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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, 2022**

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

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, 2022. 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 2021-22 commenced on November 12, 2021. The mills have crushed 32,104 tons of sugarcane and have produced 1986 tons of sugar till January 31, 2022. The Mills operated intermittently at 20% of its capacity causing inversion of sugarcane juice and pushing recovery at historic low. KPK is a sugar deficit province; its actual demand is around 1,200,000 tons and almost 70% sugar comes from other provinces at high cost. The Peshawar valley has the potential to produce around 3.00 million tons of sugar but unfortunately, the KPK Government failed to implement The Gur Control Act, 1948 and Peshawar valley only produce 4,000 tons of sugar, as the entire sugarcane is diverted towards the Tax-Free Commercial Gur making.

SUGAR PRICES

The Country produced 8.00 million tons of sugar, therefore the sugar prices remained low and the Company suffered losses.

DISTILLERY

The Distillery Plant produced 2,802 MT of Ethanol during the half year ended on March 31, 2022.

FINANCIAL PERFORMANCE

The Company suffer loss after taxation of Rs. 50.410 million (2021: Rs. 85.376 million) during the six months' period ended on March 31, 2022 due to higher input costs, low supply of sugarcane and suppressed sale prices.

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

Mardan:
May 26, 2022

(ABBAS SARFARAZ KHAN)
Chief Executive

(ISKANDER M. KHAN)
Director

مالیاتی کارکردگی

31 مارچ 2022 کو ختم ہونے والی شش ماہی کے دوران کمپنی کا نقصان بعد از ٹیکس 50,410 ملین روپے رہا (2021 میں 85,376 ملین روپے تھا) جس کی وجہ انٹیٹ لاگت کا زیادہ ہونا، گئے کی سپلائی کا کم ہونا اور فروخت کا نا ہونا

اکاؤنٹنگ کی پالیسیاں

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

احتراف

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

مختاب بورڈ



اسکندر محمد خان

ڈائریکٹر



عباس سرفراز خان

چیف ایگزیکٹو آفیسر

مردان

بتاریخ: 26 مئی 2022

دی پرنسپل شوگر ملز اینڈ ڈسٹری کمپنی لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ

ڈائریکٹرز کمپنی کے غیر آڈٹ شدہ کنڈرٹنڈ مالیاتی معلومات کی شش ماہی رپورٹ 31 مارچ 2022 کو چھ ماہ کے اختتام پر ہونے مسرت محسوس کرتے ہیں۔ یہ کنڈرٹنڈ انٹیرم مالیاتی معلومات حصص داروں کو اکاؤنٹنگ اسٹیٹمنٹ نمبر 34، انٹیرم فنانس رپورٹنگ، وی کوڈ آف کارپورٹ گورننس، کمپنیز ایکٹ 2017 کے سیکشن 237 اور لسٹڈ کمپنیز (کوڈ آف کارپورٹ گورننس) ریگولیشنز 2019 کے قواعد کے مطابق ہیں۔ منسلک مالیاتی معلومات کا کوڈ آف کارپورٹ گورننس کے مطابق بیرونی آڈیٹرز کے ذریعے جائزہ لیا گیا ہے۔

آپریٹنگ کارکردگی

گئے کا کرٹنگ سیزن 2021-22 کا آغاز 12 نومبر 2021 کو شروع ہوا۔ 31 جنوری 2022 تک ملنے 32,104 ٹن گئے کو کرش کرتے ہوئے 1,986 ٹن چینی کی پیداوار کی۔ ملز اپنی صلاحیت کے 20 فیصد پر وقفے وقفے سے کام کرتی رہی جس کی وجہ سے گئے کے رس میں کمی ہوئی اور ریکوری تاریخ کی کم ترین سطح پر ہوئی۔ کے پی کے صوبہ چینی کی کمی کا صوبہ ہے، اس کی اصل طلب 1,200,000 ٹن ہے اور تقریباً 70 فیصد چینی دوسرے صوبوں سے آتی ہے۔ وادی پشاور میں تقریباً 3.00 ملین ٹن چینی پیدا کرنے کی صلاحیت ہے لیکن بد قسمتی سے کے پی کے کی حکومت دی گزٹنڈول ایکٹ 1948 پر عمل درآمد کرنے میں ناکام رہی ہے اور وادی پشاور صرف 4 ہزار ٹن چینی پیدا کرتی ہے کیونکہ تمام گئے کو ٹیکس فری کرشل گزٹنڈول کی طرف موڑ دیا گیا ہے۔

چینی کی قیمت

ملک نے 8.00 ملین ٹن چینی کی پیداوار کی، اس لئے چینی کی قیمتیں کم رہیں اور کمپنی کو نقصان اٹھانا پڑا۔

ڈسٹری

ڈسٹری پلانٹ نے 31 مارچ 2022 کو ختم ہونے والی شش ماہی کے دوران 2,802 میٹرک ٹن اینتھنول کی پیداوار کی۔

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

Report on Review of Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of **The Premier Sugar Mills & Distillery Company Limited** as at March 31, 2022 and the related condensed interim unconsolidated statement of profit or loss and other comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the condensed interim unconsolidated financial statements for the six month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these 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 interim financial statements based on our review.

The figures of the interim unconsolidated statement of profit or loss and other comprehensive income for the three month period ended March 31, 2022 and March 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended March 31, 2022.

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 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 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 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

We draw attention to note 17.3 to the interim financial statements, which describes the matter regarding non-provisioning of Gas Infrastructure Development Cess aggregating Rs.29.936 million demanded by Sui Northern Gas Pipelines Ltd. Our review report is not modified in respect of this matter.

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

ShineWing Hameed Chaudhri & Co.

LAHORE; May 26, 2022
UDIN: AR202210195ivPbDte2m

**SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS**

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

Unconsolidated Condensed Interim Statement of Financial Position As At March 31, 2022

		Un-audited March 31, 2022	Audited Sep. 30, 2021
		(Rupees in thousand)	
Assets	Note		
Non-current Assets			
Property, plant and equipment	5	1,218,028	1,278,751
Investment property		20,331	20,480
Long term investments	6	170,006	170,006
Security deposits		1,263	1,263
		<u>1,409,628</u>	<u>1,470,500</u>
Current Assets			
Stores and spares		105,148	109,699
Stock-in-trade	7	547,794	133,605
Trade debts	8	25,608	156,955
Advances	9	351,742	5,661
Trade deposits and short term prepayments		6,234	4,344
Accrued profit on bank deposits		227	527
Other receivables	10	10,723	19,135
Sales tax refundable		6,403	780
Income tax refundable, advance tax and tax deducted at source		30,905	17,076
Bank balances	11	47,134	52,773
		<u>1,131,918</u>	<u>500,555</u>
Non-current assets classified as held for sale	12	4,642	4,642
		<u>1,136,560</u>	<u>505,197</u>
		<u>2,546,188</u>	<u>1,975,697</u>
Total Assets			
Equity and Liabilities			
Share Capital and Reserves			
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		762,473	792,005
General revenue reserve		900,000	900,000
Accumulated loss		(629,810)	(608,932)
Shareholders' Equity		<u>1,070,164</u>	<u>1,120,574</u>
Non-current Liabilities			
Long term finances	13	0	5,077
Lease liabilities		0	1,095
Government grant		0	78
Staff retirement benefits - gratuity		20,849	20,096
Deferred taxation		110,387	126,479
		<u>131,236</u>	<u>152,825</u>
Current Liabilities			
Trade and other payables	14	150,187	128,053
Unclaimed dividends		7,470	7,470
Accrued mark-up		7,690	5,877
Short term borrowings	15	610,222	247,612
Current portion of non-current liabilities	16	19,184	26,886
Taxation		30,035	16,400
		<u>824,788</u>	<u>432,298</u>
Liabilities directly associated with non-current assets classified as held for sale	12	<u>520,000</u>	<u>270,000</u>
Total Liabilities		<u>1,476,024</u>	<u>855,123</u>
Contingencies and Commitments	17		
Total Equity and Liabilities		<u>2,546,188</u>	<u>1,975,697</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, 2022

