade debts	10	103,839	44,157
Loans and advances	11	1,556,002	1,474,655
Trade deposits and other receivables	12	333,185	255,651
Income tax refundable		-	41,457
Cash and bank balances	13	822,132	212,853
		14,479,327	5,918,070
TOTAL ASSETS		33,889,637	24,903,577
SHARE CAPITAL AND RESERVES			
Authorised capital		500,000	500,000
Issued, subscribed and paid-up capital	14	286,920	286,920
Capital reserve			
General reserve		327,000	327,000
Revenue reserve			
Unappropriated profits		4,217,297	3,567,555
Surplus on revaluation of property, plant and equipment		6,541,784	6,934,478
Shareholders' equity		11,373,001	11,115,953
NON-CURRENT LIABILITIES			
Long term finances - secured	15	3,675,522	3,577,818
Loans from related parties - secured	16	131,854	163,089
Lease liabilities	17	141,024	146,604
Deferred liabilities			
- Deferred taxation		2,939,591	3,102,225
- Provision for gratuity		19,298	14,843
- Deferred government grant		84,672	417
		3,043,561	3,117,485
		6,991,961	7,004,996
CURRENT LIABILITIES			
Trade and other payables	18	2,907,145	1,225,998
Unclaimed dividend		14,597	14,607
Short term running finance - secured	19	11,133,299	4,489,508
Current maturity of non-current liabilities	20	1,403,906	1,052,515
Provision for taxation - net		65,728	-
		15,524,675	6,782,628
		22,516,636	13,787,624
Contingencies and commitments	21		
TOTAL EQUITY AND LIABILITIES		33,889,637	24,903,577

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2023

	Note	Three month period ended		Nine month period ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
(Rupees in thousand)					
Gross sales	22	6,099,345	7,105,325	18,660,936	15,065,432
Sales tax, other government levies and discounts	23	(602,496)	(791,703)	(1,820,097)	(1,695,755)
Sales - net		5,496,849	6,313,622	16,840,839	13,369,677
Cost of sales		(4,554,764)	(5,235,134)	(13,203,769)	(10,917,177)
Gross profit		942,085	1,078,488	3,637,070	2,452,500
Selling and distribution expenses		(130,115)	(173,669)	(604,903)	(399,923)
Administrative and general expenses		(260,602)	(204,550)	(747,078)	(571,357)
Net impairment losses on financial assets		0	18,519	(34,128)	18,519
Other income		40,346	18,012	100,677	42,540
Other expenses		0	(17,926)	(29,662)	(43,691)
Operating profit		591,714	718,874	2,321,976	1,498,588
Finance cost		(907,922)	(410,728)	(1,923,745)	(900,096)
(Loss) / profit before taxation		(316,208)	308,146	398,231	598,492
Taxation (expense) / credit					
- Current		(79,458)	(139,271)	(261,882)	(158,040)
- Prior year		-	(64,704)	(41,938)	(64,704)
- Deferred		66,817	(57,579)	162,637	(119,231)
		(12,641)	(261,554)	(141,183)	(341,975)
(Loss) / profit after taxation		(328,849)	46,592	257,048	256,517
(Loss) / earnings per share - basic and diluted (Rs)		(11.46)	1.62	8.96	8.94

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2023

	Three month period ended		Nine month period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Rupees in thousand)			
(Loss) / profit for the period	(328,849)	46,592	257,048	256,517
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive (loss) / income	(328,849)	46,592	257,048	256,517

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2023

	Nine month period ended	
	June 30, 2023	June 30, 2022
	(Rupees in thousand)	
Cash flow from operating activities		
Profit for the period - before taxation	398,231	598,492
Adjustments for non-cash items:		
Depreciation	1,007,510	770,532
Gain on sale of operating fixed assets	(5,483)	(1,392)
Gain on derecognition of the right of use assets	-	(12,979)
Profit on deposit accounts	(18,240)	(5,836)
Finance cost	1,923,745	900,096
Net impairment losses on financial assets	34,128	(18,519)
Provision for gratuity	4,179	2,916
	<u>3,344,070</u>	<u>2,233,310</u>
Changes in working capital		
Decrease / (Increase) in		
stores and spares	19,908	27,329
stock-in-trade	(7,794,780)	(4,778,179)
trade debts	(47,521)	397,133
loans and advances	(81,347)	(287,421)
trade deposits and other receivables	(111,662)	(7,322)
Increase in trade and other payables	1,681,147	383,776
	<u>(6,334,255)</u>	<u>(4,264,684)</u>
	<u>(2,990,185)</u>	<u>(2,031,374)</u>
Income tax paid	(196,635)	(71,982)
Gratuity paid	276	(1,029)
	<u>(3,186,544)</u>	<u>(2,104,385)</u>
Net cash used in operating activities		
Cash flow from investing activities		
Purchase of property, plant and equipment	(1,035,778)	(3,181,571)
Sale proceeds of operating fixed assets	16,863	41,597
Increase in long term investment	(300,000)	-
Profit on bank deposits received	18,240	5,836
	<u>(1,300,675)</u>	<u>(3,134,138)</u>
Net cash used in investing activities		
Cash flow from financing activities		
Long term finances - net	419,179	2,177,360
Short term loan received / (repaid)	1,166,000	(963,154)
Loan repaid to related party	(31,235)	-
Lease obligation repaid	(109,200)	(100,996)
Dividend paid	(10)	(141,177)
Finance cost paid	(1,319,633)	(612,304)
	<u>125,101</u>	<u>359,729</u>
Net cash generated in financing activities		
Net decrease in cash and cash equivalents	<u>(4,362,118)</u>	<u>(4,878,794)</u>
Cash and cash equivalents at beginning of the period	(2,389,042)	51,133
Cash and cash equivalents at end of the period	<u>(6,751,160)</u>	<u>(4,827,661)</u>
Cash and cash equivalents comprised of:		
Bank balances	822,132	294,481
Short term running finance - secured	19 (7,573,292)	(5,122,142)
	<u>(6,751,160)</u>	<u>(4,827,661)</u>

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2023

	Share capital	General reserve	Unappropriated profits	Surplus on revaluation of property, plant and equipment	Total
	(Rupees in thousand)				
Balance as at October 1, 2021	286,920	327,000	3,332,184	5,065,731	9,011,835
Total comprehensive income for the nine month period ended June 30, 2022	-	-	256,517	-	256,517
Profit for the period	-	-	256,517	-	256,517
Other comprehensive income for the period	-	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	265,750	(265,750)	-
Cash dividend at rate of Rs 5.00 per ordinary share for the year ended September 30, 2021	-	-	(143,460)	-	(143,460)
Balance as at June 30, 2022	286,920	327,000	3,710,991	4,799,981	9,124,892
Total comprehensive income for the three month period ended September 30, 2022	-	-	(212,969)	-	(212,969)
Loss for the period	-	-	(653)	2,204,683	2,204,030
Other comprehensive income for the period	-	-	(213,622)	2,204,683	1,991,061
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	70,186	(70,186)	-
Balance as at September 30, 2022	286,920	327,000	3,567,555	6,934,478	11,115,953
Total comprehensive income for the nine month period ended June 30, 2023	-	-	257,048	-	257,048
Profit for the period	-	-	257,048	-	257,048
Other comprehensive income for the period	-	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	392,694	(392,694)	-
Balance as at June 30, 2023	286,920	327,000	4,217,297	6,541,784	11,373,001

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

CHASHMA SUGAR MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2023

1. Legal status and operations

Chashma Sugar Mills Limited (the Company) was incorporated in Pakistan on May 5, 1988 as a public limited company, under the repealed Companies Ordinance, 1984 (repealed upon enactment of the Companies Act, 2017 on May 30, 2017) and commenced its commercial production from October 01, 1992. The Company has its shares quoted on the Pakistan Stock Exchange Limited. The Company is principally engaged in manufacturing, production, processing, compounding, preparation and sale of sugar, other allied compound, intermediates and allied products. The Company is a subsidiary of The Premier Sugar Mills and Distillery Company Limited. The head office of the Company is situated at King's Arcade, 20-A, Markaz F-7, Islamabad and its manufacturing facilities are located at Dera Ismail Khan, Khyber Pakhtunkhwa.

2. Statement of compliance

These condensed interim financial statements for nine month period ended June 30, 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, 2022.

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, 2022.

4. Seasonality of operations

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

	Un-audited June 30, 2023	Audited September 30, 2022
	(Rupees in thousand)	
5. Property, plant and equipment	Note	
Operating fixed assets	5.1	13,896,422
Capital work-in-progress	5.2	4,201,073
		<u>18,097,495</u>
5.1 Operating fixed assets - at net book value		
Net book value at the beginning of the period / year		14,475,625
Revaluation surplus during the period / year		-
Additions during the period / year	5.1.1	375,804
Transfers from right of use assets to owned		11,088
Disposals during the period / year		(11,380)
Depreciation charged for the period / year		(954,715)
		(966,095)
		(46,205)
		(968,612)
Net book value at the end of the period / year		<u>13,896,422</u>
		<u>18,016,724</u>

	Note	Un-audited June 30, 2023 (Rupees in thousand)	Audited September 30, 2022
5.1.1 Additions during the period / year			
Building and roads		56,735	251,054
Plant and machinery		271,726	541,592
Electric installations		23,989	139,039
Office equipment		12,221	6,306
Farm equipment		-	168
Furniture and fixtures		8,977	8,624
Vehicles		2,156	8,702
		<u>375,804</u>	<u>955,485</u>
5.2 Capital work-in-progress			
At the beginning of the period / year		3,541,099	797,360
Additions during the period / year	5.2.1	1,103,389	3,746,995
Capitalized during the period / year		(443,415)	(1,003,256)
Balance at the end of the period / year		<u>4,201,073</u>	<u>3,541,099</u>
5.2.1 Additions during the period / year			
Land and building		194,614	2,882,581
Plant and machinery		762,529	461,509
Electric installations		72,219	43,901
Vehicles - owned		1,112	8,559
Vehicles - leased		71,415	78,480
Advance payments against land - freehold and buildings		1,500	271,965
		<u>1,103,389</u>	<u>3,746,995</u>
6. Right of Use Assets			
Net book value at the beginning of the period / year		283,515	339,575
Additions during the period / year		91,176	63,362
Remeasurement during the period / year		-	(2,058)
Deletion during the period / year		-	(53,562)
Transfers from right of use assets to owned		(11,088)	(2,388)
Depreciation charged for the period / year		(52,795)	(61,414)
Net book value at the end of the period / year		<u>310,808</u>	<u>283,515</u>
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		204,000	204,000
Investment made during the period - UWFL		300,000	-
Difference in fair value and present value on initial recognition of interest free loan		119,964	119,964
Balance as at end of the period / year		<u>723,964</u>	<u>423,964</u>
8. Long term loans and deposits - considered good			
Long term security deposits		15,084	15,084
Loan to subsidiary company - WFL - at amortized cost	8.1	262,959	246,220
		<u>278,043</u>	<u>261,304</u>

8.1 The Company has subordinated an aggregate interest free loan of Rs 335 million to its subsidiary company, WFL. Pursuant to a tripartite subordination agreement dated June 29, 2020 and June 30, 2021 entered into between the Company, WFL and Soneri Bank Limited (the lender), the related amount has been subordinated to the principle, markup and all other amounts that may be payable to the lender under the financing agreements and no payment of the aforesaid amount can be made, except with the prior written consent of the lender. Owing to the substance of loan at non-market interest rate (nil in this case), the difference between present value and loan proceeds is recognized as an investment in the subsidiary.

	Note	Un-audited June 30, 2023 (Rupees in thousand)	Audited September 30, 2022
At the beginning of the period / year		246,220	225,493
Unwinding of interest on loan to subsidiary company		16,739	20,727
Balance as at end of the period / year		<u>262,959</u>	<u>246,220</u>
9. Stock-in-trade			
Finished goods			
- Sugar		7,418,832	1,848,502
- Molasses		2,493,987	1,082,773
- Ethanol		1,128,812	436,448
- Bagasse		117,633	-
		<u>11,159,264</u>	<u>3,367,723</u>
Work-in-process		15,385	12,146
		<u>11,174,649</u>	<u>3,379,869</u>
10. Trade debts - unsecured			
Considered good		103,839	44,157
Considered doubtful		1,782	1,782
		<u>105,621</u>	<u>45,939</u>
Less: Loss allowance		(1,782)	(1,782)
		<u>103,839</u>	<u>44,157</u>
11. Loans and advances			
Advances to:			
Employees - secured		10,754	10,211
Suppliers and contractors - unsecured		1,201,543	1,038,141
		<u>1,212,297</u>	<u>1,048,352</u>
Due from related parties	11.1	362,293	267,024
Letters of credit - secured		11,155	189,022
		<u>1,585,745</u>	<u>1,504,398</u>
Less:			
- Provision for doubtful advances		(28,838)	(28,838)
- Loss allowance		(905)	(905)
		<u>1,556,002</u>	<u>1,474,655</u>
11.1 This represents amounts due from the following:			
Due from holding company:			
The Premier Sugar Mills and Distillery Company Limited		-	162,538
Due from subsidiary company / associated company			
Whole Foods (Private) Limited		152,346	100,045
Ultimate Whole Foods (Private) Limited		207,807	2,666
Relative of a director		2,140	1,775
		<u>362,293</u>	<u>267,024</u>

		Un-audited June 30, 2023	Audited September 30, 2022
12. Trade deposits and other receivables	Note	(Rupees in thousand)	
Deposits		4,987	5,845
Prepayments		8,974	5,152
Export subsidy receivable		305,519	305,519
Sales tax		106,026	-
Others		32,176	29,504
		<u>457,682</u>	<u>346,020</u>
Less: Loss allowance		(124,497)	(90,369)
		<u>333,185</u>	<u>255,651</u>

13. Cash and bank balances

These include investment in TDR of Rs. 450 million and carry profit at the rate of 20% per annum and will be maturing in Aug, 2023.

14. Share Capital

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

		Un-audited June 30, 2023	Audited September 30, 2022
		(Number of shares)	
Holding company			
The Premier Sugar Mills & Distillery Company Ltd.		13,751,000	13,751,000
Associated companies			
Aztlak 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
		<u>19,126,334</u>	<u>19,126,334</u>

15. Long term finances - secured

		Un-audited June 30, 2023	Audited September 30, 2022
		(Rupees in thousand)	
Bank Al-Habib Limited		2,823,856	2,604,361
Soneri Bank Limited		442,852	553,565
Dubai Islamic Bank Pakistan Limited		300,000	547,493
MCB Bank Limited		153,560	134,528
Al-Baraka Bank Limited		445,493	446,715
United Bank Limited		450,000	-
Total	15.1	4,615,761	4,286,662
Accrued mark-up		290,727	211,925
		<u>4,906,488</u>	<u>4,498,587</u>
Less: amount payable within next 12 months			
Principal		(940,239)	(708,844)
Accrued mark-up		(290,727)	(211,925)
Amount due after June 30, 2024		<u>3,675,522</u>	<u>3,577,818</u>

15.1 These represent term and demand finance obtained by the Company from the aforesaid banks and are repayable in 3-5 years with varied grace period. The rate of mark-up ranges from KIBOR + 1% per annum to KIBOR + 2.10% per annum and SBP rate + 1%. These are secured against first / joint pari passu hypothecation charge over all present and future movable fixed assets of the Company and first / joint pari passu charge by way of equitable mortgage on all present and future immovable fixed assets of the Company, pledge of sugar stock and lien on export contract / LC.

		Un-audited June 30, 2023	Audited September 30, 2022
16. Loans from related parties - secured	Note	(Rupees in thousand)	
Associated Companies			
Premier Board Mills Limited	16.1	46,840	65,575
Arpak International Investments Limited	16.2	31,250	43,750
Aztlak Enterprises (Private) Limited	16.3	85,000	85,000
Accrued mark-up		<u>36,472</u>	<u>10,317</u>
		199,562	204,642
Less: amount payable within next 12 months			
Principal		(31,236)	(31,236)
Accrued mark-up		(36,472)	(10,317)
Amount due after June 30, 2024		<u>131,854</u>	<u>163,089</u>

16.1 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.

16.2 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.

16.3 The long term finance facility has been renewed on January 03, 2022. The principal is repayable in 8 semi annual installments commencing from December 2024. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Company.

17. Lease liabilities

Balance at beginning of the period / year		236,797	328,290
Additions during the period / year		67,841	72,337
Unwinding of interest on lease liabilities		30,966	28,020
Payments made during the period / year		(109,200)	(124,883)
Remeasurement of lease liabilities		-	(2,001)
Early termination of lease liabilities		-	(64,966)
Balance at end of the period / year		<u>226,404</u>	<u>236,797</u>
Less: current portion of long term lease liabilities		(85,380)	(90,193)
		<u>141,024</u>	<u>146,604</u>

18. Trade and other payables

Creditors		262,296	314,961
Due to related parties	18.1	356,206	156,526
Accrued expenses		78,885	114,494
Retention money		19,301	20,940
Security deposits		1,299	984
Advance payments from customers		2,002,046	225,921
Income tax deducted at source		66,930	59,400
Sales tax payable		-	210,252
Payable for workers welfare obligations		45,847	53,965
Payable to employees		60,875	57,657
Payable to provident fund		5,621	3,700
Others		7,839	7,198
		<u>2,907,145</u>	<u>1,225,998</u>

24.1 Segment assets and liabilities

	Un-audited		Audited	
	June 30, 2023		September 30, 2022	
	(Rupees in thousand)		(Rupees in thousand)	
	Assets	Liabilities	Assets	Liabilities
Sugar	25,708,286	18,118,965	18,267,845	11,379,821
Ethanol	8,181,351	4,110,196	6,635,732	2,083,503
Total for reportable segment	33,889,637	22,229,161	24,903,577	13,463,324
Others	-	287,475	-	324,300
Total assets / liabilities	33,889,637	22,516,636	24,903,577	13,787,624

25. Transactions with related parties

25.1 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		Nine month period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Rupees in thousand)			
Holding Company				
Purchase / sale of molasses	770,480	-	770,480	20,001
Sale of store items	166	8,821	21,291	27,466
Advance paid against purchase of building	-	-	-	250,000
Sale of bagasse	-	-	2,428	4,965
Purchase of store items	-	58	2,546	11,221
Expenses paid by Holding Company	2,341	5,066	6,012	6,332
Expenses paid on behalf of Holding Company	13,085	38,145	94,772	79,135
Rent expense	-	-	-	10,890
Rent income	28	28	86	86
Dividend paid	-	-	-	68,755
Subsidiary Companies				
Freehold land	-	-	-	39,424
Investment in subsidiaries	55,000	-	300,000	204,000
Loan to subsidiary company	194,100	-	194,100	-
Expenses paid by the company	6,254	2,270	91,698	25,142
Associated undertakings				
Services	9,172	7,651	27,505	22,934
Expenses paid by associated companies	951	4,021	1,355	5,371
Purchase of goods	887	386	257,828	167,581
Dividend paid	-	-	-	26,877
Mark-up charged	10,153	6,871	26,655	17,157
Post employment benefit				
Expense charged in respect of retirement benefit plan	7,786	9,394	23,372	19,612
Key management personnel / Directors				
Salaries and other benefits	99,986	67,655	190,500	144,131
Dividend paid	-	-	-	19,103
Advance against sale of floor area - building	-	-	-	100,000

26. 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, 2022. 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.

27. General

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

28. Date of authorisation for issue

These condensed interim financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on July 25, 2023.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR



CHASHMA SUGAR MILLS LIMITED

CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2023 (UN-AUDITED)

CHASHMA SUGAR MILLS LIMITED CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

Note	Un-audited June 30, 2023	Audited September 30, 2022
(Rupees in thousand)		
NON CURRENT ASSETS		
	Property, plant and equipment	19,571,325
6	20,966,010	19,571,325
	Right-of-use assets	283,515
7	336,745	283,515
	Long term deposits	15,084
	<u>15,840</u>	<u>15,084</u>
	<u>21,318,595</u>	<u>19,869,924</u>
CURRENT ASSETS		
	Stores and spares	509,428
	Stock-in-trade	3,379,869
8	11,174,649	3,379,869
	Trade debts	44,157
9	103,839	44,157
	Loans and advances	1,372,598
10	1,196,591	1,372,598
	Trade deposits and other receivables	278,877
11	517,972	278,877
	Short term investment	-
12	330	-
	Income tax refundable	61,212
	Cash and bank balances	256,140
13	883,358	256,140
	<u>14,367,879</u>	<u>5,902,281</u>
	<u>35,686,474</u>	<u>25,772,205</u>
TOTAL ASSETS		
SHARE CAPITAL AND RESERVES		
	Authorised capital	500,000
	<u>500,000</u>	<u>500,000</u>
	Issued, subscribed and paid-up capital	286,920
14	286,920	286,920
	Capital reserve	327,000
	General reserve	327,000
	Revenue reserve	3,320,146
	Unappropriated profits	7,097,094
	Surplus on revaluation of property, plant and equipment	11,031,160
	Equity attributable to owners of the parent company	182,950
	Non-controlling interest	190,605
	<u>11,359,812</u>	<u>11,221,765</u>
NON-CURRENT LIABILITIES		
	Long term finances - secured	4,191,793
15	5,133,172	4,191,793
	Loans from related parties - secured	181,839
16	156,854	181,839
	Lease liabilities	146,604
17	164,836	146,604
	Deferred liabilities	3,193,056
	- Deferred taxation	14,843
	- Provision for gratuity	417
	- Deferred government grant	-
	<u>3,024,340</u>	<u>3,193,056</u>
	<u>84,672</u>	<u>417</u>
	<u>3,128,310</u>	<u>3,208,316</u>
	<u>8,583,172</u>	<u>7,728,552</u>
CURRENT LIABILITIES		
	Trade and other payables	1,190,590
18	2,982,482	1,190,590
	Unclaimed dividend	14,607
	Short term running finance - secured	4,489,508
19	11,133,299	4,489,508
	Current maturity of non-current liabilities	1,127,183
20	1,573,644	1,127,183
	Provision for taxation - net	-
	<u>39,468</u>	<u>-</u>
	<u>15,743,490</u>	<u>6,821,888</u>
	<u>24,326,662</u>	<u>14,550,440</u>
TOTAL LIABILITIES		
	Contingencies and commitments	-
21	-	-
	<u>35,686,474</u>	<u>25,772,205</u>
TOTAL EQUITY AND LIABILITIES		

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




CHIEF FINANCIAL OFFICER CHIEF EXECUTIVE DIRECTOR

CHASHMA SUGAR MILLS LIMITED
CONSOLIDATED CONDENSED INTERIM
STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2023

Note	Three month period ended		Nine month period ended		
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	
	(Rupees in thousand)				
Gross sales	22	6,099,345	7,105,325	18,660,936	15,065,432
Sales tax, other government levies and discounts	23	(602,496)	(791,703)	(1,820,097)	(1,695,755)
Sales - net		5,496,849	6,313,622	16,840,839	13,369,677
Cost of sales		(4,554,764)	(5,235,134)	(13,203,769)	(10,917,177)
Gross profit		942,085	1,078,488	3,637,070	2,452,500
Selling and distribution expenses		(130,115)	(173,669)	(604,903)	(399,923)
Administrative and general expenses		(291,439)	(235,382)	(835,355)	(634,470)
Net impairment losses on financial assets		0	18,519	(34,128)	18,519
Other income		35,998	18,012	96,605	41,878
Other expenses		0	(17,926)	(29,662)	(43,691)
Operating profit		556,529	688,042	2,229,627	1,434,813
Finance cost		(918,874)	(420,179)	(1,955,069)	(927,256)
(Loss) / profit before taxation		(362,345)	267,863	274,558	507,557
Taxation (expense) / credit					
- Current		(79,458)	(139,271)	(261,882)	(158,040)
- Prior year		-	(64,704)	(41,938)	(64,704)
- Deferred		65,918	(56,651)	167,309	(118,186)
		(13,540)	(260,626)	(136,511)	(340,930)
(Loss) / profit after taxation		(375,885)	7,237	138,047	166,627
Attributable to:					
Owners of the parent company		(376,799)	8,021	145,702	168,124
Non-controlling interest		914	(784)	(7,655)	(1,497)
		(375,885)	7,237	138,047	166,627
(Loss) / earnings per share - basic and diluted (Rs)		(13.10)	0.25	4.81	5.81

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

CHASHMA SUGAR MILLS LIMITED
CONSOLIDATED CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2023

	Three month period ended		Nine month period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Rupees in thousand)			
(Loss) / profit for the period	(375,885)	7,237	138,047	166,627
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income	(375,885)	7,237	138,047	166,627
Attributable to:				
Owners of the parent company	(376,799)	8,021	145,702	168,124
Non-controlling interest	914	(784)	(7,655)	(1,497)
	(375,885)	7,237	138,047	166,627

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

CHASHMA SUGAR MILLS LIMITED
CONSOLIDATED CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2023

	Share capital	General reserve	Unappropriated profits	Surplus on revaluation of property, plant and equipment (Rupees in thousand)	Total	Non-controlling interest	Total
Balance as at October 1, 2021	286,920	327,000	3,190,740	5,157,980	8,982,640	194,780	9,157,420
Total comprehensive income for the nine month period ended June 30, 2022	-	-	168,124	-	168,124	(1,497)	166,627
Profit for the period	-	-	168,124	-	168,124	(1,497)	166,627
Other comprehensive income for the period	-	-	-	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	272,841	(272,841)	-	-	-
Cash dividend at rate of Rs. 5.00 per ordinary share for the year ended September 30, 2021	-	-	(143,460)	-	(143,460)	-	(143,460)
Balance as at June 30, 2022	286,920	327,000	3,488,245	4,885,139	8,987,304	193,283	9,180,587
Total comprehensive income for the three month period ended September 30, 2022	-	-	(241,674)	-	(241,674)	(2,678)	(244,352)
Loss for the period	-	-	(242,327)	2,295,193	2,052,866	(2,678)	2,295,530
Other comprehensive income for the period	-	-	(653)	2,295,193	2,043,856	(2,678)	2,041,178
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	74,228	(74,228)	-	-	-
Balance as at September 30, 2022	286,920	327,000	3,320,146	7,097,034	11,031,160	190,606	11,221,766
Total comprehensive income for the nine month period ended June 30, 2023	-	-	145,702	-	145,702	(7,655)	138,047
Profit for the period	-	-	145,702	-	145,702	(7,655)	138,047
Other comprehensive income for the period	-	-	-	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	404,823	(404,823)	-	-	-
Balance as at June 30, 2023	286,920	327,000	3,870,671	6,892,271	11,176,862	182,950	11,359,812

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

CHASHMA SUGAR MILLS LIMITED
CONSOLIDATED CONDENSED INTERIM
STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2023

	Nine month period ended	
	June 30, 2023	June 30, 2022
	(Rupees in thousand)	
	Note	
Cash flow from operating activities		
Profit before taxation	274,558	507,557
Adjustments for non-cash items:		
Depreciation	1,060,604	820,275
Gain on sale of operating fixed assets	(5,483)	(368)
Gain on derecognition of the right of use assets	-	(12,979)
Profit on deposit accounts	(19,476)	(5,836)
Finance cost	1,955,069	927,256
Net impairment losses on financial assets	34,128	(18,519)
Provision for gratuity	4,179	2,916
	<u>3,303,579</u>	<u>2,220,302</u>
Changes in working capital		
Decrease / (Increase) in		
stores and spares	18,288	(46,497)
stock-in-trade	(7,794,780)	(4,778,179)
trade debts	(47,521)	397,133
loans and advances	176,007	(411,408)
trade deposits and other receivables	(273,223)	(7,726)
Increase in trade and other payables	1,791,892	638,244
	<u>(6,129,337)</u>	<u>(4,208,433)</u>
	(2,825,758)	(1,988,131)
Income taxes paid	(203,140)	(92,479)
Gratuity paid	276	(1,029)
Net cash used in operating activities	<u>(3,028,622)</u>	<u>(2,081,639)</u>
Cash flow from investing activities		
Purchase of property, plant and equipment	(2,400,428)	(3,535,711)
Sale proceeds of operating fixed assets	16,863	2,173
Long term deposits	(756)	-
Short term investment	(330)	-
Profit on bank deposits received	19,476	5,836
Net cash used in investing activities	<u>(2,365,175)</u>	<u>(3,527,702)</u>
Cash flow from financing activities		
Long term finances - net	1,331,367	2,508,261
Short term loan received / (repaid)	1,166,000	(963,154)
Loan repaid to related party	(31,235)	-
Lease obligation repaid	(112,872)	(100,996)
Dividends paid	(10)	(141,177)
Finance cost paid	(1,303,632)	(617,022)
Net cash generated in financing activities	<u>1,049,618</u>	<u>685,912</u>
Net decrease in cash and cash equivalents	<u>(4,344,179)</u>	<u>(4,923,429)</u>
Cash and cash equivalents at beginning of the period	<u>(2,345,755)</u>	<u>211,423</u>
Cash and cash equivalents at end of the period	<u>(6,689,934)</u>	<u>(4,712,006)</u>
Cash and cash equivalents comprised of:		
Bank balances	883,358	410,136
Short term running finance - secured	19	(5,122,142)
	<u>(6,689,934)</u>	<u>(4,712,006)</u>

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

CHASHMA SUGAR MILLS LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED JUNE 30, 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 5, 1988 as a public limited company, under the repealed Companies Ordinance, 1984 (repealed upon enactment of the Companies Act, 2017 on May 30, 2017) and commenced its commercial production from October 01, 1992. The Company has its shares quoted on the Pakistan Stock Exchange Limited. The Company is principally engaged in manufacturing, production, processing, compounding, preparation and sale of sugar, other allied compound, intermediates and allied products. The Company is a subsidiary of The Premier Sugar Mills and Distillery Company Limited. The head office of the Company is situated at King's Arcade, 20-A, Markaz F-7, Islamabad and its manufacturing facilities are located at Dera Ismail Khan, Khyber Pakhtunkhwa.

1.2 Subsidiary Companies

(a) Whole Foods (Private) Limited

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

(b) Ultimate Whole Foods (Private) Limited

Ultimate Whole Foods (Private) Limited ("the Subsidiary Company") was incorporated in Pakistan as a Private Limited Company under Companies Act, 2017 on May 17, 2021. The objective of UWFPL is to set up mills for milling wheat, gram, other grains and other allied products and by-products from flours. The operations of the UWFPL have not yet started. The Holding Company holds 72% (2022: 51%) shares of the Subsidiary Company.

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

2. Statement of compliance

These condensed interim consolidated financial statements for nine month period ended June 30, 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:

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

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

The disclosures in this condensed interim consolidated financial statements does not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended September 30, 2022.

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, 2022.

4. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended September 30, 2022.

5. Seasonality of operations

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

	Note	Un-audited June 30, 2023 (Rupees in thousand)	Audited September 30, 2022
6. Property, plant and equipment			
Operating fixed assets	6.1	14,614,254	15,229,277
Capital work-in-progress	6.2	6,351,756	4,342,048
		<u>20,966,010</u>	<u>19,571,325</u>
6.1 Operating fixed assets - at net book value			
Net book value at the beginning of the period / year		15,229,277	11,701,695
Revaluation surplus during the period / year		-	3,609,507
Additions during the period / year	6.1.1	390,720	958,502
Transfers from right of use assets to owned		11,088	2,388
Disposals during the period / year		(11,380)	(7,805)
Depreciation charged for the period / year		(1,005,451)	(1,035,010)
		<u>(1,016,831)</u>	<u>(1,042,815)</u>
Net book value at the end of the period / year		<u>14,614,254</u>	<u>15,229,277</u>
6.1.1 Additions during the period / year			
Freehold land		-	2,074
Building and roads		59,287	251,475
Plant and machinery		271,726	541,592
Electric installations		23,989	139,039
Office equipment		15,150	6,692
Farm equipment		-	168
Furniture and fixtures		10,788	8,624
Vehicles		9,780	8,838
		<u>390,720</u>	<u>958,502</u>
6.2 Capital work-in-progress			
At the beginning of the period / year		4,342,048	799,218
Additions during the period / year	6.2.1	2,579,154	4,562,263
Capitalized / adjusted during the period / year		(569,446)	(1,005,330)
Other adjustments		-	(14,103)
Balance at the end of the period / year		<u>6,351,756</u>	<u>4,342,048</u>
6.2.1 Additions during the period / year			
Land and building		777,065	3,148,960
Plant and machinery		862,373	607,316
Electric installations		125,676	43,901
Office equipments		1,372	-
Vehicles - owned		1,112	15,948
Vehicles - leased		71,415	78,480
Capital stores		48,612	73,826
Advance payments to contractors		690,029	321,867
Advance payments against land - freehold and buildings		1,500	271,965
		<u>2,579,154</u>	<u>4,562,263</u>

	Note	Un-audited June 30, 2023 (Rupees in thousand)	Audited September 30, 2022
7. Right of Use Assets			
Net book value at the beginning of the period / year		283,515	339,575
Additions during the period / year		119,471	63,362
Remeasurement during the period / year		-	(2,058)
Deletion during the period / year		-	(53,562)
Transfers from right of use assets to owned		(11,088)	(2,388)
Depreciation charged for the period / year		(55,153)	(61,414)
Net book value at the end of the period / year		<u>336,745</u>	<u>283,515</u>
8. Stock-in-trade			
Finished goods			
- Sugar		7,418,832	1,848,502
- Molasses		2,493,987	1,082,773
- Ethanol		1,128,812	436,448
- Bagasse		117,633	-
		<u>11,159,264</u>	<u>3,367,723</u>
Work-in-process		15,385	12,146
		<u>11,174,649</u>	<u>3,379,869</u>
9. Trade debts - unsecured			
Considered good		103,839	44,157
Considered doubtful		<u>1,782</u>	<u>1,782</u>
		105,621	45,939
Less: Loss allowance		<u>(1,782)</u>	<u>(1,782)</u>
		<u>103,839</u>	<u>44,157</u>
10. Loans and advances			
Advances to:			
Employees - secured		<u>10,915</u>	<u>10,211</u>
Suppliers and contractors - unsecured		<u>1,202,124</u>	<u>1,038,723</u>
		1,213,039	1,048,934
Due from related parties	10.1	2,140	164,385
Letters of credit		<u>11,155</u>	<u>189,022</u>
		1,226,334	1,402,341
Less:			
- Provision for doubtful advances		(28,838)	(28,838)
- Loss allowance		(905)	(905)
		<u>1,196,591</u>	<u>1,372,598</u>
10.1 This represents amounts due from the following related parties:			
The Premier Sugar Mills and Distillery Company Limited		-	162,610
Relative of director		2,140	1,775
		<u>2,140</u>	<u>164,385</u>

	Note	Un-audited June 30, 2023 (Rupees in thousand)	Audited September 30, 2022
11. Trade deposits and other receivables			
Deposits		10,606	8,212
Prepayments		13,418	5,601
Export subsidy receivable		305,519	305,519
Sales tax		271,058	-
Guarantee issued		15,000	19,000
Others		26,868	30,914
		<u>642,469</u>	<u>369,246</u>
Less: loss allowance		<u>(124,497)</u>	<u>(90,369)</u>
		<u>517,972</u>	<u>278,877</u>
12. Short term investment -At fair value through profit or loss			
First Habib Cash Fund			
Investment made during the period - 3,813 Units		<u>330</u>	<u>-</u>
13. Cash and bank balances			
These include investment in TDR of Rs. 450 million and carry profit at the rate of 20% per annum and will be maturing in Aug, 2023.			
14. Share Capital			
As at period end, the issued, subscribed and paid-up capital of the Company includes following share capital holdings by the related parties;			
			(Number of shares)
Holding company			
The Premier Sugar Mills & Distillery Co. Ltd.		13,751,000	13,751,000
Associated companies			
Azrak 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
		<u>19,126,334</u>	<u>19,126,334</u>
15. Long term finances - secured			
			(Rupees in thousand)
Bank Al-Habib Limited		2,823,856	2,604,361
Soneri Bank Limited		1,061,227	693,753
Dubai Islamic Bank Pakistan Limited		300,000	547,493
MCB Bank Limited		713,106	264,528
Al-Baraka Bank Limited		445,493	446,715
The Bank of Khyber		386,154	395,726
United Bank Limited		450,000	-
Total	15.1	6,179,836	4,952,576
Accrued mark-up		<u>345,548</u>	<u>227,386</u>
		6,525,384	5,179,962
Less: amount payable within next 12 months			
Principal		(1,046,664)	(760,783)
Accrued mark-up		(345,548)	(227,386)
Amount due after June 30, 2024		<u>5,133,172</u>	<u>4,191,793</u>

15.1 These represent term and demand finance obtained by the Group from the aforesaid banks and are repayable in 3-5 years with varied grace period. The rate of mark-up ranges from KIBOR + 1% per annum to KIBOR + 2.10% per annum and SBP rate + 1%. These are secured against first / joint pari passu hypothecation charge over all present and future movable fixed assets of the Group and first / joint pari passu charge by way of equitable mortgage on all present and future immovable fixed assets of the Group, pledge of sugar stock and lien on export contract / LC.

	Note	Un-audited June 30, 2023 (Rupees in thousand)	Audited September 30, 2022 (Rupees in thousand)
16. Loans from related parties - secured			
Associated Companies			
Premier Board Mills Limited	16.1	71,840	90,575
Arpak International Investments Limited	16.2	31,250	43,750
Aztrak Enterprises (Private) Limited	16.3	85,000	85,000
Accrued mark-up		41,171	11,335
		<u>229,261</u>	<u>230,660</u>
Less: amount payable within next 12 months			
Principal		(31,236)	(37,486)
Accrued mark-up		(41,171)	(11,335)
Amount due after June 30, 2024		<u>156,854</u>	<u>181,839</u>

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

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

The long term finance facility amounting to Rs 25 million obtained by WFPL has been renewed on June 23, 2023. The principal is repayable in 8 semi annual installments commencing from June 2025. 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.

16.2 The long term finance facility had 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.

16.3 The long term finance facility had been renewed on January 03, 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.

17. Lease liabilities

Balance at beginning of the period / year	236,797	328,290
Additions during the period / year	97,654	72,337
Unwinding of interest on lease liabilities	32,430	28,020
Payments made during the period / year	(112,872)	(124,883)
Remeasurement of lease liabilities	-	(2,001)
Early termination of lease liabilities	-	(64,966)
Balance at end of the period / year	<u>254,009</u>	<u>236,797</u>
Less: current portion of long term lease liabilities	(89,173)	(90,193)
	<u>164,836</u>	<u>146,604</u>

	Note	Un-Audited June 30, 2023 (Rupees in thousand)	Audited September 30, 2022
18. Trade and other payables			
Creditors		300,071	328,782
Due to related parties	18.1	356,134	156,526
Accrued expenses		82,264	116,130
Retention money		36,577	24,496
Security deposits		1,299	984
Advance payments from customers		2,002,046	225,921
Income tax deducted at source		83,909	63,630
Sales tax payable		-	110,635
Payable for workers welfare obligations		45,847	53,965
Payable to employees		60,875	57,657
Payable to provident fund		5,621	3,700
Others		7,839	48,164
		<u>2,982,482</u>	<u>1,190,590</u>
18.1 This represents amounts due to the following related parties and are interest free and payable on demand:			
The Premier Sugar Mills and Distillery Company Limited		221,024	-
The Frontier Sugar Mills and Distillery Limited		733	733
Aztrak Enterprises (Private) Limited		14,451	39,604
Directors		119,926	116,189
		<u>356,134</u>	<u>156,526</u>
19. Short term running finance - secured			
Cash / running finance		7,573,292	2,601,895
Export re finance		<u>2,866,000</u>	<u>1,700,000</u>
	19.1	10,439,292	4,301,895
Accrued mark-up		694,007	187,613
		<u>11,133,299</u>	<u>4,489,508</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			
Long term finances	15	1,392,212	988,169
Loans from related parties	16	72,407	48,821
Lease liabilities	17	89,173	90,193
Deferred government grant		19,852	-
		<u>1,573,644</u>	<u>1,127,183</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 24 to the audited consolidated financial statements of the Company for the year ended September 30, 2022.			

21.2 Commitments	Note	Un-Audited		Audited	
		June 30, 2023		September 30, 2022	
(Rupees in thousand)					
The Group has following commitments in respect of:					
- foreign letter of credit for purchase of plant and machinery	-			739,238	
- local letter of credit for purchase of plant and machinery	121,963			207,519	
- capital expenditure other than for letters of credit	287,041			104,683	
22. Gross sales		Three month period ended		Nine month period ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
		(Rupees in thousand)			
Local		5,034,910	5,238,756	13,116,929	11,322,002
Export		1,064,435	1,866,569	5,544,007	3,743,430
		<u>6,099,345</u>	<u>7,105,325</u>	<u>18,660,936</u>	<u>15,065,432</u>
23. Sales tax, other government levies and discounts					
Indirect taxes		600,172	788,643	1,812,142	1,688,092
Discounts		2,324	3,060	7,955	7,663
		<u>602,496</u>	<u>791,703</u>	<u>1,820,097</u>	<u>1,695,755</u>

24. Segment operating results for the nine month period ended June 30, 2023 (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, 2023	June 30, 2022		June 30, 2023	June 30, 2022		June 30, 2023	June 30, 2022				
Rupees in thousand												
Sales	4,926,674	5,091,228	13,617,607	10,867,308	1,172,671	2,014,097	5,043,329	4,198,124	6,099,345	7,105,325	18,660,936	15,065,432
- External Customers	59,010	22,508	1,340,524	934,541					59,010	22,508	1,340,524	934,541
- Intersegment	4,865,664	5,113,736	14,958,131	11,801,849	1,172,671	2,014,097	5,043,329	4,198,124	6,156,355	7,127,833	20,001,460	15,999,973
Less : sales tax and others	(955,986)	(770,288)	(1,752,527)	(1,625,856)	(16,510)	(21,435)	(67,570)	(69,897)	(602,496)	(791,703)	(1,620,997)	(1,695,755)
Sales - net	4,399,698	4,343,468	13,205,604	10,175,991	1,156,161	1,992,662	4,975,759	4,128,227	5,555,859	6,336,130	18,181,363	14,304,218
Segment expenses:												
Cost of Sales	(3,863,846)	(3,824,579)	(11,440,654)	(8,753,493)	(690,918)	(1,410,555)	(1,763,115)	(2,163,684)	(4,554,764)	(5,235,134)	(13,203,769)	(10,917,177)
less: Intersegment cost	(3,863,846)	(3,824,579)	(11,440,654)	(8,753,493)	(59,010)	(22,508)	(1,340,524)	(934,541)	(59,010)	(22,508)	(1,340,524)	(934,541)
Gross profit	535,852	518,889	1,764,950	1,422,498	406,233	559,899	1,872,120	1,030,002	942,085	1,078,488	3,637,070	2,452,500
Selling and distribution expenses	(6,876)	(13,095)	(141,126)	(44,450)	(123,239)	(160,634)	(463,777)	(355,473)	(130,115)	(173,669)	(604,903)	(399,923)
Administrative and general expenses	(199,267)	(154,442)	(544,862)	(432,134)	(61,335)	(50,108)	(202,216)	(139,223)	(260,602)	(204,550)	(747,078)	(571,357)
Net impairment losses on financial assets	-	-	(34,128)	18,519	-	-	-	-	-	18,519	(34,128)	18,519
Others	(206,143)	(148,958)	(720,116)	(458,065)	(184,574)	(210,742)	(665,993)	(494,696)	(421,554)	(390,532)	(1,474,366)	(1,015,874)
Profit from operations	329,709	369,931	1,044,834	964,433	221,659	348,857	1,206,127	535,306	520,531	687,956	2,162,684	1,436,626
Other income	17,491	16,600	91,089	37,819	1,629	1,412	4,280	3,697	19,120	18,012	95,369	41,516
Others	15,918	(17,926)	(29,662)	(43,691)	-	-	-	-	960	-	9,296	362
Other expenses	33,409	(1,326)	61,427	(5,872)	1,629	1,412	4,280	3,697	35,998	(17,926)	(29,662)	(43,691)
Segment results	363,118	368,605	1,106,261	956,561	223,288	350,269	1,210,407	539,003	556,529	688,042	2,229,627	1,434,816
Finance cost												
(Loss) / profit before taxation												
Taxation												
(Loss) / profit after taxation												

24.1 Segment assets and liabilities

	Un-audited		Audited	
	June 30, 2023		September 30, 2022	
	(Rupees in thousand)		(Rupees in thousand)	
	Assets	Liabilities	Assets	Liabilities
Sugar	24,316,742	18,095,921	17,389,270	11,281,220
Ethanol	8,181,351	4,110,196	6,635,732	2,083,503
Total for reportable segment	32,498,093	22,206,117	24,025,002	13,364,723
Others	3,188,381	2,120,545	1,747,203	1,185,717
Total assets / liabilities	35,686,474	24,326,662	25,772,205	14,550,440

25. Transactions with related parties

25.1 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		Nine month period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Rupees in thousand)			
The Premier Sugar Mills and Distillery Company Limited				
Purchase / sale of molasses	770,480	-	770,480	20,001
Sale of store items	166	8,821	21,291	27,466
Advance paid against purchase of building	-	-	-	250,000
Sale of bagasse	-	-	2,428	4,965
Purchase of store items	-	58	2,546	11,221
Expenses paid by Holding Company	2,341	5,066	6,012	6,332
Expenses paid on behalf of Holding Company	13,085	38,145	94,772	79,135
Rent expense	-	-	-	10,890
Rent income	28	28	86	86
Dividend paid	-	-	-	68,755
<u>Associated undertakings</u>				
Services	9,172	7,651	27,505	22,934
Expenses paid by associated companies	951	4,021	1,355	5,371
Purchase of goods	887	386	257,828	167,581
Dividend paid	-	-	-	26,877
Mark-up charged	11,578	7,118	30,336	19,916
<u>Post employment benefit</u>				
Expense charged in respect of retirement benefit plan	7,786	9,394	23,372	19,612
<u>Key management personnel / Directors</u>				
Salaries and other benefits	99,986	67,655	190,500	144,131
Dividend paid	-	-	-	19,103
Advance against sale of floor area - building	-	-	-	100,000

26. Fair value of financial assets and liabilities

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

Fair value hierarchy

Certain property, plant and equipment of the Group was valued by independent valuer to determine the fair value of property, plant and equipment as at September 30, 2022. 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.

27. General

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

28. Date of authorisation for issue

These condensed interim consolidated financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on July 25, 2023.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR