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**THE PREMIER SUGAR MILLS & DISTILLERY CO., LIMITED.**  
**MARDAN**



**THE PREMIER SUGAR MILLS  
& DISTILLERY CO. LIMITED,  
MARDAN**

**CONDENSED INTERIM  
FINANCIAL INFORMATION  
FOR THE HALF YEAR ENDED  
MARCH 31, 2021**

## THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

### COMPANY INFORMATION

#### Board of Directors

Mr. Aziz Sarfaraz Khan	Chairman
Mr. Abbas Sarfaraz Khan	Chief Executive
Begum Laila Sarfaraz	Director
Ms. Zarmine Sarfaraz	Director
Mr. Iskander M. Khan	Director
Mr. Shahbaz Haider Agha	Independent Director
Mr. Salman Ahmad	Independent Director

#### Company Secretary

Mr. Mujahid Bashir

#### Chief Financial Officer

Mr. Rizwan Ullah Khan

#### Head of Internal Audit

Mr. Zaheer Mir

#### Auditors

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

#### Tax Consultants

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

#### Legal Advisor

Mr. Isaac Ali Qazi Advocate

#### Shares Registrar

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

#### Bankers

Bank Al-Habib Limited	The Bank of Khyber
MCB Bank Limited	United Bank Limited
Allied Bank Limited	The Bank of Punjab
Bank Al-Falah Limited	Faysal Bank Limited
Habib Bank Limited	National Bank of Pakistan

#### Registered Office

Nowshera Road, Mardan, KPK  
Phone: 0937-862051-52 Fax: 0937-862989

## THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

### DIRECTORS REVIEW REPORT

The Directors are pleased to present the un-audited condensed interim financial information of the Company for the six months' period that ended on March 31, 2021. This condensed interim 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 the Listed Companies (Code of Corporate Governance) Regulations, 2019. The enclosed financial information has been reviewed by the external auditors, as required by the Code of Corporate Governance.

#### OPERATIONAL PERFORMANCE

The sugarcane crushing season 2020-21 commenced on November 05, 2020. The mills have crushed 22,590.385 tons of sugarcane and have produced 1817.50 tons of sugar till December 08, 2020. The Company after 3 weeks of intermittent crushing stopped operations on December 09, 2020. The KPK Government failed to implement The Gur Control Act, 1948 and to ensure supply of supply of sugarcane to the factory. Most of the sugarcane diverted towards the Tax-Free Commercial Gur making and its onward smuggling to Afghanistan. We have filed writ petition in the Peshawar High Court to stop the involvement of middleman in the sugarcane purchase and implementation of The Gur Control Act, 1948 in order to secure the sugarcane supply to the Mills. The case is pending for adjudication.

#### SUGAR PRICES HAVE REACHED BELOW THE COST OF PRODUCTION

The Company operated at 17.4% of this operating capacity for only 34 days and had to close its operations due to non-supply of sugarcane.

#### DISTILLERY

The Distillery Plant produced 634.378 MT of Ethanol during the half year ended on March 31, 2021.

#### FINANCIAL PERFORMANCE

The Company suffer loss after taxation of Rs. 85.376 million (2020: Rs. 20.271 million) during the six months' period that ended on March 31, 2021.

#### REPLY TO AUDITORS' OBSERVATION (NOTE 12.2)

The Company is representing / monitoring through CM No. 454/2011 in winding-up of proceedings filed by SECP before Honorable Lahore High Court Lahore. The Court has appointed a liquidator by accepting the Winding up petition and Company has filed statement of claims before the court. During to the period, the Company has received Rs. 10 million on account of principal amount.

#### 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.

#### FOR AND ON BEHALF OF THE BOARD

Islamabad:  
May 27, 2021

(ABBAS SARFARAZ KHAN)  
Chief Executive

(ISKANDER M. KHAN)  
Director

آڈیٹر کے مشاہدات کا جواب

نوٹ 12.2

کمپنی باقاعدہ طور پر اپنے آپ کو پیش کرتی ہے SECP کی جانب سے معزز لاہور ہائی کورٹ میں دائر کئے گئے کیس نمبر 2011/54 میں جو کہ کمپنی کے بند ہونے اور حصص داروں کو ان کا حق دینے سے متعلق ہے جن لوگوں نے اپنے حصے کے لئے دعویٰ دائر کیا کورٹ نے انکی درخواست کو منظور کرتے ہوئے کاروبار بند کروانے والے کا تقرر کیا ہے۔ کمپنی کو 10 ملین روپے کی خطیر رقم اس عرصے میں وصول ہوئی ہے۔

مالیاتی کارکردگی

31 مارچ 2021 کو ختم ہونے والی شش ماہی کے دوران کمپنی کا نقصان بعد از ٹیکس 85.376 ملین روپے رہا (2020 میں 20.271 ملین روپے تھا)۔

اکاؤنٹنگ کی پالیسیاں

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

اعتراف

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

متجانب بورڈ

اسلام آباد

اسکندر محمد خان

عباس سرفراز خان

بتاریخ: 27 مئی 2021

ڈائریکٹر

چیف ایگزیکٹو آفیسر

## دی پرنسپل شوگر ملز اینڈ ڈسٹری کمپنی لمیٹڈ

### ڈائریکٹر کی جائزہ رپورٹ

ڈائریکٹر 31 مارچ 2021 کو ختم ہونے والی شش ماہی کی اختتامی مدت پر غیر آڈٹ شدہ کنڈنسڈ انٹیریم مالیاتی معلومات پیش کرنے پر مسرت محسوس کرتے ہیں۔ یہ کنڈنسڈ مالیاتی معلومات حصص داروں کو انٹرنیشنل اکاؤنٹنگ کے قواعد نمبر 34 انٹیریم فنانشل رپورٹنگ مین ایکٹ 2017 (دی ایکٹ) کے سیکشن 237 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشن 2019 کے مطابق ہیں۔ مشترکہ مالیاتی معلومات غیر آڈٹ شدہ ہیرونی آڈیٹر کی جانب سے جائزہ لینے کے بعد کوڈ آف کارپوریٹ گورننس کی ضرورت کے مطابق ہیں۔

### آپریٹنگ کارکردگی

گئے کارکننگ سیزن 2020-21 کا آغاز 05 نومبر 2020 کو شروع ہوا۔ 08 دسمبر 2020 تک ملز نے 22,590.385 ٹن گئے کارکنش کرتے ہوئے 1,817.50 ٹن چینی کی پیداوار کی۔ کمپنی کو 3 ہفتوں کے بعد کارکننگ آپریشن کو 09 دسمبر 2020 کو بند کرنا پڑا۔ کے پی کے حکومت کو گزٹ نول ایکٹ 1948 کو نافذ کرنے اور گئے کی فراہمی فیکٹریوں کو کرنے میں ناکام رہی۔ زیادہ تر گئے کی فصلوں کو ٹیکس فری کمرشل گزٹ بنانے کی طرف موڑنے اور اس کے بعد افغانستان کو سونپا گیا۔ ہم نے ملوں کو گئے کی فراہمی کو محفوظ بنانے اور گزٹ نول ایکٹ 1948 میں گئے کی خریداری اور گزٹ نول ایکٹ 1948 کے نفاذ کے سلسلے میں ٹڈل مین کی شمولیت روکنے کے لئے پشاور ہائی کورٹ میں پٹیشن دائر کی ہوئی ہے۔

### چینی کی قیمتیں پیداوار کی لاگت سے کم ہو گئی ہیں

کمپنی صرف 34 دنوں کے لئے اپنی صلاحیت کے 17.4 فیصد پہ کام کر سکی اور گئے کی عدم دستیابی کی وجہ سے آپریشن کو بند کرنا پڑا۔

### ڈسٹری

ہتھنول فیول پلانٹ نے 31 مارچ 2021 کو ختم ہونے والے شش ماہی کے دوران MT 634.378 ہتھنول کی پیداوار کی۔

## Independent Auditors' Review Report to the Members of The Premier Sugar Mills & Distillery Company Limited

### Report on Review of Interim Financial Statements

#### Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **The Premier Sugar Mills & Distillery Company Limited** as at March 31, 2021 and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six months period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

The figures of the unconsolidated condensed interim statement of profit or loss and other comprehensive income for the quarters ended March 31, 2021 and March 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended March 31, 2021.

#### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing as applicable in Pakistan and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Basis for Qualified Conclusion

Provision against deposits with a non-banking finance company amounting Rs.6 million has not been made in these condensed interim financial statements as fully detailed in note 12.2.

#### Qualified Conclusion

Based on our review, except for the matter described in the Basis for Qualified Conclusion section of our report, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

#### Emphasis of Matter

Without further qualifying our conclusion, we draw attention to note 16.3 to the condensed interim financial statements, which describes the matter regarding non-provisioning of Gas Infrastructure Development Cess aggregating Rs.29.936 million.

The engagement partner on the review resulting in this independent auditors' review report is Nafees ud din.

*Shinewing Hameed Chaudhri & Co.*

LAHORE;  
May 28, 2021

SHINEWING HAMEED CHAUDHRI & CO.,  
CHARTERED ACCOUNTANTS

## THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

### Unconsolidated Condensed Interim Statement of Financial Position As At March 31, 2021

		Un-audited March 31, 2021 (Rupees in thousand)	Audited Sep. 30, 2020
	Note		
<b>Assets</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	5	1,344,821	1,403,441
Investment property		25,360	25,766
Long term investments	6	170,006	170,006
Security deposits		1,263	1,263
		<u>1,541,450</u>	<u>1,600,476</u>
<b>Current Assets</b>			
Stores and spares		112,732	106,626
Stock-in-trade	7	155,452	187,760
Trade debts, unsecured-considered good		7,444	16,883
Advances	8	10,334	4,451
Trade deposits and short term prepayments	9	5,220	1,178
Accrued profit on bank deposits		329	1,296
Other receivables	10	9,469	11,325
Sales tax refundable		8,451	0
Income tax refundable, advance tax and tax deducted at source		37,545	23,668
Current portion of long term loan to Subsidiary Company	11	0	24,238
Bank balances	12	45,764	52,563
		<u>392,740</u>	<u>429,988</u>
<b>Total Assets</b>		<u>1,934,190</u>	<u>2,030,464</u>
<b>Equity and Liabilities</b>			
<b>Share Capital and Reserves</b>			
Authorised capital		57,500	57,500
Issued, subscribed and paid-up capital		37,500	37,500
Capital reserves			
- share redemption		1	1
- revaluation surplus on property, plant and equipment		824,590	857,176
General revenue reserve		900,000	900,000
Accumulated loss		(523,026)	(470,236)
<b>Shareholders' Equity</b>		<u>1,239,065</u>	<u>1,324,441</u>
<b>Non-current Liabilities</b>			
Long term finances	13	16,733	22,404
Lease liabilities		1,600	2,114
Government grant		572	1,189
Staff retirement benefits - gratuity		16,004	18,479
Deferred taxation		132,579	148,753
		<u>167,488</u>	<u>192,939</u>
<b>Current Liabilities</b>			
Trade and other payables	14	125,747	166,763
Unclaimed dividends		7,471	7,484
Accrued mark-up		5,634	6,237
Short term borrowings		323,921	290,000
Current portion of non-current liabilities	15	27,654	18,876
Taxation		37,210	23,724
		<u>527,637</u>	<u>513,084</u>
<b>Total Liabilities</b>		<u>695,125</u>	<u>706,023</u>
<b>Contingencies and Commitments</b>	16		
<b>Total Equity and Liabilities</b>		<u>1,934,190</u>	<u>2,030,464</u>

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

# THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

## Unconsolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Un-Audited)

For the Quarter and Half-Year Ended March 31, 2021

		Quarter ended		Half-year ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Note		Rupees in thousand			
Sales	17	2,537	68	268,583	312,538
Less : sales tax		(368)	(10)	(24,156)	(30,022)
Sales - net		2,169	58	244,427	282,516
Cost of sales		(56,272)	(13,765)	(373,414)	(313,986)
Gross loss		(54,103)	(13,707)	(128,987)	(31,470)
Distribution cost		(2,160)	(299)	(7,980)	(1,743)
Administrative expenses		(19,007)	(16,373)	(33,665)	(28,643)
Other income	18	84,791	85,663	98,436	100,088
Other expenses	19	0	(952)	(215)	(952)
Profit / (loss) from operations		9,521	54,332	(72,411)	37,280
Finance cost		(7,966)	(31,723)	(15,654)	(55,833)
Profit / (loss) before taxation		1,555	22,609	(88,065)	(18,553)
Taxation	20	(7,759)	(1,104)	2,689	(1,718)
(Loss) / profit after taxation		(6,204)	21,505	(85,376)	(20,271)
Other comprehensive income		0	0	0	0
Total comprehensive (loss) / income		(6,204)	21,505	(85,376)	(20,271)
		Rupees			
(Loss) / earnings per share		(1.65)	5.73	(22.77)	(5.41)

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

# THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

## Unconsolidated Condensed Interim Statement of Cash Flows (Un-Audited)

For The Half-Year Ended March 31, 2021

	Half year ended	
	March 31, 2021	March 31, 2020
	(Rupees in thousand)	
<b>Cash flows from operating activities</b>		
Loss for the period - before taxation	(88,065)	(18,553)
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	64,981	38,837
Depreciation on investment property	406	442
Uncollectible receivable balances written-off	38	30
Unclaimed payable balances written-back	(83)	(552)
Mark-up on loan to Subsidiary Company and profit on bank deposits	(1,550)	(14,613)
Gain on sale of vehicles	0	(173)
Staff retirement benefits - gratuity (net)	(2,475)	1,422
Dividends from Subsidiary Company and Associated Company	(68,755)	(68,984)
Finance cost	15,654	55,833
<b>Loss before working capital changes</b>	(79,849)	(6,311)
<b>Effect on cash flows due to working capital changes</b>		
(Increase) / decrease in current assets:		
Stores and spares	(6,106)	2,513
Stock-in-trade	32,308	(23,971)
Trade debts	9,439	(20)
Advances	(5,921)	1,638
Trade deposits and short term prepayments	(4,042)	(1,253)
Other receivables	1,856	(19,220)
Sales tax refundable	(8,451)	(4,973)
Decrease in trade and other payables	(40,933)	(134,956)
Decrease in unclaimed dividends	(13)	(125)
	(21,863)	(180,367)
<b>Cash used in operations</b>	(101,712)	(186,678)
Income tax paid	(13,876)	(15,469)
<b>Net cash used in operating activities</b>	(115,588)	(202,147)
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(6,361)	(10,547)
Sale proceeds of vehicles	0	862
Dividends received	68,755	68,984
Mark-up / profit received on loan to Subsidiary Company and bank deposits	2,517	13,946
<b>Net cash generated from investing activities</b>	64,911	73,245
<b>Cash flows from financing activities</b>		
Long term finances repaid	3,254	0
Decrease in long term loan to a Subsidiary Company	24,238	24,848
Lease finances - net	(1,278)	712
Short term borrowings - net	33,921	161,512
Finance cost paid	(16,257)	(59,025)
<b>Net cash generated from financing activities</b>	43,878	128,047
<b>Net decrease in cash and cash equivalents</b>	(6,799)	(855)
<b>Cash and cash equivalents - at beginning of the period</b>	52,563	53,274
<b>Cash and cash equivalents - at end of the period</b>	45,764	52,419

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**Unconsolidated Condensed Interim Statement Of Changes In Equity (Un-Audited)**  
**For The Half-Year Ended March 31, 2021**

	Share capital	Reserves				Total
		Capital		Revenue		
		Share redemption	Revaluation surplus on property, plant and equipment	General	Accumulated loss	
----- Rupees in thousand -----						
Balance as at September 30, 2020 (audited)	37,500	1	857,176	900,000	(470,236)	1,324,441
Total comprehensive loss for the half-year ended March 31, 2021	0	0	0	0	(85,376)	(85,376)
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the period - net of deferred taxation	0	0	(32,586)	0	32,586	0
<b>Balance as at March 31, 2021 (un-audited)</b>	<b>37,500</b>	<b>1</b>	<b>824,590</b>	<b>900,000</b>	<b>(523,026)</b>	<b>1,239,065</b>
Balance as at September 30, 2019 (audited)	37,500	1	519,562	900,000	(463,599)	993,464
Total comprehensive loss for the half-year ended March 31, 2020	0	0	0	0	(20,271)	(20,271)
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the period - net of deferred taxation	0	0	(20,867)	0	20,867	0
<b>Balance as at March 31, 2020 (un-audited)</b>	<b>37,500</b>	<b>1</b>	<b>498,695</b>	<b>900,000</b>	<b>(463,003)</b>	<b>973,193</b>

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**Notes to the unconsolidated condensed interim financial statements (Un-audited)**  
**For The Half-Year Ended March 31, 2021**

**1. Legal status and nature of business**

The Premier Sugar Mills & Distillery Company Limited (the Company) was incorporated on July 24, 1944 as a Public Company. The Company's shares are quoted on Pakistan Stock Exchange Ltd. The Company is principally engaged in manufacture and sale of white sugar and spirit. The Company's Mills and Registered Office are located at Mardan (Khyber Pakhtunkhwa - KPK) whereas the Head Office is situated at King's Arcade, 20-A, Markaz F-7, Islamabad. The Company has shifted its distillery from Mardan to Ramak Dera Ismail Khan.

**2. Basis of preparation**

**2.1 Statement of Compliance**

These unconsolidated condensed interim financial statements 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 IFRS standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2** These interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended September 30, 2020.

**2.3** The comparative unconsolidated condensed interim statement of financial position presented in these interim financial statements has been extracted from the audited financial statements of the Company for the year ended September 30, 2020, whereas the unconsolidated condensed comparative interim statement of profit or loss & other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows have been extracted from the un-audited condensed interim financial statements for the period ended March 31, 2020.

**2.4** These interim financial statements are un-audited and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Ltd. vide section 237 of the Companies Act, 2017.

**2.5 Basis of measurement**

These interim financial statements have been prepared under the historical cost convention except for the Company's liability under defined benefit plan (gratuity), which is determined on the present value of defined benefit obligations determined by an independent actuary, liabilities against assets subject to finance lease at present value of minimum lease payments and property, plant and equipment at revalued amounts assessed by an independent valuer.



## 2.6 Functional and presentation currency

These condensed interim financial statements are presented in Pak Rupees, which is also the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

## 3. Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of audited annual financial statements of the Company as at and for the year ended September 30, 2020.

### 3.1 Changes in accounting standards, interpretations and pronouncements

#### a) Standards and amendments to approved accounting and reporting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards, which are mandatory for the Company's annual accounting period commenced on October 01, 2020. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

#### b) Standards and amendments to approved accounting and reporting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards, that will be mandatory for the Company's annual accounting periods commencing on or after January 01, 2021. However, these will not have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

## 4. Accounting estimates, judgments and financial risk management

**4.1** The preparation of condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

**4.2** The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual audited financial statements of the Company as at and for the year ended September 30, 2020.

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

**4.4** The Company follows the practice of conducting actuarial valuation annually at the year-end. Hence, the impact of remeasurement of staff retirement benefits - gratuity has not been incorporated in these condensed interim financial statements.

## 5. Property, plant and equipment

March 31, 2021  
(Rupees in thousand)

Book value at beginning of the period - <b>audited</b>	<b>1,403,441</b>
Additions during the period :	
- plant and machinery	<b>2,561</b>
- electric appliances	<b>3,800</b>
Depreciation charge for the period	<b>(64,981)</b>
Book value at end of the period - <b>un-audited</b>	<b>1,344,821</b>

## 6. Long term investments

Market values of the Company's quoted investments in Chashma Sugar Mills Ltd. (a Subsidiary Company) and Arpak International Investments Ltd. (an Associated Company) at period-end were Rs.1,073.266 million (September 30, 2020: Rs.1,267.980 million) and Rs.16.477 million (September 30, 2020: Rs.27.933 million) respectively.

## 7. Stock-in-trade

Note  
Un-audited  
March 31, 2021  
Audited  
Sep. 30, 2020  
(Rupees in thousand)

Sugar-in-process	7.1	<b>11,749</b>	7,832
Finished goods:			
- sugar	7.1	<b>77,712</b>	78,876
- ethanol		<b>47,235</b>	101,052
- molasses		<b>18,756</b>	0
		<b>143,703</b>	179,928
		<b>155,452</b>	187,760

**7.1** Sugar-in-process and finished goods as at March 31, 2021 have been stated at net realisable value; the amount charged to statement of profit or loss in respect of this write-down to net realisable value worked-out to Rs.87.626 million (September 30, 2020: Rs.40.783 million).

## 8. Advances - Considered good

Suppliers and contractors	<b>7,292</b>	2,376
Employees	<b>3,042</b>	2,075
	<b>10,334</b>	4,451

## 9. Trade deposits and short term prepayments

Excise duty deposit	<b>136</b>	136
Short term prepayments	<b>2,222</b>	1,042
Deposits against decretal amounts	<b>9.1 2,862</b>	0
	<b>5,220</b>	1,178

**9.1** These have been deposited with the Commissioner for Workers' Compensation and Authority under the Payment of Wages Act, 2013 for Mardan.

	Note	Un-audited March 31, 2021 (Rupees in thousand)	Audited Sep. 30, 2020
<b>10. Other receivables</b>			
Sugar export subsidy		2,991	2,991
Gas infrastructure development cess paid under protest - refundable		3,018	3,018
Lease rentals receivable from Premier Board Mills Ltd. (an Associated Company)		1,854	3,413
Others		1,606	1,903
		<b>9,469</b>	<b>11,325</b>

**11. Current portion of long term loan to Subsidiary Company**

The opening receivable balance due from the Subsidiary Company has been fully received during the current period.

**12. Bank balances**

Cash at banks on:

- PLS accounts		816	6,147
- current accounts		18,948	8,399
- deposit accounts	12.1	25,000	25,017
- deposits with a non-banking finance company - unsecured	12.2	6,000	18,000
		<b>50,764</b>	<b>57,563</b>
Less: provision for doubtful bank balance		5,000	5,000
		<b>45,764</b>	<b>52,563</b>

**12.1** These include deposits amounting Rs.20 million (September 30, 2020: Rs.20 million), which are under lien of a bank against guarantees issued by it in favour of Sui Northern Gas Pipelines Ltd. on behalf of the Company.

**12.2** The Securities and Exchange Commission of Pakistan (SECP) winding-up petition filed against Innovative Investment Bank Limited was decided by the Lahore High Court, Lahore (LHC) and LHC appointed Joint Official Liquidators (JOLs). The LHC, vide its order dated April 14, 2018 had approved release of payment upto Rs.10 million in respect of principal amount only subject to verification as per the laws. The amount of Rs.10 million, as per the LHC order, was received by the Company during August, 2018. The Company, during July, 2020, has received second tranche of Rs.11 million vide the LHC's order dated March 12, 2020. The Company, during October, 2020, has received notice of dividend regarding payment of third tranche of Rs.12 million from JOLs as per the LHC's order dated October 01, 2020. The amount of Rs.12 million, as per the LHC order, has been received by the Company during November, 2020. The management, for the release of balance amount, anticipates that JOLs will intimate in due course of time; no provision, therefore, for the remaining deposits balance amounting Rs.6 million has been made in the books of account.

**12.3** The Company has not accrued profit on these deposits during the current period and preceding financial years.

**12.4** There has been no change in the status of matter as detailed in note 15.5 to the unconsolidated financial statements of the Company for the year ended September 30, 2020.

	Note	Un-audited March 31, 2021 (Rupees in thousand)	Audited Sep. 30, 2020
<b>13. Long term finances - Secured</b>			
Balance at period end / year end,		41,644	37,612
Less: current portion grouped under current liabilities		24,911	15,208
		<b>16,733</b>	<b>22,404</b>

**13.1** These finances have been obtained during the preceding year from Bank Al-Habib Ltd. under Refinance Scheme against a facility amount of Rs.50 million for payment of salaries and wages to workers and employees of the Company to dampen the effect of COVID-19. The finance facility carries profit at SBP rate + 3%; the effective mark-up rate during the period was 3% per annum. This finance facility is repayable in 8 equal quarterly instalments commenced from January, 2021 and is secured against first exclusive registered charge over the Company's head office second and third floors (without land) located at King's Arcade, Markaz F-7, Islamabad through token registered mortgage of Rs.0.500 million and remaining through equitable mortgage of Rs.580 million.

**14. Trade and other payables**

Due to Chashma Sugar Mills Ltd.-a related party	79,429	65,947
Creditors	25,560	12,960
Accrued expenses	7,241	14,183
Due to employees	6,575	6,802
Deposits from contractors and others	688	681
Advances from customers - contract liabilities	548	43,319
Income tax deducted at source	156	402
Sales tax payable	9	16,423
Workers' (profit) participation fund	1,851	1,851
Gratuity payable to ex-employees	3,560	3,560
Employees' provident fund payable	0	482
Others	130	153
	<b>125,747</b>	<b>166,763</b>

**15. Current portion of non-current liabilities**

Long term finances	13	24,911	15,208
Lease liabilities		1,154	1,918
Government grant		1,589	1,750
		<b>27,654</b>	<b>18,876</b>



**16. Contingencies and commitments**

**16.1** No commitments were outstanding as at March 31, 2021 and September 30, 2020.

**16.2** The Company's appeal filed before the Peshawar High Court (PHC) against order of the Customs, Sales Tax & Central Excise Appellate Tribunal is still pending adjudication. The Department, during the financial year ended September 30, 2001, had raised sales tax demand aggregating Rs.4.336 million along with additional tax. The Company, however, during the financial year ended September 30, 2005, had paid sales tax amounting Rs.2.123 million along with additional tax amounting Rs.0.658 million as per the requirements of S.R.O. 247(I) / 2004 dated May 05, 2004.

**16.3** Petitions filed before the Supreme Court of Pakistan (SCP) against imposition of Gas Infrastructure Development Cess (GIDC) have been dismissed vide judgment dated August 13, 2020 in 2-1 ratio. The SCP's judgment states that the cess under GIDC Act, 2015 was levied on those consumers of natural gas which on account of their industrial or commercial dealings had passed on GIDC burden to their customers. The SCP's judgment states that no late payment surcharge shall be collected while the GIDC amount that have become due upto July 31, 2020 will be recovered in 24 equal monthly instalments. In the light of the SCP's judgment, the Company has filed a review petition before the SCP for waiver of full amount of GIDC on the grounds that the Company has not passed on GIDC burden to its customers and the sugar market is not a regulated market.

The august SCP has directed the Company to approach the relevant department i.e. OGRA for removal of its grievance being the competent authority in the matter in hand. The Company is in process of filing representation before OGRA for determination of exempted amount of GIDC arrears as per exemption granted under section 8 (2) of the GIDC Act, 2015, so that the exempted amount be deducted from arrears of GIDC.

Sui Northern Gas Pipelines Ltd., along with gas bills for the month of August, 2020, has raised GIDC demands aggregating Rs.29.936 million. However, as the management is in the process of filing a representation before OGRA and a highly favourable outcome is expected; therefore, GIDC provisions have not been recognised in the books of account.

**16.4** The Company's petition filed before the PHC, against the Government of Khyber Pakhtunkhwa's notification dated August 12, 2015 in which minimum wages for unskilled workers has been fixed at Rs.12,000 per month with effect from July 01, 2014 has been dismissed by the PHC vide its judgment dated April 02, 2019. The Company has filed a review petition before the PHC against the said judgment; the additional wage liabilities aggregate Rs.2.359 million approximately.

**16.5** The sales tax appeal filed before the Appellate Tribunal Inland Revenue (ATIR), Peshawar against ex-parte order passed by the Commissioner Inland Revenue (Appeals) has been succeeded vide order dated March 29, 2018. The assessment order dated June 23, 2016 was passed by the DCIR, Peshawar in violation of SRO 488(I)/2004 dated June 12, 2014; the Company claimed input tax to the tune of Rs.41.672 million against the supplies to unregistered persons. A withdrawal application has been filed before the ATIR, Peshawar in pursuance of the aforesaid rectification order.

**16.6** The DCIR for the tax year 2013 initially has held the Company as taxpayer-in-default for non-deduction of tax on certain supplies / services and tax demand was raised at Rs.77.750 million under section 161 (Failure to pay tax collected or deducted) along with

default surcharge of Rs.4.730 million under section 205 (Default surcharge) of the Income Tax Ordinance, 2001 (the Ordinance). The Company filed rectification application under section 221 of the Ordinance and the demand was reduced to Rs.237,360. Against the said demand, the Company has filed an appeal before the CIR(A), who dismissed the Company's appeal. Presently, the Company's appeal against the CIR(A)'s order is pending before the ATIR, Peshawar.

**16.7** Guarantees given to Sui Northern Gas Pipelines Ltd. by a commercial bank on behalf of the Company outstanding as at March 31, 2021 were for Rs.20 million (September 2020: Rs.20 million). These guarantees are valid upto November 30, 2021.

**17.**

	Quarter ended		Half-year ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Sales</b>	----- Rupees in thousand -----			
Local	2,537	68	166,251	312,538
Export	0	0	102,332	0
	<u>2,537</u>	<u>68</u>	<u>268,583</u>	<u>312,538</u>

**18. Other income**

	Un-audited	
	March 31, 2021	March 31, 2020
<b>Income from financial assets:</b>	(Rupees in thousand)	
Profit on bank deposits and saving accounts	1,010	1,058
Mark-up on loan to a Subsidiary Company	540	13,555
Dividend from a Subsidiary Company	68,755	68,755
Dividend from an Associated Company	0	229
<b>Income from other than financial assets:</b>		
Sale of press mud	0	594
Un-claimed payable balances written-back	83	552
Rent from:		
- an Associated Company	3,470	3,355
- a Subsidiary Company	10,890	9,900
Sale of agricultural produce - net	9,570	1,730
Gain on sale of vehicles	0	173
Government grant	1,413	0
Exchange fluctuation gain	1,529	0
Miscellaneous	1,176	187
	<u>98,436</u>	<u>100,088</u>

**19. Other expenses**

Uncollectible receivable balance written-off	38	30
Sales tax arrears paid	0	922
Miscellaneous	177	0
	<u>215</u>	<u>952</u>

	Sugar Division March 31, 2021	Ethanol Division March 31, 2021	Total March 31, 2021
	----- Rupees in thousand -----		
Sales			
- Local	163,794	2,457	166,251
- Export	0	102,332	102,332
	163,794	104,789	268,583
Less : sales tax	23,799	357	24,156
Sales - net	139,995	104,432	244,427
Cost of sales	(365,834)	(7,580)	(373,414)
Gross (loss) / profit	(225,839)	96,852	(128,987)
Distribution cost	(1,244)	(6,736)	(7,980)
Administrative expenses	(33,665)	0	(33,665)
	(34,909)	(6,736)	(41,645)
(Loss) / profit from operations	(260,748)	90,116	(170,632)
Other income	0	0	98,436
Other expenses	0	0	(215)
	0	0	98,221
Segment results	(260,748)	90,116	(72,411)
Finance cost			(15,654)
Loss before taxation			(88,065)
Taxation			(2,689)
Loss after taxation			(85,376)

## 21.2 Segment assets and liabilities

	Un-audited Half-year ended	
	March 31, 2021	March 31, 2021
	Rupees in thousand	
	Assets	Liabilities
Sugar	1,661,358	615,696
Ethanol	272,832	79,429
Total for reportable segment	<u>1,934,190</u>	<u>695,125</u>

## 22. Transactions with related parties

The Company has related party relationship with its Subsidiary and Associated Companies, employee benefit plans, its directors and key management personnel. Transactions with related parties are carried-out on arm's length basis. There were no transactions with key management personnel other than under the terms of employment. Aggregate transactions with Subsidiary and Associated Companies during the period were as follows:

were as follows:		
		Un-audited
		Half-year ended
	March 31,	March 31,
	2021	2020
		(Rupees in thousand)
<b>Subsidiary Company:</b>		
purchase of store items, molasses and bagasse	29,129	8,364
sale of store items	1,369	1,675
sale of molasses	0	105,920
mark-up earned on long term loan	541	13,555
dividend received	68,755	68,755
rental income	10,890	9,900
rental expense	58	0
expenses paid by Company	11,762	0
expenses paid on behalf of the Company	5,318	0

## Associated Companies

rental income	3,470	3,355
dividend received	0	229

**22.1** Receivables from and payables to Subsidiary and Associated Companies have been disclosed in notes 10 and 14 respectively to these unconsolidated condensed interim financial statements.

**22.2** Return has not been charged on the current account balances of Subsidiary and Associated Companies as these have arisen due to normal trade dealings.

**23. 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 significant accounting impact is attracted on the amounts being reported in these condensed interim financial statements; however, the future effects cannot be predicted. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effect.

**24. Corresponding figures**

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; however, no significant re-classifications / re-statements have been made to these condensed interim financial statements.

**25. Date of authorisation for issue**

These unconsolidated condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on May 27, 2021.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**



**THE PREMIER SUGAR MILLS  
& DISTILLERY CO. LIMITED,  
MARDAN**

**CONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION  
FOR THE HALF YEAR ENDED  
MARCH 31, 2021**

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**Consolidated Condensed Interim Statement of Financial Position**  
**As At March 31, 2021**

		Un-audited March 31, 2021	Audited Sep. 30, 2020
	Note	(Rupees in thousand)	
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	11,839,714	11,935,696
Right-of-use assets	7	390,875	400,998
Investment property		25,360	25,766
Long term investments	8	159,478	164,419
Security deposits		16,439	16,413
		<u>12,431,866</u>	<u>12,543,292</u>
<b>Current assets</b>			
Stores and spares	9	567,622	641,229
Stock-in-trade	10	9,302,523	1,429,759
Trade debts	11	112,622	159,932
Loans and advances	12	759,027	1,394,226
Trade deposits, short term prepayments and other receivables	13	351,386	344,832
Accrued profit on bank deposits		329	1,296
Tax refunds due from the Government		346,427	332,874
Sales tax refundable		45,794	0
Short term investments	14	37,799	31,097
Bank balances	15	578,174	364,707
		<u>12,101,703</u>	<u>4,699,952</u>
<b>Total assets</b>		<u>24,533,569</u>	<u>17,243,244</u>
<b>Equity and liabilities</b>			
<b>Share capital and reserves</b>			
Authorised capital		57,500	57,500
Issued, subscribed and paid-up capital		37,500	37,500
Capital reserves			
- share redemption		1	1
- revaluation surplus on property, plant and equipment		2,671,570	2,780,004
General revenue reserve		1,010,537	1,010,537
Unappropriated profit		1,096,135	1,191,004
<b>Equity attributable to equity holders of the Holding Company</b>		<u>4,815,743</u>	<u>5,019,046</u>
<b>Non-controlling interest</b>		<u>4,015,730</u>	<u>4,128,754</u>
		<u>8,831,473</u>	<u>9,147,800</u>
<b>Non-current liabilities</b>			
Long term finances	16	1,556,556	1,537,579
Loans from related parties	17	206,825	219,325
Lease liabilities	18	262,773	280,959
Government grant		12,019	15,882
Deferred liabilities	19	1,534,686	1,520,115
		<u>3,572,859</u>	<u>3,573,860</u>
<b>Current liabilities</b>			
Trade and other payables	20	1,811,254	1,064,750
Unclaimed dividends		14,216	13,322
Accrued mark-up		240,284	120,814
Short term borrowings	21	9,152,324	2,670,410
Current portion of non-current liabilities	22	861,850	613,578
Dividends payable to non-controlling interest		11,447	14,533
Taxation		37,862	24,177
		<u>12,129,237</u>	<u>4,521,584</u>
<b>Total liabilities</b>		<u>15,702,096</u>	<u>8,095,444</u>
<b>Contingencies and commitments</b>	23		
<b>Total equity and liabilities</b>		<u>24,533,569</u>	<u>17,243,244</u>

The annexed notes form an integral part of these consolidated condensed interim financial statements.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**Consolidated Condensed Interim Statement of Profit or Loss (Un-audited)**  
**For The Quarter And Half Year Ended March 31, 2021**

	Note	Quarter ended		Half year ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		----- Rupees in thousand -----			
<b>Sales</b>					
- local		2,718,076	3,649,065	4,403,793	5,923,490
- export		878,292	739,333	2,152,410	1,424,229
		<u>3,596,368</u>	<u>4,388,398</u>	<u>6,556,203</u>	<u>7,347,719</u>
<b>Less: sales tax, other government levies and discounts</b>		<u>(429,841)</u>	<u>(525,797)</u>	<u>(656,450)</u>	<u>(879,564)</u>
<b>Sales - net</b>		<u>3,166,527</u>	<u>3,862,601</u>	<u>5,899,753</u>	<u>6,468,155</u>
<b>Cost of sales</b>		<u>(2,817,306)</u>	<u>(3,330,493)</u>	<u>(5,142,144)</u>	<u>(5,276,291)</u>
<b>Gross profit</b>		<u>349,221</u>	<u>532,108</u>	<u>757,609</u>	<u>1,191,864</u>
<b>Selling and distribution expenses</b>		<u>(127,142)</u>	<u>(175,096)</u>	<u>(257,585)</u>	<u>(309,337)</u>
<b>Administrative expenses</b>		<u>(182,092)</u>	<u>(187,497)</u>	<u>(360,026)</u>	<u>(332,483)</u>
<b>Other income</b>		<u>28,406</u>	<u>23,327</u>	<u>56,252</u>	<u>35,655</u>
<b>Other expenses</b>		<u>0</u>	<u>(2,045)</u>	<u>(12,379)</u>	<u>(19,285)</u>
<b>Profit from operations</b>		<u>68,393</u>	<u>190,797</u>	<u>183,871</u>	<u>566,414</u>
<b>Finance cost</b>		<u>(243,311)</u>	<u>(313,271)</u>	<u>(373,648)</u>	<u>(492,614)</u>
		<u>(174,918)</u>	<u>(122,474)</u>	<u>(189,777)</u>	<u>73,800</u>
<b>Share of (loss) / profit from Associated Companies</b>	8	<u>921</u>	<u>1,658</u>	<u>(4,881)</u>	<u>1,658</u>
<b>(Loss) / profit before taxation</b>		<u>(173,997)</u>	<u>(120,816)</u>	<u>(194,658)</u>	<u>75,458</u>
<b>Taxation</b>					
Group					
- current		18,176	59,298	34,185	89,362
- prior year		0	154	0	154
- deferred		13,365	(78,774)	15,735	(105,030)
		<u>31,541</u>	<u>(19,322)</u>	<u>49,920</u>	<u>(15,514)</u>
Associated Companies	8	<u>(42)</u>	<u>(48)</u>	<u>(42)</u>	<u>(48)</u>
		<u>31,499</u>	<u>(19,370)</u>	<u>49,878</u>	<u>(15,562)</u>
<b>(Loss) / profit after taxation</b>		<u>(205,496)</u>	<u>(101,446)</u>	<u>(244,536)</u>	<u>91,020</u>
		----- Rupees -----			
<b>Combined (loss) / earnings per share</b>		<u>(36.44)</u>	<u>(19.41)</u>	<u>(54.21)</u>	<u>0.15</u>

The annexed notes form an integral part of these consolidated condensed interim financial statements.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**Consolidated Condensed Interim**  
**Statement of Other Comprehensive Income (Un-Audited)**  
**For The Quarter And Half Year Ended March 31, 2021**

	Quarter ended		Half year ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- Rupees in thousand -----			
(Loss) / profit after taxation	(205,496)	(101,446)	(244,536)	91,020
<b>Other comprehensive income</b>				
Item that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income from Associated Companies	0	162	0	162
<b>Total comprehensive (loss) / income</b>	<b>(205,496)</b>	<b>(101,284)</b>	<b>(244,536)</b>	<b>91,182</b>
<b>Attributable to:</b>				
- Equity holders of the Holding Company	(136,649)	(72,778)	(203,285)	548
- Non-controlling interest	(68,847)	(28,506)	(41,251)	90,634
	<b>(205,496)</b>	<b>(101,284)</b>	<b>(244,536)</b>	<b>91,182</b>

The annexed notes form an integral part of these consolidated condensed interim financial statements.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**Consolidated Condensed Interim**  
**Statement of Cash Flows (Un-audited)**  
**For The Half Year Ended March 31, 2021**

	Half year ended March 31, 2021	March 31, 2020 (Rupees in thousand)
<b>Cash flows from operating activities</b>		
(Loss) / profit for the period - before taxation	(194,658)	75,458
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	505,308	426,113
Depreciation on right-of-use assets	48,210	24,497
Depreciation on investment property	406	442
Loss / (profit) from Associated Companies	4,881	(1,658)
Mark-up / profit on bank deposits and saving accounts	(3,426)	(3,879)
Un-claimed payable balances written-back	(83)	(552)
Loss / (gain) on sale of operating fixed assets	11,492	(1,669)
Gain on redemption and re-measurement of short term investments to fair value	(1,002)	(1,756)
Dividend	0	(229)
Uncollectible receivable balances written-off	38	30
Finance cost	373,648	492,614
<b>Profit before working capital changes</b>	<b>744,814</b>	<b>1,009,411</b>
<b>Effect on cash flows due to working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Stores and spares	73,607	121,844
Stock-in-trade	(7,872,764)	(5,643,532)
Trade debts	47,310	(467,257)
Loans and advances	635,161	372,952
Trade deposits, short term prepayments and other receivables	(6,554)	5,390
Sales tax refundable -net	(45,794)	(5,513)
<b>Increase in trade and other payables</b>	<b>6,422,357</b>	<b>(3,968,662)</b>
<b>Cash used in operations</b>	<b>(5,677,543)</b>	<b>(2,959,251)</b>
Taxation - net	(34,053)	(22,167)
Security deposits	(26)	0
Staff retirement benefits - gratuity (net)	(2,371)	2,529
<b>Net cash used in operating activities</b>	<b>(5,713,993)</b>	<b>(2,978,889)</b>
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment and right-of-use assets	(473,397)	(602,915)
Sale proceeds of operating fixed assets	14,492	6,538
Dividend received	0	229
Short term investments - made	(11,000)	0
- redeemed	5,300	5,400
Mark-up / profit received on bank deposits and saving accounts	4,393	3,212
<b>Net cash used in investing activities</b>	<b>(460,212)</b>	<b>(587,536)</b>
<b>Cash flows from financing activities</b>		
Long term finances - net	252,965	(62,454)
Loan from related parties - net	0	25,000
Lease liabilities - net	(14,869)	(81,589)
Government grant	(4,195)	0
Short term borrowings - net	6,481,914	4,565,429
Finance cost paid	(254,178)	(391,691)
Dividends paid	(73,965)	(70,036)
<b>Net cash generated from financing activities</b>	<b>6,387,672</b>	<b>3,984,659</b>
<b>Net increase in cash and cash equivalents</b>	<b>213,467</b>	<b>418,234</b>
<b>Cash and cash equivalents - at beginning of the period</b>	<b>364,707</b>	<b>312,499</b>
<b>Cash and cash equivalents - at end of the period</b>	<b>578,174</b>	<b>730,733</b>

The annexed notes form an integral part of these consolidated condensed interim financial statements.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

# THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

## Consolidated Condensed Interim Statement Of Changes In Equity (Un-Audited)

For The Half-Year Ended March 31, 2021

	----- Attributable to equity holders of the Holding Company-----						Non- controlling interest	Total equity
	Share capital	Reserves				Total		
		Capital		General revenue	Unappro- priated profit			
		Share redem- ption	Revaluation surplus on property, plant and equipment					
----- Rupees in thousand -----								
Balance as at September 30, 2020	37,500	1	2,780,004	1,010,537	1,191,004	5,019,046	4,128,754	9,147,800
Transaction with owners:								
Cash dividend at the rate of Rs.5.00 per ordinary share for the year ended September 30, 2020	0	0	0	0	0	0	(71,773)	(71,773)
Total comprehensive income:								
Loss for the half-year ended March 31, 2021	0	0	0	0	(203,285)	(203,285)	(41,251)	(244,536)
Effect of items directly credited in equity by Associated Companies	0	0	0	0	(18)	(18)	0	(18)
Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation)	0	0	0	0	108,434	108,434	75,720	184,154
- on account of incremental depreciation for the half year	0	0	(108,434)	0	0	(108,434)	(75,720)	(184,154)
Balance as at March 31, 2021	37,500	1	2,671,570	1,010,537	1,096,135	4,815,743	4,015,730	8,831,473
Balance as at September 30, 2019	37,500	1	2,447,144	1,010,537	737,032	4,232,214	3,192,360	7,424,574
Transaction with owners:								
- Cash dividend at the rate of Rs.5.00 per ordinary share for the year ended September 30, 2019	0	0	0	0	0	0	(71,773)	(71,773)
Total comprehensive income:								
Profit for the half-year ended March 31, 2020	0	0	0	0	386	386	90,634	91,020
Other comprehensive income	0	0	0	0	162	162	0	162
Effect of items directly credited in equity by Associated Companies	0	0	0	0	548	548	90,634	91,182
Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation)	0	0	0	0	(212)	(212)	0	(212)
- on account of incremental depreciation for the half year	0	0	(149,556)	0	0	(149,556)	(128,692)	(278,248)
Balance as at March 31, 2020	37,500	1	2,297,588	1,010,537	886,924	4,232,550	3,211,221	7,443,771

The annexed notes form an integral part of these consolidated condensed interim financial statements.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

# THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

## Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For The Half-Year Ended March 31, 2021

### 1. The Group and its operations

#### 1.1 The Premier Sugar Mills & Distillery Company Ltd. (the Holding Company)

The Holding Company was incorporated on July 24, 1944 as a Public Company. The Holding Company's shares are quoted on Pakistan Stock Exchange Ltd. The Holding Company is principally engaged in manufacture and sale of white sugar and spirit. The Holding Company's Mills and Registered Office are located at Mardan (Khyber Pakhtunkhwa) whereas the Head Office is situated at King's Arcade, 20-A, Markaz F-7, Islamabad. The Holding Company has shifted its distillery from Mardan to Ramak Dera Ismail Khan.

#### 1.2 Subsidiary Companies

##### (a) Chashma Sugar Mills Ltd. (CSML) and Whole Foods (Pvt.) Ltd.

CSML was incorporated in Pakistan on May 05, 1988 as a Public Company, under the Companies Ordinance, 1984 (which was repealed on promulgation of the Companies Act, 2017 on May 30, 2017) and commenced its commercial production from July 09, 1988. CSML has its shares quoted on the Pakistan Stock Exchange Ltd. CSML is principally engaged in manufacturing, production, processing, compounding, preparation and sale of sugar, other allied compound, intermediates and by-products. CSML is a Subsidiary of The Premier Sugar Mills & Distillery Company Ltd. The head office of CSML is situated at King's Arcade, 20-A, Markaz F-7, Islamabad and its manufacturing facilities are located at Dera Ismail Khan, Khyber Pakhtunkhwa.

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

The Holding Company directly and indirectly controls / beneficially owns more than fifty percent of CSML's paid-up capital and also has the power to elect and appoint more than fifty percent of its directors; accordingly, CSML has been treated a Subsidiary with effect from the financial year ended September 30, 2010.

##### (b) The Frontier Sugar Mills and Distillery Ltd. (FSM)

FSM was incorporated on March 31, 1938 as a Public Company and its shares were quoted on all the Stock Exchanges of Pakistan; FSM was delisted from the Stock Exchanges as detailed in note 1.2 (c). The principal activity of FSM is manufacturing and sale of white sugar and its Mills and Registered Office are located at Takht-i-Bhai, Mardan (Khyber Pakhtunkhwa). FSM is a Subsidiary of The Premier Sugar Mills & Distillery Company Ltd.

FSM has been suffering losses over the years and during the current period and prior years had not carried-out manufacturing operations due to non-availability of raw materials. The management, however, anticipates that manufacturing operations will resume in the foreseeable future as necessary steps are being taken to ensure smooth supplies of sugar cane to FSM. The condensed interim financial statements of FSM, therefore, have been prepared on the 'going concern basis'.



**(c) Delisting of FSM**

The Holding Company, the majority shareholder of FSM, had decided to purchase all the ordinary and preference shares of FSM held by Others. The shareholders of FSM had passed a special resolution for de-listing of FSM from the Stock Exchanges at the annual general meeting held on January 30, 2010. The shareholders also passed a special resolution for purchase of 263,134 ordinary shares at a price of Rs.190.20 per share and 26,970 preference shares at a price of Rs.18.60 per share by the Holding Company in the extra ordinary general meeting held on June 10, 2010.

The purchase agent of the Holding Company (Invest Capital Investment Bank Ltd.) had completed the buying of 36,209 ordinary shares and 150 preference shares within the initial period of 60 days and after the submission of an undertaking to the Stock Exchanges to purchase the remaining shares upto August 26, 2011, FSM was de-listed from all the Stock Exchanges with effect from October 25, 2010. The purchase agent, during the financial year ended September 30, 2011, had further purchased 19,884 ordinary shares and 20,014 preference shares.

**2. Basis of preparation**

**2.1 Statement of Compliance**

These consolidated condensed interim financial statements 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.

**2.2** These interim consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Group as at and for the year ended September 30, 2020.

**2.3** The comparative consolidated condensed interim statement of financial position presented in these interim consolidated financial statements has been extracted from the audited consolidated financial statements of the Group for the year ended September 30, 2020, whereas the consolidated condensed comparative interim statement of profit or loss & other comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows have been extracted from the un-audited condensed interim consolidated financial statements of the Group for the period ended March 31, 2020.

**2.4** These interim consolidated financial statements are un-audited and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Ltd. vide section 237 of the Companies Act, 2017.

**2.5 Basis of measurement**

These interim consolidated financial statements have been prepared under the historical cost convention except for the Group's liability under defined benefit plan (gratuity), which is determined on the present value of defined benefit obligations determined by independent actuaries, liabilities against assets subject to finance lease at present value of minimum lease payments and property, plant and equipment at revalued amounts assessed by independent valuers.

**2.6 Functional and presentation currency**

These condensed interim consolidated financial statements are presented in Pak Rupees, which is also the Group's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

**3. Significant accounting policies**

The accounting policies and methods of computation adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of audited annual consolidated financial statements of the Group as at and for the year ended September 30, 2020.

**3.1 Changes in accounting standards, interpretations and pronouncements**

**a) Standards and amendments to approved accounting and reporting standards that are effective**

There are certain amendments and interpretations to the accounting and reporting standards, which are mandatory for the Group's annual accounting period commenced on October 01, 2020. However, these do not have any significant impact on the Group's financial reporting and, therefore, have not been disclosed in these condensed interim consolidated financial statements.

**b) Standards and amendments to approved accounting and reporting standards that are not yet effective**

There are certain amendments and interpretations to the accounting and reporting standards, that will be mandatory for the Group's annual accounting periods commencing on or after January 01, 2021. However, these will not have any material impact on the Group's financial reporting and, therefore, have not been disclosed in these condensed interim consolidated financial statements.

**4. Accounting estimates, judgments and financial risk management**

**4.1** The preparation of condensed interim consolidated financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

**4.2** The significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual audited consolidated financial statements of the Group as at and for the year ended September 30, 2020.

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

4.4 The Holding Company follows the practice of conducting actuarial valuation annually at the year-end. Hence, the impact of remeasurement of staff retirement benefits - gratuity has not been incorporated in the books of account of the Holding Company.

## 5. Principles of consolidation

These condensed interim consolidated financial statements have been prepared under the historical cost convention except as otherwise stated .

These condensed interim consolidated financial statements include the financial statements of the Holding Company, consolidated financial statements of CSML and the financial statements of FSM as at and for the half-year ended March 31, 2021. The Holding Company's direct interest, as at March 31, 2021 and September 30, 2020, in CSML was 47.93% and in FSM was 82.49%.

Investments in Associated Companies, as defined in the Companies Act, 2017, are accounted for by the equity method.

Non-controlling interest is calculated on the basis of their proportionate share in the net assets of the Subsidiary Companies.

Subsidiary is fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

All significant inter-company transactions, balances, income and expenses on transactions between Group Companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated.

6. Property, plant and equipment	Note	Un-audited March 31, 2021 (Rupees in thousand)	Audited September 30, 2020
Operating fixed assets - tangible	6.1	11,612,471	11,114,958
Capital work-in-progress	6.2	227,243	820,738
		<u>11,839,714</u>	<u>11,935,696</u>
6.1 Operating fixed assets - tangible			
Book value at beginning of the period - audited		11,114,958	
Additions during the period:			
- buildings and roads		204,926	
- plant and machinery		701,348	
- electric installations		101,826	
- office equipment		5,859	
- furniture and fixtures		1,571	
- vehicles-owned		2,631	
		<u>1,018,161</u>	
Book value of operating fixed assets disposed-off during the period		(25,984)	
Depreciation charge for the period		(505,308)	
Transfer from right-of-use assets to owned	7	10,644	
Book value at end of the period - un-audited		<u>11,612,471</u>	

6.2 Capital work-in-progress	Note	Un-audited March 31, 2021 Rupees in thousand
At beginning of the period		820,738
Add: Additions during the period	6.3	465,567
Less: Capitalised / adjusted during the period		(1,052,159)
Less: other adjustments		(6,903)
Balance at end of the period		<u>227,243</u>
6.3 Additions during the period		
Buildings and roads		65,222
Plant and machinery		276,709
Electric installations		79,025
Leased vehicles		44,371
Advances to contractors		240
		<u>465,567</u>
7. Right-of-use assets		
Book value at beginning of the period - audited		400,998
Additions during the period		48,731
Transfer to owned assets	6.1	(10,644)
Depreciation charge for the period		(48,210)
Book value at end of the period		<u>390,875</u>
8. Long term investments		
Investments in equity instruments of Associated Companies		
Balance at beginning of the period - cost		5,638
Add: post acquisition profit brought forward		158,781
		<u>164,419</u>
Add: share for the period:		
- loss		(4,881)
- items directly credited in equity		(18)
Less: taxation		(42)
		<u>(4,941)</u>
Balance at end of the period		<u>159,478</u>
9. Stores and spares		
9.1 FSM has not carried-out manufacturing operations during the current period and prior years and in the absence of an exercise to identify obsolete / damaged stores and spares inventory, carrying values of the period-end stores and spares inventory amounting Rs.32.328 million have not been adjusted for any potential impairment loss.		
9.2 Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.		

10. Stock-in-trade	Note	Un-audited March 31, 2021 (Rupees in thousand)	Audited September 30, 2020
Finished goods:			
- sugar		6,280,762	357,752
- molasses		2,423,226	701,352
- ethanol		574,450	351,199
		<u>9,278,438</u>	1,410,303
Work-in-process		24,085	19,456
		<u>9,302,523</u>	<u>1,429,759</u>
10.1 In case of the Holding Company, work-in-process and finished goods as at March 31, 2021 have been stated at net realisable value; the amount charged to statement of profit or loss in respect of this write-down to net realisable value worked-out to Rs.87.626 million (September 30, 2020: Rs.40.783 million).			
11. Trade debts - Unsecured			
Considered good		112,622	159,932
Considered doubtful		1,945	1,945
		<u>114,567</u>	161,877
Less: loss allowance		1,945	1,945
		<u>112,622</u>	<u>159,932</u>
12. Loans and advances			
Advances to:			
- employees - secured		11,920	9,207
- suppliers and contractors - unsecured		740,730	1,182,574
Letters of credit		38,970	235,038
		<u>791,620</u>	1,426,819
Less:			
- provision for doubtful advances		28,838	28,838
- loss allowance		3,755	3,755
		<u>32,593</u>	32,593
		<u>759,027</u>	<u>1,394,226</u>

	Note	Un-audited March 31, 2021 (Rupees in thousand)	Audited September 30, 2020
13. Trade deposits, short term prepayments and other receivables			
Sugar export subsidy receivable		308,510	308,510
Prepayments		11,320	5,790
Excise duty deposits		136	136
Gas infrastructure development cess paid under protest - refundable		3,018	3,018
Lease rentals receivable from an Associated Company ( Premier Board Mills Ltd.)		1,854	3,413
Guarantees issued		19,000	19,000
Deposits		1,619	2,480
Deposits against decretal amounts	13.1	2,862	0
Other receivables		3,067	2,485
		<u>351,386</u>	<u>344,832</u>
13.1 In case of the Holding Company, these have been deposited with the Commissioner for Workers' Compensation and Authority under the Payment of Wages Act, 2013 for Mardan.			
14. Short term investments -At fair value through profit or loss			
First Habib Cash Fund			
Opening balance - 308,045 Units (2020: 284,785 Units)		31,097	28,837
Investments made during the period / year - 109,362 Units (2020: 108,457 Units)		11,000	10,900
Gain on redemption / re-measurement to fair value		1,002	2,360
Bonus received during the period / year - 11,482 Units (2020: 23,716 Units)		0	0
Units redeemed during the period / year - 52,623 Units (2020: 108,913 Units)		(5,300)	(11,000)
Closing balance - 376,266 Units (2020: 308,045 Units)		<u>37,799</u>	<u>31,097</u>
15. Bank balances			
15.1 Bank balances include deposits amounting Rs.20 million (September 30 , 2020: Rs.20 million), which are under lien of a bank against guarantees issued by it in favour of Sui Northern Gas Pipelines Ltd. on behalf of the Holding Company.			
15.2 The Securities and Exchange Commission of Pakistan (SECP) winding-up petition filed against Innovative Investment Bank Limited was decided by the Lahore High Court, Lahore (LHC) and LHC appointed Joint Official Liquidators(JOLs). The LHC, vide its order dated April 14, 2018 had approved release of payment upto Rs.20 million in respect of principal amount only subject to verification as per the laws. The amount of Rs.20 million, as per the LHC order, was received by the Group during August, 2018. The Group , during July, 2020, has received second tranche of Rs.22 million vide the LHC's order dated March 12, 2020. The Group, during October, 2020, has received notice of dividend regarding payment of third tranche of Rs.24 million from JOLs as per the LHC's order dated October			

01, 2020. The amount of Rs.24 million, as per the LHC order, has been received by the Group during November, 2020. The management, for the release of balance amount, anticipates that JOLs will intimate in due course of time; no provision, therefore, for the remaining deposits balance amounting Rs.12 million has been made in the books of account of the Holding Company and FSM.

**15.3** The Group has not accrued profit on these deposits during the current period and preceding financial years.

**15.4** There has been no change in the status of matter as detailed in note 17.6 to the consolidated financial statements of the Group for the year ended September 30, 2020.

<b>16. Long term finances - secured</b>		<b>Un-audited</b>	<b>Audited</b>
		<b>March 31,</b>	<b>September 30,</b>
		<b>2021</b>	<b>2020</b>
		<b>(Rupees in thousand)</b>	
		<b>Note</b>	
<b>The Holding Company</b>			
Bank Al-Habib Ltd.	<b>16.1</b>	<b>41,644</b>	37,612
<b>CSML</b>			
Bank Al-Habib Ltd.		<b>419,904</b>	372,831
Soneri Bank Ltd.		<b>1,110,902</b>	918,260
The Bank of Punjab		<b>0</b>	14,100
Dubai Islamic Bank Pakistan Ltd.		<b>389,972</b>	487,466
MCB Bank Ltd.		<b>220,467</b>	249,113
Al-Baraka Bank (Pakistan) Ltd.		<b>149,458</b>	0
	<b>16.2</b>	<b>2,290,703</b>	2,041,770
		<b>2,332,347</b>	2,079,382

Less:

Amounts payable within next 12 months  
grouped under current liabilities - principal  
- The Holding Company  
- CSML

Deferred benefit of below market rate  
of interest on refinance facility grouped  
under deferred liabilities

**19**

<b>24,911</b>	15,208
<b>723,724</b>	500,640
<b>27,156</b>	25,955
<b>775,791</b>	541,803
<b>1,556,556</b>	1,537,579

Amount due after March 31, 2022

**16.1** These finances have been obtained during the preceding year from Bank Al-Habib Ltd. under Refinance Scheme against a facility amount of Rs.50 million for payment of salaries and wages to workers and employees of the Holding Company to dampen the effect of COVID-19. The finance facility carries profit at SBP rate + 3%; the effective mark-up rate during the period was 3% per annum. This finance facility is repayable in 8 equal quarterly instalments commenced from January, 2021 and is secured against first exclusive registered charge over the Holding Company's head office second and third floors ( without land ) located at King's Arcade, Markaz F-7, Islamabad through token registered mortgage of Rs.0.500 million and remaining through equitable mortgage of Rs.580 million.

**16.2** These represent term and demand finances obtained by CSML 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 CSML and first / joint pari passu charge by way of equitable mortgage on all present and future immovable fixed assets of CSML, pledge of sugar stock and lien on export contract / LC.

<b>17. Loans from related parties - secured</b>		<b>Un-audited</b>	<b>Audited</b>
		<b>March 31,</b>	<b>September 30,</b>
		<b>2021</b>	<b>2020</b>
		<b>(Rupees in thousand)</b>	
		<b>Note</b>	
Premier Board Mills Ltd.	<b>17.1</b>	<b>90,575</b>	90,575
Arpak International Investments Ltd.	<b>17.2</b>	<b>43,750</b>	43,750
Azlak Enterprises (Pvt.) Ltd.	<b>17.3</b>	<b>85,000</b>	85,000
		<b>219,325</b>	219,325
Less: current portion grouped under current liabilities		<b>(12,500)</b>	0
		<b>206,825</b>	219,325

**17.1** This include long term finance facilities obtained by CSML and its Subsidiary.

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

Long term finance facility amounting to Rs 25 million was obtained during the preceding year by the Subsidiary of CSML. The principal is repayable in 8 semi annual instalments 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 of CSML.

**17.2** The long term finance facility had been renewed on November 04, 2019. The principal is repayable in 7 semi annual instalments commencing from November, 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark-up charged by the associated company is not less than the borrowing cost of the associated company. This loan is secured against promissory note from CSML.

**17.3** The long term finance facility was obtained during the preceding year. The principal is repayable in 8 semi annual instalments 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. This loan is secured against promissory note from CSML.

		Un-audited March 31, 2021	Audited September 30, 2020
<b>18 Lease liabilities</b>			
Balance at beginning of the period -audited		376,768	
Additions during the period		36,906	
Unwinding of interest on lease liabilities		22,937	
Payments made during the period		(74,712)	
Balance at end of the period -un-audited		361,899	
Less: current portion grouped under current liabilities		(99,126)	
		<u>262,773</u>	
<b>19. Deferred liabilities</b>			
<b>Deferred taxation</b>			
	<b>Note</b>	<b>(Rupees in thousand)</b>	
- The Holding Company		132,579	148,753
- CSML		1,349,146	1,317,231
		<u>1,481,725</u>	<u>1,465,984</u>
<b>Staff retirement benefits - gratuity</b>			
- The Holding Company		16,004	18,479
- FSM		66	66
- CSML		9,735	9,631
		<u>25,805</u>	<u>28,176</u>
Deferred benefit of below market rate of interest on refinance facility	16	27,156	25,955
		<u>1,534,686</u>	<u>1,520,115</u>
<b>20. Trade and other payables</b>			
Creditors		404,149	509,183
Due to Associated Companies	20.1	128,295	88,431
Accrued expenses		102,313	135,939
Retention money		17,216	15,334
Security deposits		1,483	2,666
Advances from customers		726,415	82,867
Income tax deducted at source		51,848	33,273
Sales tax payable		281,652	16,423
Gratuity payable to ex-employees		5,363	5,543
Advance received against sale of scrap		2,024	2,024
Payable for workers' welfare obligations		32,986	109,126
Payable to provident fund		3,517	4,154
Payable to employees		48,805	52,314
Others		5,188	7,473
		<u>1,811,254</u>	<u>1,064,750</u>
<b>20.1</b> This represents amounts due to:			
- Azlak Enterprises (Pvt.) Ltd.		36,257	32,622
- Syntronics Ltd.		4,603	55,809
- Syntron Ltd.		87,435	0
		<u>128,295</u>	<u>88,431</u>

		Un-audited March 31, 2021	Audited September 30, 2020
<b>21. Short term borrowings - secured</b>	<b>Note</b>	<b>(Rupees in thousand)</b>	
The Holding Company		323,921	290,000
CSML			
Cash / running finances	21.1	7,088,403	418,410
Export refinances		1,740,000	1,962,000
		<u>9,152,324</u>	<u>2,670,410</u>
<b>21.1</b> 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.			
<b>22. Current portion of non-current liabilities</b>			
Long term finances	16	748,635	515,848
Loans from related parties	17	12,500	0
Lease liabilities	18	99,126	95,809
Government grant		1,589	1,921
		<u>861,850</u>	<u>613,578</u>
<b>23. Contingencies and commitments</b>			
<b>The Holding Company</b>			
<b>23.1</b> No commitments were outstanding as at March 31, 2021 and September 30, 2020.			
<b>23.2</b> The Holding Company's appeal filed before the Peshawar High Court (PHC) against order of the Customs, Sales Tax & Central Excise Appellate Tribunal is still pending adjudication. The Department, during the financial year ended September 30, 2001, had raised sales tax demand aggregating Rs.4.336 million along with additional tax. The Holding Company, however, during the financial year ended September 30, 2005, had paid sales tax amounting Rs.2.123 million along with additional tax amounting Rs.0.658 million as per the requirements of S.R.O. 247(I) / 2004 dated May 05, 2004.			
<b>23.3</b> Petitions filed before the Supreme Court of Pakistan (SCP) against imposition of Gas Infrastructure Development Cess (GIDC) have been dismissed vide judgment dated August 13, 2020 in 2-1 ratio. The SCP's judgment states that the cess under GIDC Act, 2015 was levied on those consumers of natural gas which on account of their industrial or commercial dealings had passed on GIDC burden to their customers. The SCP's judgment states that no late payment surcharge shall be collected while the GIDC amount that have become due upto July 31, 2020 will be recovered in 24 equal monthly instalments. In the light of the SCP's judgment, the Holding Company has filed a review petition before the SCP for waiver of full amount of GIDC on the grounds that the Holding Company has not passed on GIDC burden to its customers and the sugar market is not a regulated market.			
The august SCP has directed the Holding Company to approach the relevant department i.e. OGRA for removal of its grievance being the competent authority in the matter in hand. The Holding Company is in process of filing representation before OGRA for determination of exempted amount of GIDC arrears as per exemption granted under section 8 (2) of the GIDC Act, 2015, so that the exempted amount be deducted from arrears of GIDC.			



Sui Northern Gas Pipelines Ltd., along with gas bills for the month of August, 2020, has raised GIDC demands aggregating Rs.29.936 million. However, as the management is in the process of filing a representation before OGRA and a highly favourable outcome is expected; therefore, GIDC provisions have not been recognised in the books of account.

**23.4** The Holding Company's petition filed before the PHC, against the Government of Khyber Pakhtunkhwa's notification dated August 12, 2015 in which minimum wages for unskilled workers has been fixed at Rs.12,000 per month with effect from July 01, 2014 has been dismissed by the PHC vide its judgment dated April 02, 2019. The Holding Company has filed a review petition before the PHC against the said judgment; the additional wage liabilities aggregate Rs.2.359 million approximately.

**23.5** The sales tax appeal filed before the Appellate Tribunal Inland Revenue (ATIR), Peshawar against ex-parte order passed by the Commissioner Inland Revenue (Appeals) - CIR(A)- has been succeeded vide order dated March 29, 2018. The assessment order dated June 23, 2016 was passed by the Deputy Commissioner Inland Revenue (DCIR), Peshawar in violation of SRO 488(I)/2004 dated June 12, 2014; the Holding Company claimed input tax to the tune of Rs.41.672 million against the supplies to unregistered persons. A withdrawal application has been filed before the ATIR, Peshawar in pursuance of the aforesaid rectification order.

**23.6** The DCIR for the tax year 2013 initially has held the Holding Company as taxpayer-in-default for non-deduction of tax on certain supplies / services and tax demand was raised at Rs.77.750 million under section 161 (Failure to pay tax collected or deducted) along with default surcharge of Rs.4.730 million under section 205 (Default surcharge) of the Income Tax Ordinance, 2001 (the Ordinance). The Holding Company filed rectification application under section 221 of the Ordinance and the demand was reduced to Rs.237,360. Against the said demand, the Holding Company has filed an appeal before the CIR(A), who dismissed the Holding Company's appeal. Presently, the Holding Company's appeal against the CIR(A)'s order is pending before the ATIR, Peshawar.

**23.7** Guarantees given to Sui Northern Gas Pipelines Ltd. by a commercial bank on behalf of the Holding Company outstanding as at March 31, 2021 were for Rs. 20 million (September 2020: Rs.20 million). These guarantees are valid upto November 30, 2021.

#### FSM

**23.8** There has been no significant change in the status of contingencies as disclosed in notes 30.10 to 30.12 to the audited consolidated financial statements of the Group for the year ended September 30, 2020.

#### CSML

**23.9** There has been no significant change in the status of contingencies as disclosed in notes 30.14 to 30.21 to the audited consolidated financial statements of the Group for the year ended September 30, 2020.

#### 23.10 Commitments

	Un-audited March 31, 2021 (Rupees in thousand)	Audited September 30, 2020
Commitments in respect of :		
- foreign letters of credit for purchase of plant & machinery	69,750	5,574
- local letters of credit for purchase of plant & machinery	39,774	299,510
- capital expenditure other than for letters of credit	29,049	12,042

#### 24. Operating segment

Upto March 31, 2020, the Holding Company considered itself to be a single reportable segment on the basis of its internal reporting structure. The Holding Company's reportable segments during the current period are Sugar and Distillery.

##### 24.1 Segment operating results of the Holding Company for the half-year ended

	Sugar Division March 31, 2021	Ethanol Division March 31, 2021	Total March 31, 2021
----- Rupees in thousand -----			
<b>Sales</b>			
- Local	163,794	2,457	166,251
- Export	0	102,332	102,332
	163,794	104,789	268,583
<b>Less : sales tax</b>	23,799	357	24,156
<b>Sales - net</b>	139,995	104,432	244,427
<b>Cost of sales</b>	(365,834)	(7,580)	(373,414)
<b>Gross (loss) / profit</b>	(225,839)	96,852	(128,987)
<b>Distribution cost</b>	(1,244)	(6,736)	(7,980)
<b>Administrative expenses</b>	(33,665)	0	(33,665)
	(34,909)	(6,736)	(41,645)
<b>(Loss) / profit from operations</b>	(260,748)	90,116	(170,632)
<b>Other income</b>	0	0	98,436
<b>Other expenses</b>	0	0	(215)
	0	0	98,221
<b>Segment results</b>	(260,748)	90,116	(72,411)
<b>Finance cost</b>			(15,654)
<b>Loss before taxation</b>			(88,065)
<b>Taxation</b>			(2,689)
<b>Loss after taxation</b>			(85,376)

	Un-audited Half-year ended	
	March 31, 2021	March 31, 2021
Rupees in thousand		
<b>Assets</b>		<b>Liabilities</b>
Sugar	1,661,358	615,696
Ethanol	272,832	79,429
<b>Total for reportable segment</b>	1,934,190	695,125



## 25. Segment operating results of CSML for the half-year ended

	Sugar Division				Ethanol Division				Total			
	Three month period		Six month period		Three month period		Six month period		Three month period		Six month period	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Rupees in thousand											
<b>Sales</b>	2,701,552	3,470,002	4,018,431	5,344,521	922,392	918,328	2,299,687	1,806,619	3,623,954	4,388,330	6,318,118	7,151,140
- External Customers	315,175	300,991	619,192	568,191	-	-	-	-	315,175	300,991	619,192	568,191
- Intersegment	3,016,737	3,770,993	4,637,623	5,912,712	922,392	918,328	2,299,687	1,806,619	3,308,779	4,087,339	6,000,000	7,000,000
Less : sales tax and others	(398,709)	(499,259)	(594,350)	(792,829)	(6,608)	(26,528)	(37,944)	(56,713)	(405,317)	(525,787)	(632,294)	(849,542)
<b>Sales - net</b>	2,618,028	3,271,734	4,043,273	5,119,883	915,784	891,800	2,261,743	1,749,906	3,533,812	4,163,534	6,305,016	6,869,789
<b>Segment expenses:</b>												
<b>Cost of sales</b>												
Cost of Sales	(2,349,498)	(2,747,267)	(3,594,876)	(4,158,692)	(438,893)	(579,162)	(1,203,369)	(918,753)	(2,788,391)	(3,326,429)	(4,798,245)	(5,077,445)
less: Intersegment cost	-	-	-	-	(315,175)	(300,991)	(619,192)	(568,191)	(315,175)	(300,991)	(619,192)	(568,191)
<b>Gross profit</b>	268,530	524,467	448,397	961,191	754,068	(880,153)	(1,922,561)	(1,486,944)	(3,103,566)	(3,627,420)	(5,417,437)	(5,645,636)
<b>Selling and distribution expenses</b>	(17,306)	(26,830)	(12,604)	(32,716)	161,716	11,647	439,162	262,962	430,246	536,114	887,579	1,224,153
<b>Administrative and general expenses</b>	(173,386)	(153,087)	(307,016)	(282,217)	(117,676)	(147,967)	(237,001)	(274,876)	(124,982)	(174,797)	(249,605)	(307,594)
	(180,692)	(179,917)	(319,620)	(314,935)	1,937	(12,886)	(30,783)	(26,504)	(171,449)	(165,973)	(337,799)	(308,721)
					(115,739)	(160,853)	(267,784)	(301,380)	(296,431)	(340,770)	(587,404)	(616,315)
<b>Profit from operations</b>	87,838	344,550	128,777	646,256	45,977	(49,206)	171,398	(38,418)	133,815	195,344	300,175	607,838
<b>Other income</b>	13,531	17,127	40,265	24,914	742	71	1,888	1,099	14,273	17,198	42,153	26,013
<b>Other expenses</b>	8,448	(1,093)	3,093	(18,333)	(225)	-	(15,257)	1,099	8,223	(1,093)	(12,164)	(18,333)
	21,979	16,034	43,358	6,581	517	71	(13,369)	1,099	22,496	16,105	29,989	7,680
<b>Segment results</b>	109,817	360,584	172,135	652,837	46,494	(149,135)	158,029	(37,319)	156,311	211,449	330,164	615,518
<b>Finance cost</b>									(235,343)	(288,368)	(358,532)	(450,329)
<b>Loss / profit before tax</b>									(79,032)	(76,919)	(28,368)	165,189
<b>Taxation</b>									(23,707)	20,684	(52,410)	17,490
<b>Loss / profit for the period</b>									(102,739)	(56,235)	(80,778)	182,679

## Segment assets and liabilities

	Un-audited March 31, 2021 (Rupees in thousand)		Audited September 30, 2020 (Rupees in thousand)	
	Assets	Liabilities	Assets	Liabilities
Sugar	16,183,779	10,421,530	9,318,606	2,395,920
Ethanol	6,336,614	2,775,182	5,571,354	3,088,321
Total for reportable segment	22,520,393	13,196,712	14,889,960	5,484,241
Others	-	1,877,837	243,994	1,979,631
Entity's total assets / liabilities	22,520,393	15,074,549	15,133,954	7,463,872

## 26. Transactions with related parties

- 26.1 The Group has related party relationship with its Associated Companies, employee benefit plans, its directors and key management personnel. Transactions with related parties are carried-out on arm's length basis. There were no transactions with key management personnel other than under the terms of employment. Aggregate transactions with related parties during the period were as follows:

	Un-audited Half year ended	
	March 31, 2021	March 31, 2020
	(Rupees in thousand)	
<b>The Holding Company</b>		
<b>Associated Companies</b>		
Rental income	3,470	3,355
Dividend received	0	229
<b>CSML</b>		
<b>Associated undertakings:</b>		
Services	15,269	14,787
Expenses paid by associated companies	554	60,714
Purchase of goods	86,162	88,733
Expenses paid on behalf of associated companies	70,366	992
Dividend paid	26,804	26,804
Mark-up charged	9,502	0
Post employment benefit		
Expense charged in respect of retirement benefit plan	1,722	1,563
Key management personnel / Directors		
Salaries and other benefits	56,857	67,564
Dividend paid	14,741	12,976
Vehicles leased	21,685	0

**27. Impact of COVID - 19 on consolidated 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 consolidated interim financial statements, the management believes that to date no significant accounting impact is attracted on the amounts being reported in these consolidated condensed interim financial statements; however, the future effects cannot be predicted. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effect.

**28. Non-adjusting event after the reporting date**

Subsequent to the period end, the Board of Directors of the CSML resolved to incorporate a new company with the name of "Ultimate Whole Foods (Private) Limited". The objective of company will be to set up mills for milling wheat, gram, other grains and other allied products / by-products from flours. CSML will own 51% (i.e. 20,400,000 shares of Rs 10 each) of the total shareholding of Ultimate Whole Foods (Private) Limited (i.e. 40,000,000 shares of Rs 10 each).

**29. Corresponding figures**

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; however, no significant re-classifications / re-statements have been made to these condensed interim consolidated financial statements.

**30. Date of authorisation for issue**

These condensed interim consolidated financial statements have been authorised for issue by the Board of Directors of the Holding Company on May 27, 2021.



**CHIEF EXECUTIVE**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**