	Note	Three month period ended		Six month period ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
		----- Rupees in thousand -----			
Sales	18	175,808	2,537	320,245	268,583
Less : sales tax		(4,263)	(368)	(5,637)	(24,156)
Sales - net		171,545	2,169	314,608	244,427
Cost of sales	19	(183,655)	(56,272)	(387,672)	(373,413)
Gross loss		(12,110)	(54,103)	(73,064)	(128,986)
Distribution cost	20	(11,979)	(2,160)	(23,037)	(7,980)
Administrative expenses	21	(14,947)	(19,007)	(29,844)	(33,666)
Other income	22	84,059	84,791	94,987	98,436
Other expenses		(450)	0	(788)	(215)
Profit / (loss) from operations		44,573	9,521	(31,746)	(72,411)
Finance cost	23	(14,473)	(7,966)	(21,121)	(15,654)
Profit / (loss) before taxation		30,100	1,555	(52,867)	(88,065)
Taxation					
-current		12,132	9,318	13,635	13,485
-deferred		13,023	(1,559)	(16,092)	(16,174)
		25,155	7,759	2,457	2,689
Profit / (loss) after taxation		4,945	(6,204)	(50,410)	(85,376)
Other comprehensive income		0	0	0	0
Total comprehensive income / (loss)		4,945	(6,204)	(50,410)	(85,376)
		----- Rupees -----			
Earnings / (loss) per share		1.32	(1.65)	(13.44)	(22.77)

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, 2022

	Six month period ended	
	March 31, 2022	March 31, 2021
	(Rupees in thousand)	
Cash flows from operating activities		
Loss for the period - before taxation	(52,867)	(88,065)
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	58,570	64,981
Depreciation on investment property	149	406
Uncollectible receivable balances written-off	0	38
Unclaimed payable balances written-back	0	(83)
Mark-up on loan to Subsidiary Company and profit on bank deposits	(818)	(1,550)
Gain on disposal of vehicles	(584)	0
Staff retirement benefits - gratuity (net)	753	(2,475)
Dividend from Subsidiary Company	(68,755)	(68,755)
Finance cost	21,121	15,654
Loss before working capital changes	(42,431)	(79,849)
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets:		
Stores and spares	4,551	(6,106)
Stock-in-trade	(414,189)	32,308
Trade debts	131,347	9,439
Advances	(346,081)	(5,921)
Trade deposits and short term prepayments	(1,890)	(4,042)
Other receivables	8,412	1,856
Sales tax refundable	(5,624)	(8,451)
Decrease in trade and other payables	22,134	(40,933)
Decrease in unclaimed dividends	0	(13)
	(601,340)	(21,863)
Cash used in operations	(643,771)	(101,712)
Income tax paid	(13,829)	(13,876)
Net cash used in operating activities	(657,600)	(115,588)
Cash flows from investing activities		
Additions to property, plant and equipment	(133)	(6,361)
Sale proceeds of vehicles	2,871	0
Dividend received	68,755	68,755
Advances received against non-current assets classified as held for sale	250,000	0
Mark-up / profit received on loan to Subsidiary Company and bank deposits	1,118	2,517
Net cash generated from investing activities	322,611	64,911
Cash flows from financing activities		
Long term finances repaid	(12,279)	3,254
Decrease in long term loan to a Subsidiary Company	0	24,238
Lease finances - net	(1,673)	(1,278)
Short term borrowings - net	362,610	33,921
Finance cost paid	(19,308)	(16,257)
Net cash generated from financing activities	329,350	43,878
Net decrease in cash and cash equivalents	(5,639)	(6,799)
Cash and cash equivalents - at beginning of the period	52,773	52,563
Cash and cash equivalents - at end of the period	47,134	45,764

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, 2022

	Share capital	Reserves				Total
		Capital		Revenue		
		Share redemption	Revaluation surplus on property, plant and equipment	General	Accumul-ated loss	
----- Rupees in thousand -----						
Balance as at September 30, 2021 (audited)	37,500	1	792,005	900,000	(608,932)	1,120,574
Total comprehensive loss for the six months period ended March 31, 2022	0	0	0	0	(50,410)	(50,410)
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the period - net of deferred taxation	0	0	(29,532)	0	29,532	0
Balance as at March 31, 2022 (un-audited)	37,500	1	762,473	900,000	(629,810)	1,070,164
Balance as at September 30, 2020 (audited)	37,500	1	857,176	900,000	(470,236)	1,324,441
Total comprehensive loss for the six months period 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
Balance as at March 31, 2021 (un-audited)	37,500	1	824,590	900,000	(523,026)	1,239,065

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, 2022

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 and its 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) 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 during the financial year ended September 30, 2020.

2. Basis of preparation

2.1 Statement of compliance

These unconsolidated condensed interim financial statements (the 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 financial statements do not include all of 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, 2021. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

2.3 These interim financial statements are un-audited and are being submitted to the members as required by section 237 of the Companies Act, 2017. The figures for the six months period ended March 31, 2022 have, however, been subjected to limited scope review by the external Auditors.

2.4 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.

2.5 Functional and presentation currency

These 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 adopted for the preparation of these 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, 2021.

3.1 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

a) Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to accounting standards are effective for accounting periods beginning on October 01, 2021 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these interim financial statements.

b) Standards, amendments and interpretations to the existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 01, 2022 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these interim financial statements.

4. Accounting estimates and judgements

- 4.1 The preparation of these interim financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.
- 4.2 In preparing these interim financial statements, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended September 30, 2021.
- 4.3 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 interim financial statements.

5. Property, plant and equipment

March 31, 2022
(Rupees in
thousand)

Book value as at September 30, 2021 - audited	1,278,751
Additions during the period :	
- furniture fittings & office equipment	133
Disposals during the period :	
-vehicles	(2,286)
Depreciation charge for the period	(58,570)
Book value as at March 31, 2022 - un-audited	<u>1,218,028</u>

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 March 31, 2022 were Rs.893.815 million (September 30, 2021: Rs.995.847 million) and Rs.20.261 million (September 30, 2021: Rs.18.392 million) respectively.

7. Stock-in-trade

Note	Un-audited March 31, 2022 (Rupees in thousand)	Audited Sep. 30, 2021
Sugar-in-process	7.1 13,645	8,688
Finished goods:		
- sugar	7.1 134,286	0
- ethanol	7.2 154,385	103,392
- molasses	245,478	21,525
	534,149	124,917
	<u>547,794</u>	<u>133,605</u>

- 7.1 Sugar-in-process and finished goods as at March 31, 2022 have been stated at net realisable value; the amount charged to statement of profit or loss in respect of these write-downs to net realisable value worked-out to Rs.217.373 million (September 30, 2021: Rs.Nil).
- 7.2 Ethanol (grade- B) inventory as at March 31, 2022 has been stated at net realisable value; the amount charged to statement of profit or loss in respect of inventory write-down to net realisable value worked out to Rs. 2.257 million (September 30, 2021: Rs. 4.763 million) approximately.

8. Trade debts

Export - secured	0	141,400
Local - unsecured, considered good	25,608	15,555
	<u>25,608</u>	<u>156,955</u>

	Note	Un-audited March 31, 2022 (Rupees in thousand)	Audited Sep. 30, 2021
9. Advances - considered good			
Suppliers and contractors		347,520	2,027
Employees		4,222	3,634
		351,742	5,661
10. Other receivables			
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)		2,140	870
Overdue mark-up charged by bank - refundable		0	5,802
Insurance claim receivable against loss of rectified spirit due to road accident		0	5,438
Others		2,574	1,016
		10,723	19,135
11. Bank balances			
Cash at banks on:			
- PLS accounts		2,374	16,789
- current accounts		18,026	11,984
- deposit accounts	11.1	25,734	23,000
- deposits with a non-banking finance company - unsecured	11.2	6,000	6,000
		52,134	57,773
Less: provision for doubtful bank balance	11.3	5,000	5,000
		47,134	52,773
11.1 These include deposit amounting Rs.15 million (September 30, 2021: Rs.15 million), which is under lien of a bank against guarantee issued by it in favour of Sui Northern Gas Pipelines Ltd. on behalf of the Company.			
11.2 The Securities and Exchange Commission of Pakistan winding-up petition filed against Innovative Investment Bank Ltd. 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 . 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 November, 2020, has received third tranche of Rs.12 million from JOLs as per the LHC's order dated October 01, 2020. The management, for the release of balance amount of Rs. 6 million, 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.			

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

11.3 There is no significant change in the status of matter as disclosed in note 16.5 to the audited financial statements of the Company for the year ended September 30, 2021. The appeal filed by State Bank Pakistan was remanded-back to Additional District Judge, Peshawar. The appeal was disposed-off vide judgment dated November 29, 2019. The judgment states that the Company is entitled to recover Rs. 5 million with profit at the rate of 12.5% per annum from National Bank of Pakistan from the year 1999. Full provision for the said deposit amounting Rs. 5 million exists in these financial statements.

12. Non-current assets classified as held for sale

The Company's Board of Directors, vide resolution dated May 27, 2021, has authorised and approved to sell the Company's House No. 11, Fort Road, situated at Peshawar Cantt. along with fittings, fixtures and installations thereon and commercial property (2nd and 3rd floors) situated at 20-A King's Arcade, F-7 Markaz, Islamabad with total area of 11,700 square feet along with fittings, fixtures and installations thereon having book value of Rs.4.642 million to Chashma Sugar Mills Ltd.(CSM - a Subsidiary Company) at the present market value of Rs. 590.850 million.

CSM, upto September 30, 2021, has paid partial sale consideration of Rs.270 million as earnest money. CSM, during the current period, has paid further amounts aggregating Rs. 250 million to the Company. As per the latest revaluation conducted by M/s K.G.Traders, 3rd Floor, Galaxy Arcade, Markaz, Islamabad dated February 26, 2021, the said property has market value of Rs.590.850 million.

13. Long term finances - Secured

	Un-audited March 31, 2022 (Rupees in thousand)	Audited Sep. 30, 2021
Balance at period / year-end	18,443	29,988
Less: current portion grouped under current liabilities	18,443	24,911
	0	5,077

13.1 These finances were obtained during the financial year ended September 30, 2020 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.

	Note	Un-audited March 31, 2022 (Rupees in thousand)	Audited Sep. 30, 2021
14. Trade and other payables			
Due to related parties :			
-Chashma Sugar Mills Ltd.		101,332	89,995
-Azlak Enterprises (Pvt.) Ltd.		2,263	0
Creditors		17,080	10,176
Accrued expenses		13,688	12,203
Due to employees		5,805	5,783
Deposits from contractors and others		796	796
Advances from customers		3,748	623
Income tax deducted at source		167	149
Gratuity payable to ex-employees		4,016	4,074
Employees' provident fund payable		1,125	4,113
Others		167	141
		150,187	128,053
15. Short term finances			
Secured			
- Bank Al Habib Ltd.		390,000	239,000
- The Bank of Khyber		120,000	0
- Soneri Bank Ltd.		100,000	0
Unsecured			
Temporary bank overdraft		222	8,612
		610,222	247,612
16. Current portion of non-current liabilities			
Long term finances	13	18,443	24,911
Lease liabilities		409	987
Government grant		332	988
		19,184	26,886
17. Contingencies and commitments			
17.1 No commitments were outstanding as at March 31, 2022 and September 30, 2021.			
17.2 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.			
17.3 Petitions filed before the Supreme Court of Pakistan (SCP) against imposition of Gas Infrastructure Development Cess (GIDC) were dismissed vide judgment dated August 13, 2020 in 2-1 ratio. The SCP's judgment stated 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 stated that no late payment surcharge would be collected while the GIDC amount that had become due upto July 31, 2020 would be recovered in 24 equal monthly instalments. Based on this judgment, the Company has filed the a writ petition before the PHC challenging the demand of GIDC arrears amounting Rs. 29.936 million on the ground that the Company has not passed on GIDC burden to its customers. The PHC, vide its order dated September 19, 2021, has granted interim relief.

17.4 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 was fixed at Rs.12,000 per month with effect from July 01, 2014 was 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.

17.5 The sales tax appeal filed before the Appellate Tribunal Inland Revenue (ATIR), Peshawar against ex-parte order passed by the CIR(A) was 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.

17.6 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.

17.7 The Company has filed a writ petition before the PHC challenging Federal Government Order No.1(1) 2020 ROP dated July 16, 2021 and Provincial Government Order No.13/12-Sugar /IND / Vol-V / 7862 dated July 16, 2021 issued under section 6 of the Price Control and Prevention of Profiteering and Hoarding Act, 1977 whereby the retail price of sugar at the rate of Rs.88.24 per kilo gram was fixed. The PHC, vide its order dated July 30, 2021, has allowed interim relief and ordered that in the meanwhile status quo be maintained.

17.8 Various cases have been filed against the Company by some former employees. Based on legal advice, no provision has been made in the books of account.

17.9 Guarantees given to Sui Northern Gas Pipelines Ltd. by commercial banks on behalf of the Company outstanding as at March 31, 2022 were for Rs.37.340 million (September 30, 2021: Rs.22 million).

18. Sales

	Three month period ended		Six month period ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	----- Rupees in thousand -----			
Local	29,289	2,537	58,744	166,251
Export	146,519	0	261,501	102,332
	175,808	2,537	320,245	268,583
Less: sales tax	4,263	368	5,637	24,156
	171,545	2,169	314,608	244,427

19. Cost of sales

Raw materials consumed	273,769	18,026	608,339	185,933
Chemicals and stores consumed	9,709	5,085	14,748	6,121
Salaries, wages and benefits	41,379	17,467	75,594	50,678
Power and fuel	12,500	4,139	34,264	26,129
Insurance	688	566	1,425	1,097
Repair and maintenance	3,887	1,820	10,292	7,885
Depreciation	28,554	31,708	57,199	63,262
	370,486	78,811	801,861	341,105
Adjustment of sugar-in-process:				
Opening	27,652	21,302	8,688	7,832
Closing	(13,645)	(11,749)	(13,645)	(11,749)
	14,007	9,553	(4,957)	(3,917)
Cost of goods manufactured	384,493	88,364	796,904	337,188
Adjustment of finished goods:				
Opening stock	333,311	111,611	124,917	179,928
Closing stock	(534,149)	(143,703)	(534,149)	(143,703)
	(200,838)	(32,092)	(409,232)	36,225
	183,655	56,272	387,672	373,413

20. Distribution cost

Commission	0	0	4	128
Salaries, wages and amenities	8	835	16	1,116
Expenses on ethanol exports	11,971	1,325	23,017	6,736
	11,979	2,160	23,037	7,980

21. Administrative expenses

	Three month period ended		Six month period ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	----- Rupees in thousand -----			
Salaries and amenities	7,916	5,207	14,274	13,348
Travelling, vehicles' running and maintenance	522	428	1,379	1,019
Utilities	329	469	560	840
Directors' travelling	0	0	0	3
Rent, rates and taxes	1,210	8,034	2,071	8,576
Insurance	313	228	565	449
Repair and maintenance	842	509	2,125	1,225
Printing and stationery	1,501	572	1,557	1,250
Communication	274	414	505	726
Legal and professional charges (other than Auditors)	816	1,305	2,744	2,675
Subscription	36	39	144	236
Auditors' remuneration	322	329	322	329
Depreciation on:				
- operating fixed assets	685	858	1,371	1,717
- investment property	74	203	148	405
General office expenses	107	412	2,079	868
	14,947	19,007	29,844	33,666

22. Other income**Income from financial assets:**

Mark-up on loan to Subsidiary Company	0	0	0	540
Mark-up / interest / profit on bank deposits / saving accounts and certificates	462	390	818	1,010
Dividend from a Subsidiary Company	68,755	68,755	68,755	68,755

Income from other than financial assets:

Gain on disposal of vehicles	405	0	584	0
Rent	6,083	7,183	12,167	14,360
Exchange fluctuation gain	2,614	1,528	3,522	1,529
Unclaimed payable balances written-back	0	82	0	83
Sale of agricultural produce	2,102	4,806	4,961	9,570
Amortisation of government grant	320	877	734	1,413
Miscellaneous	3,318	1,170	3,446	1,176
	84,059	84,791	94,987	98,436

23. Finance cost

Mark-up on				
-long term finances	465	1,198	1,079	2,111
-short term finances	13,937	6,573	19,734	13,085
Lease finance charges	11	105	39	240
Bank charges	60	90	269	218
	14,473	7,966	21,121	15,654

24. Operating segment

The Company's reportable segments are as follows:

- Sugar
- Distillery

24.1 Segment operating results for the six month period ended March 31, 2022

	Sugar Division		Ethanol Division		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
----- Rupees in thousand -----						
Sales						
- Local	25,536	163,794	33,208	2,457	58,744	166,251
- Export	0	0	261,501	102,332	261,501	102,332
	25,536	163,794	294,709	104,789	320,245	268,583
Less : sales tax	804	23,799	4,833	357	5,637	24,156
Sales - net	24,732	139,995	289,876	104,432	314,608	244,427
Cost of sales	(214,668)	(365,834)	(173,005)	(7,580)	(387,673)	(373,414)
Gross (loss) / profit	(189,936)	(225,839)	116,871	96,852	(73,065)	(128,987)
Distribution cost	(868)	(1,244)	(22,169)	(6,736)	(23,037)	(7,980)
Administrative expenses	(29,844)	(33,665)	0	0	(29,844)	(33,665)
	(30,712)	(34,909)	(22,169)	(6,736)	(52,881)	(41,645)
(Loss) / profit from operations (segment results)	(220,648)	(260,748)	94,702	90,116	(125,946)	(170,632)
Other income					94,987	98,436
Other expenses					(788)	(215)
					94,199	98,221
					(31,747)	(72,411)
Finance cost					(21,121)	(15,654)
Loss before taxation					(52,868)	(88,065)
Taxation					2,457	2,689
Loss after taxation					(50,411)	(85,376)

	Assets		Liabilities	
	March 31, 2022	Sep.30, 2021	March 31, 2022	Sep.30, 2021
----- Rupees in thousand -----				
Sugar	2,302,088	1,718,038	852,473	495,128
Ethanol	244,100	257,659	623,551	359,995
Total for reportable segment	2,546,188	1,975,697	1,476,024	855,123

25. 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 Company and Associated Companies during the period were as follows:

Un-audited
Six month period ended
March 31, 2022 March 31, 2021
(Rupees in thousand)

Subsidiary Company:

purchase of store items, molasses and bagasse	23,610	29,129
sale of store items	31,164	1,369
advance received against sale of property	250,000	0
mark-up earned on long term loan	0	540
dividend received	68,755	68,755
rental income	10,890	10,890
rental expense	58	58
expenses paid by the Company	1,266	11,762
expenses paid on behalf of the Company	40,990	5,318

Associated Companies

rental income	1,271	3,470
expenses paid on behalf of the Company	2,263	0

Key management personnel

salaries and other benefits	3,380	6,748
contribution towards provident fund	0	267

25.1 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.

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

26. Financial risk management

26.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

These interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at and for the year ended September 30, 2021.

There have been no changes in the risk management department or in any risk management policies since the year ended September 30, 2021.

26.2 Fair value estimation

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. Further, there were no reclassifications of financial assets.

27. Corresponding figures

The comparative unconsolidated condensed interim statement of financial position presented in these condensed interim financial statements has been extracted from the audited financial statements of the Company for the year ended September 30, 2021, whereas the unconsolidated comparative 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 have been extracted from the un-audited condensed interim financial statements for the period ended March 31, 2021.

28. 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 26, 2022.


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, 2022**

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
Consolidated Condensed Interim Statement of Financial Position
As At March 31, 2022

	Note	Un-audited March 31, 2022 (Rupees in thousand)	Audited Sep. 30, 2021
Assets			
Non-current assets			
Property, plant and equipment	7	17,089,042	14,660,214
Right-of-use assets	8	320,301	342,299
Investment property		24,973	25,122
Long term investments	9	162,631	160,384
Security deposits		16,439	16,439
		<u>17,613,386</u>	<u>15,204,458</u>
Current assets			
Stores and spares	10	776,744	639,413
Stock-in-trade	11	10,828,375	1,488,150
Trade debts	12	117,410	690,417
Loans and advances	13	1,592,786	775,647
Trade deposits, short term prepayments and other receivables	14	305,556	301,828
Accrued profit on bank deposits		227	527
Tax refunds due from the Government		401,796	332,215
Sales tax refundable		7,041	1,349
Short term investments	15	27,585	34,697
Bank balances	16	504,755	501,490
		<u>14,562,275</u>	<u>4,765,733</u>
Total assets		<u>32,175,661</u>	<u>19,970,191</u>
Equity and liabilities			
Share capital and reserves			
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		3,757,363	3,874,361
General revenue reserve		1,010,537	1,010,537
Unappropriated profit		1,262,928	1,190,299
Equity attributable to equity holders of the Holding Company		<u>6,068,329</u>	<u>6,112,698</u>
Non-controlling interest		<u>5,346,911</u>	<u>5,340,303</u>
		<u>11,415,240</u>	<u>11,453,001</u>
Non-current liabilities			
Long term finances	17	3,958,686	1,707,371
Loans from related parties	18	203,707	198,075
Lease liabilities	19	187,472	227,981
Government grant		2,515	6,282
Deferred liabilities	20	1,961,642	1,916,956
		<u>6,314,022</u>	<u>4,056,665</u>
Current liabilities			
Trade and other payables	21	1,135,155	753,570
Contract liabilities - advance payments from customers		1,102,733	17,864
Unclaimed dividends		7,470	7,470
Unpaid dividend		2,292	0
Accrued mark-up		443,331	129,076
Short term borrowings	22	10,756,166	2,677,942
Current portion of non-current liabilities	23	955,763	844,946
Dividends payable to non-controlling interest		12,925	12,925
Taxation		30,564	16,732
		<u>14,446,399</u>	<u>4,460,525</u>
Total liabilities		<u>20,760,421</u>	<u>8,517,190</u>
Contingencies and commitments	24		
Total equity and liabilities		<u>32,175,661</u>	<u>19,970,191</u>

The annexed notes form an integral part of these condensed interim consolidated 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, 2022

Note	Three month period ended		Six month period ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	----- Rupees in thousand -----			
Sales				
- local	4,544,038	2,718,076	6,087,145	4,403,793
- export	560,478	878,292	2,138,362	2,152,410
	<u>5,104,516</u>	<u>3,596,368</u>	<u>8,225,507</u>	<u>6,556,203</u>
Less: sales tax, other government levies and discounts	<u>(683,434)</u>	<u>(429,841)</u>	<u>(909,689)</u>	<u>(656,450)</u>
Sales - net	<u>4,421,082</u>	<u>3,166,527</u>	<u>7,315,818</u>	<u>5,899,753</u>
Cost of sales	<u>(3,491,405)</u>	<u>(2,817,306)</u>	<u>(6,016,419)</u>	<u>(5,142,144)</u>
Gross profit	<u>929,677</u>	<u>349,221</u>	<u>1,299,399</u>	<u>757,609</u>
Selling and distribution expenses	<u>(110,929)</u>	<u>(127,142)</u>	<u>(249,291)</u>	<u>(257,585)</u>
Administrative and general expenses	<u>(219,990)</u>	<u>(182,092)</u>	<u>(423,895)</u>	<u>(360,026)</u>
Other income	<u>19,878</u>	<u>28,406</u>	<u>40,941</u>	<u>56,252</u>
Other expenses	<u>(25,227)</u>	<u>0</u>	<u>(26,553)</u>	<u>(12,379)</u>
Profit from operations	<u>593,409</u>	<u>68,393</u>	<u>640,601</u>	<u>183,871</u>
Finance cost	<u>(387,398)</u>	<u>(243,311)</u>	<u>(528,202)</u>	<u>(373,648)</u>
	<u>206,011</u>	<u>(174,918)</u>	<u>112,399</u>	<u>(189,777)</u>
Share of profit / (loss) from Associated Companies	9	0	921	(6,456)
	<u>206,011</u>	<u>(173,997)</u>	<u>105,943</u>	<u>(194,658)</u>
Profit / (loss) before taxation				
Taxation				
Group				
- current	(28,753)	18,176	(32,259)	34,185
- deferred	(95,907)	13,365	(45,443)	15,735
	<u>(124,660)</u>	<u>31,541</u>	<u>(77,702)</u>	<u>49,920</u>
Associated Companies	9	0	(42)	(42)
	<u>(124,660)</u>	<u>31,499</u>	<u>(77,758)</u>	<u>49,878</u>
Profit / (loss) after taxation	<u>81,351</u>	<u>(205,496)</u>	<u>28,185</u>	<u>(244,536)</u>
Attributable to :				
- Equity Holders of the Holding Company	4,080	(136,649)	(53,128)	(203,285)
- Non-controlling interest	77,271	(68,847)	81,313	(41,251)
	<u>81,351</u>	<u>(205,496)</u>	<u>28,185</u>	<u>(244,536)</u>
	----- Rupees -----			
Combined earnings / (loss) per share	<u>1.09</u>	<u>(36.44)</u>	<u>(14.17)</u>	<u>(54.21)</u>

The annexed notes form an integral part of these condensed interim consolidated 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, 2022

	<u>Three month period ended</u>		<u>Six month period ended</u>	
	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>----- Rupees in thousand -----</u>			
Profit / (loss) after taxation	81,351	(205,496)	28,185	(244,536)
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income from Associated Companies	0	0	8,052	0
Total comprehensive income / (loss)	81,351	(205,496)	36,237	(244,536)
Attributable to:				
- Equity holders of the Holding Company	4,080	(136,649)	(45,076)	(203,285)
- Non-controlling interest	77,271	(68,847)	81,313	(41,251)
	81,351	(205,496)	36,237	(244,536)

The annexed notes form an integral part of these condensed interim consolidated 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, 2022

	<u>Six month period ended</u>	
	<u>March 31,</u>	<u>March 31,</u>
	<u>2022</u>	<u>2021</u>
	<u>(Rupees in thousand)</u>	
Cash flows from operating activities		
Profit / (loss) for the period - before taxation	105,943	(194,658)
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	553,359	505,308
Depreciation on right-of-use assets	37,336	48,210
Depreciation on investment property	149	406
Loss from Associated Companies	6,456	4,881
Mark-up / profit on bank deposits and saving accounts	(4,709)	(3,426)
Un-claimed payable balances written-back	0	(83)
(Gain) / loss on sale of operating fixed assets	(675)	11,492
Gain on redemption and re-measurement of short term investments to fair value	(1,238)	(1,002)
Uncollectible receivable balances written-off	0	38
Finance cost	528,202	373,648
Profit before working capital changes	1,224,823	744,814
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets		
Stores and spares	(137,331)	73,607
Stock-in-trade	(9,340,225)	(7,872,764)
Trade debts	573,007	47,310
Loans and advances	(817,139)	635,161
Trade deposits, short term prepayments and other receivables	(3,728)	(6,554)
Sales tax refundable -net	(5,692)	(45,794)
Increase in trade and other payables	381,232	103,129
Increase in contract liabilities - advance payments from customers	1,084,869	643,548
	(8,265,007)	(6,422,357)
Cash used in operations	(7,040,184)	(5,677,543)
Taxation - net	(88,008)	(34,053)
Security deposits	0	(26)
Staff retirement benefits - gratuity (net)	1,955	(2,371)
Net cash used in operating activities	(7,126,237)	(5,713,993)
Cash flows from investing activities		
Additions to property, plant and equipment and right-of-use assets	(2,985,624)	(473,397)
Sale proceeds of operating fixed assets	3,924	14,492
Short term investments - made	0	(11,000)
- redeemed	8,350	5,300
Mark-up / profit received on bank deposits and saving accounts	5,010	4,393
Net cash used in investing activities	(2,968,340)	(460,212)
Cash flows from financing activities		
Long term finances - net	2,361,499	252,965
Lease liabilities - net	(67,995)	(14,869)
Government grant	(4,423)	(4,195)
Short term borrowings - net	8,078,224	6,481,914
Finance cost paid	(197,050)	(254,178)
Dividends paid	(72,413)	(73,965)
Net cash generated from financing activities	10,097,842	6,387,672
Net increase in cash and cash equivalents	3,265	213,467
Cash and cash equivalents - at beginning of the period	501,490	364,707
Cash and cash equivalents - at end of the period	504,755	578,174

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, 2022

	----- 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, 2021	37,500	1	3,874,361	1,010,537	1,190,299	6,112,698	5,340,303	11,453,001
Transaction with owners:								
Cash dividend at the rate of Rs.5.00 per ordinary share for the year ended September 30, 2021	0	0	0	0	0	0	(74,705)	(74,705)
Total comprehensive income:								
Profit for the six month period ended March 31, 2022	0	0	0	0	(53,128)	(53,128)	81,313	28,185
Other comprehensive income	0	0	0	0	8,052	8,052	0	8,052
Effect of items directly credited in equity by Associated Companies	0	0	0	0	(45,076)	(45,076)	81,313	36,237
Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation)	0	0	0	0	707	707	0	707
- on account of incremental depreciation for the period of six month ended March 31, 2022	0	0	(116,998)	0	0	(116,998)	(94,631)	(211,629)
Balance as at March 31, 2022	37,500	1	3,757,363	1,010,537	1,262,928	6,068,329	5,346,911	11,415,240
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 six month period ended March 31, 2021	0	0	0	0	(203,285)	(203,285)	(41,251)	(244,536)
Other comprehensive income	0	0	0	0	0	0	0	0
Effect of items directly credited in equity by Associated Companies	0	0	0	0	(203,285)	(203,285)	(41,251)	(244,536)
Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation)	0	0	0	0	(18)	(18)	0	(18)
- on account of incremental depreciation for the period of six month ended March 31, 2021	0	0	0	0	108,434	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

The annexed notes form an integral part of these condensed interim consolidated 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, 2022

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 and its 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.

1.2 Subsidiary Companies and Sub-subsidiary Companies

(a) Chashma Sugar Mills Ltd. (CSML)

CSML was incorporated in Pakistan on May 05, 1988 as a Public Limited Company, under the repealed Companies Ordinance, 1984 (repealed upon enactment of the Companies Act, 2017 on May 30, 2017) and commenced its commercial production from October 01, 1992. 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 allied 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.

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) Whole Foods (Pvt.) Ltd. (WFPL)

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

(c) Ultimate Whole Foods (Pvt.) Ltd. (UWFL)

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

(d) 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 paragraph 1.2(c) to the consolidated financial statements for the year ended September 30, 2021. The principal activity of FSM was 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.

Going concern basis

The financial statements of FSM have been prepared on going concern basis despite the uncertainties detailed below that may cast doubt about FSM's ability to continue as a going concern:

- FSM's production facilities are closed since the year 2008 due to diversion of entire sugarcane to Gur making;
- the small size of the plant is not economical to run; and
- FSM has been suffering losses over the years; accumulated loss as at March 31, 2022 aggregated Rs.105.179 million.

The financial statements of FSM have been prepared on going concern basis as the management is exploring different avenues / options for future purposes, which include but are not limited to flour mills and other industrial / commercial projects. The management is of the view that with the start of these projects, FSM will be able to cover losses and continue as a going concern. FSM is in possession of property, plant and equipment having carrying values of Rs.1.152 billion at the reporting date, which may be utilised for proposed future projects. Further, being part of Premier Group of Companies, FSM also enjoys financial backing from the Group.

- 1.3 For the purpose of these condensed interim consolidated financial statements, the Holding Company, CSML and its Subsidiaries and FSM are referred to as the Group.

2. Basis of preparation

2.1 Statement of compliance

These condensed interim consolidated financial statements (the interim consolidated 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 of 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, 2021. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Group's financial position and performance since the last annual audited consolidated financial statements.

- 2.3 These interim consolidated financial statements are un-audited and are being submitted to the members as required by section 237 of the Companies Act, 2017.

2.4 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.

2.5 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 adopted for the preparation of these 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, 2021.

3.1 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Group's financial statements covering annual periods, beginning on or after the following dates:

- a) **Standards, amendments and interpretations to accounting standards that are effective in the current period**

Certain standards, amendments and interpretations to accounting standards are effective for accounting periods beginning on October 01, 2021 but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these interim consolidated financial statements.

- b) **Standards, amendments and interpretations to the existing standards that are not yet effective and have not been early adopted by the Group**

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after January 01, 2022 but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in these interim consolidated financial statements.

4. Accounting estimates and judgements

- 4.1 The preparation of these interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

- 4.2 In preparing these interim consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended September 30, 2021.

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

These 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 six month period ended March 31, 2022. The Holding Company's direct interest, as at March 31, 2022 and September 30, 2021, 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. 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.

7. Property, plant and equipment

		Un-audited March 31, 2022 (Rupees in thousand)	Audited Sep. 30, 2021
	Note		
Operating fixed assets - tangible	7.1	16,753,602	14,130,996
Capital work-in-progress	7.2	335,440	529,218
		<u>17,089,042</u>	<u>14,660,214</u>

7.1 Operating fixed assets - tangible

Book value at beginning of the period - audited 14,130,996

Additions during the period:

- freehold land	2,522,159
- buildings and roads	91,381
- plant and machinery	421,367
- electric installations	134,496
- office equipment	3,731
- farm equipment	168
- furniture and fixtures	2,311
- vehicles	1,096
	<u>3,176,709</u>

Book value of operating fixed assets disposed-off during the period	(3,248)
Depreciation charge for the period	(553,359)
Transfer from right-of-use assets to owned	8 2,504
Book value at end of the period - un-audited	<u>16,753,602</u>

	Note	Un-audited March 31, 2022 Rupees in thousand
7.2 Capital work-in-progress		
At beginning of the period		529,218
Add: additions during the period	7.3	2,994,657
Less: capitalised / adjusted during the period		(3,188,435)
Balance at end of the period		<u>335,440</u>
7.3 Additions during the period		
- freehold land		1,050
- buildings on freehold land		93,249
- plant and machinery		330,350
- electric installations		31,377
- office equipment		49
- vehicles - owned		7,202
- leased		15,294
- advance payments against land - freehold and buildings		2,516,086
		<u>2,994,657</u>
8. Right-of-use assets		
Book value at beginning of the period - audited		342,299
Additions during the period		17,899
Transfer to owned assets	7.1	(2,504)
Remeasurement / deletion during the period		(57)
Depreciation charge for the period		(37,336)
Book value at end of the period - un-audited		<u>320,301</u>
9. 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		154,746
		<u>160,384</u>
Add: share for the period:		
- loss		(6,456)
- other comprehensive income		8,052
- items directly credited in equity		707
Less: taxation		(56)
		<u>2,247</u>
Balance at end of the period - un-audited		<u>162,631</u>

10. Stores and spares

10.1 FSM has not carried-out manufacturing operations during the current period and prior years. The management during the preceding year had carried out a detailed exercise to identify obsolete / damaged stores and spares inventory. Carrying values of the stores and spares inventory were adjusted accordingly as at September 30, 2021.

10.2 Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

11. Stock-in-trade

	Note	Un-audited March 31, 2022 (Rupees in thousand)	Audited Sep 30, 2021
Finished goods:			
- sugar	11.1	7,173,859	169,689
- molasses		2,722,872	769,670
- ethanol	11.2	906,386	526,654
		<u>10,803,117</u>	<u>1,466,013</u>
Work-in-process	11.1	25,258	22,137
		<u>10,828,375</u>	<u>1,488,150</u>

11.1 In case of the Holding Company, work-in-process and finished goods as at March 31, 2022 have been stated at net realisable value; the amount charged to statement of profit or loss in respect of these write-downs to net realisable value worked-out to Rs.217.373 million (September 30, 2021: Rs.Nil).

11.2 In case of the Holding Company, Ethanol (grade- B) inventory as at March 31, 2022 has been stated at net realisable value; the amount charged to statement of profit or loss in respect of inventory write-down to net realisable value worked out to Rs.2.257 million (September 30, 2021: Rs.4.763 million) approximately.

12. Trade debts

Considered good	117,410	690,417
Considered doubtful	2,446	2,446
	<u>119,856</u>	<u>692,863</u>
Less: loss allowance	2,446	2,446
	<u>117,410</u>	<u>690,417</u>

13. Loans and advances

Advances to:		
- employees - secured	13,830	11,642
- suppliers and contractors - unsecured	1,400,847	584,859
Letters of credit	207,292	208,329
	<u>1,621,969</u>	<u>804,830</u>
Less:		
- provision for doubtful advances	28,838	28,838
- loss allowance	345	345
	<u>29,183</u>	<u>29,183</u>
	<u>1,592,786</u>	<u>775,647</u>

Un-audited
March 31,
2022
(Rupees in thousand)

Audited
Sep 30,
2021

14. Trade deposits, short term prepayments and other receivables

Sugar export subsidy receivable	308,510	308,510
Prepayments	8,472	6,635
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.)	2,140	870
Guarantees issued	19,000	19,000
Trade deposits	7,464	3,561
Deposits against decretal amounts	2,862	2,862
Overdue mark-up charged by bank - refundable	0	5,802
Insurance claim receivable against loss of rectified spirit due to road accident	0	5,438
Other receivables	10,074	2,116
	<u>361,676</u>	<u>357,948</u>
Less: loss allowance	(56,120)	(56,120)
	<u>305,556</u>	<u>301,828</u>

15. Short term investments -At fair value through profit or loss**First Habib Cash Fund**

Opening balance - 344,001 Units (2021: 308,045 Units)	34,697	31,097
Investments made during the period / year - 0 Units (2021: 109,362 Units)	0	11,000
Gain on redemption / re-measurement to fair value	1,238	2,150
Bonus received during the period / year - 11,383 Units (2021: 21,329 Units)	0	0
Units redeemed during the period / year - 82,479 Units (2021: 94,735 Units)	(8,350)	(9,550)
Closing balance - 272,905 Units (2021: 344,001 Units)	<u>27,585</u>	<u>34,697</u>

16. Bank balances

16.1 Bank balances include deposit amounting Rs.15 million (September 30, 2021: Rs.15 million), which is under lien of a bank against guarantees issued by it in favour of Sui Northern Gas Pipelines Ltd. on behalf of the Holding Company.

- 16.2** The Securities and Exchange Commission of Pakistan winding-up petition filed against Innovative Investment Bank Ltd 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 amounts only. 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 November, 2020, has received the third tranche of Rs.24 million from JOLs as per the LHC's order dated October 01, 2020. The management, for the release of balance amount of Rs.12 million, 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.

The Holding Company and FSM have not accrued profit on these deposits during the current period and preceding financial years.

- 16.3** There is no significant change in the status of matter as disclosed in note 17.6 to the audited consolidated financial statements of the Group for the year ended September 30, 2021. The appeal filed by State Bank Pakistan was remanded-back to Additional District Judge, Peshawar. The appeal was disposed-off vide judgment dated November 29, 2019. The judgment states that the Holding Company is entitled to recover Rs. 5 million with profit at the rate of 12.5% per annum from National Bank of Pakistan from the year 1999. Full provision for the said deposit amounting Rs. 5 million exists in the books of account of the Holding Company.

		Un-audited March 31, 2022	Audited Sep. 30, 2021
17. Long term finances - secured	Note	(Rupees in thousand)	
The Holding Company			
Bank Al-Habib Ltd.	17.1	18,443	29,988
CSML			
Bank Al-Habib Ltd.		2,573,301	617,766
Soneri Bank Ltd.		823,779	964,301
The Bank of Khyber		90,000	0
Dubai Islamic Bank Pakistan Ltd.		694,986	292,480
MCB Bank Ltd.		163,175	191,821
Al-Baraka Bank (Pakistan) Ltd.		446,715	352,544
	17.2	4,791,956	2,418,912
		4,810,399	2,448,900
Less:			
Amounts payable within next 12 months grouped under current liabilities - Principal - the Holding Company		18,443	24,911
- CSML		814,425	695,407
Deferred benefit of below market rate of interest on refinance facility grouped under deferred liabilities	20	18,845	21,211
Amount due after March 31, 2023		3,958,686	1,707,371

- 17.1** These finances were obtained during the financial year ended September 30, 2020. 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.
- 17.2** These represent term and demand finance obtained by CSML and its Subsidiaries 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 CSML and its Subsidiaries and first / joint pari passu charge by way of equitable mortgage on all present and future immovable fixed assets of CSML and its Subsidiaries, pledge of sugar stock and lien on export contract / LC.

		Un-audited March 31, 2022	Audited September 30, 2021
18. Loans from related parties - secured	Note	(Rupees in thousand)	
Premier Board Mills Ltd.	18.1	90,575	90,575
Arpak International Investments Ltd.	18.2	43,750	43,750
Aztrak Enterprises (Pvt.) Ltd.	18.3	85,000	85,000
		219,325	219,325
Less: current portion grouped under current liabilities		15,618	21,250
		203,707	198,075

- 18.1** This includes long term finance facilities obtained by CSML and its Subsidiary.

The long term finance facility was 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 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.

- 18.2** The long term finance facility was 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.
- 18.3** The long term finance facility has been renewed on January 03, 2022. The principal is repayable in 8 semi annual instalments commencing from December, 2024. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. This loan is secured against promissory note from CSML.

		Un-audited March 31,2022	
19. Lease liabilities - secured			
Balance at beginning of the period -audited		330,371	
Additions during the period		15,206	
Unwinding of interest on lease liabilities		16,835	
Payments made during the period		(67,995)	
Balance at end of the period -un-audited		294,417	
Less: current portion grouped under current liabilities		(106,945)	
		187,472	
20. Deferred liabilities		Un-audited	Audited
		March 31,	Sep. 30,
		2022	2021
Deferred taxation	Note	(Rupees in thousand)	
- The Holding Company		110,387	126,479
- FSM		4,082	4,429
- CSML		1,794,744	1,733,208
		1,909,213	1,864,116
Staff retirement benefits - gratuity			
- The Holding Company		20,849	20,096
- FSM		66	66
- CSML		12,669	11,467
		33,584	31,629
Deferred benefit of below market rate of interest on refinance facility	17	18,845	21,211
		1,961,642	1,916,956
21. Trade and other payables			
Creditors		377,041	369,281
Due to Associated Companies	21.1	138,198	41,823
Accrued expenses		130,640	120,231
Retention money		18,159	18,390
Security deposits		1,030	1,591
Income tax deducted at source		57,760	49,816
Sales tax payable		155,858	14,908
Gratuity payable to ex-employees		5,819	5,877
Advance received against sale of scrap		2,024	2,024
Advance against sale of floor area - building		100,000	0
Payable for workers' welfare obligations		63,995	59,373
Payable to provident fund		5,616	4,147
Payable to employees		58,400	47,830
Others		20,615	18,279
		1,135,155	753,570

		Un-audited March 31, 2022 (Rupees in thousand)	Audited Sep. 30, 2021
21.1	This represents amounts due to:		
	- Azlak Enterprises (Pvt.) Ltd.	35,147	37,220
	- Syntronics Ltd.	78,217	4,603
	- Syntron Ltd.	24,834	0
		138,198	41,823
22. Short term borrowings - secured			
	The Holding Company :		
	Secured	610,000	239,000
	Unsecured		
	Temporary bank overdraft	222	8,612
	CSML :		
	- Cash / running finances - secured	7,745,944	230,330
	- Export refinances - secured	22.1 2,400,000	2,200,000
		10,756,166	2,677,942
22.1	These cash, running and export re-finance facilities 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.		
23. Current portion of non-current liabilities			
	Long term finances	17 832,868	720,318
	Loans from related parties	18 15,618	21,250
	Lease liabilities	19 106,945	102,390
	Government grant	332	988
		955,763	844,946
24. Contingencies and commitments			
	The Holding Company		
24.1	No commitments were outstanding as at March 31, 2022 and September 30, 2021.		
24.2	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.		

24.3 Petitions filed before the Supreme Court of Pakistan (SCP) against imposition of Gas Infrastructure Development Cess (GIDC) were dismissed vide judgment dated August 13, 2020 in 2-1 ratio. The SCP's judgment stated 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 stated that no late payment surcharge would be collected while the GIDC amount that had become due upto July 31, 2020 would be recovered in 24 equal monthly instalments. Based on this judgment, the Company has filed a writ petition before the PHC challenging the demand of GIDC arrears amounting Rs.29.936 million on the ground that the Holding Company has not passed on GIDC burden to its customers. The PHC, vide its order dated September 19, 2021, has granted interim relief.

24.4 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 was fixed at Rs.12,000 per month with effect from July 01, 2014 was 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.

24.5 The sales tax appeal filed before the Appellate Tribunal Inland Revenue (ATIR), Peshawar against ex-parte order passed by the CIR(A) was 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 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.

24.6 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.

24.7 The Holding Company has filed a writ petition before the PHC challenging Federal Government Order No.1(1) 2020 ROP dated July 16, 2021 and Provincial Government Order No.13/12-Sugar /IND / Vol-V / 7862 dated July 16, 2021 issued under section 6 of the Price Control and Prevention of Profiteering and Hoarding Act, 1977 whereby the retail price of sugar at the rate of Rs.88.24 per kilo gram was fixed. The PHC, vide its order dated July 30, 2021, has allowed interim relief and ordered that in the meanwhile status quo be maintained.

24.8 Various cases have been filed against the Holding Company by some former employees.

Based on legal advice, no provision has been made in the books of account.

24.9 Guarantees given to Sui Northern Gas Pipelines Ltd. by commercial banks on behalf of the Holding Company outstanding as at March 31, 2022 were for Rs.37.340 million (September 30, 2021: Rs.22 million).

FSM

24.10 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, 2021.

CSML and its Subsidiaries

24.11 There has been no significant change in the status of contingencies as disclosed in notes 30.14 to 30.20 to the audited consolidated financial statements of the Group for the year ended September 30, 2021.

24.12 Commitments in respect of :	Un-audited March 31, 2022 (Rupees in thousand)	Audited Sep. 30, 2021
- foreign letters of credit for purchase of plant & machinery	605,490	264,820
- local letters of credit for purchase of plant & machinery	213,472	257,546
- capital expenditure other than for letters of credit	68,038	144,647

25. Operating segment

The Holding Company's reportable segments are as follows:

- Sugar
- Distillery

25.1 Segment operating results of the Holding Company for the six month period ended March 31, 2022

	Sugar Division		Ethanol Division		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
----- Rupees in thousand -----						
Sales						
- Local	25,536	163,794	33,208	2,457	58,744	166,251
- Export	0	0	261,501	102,332	261,501	102,332
	25,536	163,794	294,709	104,789	320,245	268,583
Less : sales tax	804	23,799	4,833	357	5,637	24,156
Sales - net	24,732	139,995	289,876	104,432	314,608	244,427
Cost of sales	(214,667)	(365,834)	(173,005)	(7,580)	(387,672)	(373,414)
Gross (loss) / profit	(189,935)	(225,839)	116,871	96,852	(73,064)	(128,987)
Distribution cost	(868)	(1,244)	(22,169)	(6,736)	(23,037)	(7,980)
Administrative expenses	(29,844)	(33,665)	0	0	(29,844)	(33,665)
	(30,712)	(34,909)	(22,169)	(6,736)	(52,881)	(41,645)
(Loss) / profit from operations (segment results)	(220,647)	(260,748)	94,702	90,116	(125,945)	(170,632)
Other income					94,987	98,436
Other expenses					(788)	(215)
					94,199	98,221
					(31,746)	(72,411)
Finance cost					(21,121)	(15,654)
Loss before taxation					(52,867)	(88,065)
Taxation					2,457	2,689
Loss after taxation					(50,410)	(85,376)

	Assets		Liabilities	
	March 31, 2022	Sep. 30, 2021	March 31, 2022	Sep. 30, 2021
	-----Rupees in thousand-----			
Sugar	2,302,088	1,718,038	852,473	495,128
Ethanol	244,101	257,659	623,551	359,995
Total for reportable segment	2,546,189	1,975,697	1,476,024	855,123

25.2 Segment operating results of CSML for the six month period ended March 31, 2022

	Sugar Division Six month period ended		Ethanol Division Six month period ended		Total Six month period ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	-----Rupees in thousand-----					
Sales						
-External customers	5,776,080	4,018,431	2,184,027	2,299,687	7,960,107	6,318,118
-Intersegment	912,033	619,192	0	0	912,033	619,192
	6,688,113	4,637,623	2,184,027	2,299,687	8,872,140	6,937,310
Less : sales tax and others	(855,590)	(594,350)	(48,462)	(37,944)	(904,052)	(632,294)
Sales - net	5,832,523	4,043,273	2,135,565	2,261,743	7,968,088	6,305,016
Segment expenses:						
Cost of sales	(4,928,914)	(3,572,117)	(753,129)	(1,203,369)	(5,682,043)	(4,775,486)
Less: Intersegment cost	0	0	(912,033)	(619,192)	(912,033)	(619,192)
	(4,928,914)	(3,572,117)	(1,665,162)	(1,822,561)	(6,594,076)	(5,394,678)
Gross profit	903,609	471,156	470,403	439,182	1,374,012	910,338
Selling and distribution expenses	(31,415)	(12,604)	(194,839)	(237,001)	(226,254)	(249,605)
Administrative and general expenses	(277,692)	(272,722)	(89,115)	(30,783)	(366,807)	(303,505)
Others	0	0	0	0	(32,281)	(34,294)
	(309,107)	(285,326)	(283,954)	(267,784)	(625,342)	(587,404)
Profit from operations	594,502	185,830	186,449	171,398	748,670	322,934
Other income	21,219	17,506	2,285	1,888	23,504	19,394
Others	0	0	0	0	362	0
Other expenses	(25,765)	3,093	0	(15,257)	(25,765)	(12,164)
	(4,546)	20,599	2,285	(13,369)	(1,899)	7,230
Segment results	589,956	206,429	188,734	158,029	746,771	330,164
Finance cost					(507,077)	(358,532)
Profit / (loss) before taxation					239,694	(28,368)
Taxation					(80,304)	(52,410)
Profit / (loss) for the period					159,390	(80,778)
Segment assets and liabilities						

	Un-audited March 31, 2022 (Rupees in thousand)		Audited September 30, 2021 (Rupees in thousand)	
	Assets	Liabilities	Assets	Liabilities
	-----Rupees in thousand-----			
Sugar	20,478,245	16,097,798	10,621,822	4,619,616
Ethanol	7,399,694	3,028,165	5,636,656	2,810,170
Total for reportable segment	27,877,939	19,125,963	16,258,478	7,429,786
Others	1,180,041	758,667	900,102	571,374
Total assets / liabilities	29,057,980	19,884,630	17,158,580	8,001,160

26. Transactions with related parties

26.1 The Group has related party relationship with its Associated Companies, directors 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 Six month period ended	
	March 31, 2022	March 31, 2021
	(Rupees in thousand)	

The Holding Company

Associated Companies

Rental income	1,271	3,470
Expenses paid on behalf of the Holding Company	2,263	0

Key management personnel :

Salaries and other benefits	3,380	6,748
Contribution towards provident fund	0	267

CSML

Associated Undertakings:

Services	15,283	15,269
Expenses paid by Associated Companies	1,350	554
Purchase of goods	167,195	86,162
Expenses paid on behalf of Associated Companies	0	70,366
Dividend paid	26,877	26,804
Mark-up charged	12,798	9,502

Post employment benefit:

Expense charged in respect of retirement benefit plan	10,218	1,722
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Key management personnel / Directors:

Salaries and other benefits	76,476	56,857
Dividend paid	19,103	14,741
Vehicles leased	0	21,685
Advance against sale of floor area - building	100,000	0

27. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

These interim consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual financial statements as at and for the year ended September 30, 2021.

There have been no changes in the risk management department or in any risk management policies since the year ended September 30, 2021.

Fair value estimation

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities. Further, there were no reclassifications of financial assets.

28. Corresponding figures

The comparative condensed interim consolidated 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, 2021, whereas the comparative condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows have been extracted from the un-audited condensed interim consolidated financial statements for the period ended March 31, 2021.

29. 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 26, 2022.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER