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**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED.**  
**MARDAN**



**THE PREMIER SUGAR MILLS  
& DISTILLERY COMPANY LIMITED**

**CONDENSED INTERIM  
UNCONSOLIDATED FINANCIAL INFORMATION  
FOR THE NINE MONTHS PERIOD  
ENDED JUNE 30, 2022  
(UN-AUDITED)**

## THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

### COMPANY INFORMATION

#### Board of Directors

Mr. Aziz Sarfaraz Khan	Chairman
Mr. Abbas Sarfaraz Khan	Chief Executive / Director
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	Soneri 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 nine months' period that ended on June 30, 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.

#### 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 Gur Mafia dominates the KPK Government policies, there is a continued shortage of sugar in the Province to meet local consumption, because the KPK Government has failed to devise a policy to implement the Gur Control Act, 1948 to ensure availability of reasonably priced sugar to the people of the Province.

#### SUGAR PRICES

The sugar prices remained low and the Company suffered losses.

#### DISTILLERY

The Distillery Plant produced 4,807 MT of Ethanol during the nine-month period ended on June 30, 2022.

#### FINANCIAL PERFORMANCE

Because on non-supply of sugarcane the Company suffer loss after taxation of Rs. 78.289 million (2021: Rs. 144.421 million) during the nine months' period ended on June 30, 2022.


#### ACCOUNTING POLICIES

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

#### ACKNOWLEDGEMENT

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

#### ON BEHALF OF THE BOARD



Mardan:  
July 27, 2022

(AZIZ SARFARAZ KHAN)  
CHAIRMAN / DIRECTOR



(ISKANDER M. KHAN)  
DIRECTOR

ڈسٹری

ہتھنول فیول پلانٹ نے 30 جون 2022 کو اختتام ہونے والے نومہ کے دوران MT4,807 ہتھنول کی پیداوار کی۔

اکاؤنٹنگ کی پالیسیاں

کمپنی کی نومہ کی کنڈرٹڈ انٹیرم 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۔

منجانب بورڈ



مردان

بتاریخ: 27 جولائی 2022

اسکندر محمد خان

ڈائریکٹر



عزیز سر فراز خان

چیف ایگزیکٹو / ڈائریکٹر

## دی پرنسپل شوگر ملز اینڈ ڈسٹری کمپنی لمیٹڈ

### ڈائریکٹرز کی جائزہ رپورٹ

ڈائریکٹر 30 جون 2022 کو ختم ہونے والے نو مہینوں کی اختتامی مدت پر غیر آڈٹ شدہ کنڈرٹڈ انٹیرم مالیاتی معلومات پیش کرنے پر مسرت محسوس کرتے ہیں۔ یہ کنڈرٹڈ مالیاتی معلومات حصص داروں کو انٹرنیشنل اکاؤنٹنگ کے قواعد نمبر 34 انٹیرم فنانشل رپورٹنگ کمپنی ایکٹ 2017 (دی ایکٹ) کے سیکشن 237 اور اسٹنڈرڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشن 2019 کے مطابق ہیں۔

### آپریٹنگ کارکردگی

گئے کارکننگ سیزن 2020-21 کا آغاز 12 نومبر 2021 کو شروع ہوا۔ مل نے 32,104 ٹن گنا کرش کیا اور 1986 ٹن چینی کی پیداوار 31 جنوری 2022 تک کی۔ کے پی کے حکومت کی پالیسیوں پر گنا فیا کا غلبہ ہے، صوبے میں چینی کی مسلسل قلت کی وجہ سے مقامی کھپت کو پورا نہیں کیا جاسکا، کے پی کے کی حکومت صوبے کے عوام کو مناسب قیمت پر چینی کی دستیابی کو یقینی بنانے کے لئے گزکنڈول ایکٹ 1948 پر عمل درآمد کے لئے پالیسی کا نفاذ کرنے میں ناکام رہی ہے۔

### چینی کی قیمتیں

چینی کی قیمتیں کم رہی ہیں اور کمپنی کو نقصان اٹھانا پڑا ہے۔

### مالیاتی کارکردگی

30 جون 2022 کو اختتام ہونے والے نومہ کے دوران گئے کی سلائی ناہونے کی وجہ سے کمپنی کو ٹیکس کے بعد کا نقصان 78.289 ملین روپے اٹھانا پڑا (2021 میں 144.421 ملین روپے) تھا۔

# THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022

	Note	Un-audited June 30, 2022 (Rupees in thousand)	Audited Sep. 30, 2021
<b>Assets</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	5	1,189,118	1,278,751
Investment property		20,257	20,480
Long term investments	6	170,006	170,006
Security deposits		1,263	1,263
		<u>1,380,644</u>	<u>1,470,500</u>
<b>Current Assets</b>			
Stores and spares		106,559	109,699
Stock-in-trade	7	646,871	133,605
Trade debts, unsecured-considered good		36,429	156,955
Advances	8	104,614	5,661
Trade deposits and short term prepayments	9	5,208	4,344
Accrued profit on bank deposits		527	527
Other receivables	10	11,607	19,135
Sales tax refundable		3,525	780
Income tax refundable, advance tax and tax deducted at source		34,527	17,076
Bank balances	11	39,421	52,773
		<u>989,288</u>	<u>500,555</u>
Non-current assets classified as held for sale		4,642	4,642
		<u>2,374,574</u>	<u>1,975,697</u>
<b>Total Assets</b>			
<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		747,707	792,005
General revenue reserve		900,000	900,000
Accumulated loss		(642,923)	(608,932)
<b>Shareholders' Equity</b>		<u>1,042,285</u>	<u>1,120,574</u>
<b>Non-current Liabilities</b>			
Long term finances	12	0	5,077
Lease liabilities		0	1,095
Government grant		0	78
Staff retirement benefits - gratuity		21,720	20,096
Deferred taxation		102,210	126,479
		<u>123,930</u>	<u>152,825</u>
<b>Current Liabilities</b>			
Trade and other payables	13	187,995	128,053
Unclaimed dividends		7,470	7,470
Accrued mark-up		11,259	5,877
Short term borrowings		436,110	247,612
Current portion of non-current liabilities	14	12,725	26,886
Taxation		32,800	16,400
		<u>688,359</u>	<u>432,298</u>
Liabilities directly associated with non-current assets classified as held for sale		520,000	270,000
<b>Total Liabilities</b>		<u>1,332,289</u>	<u>855,123</u>
<b>Contingencies and Commitments</b>	15		
<b>Total Equity and Liabilities</b>		<u>2,374,574</u>	<u>1,975,697</u>

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

Director

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 NINE MONTHS PERIOD ENDED JUNE 30, 2022

	Note	Three month period ended June 30, 2022	June 30, 2021	Nine month period ended June 30, 2022	June 30, 2021
		----- Rupees in thousand -----			
<b>Sales</b>	16	261,003	151,501	581,248	420,084
<b>Less : sales tax</b>		(10,406)	(11,374)	(16,043)	(35,530)
<b>Sales - net</b>		<u>250,597</u>	<u>140,127</u>	<u>565,205</u>	<u>384,554</u>
<b>Cost of sales</b>		(233,327)	(194,795)	(620,999)	(568,209)
<b>Gross profit / (loss)</b>		<u>17,270</u>	<u>(54,668)</u>	<u>(55,794)</u>	<u>(183,655)</u>
<b>Distribution cost</b>		(19,466)	(451)	(42,503)	(8,431)
<b>Administrative expenses</b>		(16,061)	(9,420)	(45,905)	(43,085)
<b>Other income</b>	17	3,253	7,527	98,240	105,963
<b>Other expenses</b>	18	0	(10,209)	(788)	(10,424)
<b>Loss from operations</b>		<u>(15,004)</u>	<u>(67,221)</u>	<u>(46,750)</u>	<u>(139,632)</u>
<b>Finance cost</b>		(18,286)	(5,883)	(39,407)	(21,537)
<b>Loss before taxation</b>		<u>(33,290)</u>	<u>(73,104)</u>	<u>(86,157)</u>	<u>(161,169)</u>
<b>Taxation</b>	19	5,411	14,060	7,868	16,749
<b>Loss after taxation</b>		<u>(27,879)</u>	<u>(59,044)</u>	<u>(78,289)</u>	<u>(144,420)</u>
<b>Other comprehensive income</b>		0	0	0	0
<b>Total comprehensive loss</b>		<u>(27,879)</u>	<u>(59,044)</u>	<u>(78,289)</u>	<u>(144,420)</u>
		----- Rupees -----			
<b>Loss per share</b>		<u>(7.43)</u>	<u>(15.75)</u>	<u>(20.88)</u>	<u>(38.51)</u>

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

Director

Director

Chief Financial Officer

# THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2022

	Nine Months Ended June 30, 2022      June 30, 2021 (Rupees in thousand)	
<b>Cash flows from operating activities</b>		
Loss for the period - before taxation	(86,157)	(161,169)
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	87,807	97,393
Depreciation on investment property	223	608
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	(1,302)	(1,883)
Gain on sale of vehicles	(584)	0
Staff retirement benefits - gratuity (net)	1,624	(1,834)
Dividends from Subsidiary Company and Associated Company	(68,755)	(68,755)
Finance cost	39,407	21,537
<b>Loss before working capital changes</b>	<b>(27,737)</b>	<b>(114,148)</b>
<b>Effect on cash flows due to working capital changes</b>		
Decrease / (increase) in current assets:		
Stores and spares	3,140	(6,554)
Stock-in-trade	(513,266)	(47,032)
Trade debts	120,526	(68,463)
Advances	(98,953)	(17,684)
Trade deposits and short term prepayments	(864)	(3,807)
Other receivables	7,528	(3,974)
Sales tax refundable	(2,745)	(589)
Increase / (decrease) in trade and other payables	59,942	280,437
	<b>(424,692)</b>	<b>132,334</b>
<b>Net Cash generated from / (used in) operations</b>	<b>(452,429)</b>	<b>18,186</b>
Income tax paid	(17,451)	(14,322)
<b>Net cash generated from/ (used in) operating activities</b>	<b>(469,880)</b>	<b>3,864</b>
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(462)	(6,362)
Sale proceeds of vehicles	2,871	0
Advance received against non-current assets classified as held for sale	250,000	
Dividends received	68,755	68,755
Mark-up / profit received on loan to Subsidiary Company and bank deposits	1,302	2,737
<b>Net cash generated from / (used in) investing activities</b>	<b>322,466</b>	<b>65,130</b>
<b>Cash flows from financing activities</b>		
Long term finances repaid	(18,640)	(2,991)
Decrease in long term loan to a Subsidiary Company	0	24,238
Lease finances - net	(1,771)	(1,657)
Short term borrowings - net	188,498	(76,000)
Dividends paid	0	(14)
Finance cost paid	(34,025)	(26,427)
<b>Net cash (used in) / generated from financing activities</b>	<b>134,062</b>	<b>(82,851)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(13,352)</b>	<b>(13,857)</b>
<b>Cash and cash equivalents - at beginning of the period</b>	<b>52,773</b>	<b>52,563</b>
<b>Cash and cash equivalents - at end of the period</b>	<b>39,421</b>	<b>38,706</b>

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

Director

Director

Chief Financial Officer

# THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2022

	Share capital	Reserves			Revaluation surplus on Property, plant and equipment	Accumul-ated loss	Total
		Capital	Revenue	Sub-total			
	Share redemption	General					
----- Rupees in thousand -----							
Balance as at September 30, 2020	37,500	1	900,000	900,001	857,176	(470,236)	1,324,441
<b>Total comprehensive income / (loss) for the period</b>							
Loss after taxation for the nine months ended June 30, 2021	0	0	0	0	0	(144,420)	(144,420)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period -net of deferred taxation	0	0	0	0	(48,878)	48,878	0
Balance as at June 30, 2021	37,500	1	900,000	900,001	808,298	(565,778)	1,180,021
<b>Total comprehensive income / (loss) for the period</b>							
Loss after taxation for the three months ended Sep 30, 2021	0	0	0	0	0	(57,830)	(57,830)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period -net of deferred taxation	0	0	0	0	(16,293)	16,293	0
Other comprehensive income	0	0	0	0	0	(1,617)	(1,617)
Balance as at September 30, 2021	37,500	1	900,000	900,001	792,005	(608,932)	1,120,574
<b>Total comprehensive loss for the period</b>							
Loss after taxation for the nine months ended June 30, 2022	0	0	0	0		(78,289)	(78,289)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period -net of deferred taxation	0	0	0	0	(44,298)	44,298	0
<b>Balance as at June 30, 2022</b>	<b>37,500</b>	<b>1</b>	<b>900,000</b>	<b>900,001</b>	<b>747,707</b>	<b>(642,923)</b>	<b>1,042,285</b>

The annexed notes form an integral part of this condensed interim financial information.

Director

Director

Chief Financial Officer

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL**  
**INFORMATION (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 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 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, 2021.

**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, 2021, 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 June 30, 2021.

**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 ended September 30, 2021.

**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, 2021.

**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, 2021.

**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	Note	Un-audited June 30, 2022 (Rupees in thousand)	
	Book value at beginning of the period - <b>audited</b>		<b>1,278,751</b>	
	Additions during the period			
	- capital work in process vehicles		<b>328</b>	
	- furniture, fittings & offices equipment		<b>132</b>	
	- vehicles disposal		<b>(2,286)</b>	
	Depreciation charge for the period		<b>(87,807)</b>	
	Book value at end of the period - <b>un-audited</b>		<b>1,189,118</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.893.815 million (September 30, 2021: Rs.995.847 million) and Rs.21.721 million (September 30, 2021: Rs.18.392 million) respectively.			
7.	Stock-in-trade	Note	Un-audited June 30, 2022 (Rupees in thousand)	Audited Sep 30, 2021
	Sugar-in-process		<b>12,617</b>	8,688
	Finished goods:			
	- sugar		<b>101,512</b>	0
	- molasses		<b>184,588</b>	21,525
	- Ethnol		<b>348,154</b>	103,392
			<b>634,254</b>	124,917
			<b>646,871</b>	133,605
8.	Advances - Considered good			
	Suppliers and contractors		<b>100,666</b>	2,027
	Employees		<b>3,948</b>	3,634
			<b>104,614</b>	5,661
9.	Trade deposits and short term prepayments			
	Excise duty deposit		<b>136</b>	136
	Short term prepayments		<b>2,210</b>	1,346
	Deposits against decretal amounts	9.1	<b>2,862</b>	2,862
			<b>5,208</b>	4,344
9.1	These have been deposited with the Commissioner for Workers' Compensation and Authority under the Payment of Wages Act, 2013 for Mardan.			

10.	Other receivables	Note	Un-audited June 30, 2022 (Rupees in thousand)	Audited Sep 30, 2021
	Sugar export subsidy		<b>2,991</b>	2,991
	Gas infrastructure development cess paid under protest - refundable		<b>3,018</b>	3,018
	Lease rentals receivable from Premier Board Mills Ltd. (an Associated Company)		<b>2,140</b>	870
	Overdue mark-up charged by bank - refundable		<b>0</b>	5,802
	Insurance claim receivable against loss		<b>0</b>	5,438
	Others		<b>3,458</b>	1,016
			<b>11,607</b>	19,135
11.	Bank balances			
	Cash at banks on:			
	- PLS accounts		<b>8,332</b>	16,789
	- current accounts		<b>6,355</b>	11,984
	- deposit accounts	11.1	<b>23,734</b>	23,000
	- deposits with a non-banking finance company - unsecured		<b>6,000</b>	6,000
			<b>44,421</b>	57,773
	Less: provision for doubtful bank balance		<b>5,000</b>	5,000
			<b>39,421</b>	52,773
11.1	These include deposits amounting Rs.3.73 million (September 30, 2021: Rs.15 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.			
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.			
11.3	The Company has not accrued profit on these deposits during the current period and preceding financial years.			



	Note	Un-audited June 30, 2022 (Rupees in thousand)	Audited Sep 30, 2021
<b>12. Long term finances - Secured</b>			
Balance at period end / year end		12,081	29,988
Less: current portion grouped under current liabilities		12,081	24,911
		<u>0</u>	<u>5,077</u>

- 12.1** 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.

**13. Trade and other payables**

Due to related parties	145,729	89,995
Creditors	11,394	10,176
Accrued expenses	13,568	12,203
Due to employees	5,993	5,783
Deposits from contractors and others	897	796
Advances from customers - contract liabilities	5,681	623
Income tax deducted at source	529	149
Sales tax payable	8	0
Gratuity payable to ex-employees	4,016	4,074
Employees' provident fund payable	0	4,113
Others	180	141
	<u>187,995</u>	<u>128,053</u>

Due to related parties		
Chashma Sugar Mills Ltd	143,204	89,995
Azlak Enterprises	2,525	0
	<u>145,729</u>	<u>89,995</u>

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

Long term finances	12	12,081	24,911
Lease liabilities		311	987
Government grant		333	988
		<u>12,725</u>	<u>26,886</u>

**15. Contingencies and commitments**

- 15.1** No commitments were outstanding as at June 30, 2022 and September 30, 2021.

- 15.2** 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.

- 15.3** 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.

- 15.4** 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.

- 15.5** 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.

- 15.6** 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.

- 15.7** 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.

- 15.8** 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.

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



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	Quarter ended		Nine Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<b>Sales</b>	----- Rupees in thousand -----			
Local	44,501	78,254	103,245	244,505
Export	216,502	73,247	478,003	175,579
	<u>261,003</u>	<u>151,501</u>	<u>581,248</u>	<u>420,084</u>

**17. Other income**

	Un-audited nine months ended	
	June 30, 2022	June 30, 2021
<b>Income from financial assets:</b>	<b>Note (Rupees in thousand)</b>	
Profit on bank deposits and saving accounts	1,302	1,343
Mark-up on loan to a Subsidiary Company	0	540
Dividend from a Subsidiary Company	68,755	68,755
<b>Income from other than financial assets:</b>		
Un-claimed payable balances written-back	0	83
Rent from:		
- an Associated Company	10,890	5,206
- a Subsidiary Company	1,271	16,335
Sale of agricultural produce - net	4,352	9,173
Gain on sale of vehicles	584	0
Government grant	734	1,997
Exchange fluctuation gain	6,375	1,352
Miscellaneous	3,977	1,179
	<u>98,240</u>	<u>105,963</u>

**18. Other expenses**

Uncollectible receivable balances written-off	0	38
Sales tax arrears paid	788	10,386
	<u>788</u>	<u>10,424</u>

**19. Taxation**

Current	19.1	16,400	14,696
Deferred		(24,268)	(31,445)
		<u>(7,868)</u>	<u>(16,749)</u>

**19.1** The Company during the current period and preceding years is mainly liable to pay tax due under sections 5 (Tax on dividends), 113 (Minimum tax on the income of certain persons) and 154 (Exports ) of the income Tax Ordinance, 2001 (the Ordinance).

**20. Operating segment**

Upto June 30, 2022, the Company considered itself to be a single reportable segment on the basis of its internal reporting structure. The Company's reportable segments during the current period are as follows:

- Sugar - Distillery

**20.1 Segment operating results for the nine months period ended June 30, 2022**

	Sugar Division June 30, 2022	Sugar Division June 30, 2022	Total
<b>Sales</b>			
- Local	103,245	57,125	160,370
- Export	0	420,878	420,878
	<u>103,245</u>	<u>478,003</u>	<u>581,248</u>
<b>Less : sales tax</b>	6,322	9,721	16,043
<b>Sales - net</b>	<u>96,923</u>	<u>468,282</u>	<u>565,205</u>
<b>Cost of sales</b>	(333,861)	(287,138)	(620,999)
<b>Gross (loss) / profit</b>	<u>(236,938)</u>	<u>181,145</u>	<u>(55,794)</u>
<b>Distribution cost</b>	(1,042)	(41,461)	(42,503)
<b>Administrative expenses</b>	(45,905)	0	(45,905)
	<u>(46,947)</u>	<u>(41,461)</u>	<u>(88,408)</u>
<b>(Loss) / profit from operations ( segment results )</b>	<u>(283,885)</u>	<u>139,684</u>	<u>(144,201)</u>
<b>Other income</b>			98,240
<b>Other expenses</b>			(788)
			<u>97,452</u>
			<u>(46,750)</u>
<b>Finance cost</b>			(39,407)
<b>Loss before taxation</b>			(86,157)
<b>Taxation</b>			7,868
<b>Loss after taxation</b>			<u>(78,289)</u>

**20.2 Segment assets and liabilities**

	Un-audited Nine Months Ended	
	June 30, 2022	June 30, 2022
<b>Assets</b>	<b>2,195,873</b>	<b>666,560</b>
<b>Liabilities</b>	<b>178,701</b>	<b>145,729</b>
<b>Total for reportable segment</b>	<u>2,374,574</u>	<u>812,289</u>

**21. Transactions with related parties**

**21.1** 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:

**Subsidiary Companies:**

	<b>Un-audited nine months ended June 30, June 30, 2022 2021 (Rupees in thousand)</b>	
- purchase of store items	27,466	5,527
- purchase of baggase	4,965	1,067
- sale of store items	11,221	1,369
- sale of molasses	20,001	0
- mark-up earned on long term loan	0	541
- advance against sale of building	250,000	0
- purchase of molasses	0	63,980
- dividend	68,755	68,755
- rent income	10,890	16,335
- rent expense	86	86
- Expenses paid by the Company	6,332	5,810
- Expenses paid on behalf of the Company	79,135	18,875

**Associated Companies:**

- rent received	1,271	5,206
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**21.2** Receivables from and payables to Subsidiary and Associated Companies have been disclosed in notes 10 and 13 respectively to these unconsolidated condensed interim financial statements.

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

**22. 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.

**23. 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 27 July, 2022.



Director



Director



Chief Financial Officer



# THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED. MARDAN

**CONDENSED INTERIM  
CONSOLIDATED FINANCIAL INFORMATION  
FOR THE NINE MONTHS PERIOD  
ENDED JUNE 30, 2022  
(UN-AUDITED)**

# THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

## CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022

	Note	Un-audited June 30, 2022 (Rupees in thousand)	Audited Sep. 30, 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	17,116,289	14,660,214
Right-of-use assets	7	271,994	342,299
Investment property		20,257	25,122
Long term investments	8	163,028	160,384
Security deposits		16,439	16,439
		<u>17,588,007</u>	<u>15,204,458</u>
<b>Current assets</b>			
Stores and spares	9	682,770	639,413
Stock-in-trade	10	6,779,595	1,488,150
Trade debts	11	191,277	690,417
Loans and advances	12	1,232,945	775,647
Trade deposits, short term prepayments and other receivables	13	303,016	301,828
Accrued profit on bank deposits		527	527
Tax refunds due from the Government		219,797	333,564
Sales tax refundable		4,180	0
Short term investments	14	24,997	34,697
Bank balances	15	457,383	501,490
		<u>9,896,486</u>	<u>4,765,733</u>
<b>Total assets</b>		<u>27,484,493</u>	<u>19,970,191</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	1
- revaluation surplus on property, plant and equipment		3,569,128	3,874,361
General revenue reserve		1,010,537	1,010,537
Unappropriated profit		1,295,698	1,190,299
<b>Equity attributable to equity holders of the Holding Company</b>		<u>5,912,864</u>	<u>6,112,698</u>
<b>Non-controlling interest</b>		<u>5,485,636</u>	<u>5,340,303</u>
		<u>11,398,500</u>	<u>11,453,001</u>
<b>Non-current liabilities</b>			
Long term finances	16	4,148,058	1,707,371
Loans from related parties	17	188,089	198,075
Lease liabilities	18	152,516	227,981
Government grant		1,267	6,282
Deferred liabilities	19	2,010,488	1,916,956
		<u>6,500,418</u>	<u>4,056,665</u>
<b>Current liabilities</b>			
Trade and other payables	20	1,404,522	771,434
Unclaimed dividends		7,470	7,470
Unpaid dividend		2,283	0
Accrued mark-up		427,931	129,076
Short term borrowings	21	6,795,098	2,677,942
Current portion of non-current liabilities	22	901,890	844,946
Dividends payable to non-controlling interest		12,925	12,925
Taxation		33,456	16,732
		<u>9,585,575</u>	<u>4,460,525</u>
<b>Total liabilities</b>		<u>16,085,993</u>	<u>8,517,190</u>
<b>Contingencies and commitments</b>	23		
<b>Total equity and liabilities</b>		<u>27,484,493</u>	<u>19,970,191</u>

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

  
Director

  
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 NINE MONTHS PERIOD ENDED JUNE 30, 2022

	Note	Quarter ended		Nine months ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
		----- Rupees in thousand -----			
<b>Sales</b>					
- local		5,274,449	5,192,671	11,361,594	9,596,464
- export		2,083,071	1,079,071	4,221,433	3,231,481
		<u>7,357,520</u>	<u>6,271,742</u>	<u>15,583,027</u>	<u>12,827,945</u>
<b>Less: sales tax, other government levies and discounts</b>		<u>(802,109)</u>	<u>(757,958)</u>	<u>(1,711,798)</u>	<u>(1,414,408)</u>
<b>Sales - net</b>		<u>6,555,411</u>	<u>5,513,784</u>	<u>13,871,229</u>	<u>11,413,537</u>
<b>Cost of sales</b>		<u>(5,460,092)</u>	<u>(4,770,911)</u>	<u>(11,476,511)</u>	<u>(9,913,055)</u>
<b>Gross profit</b>		<u>1,095,319</u>	<u>742,873</u>	<u>2,394,718</u>	<u>1,500,482</u>
<b>Selling and distribution expenses</b>		<u>(193,135)</u>	<u>(113,570)</u>	<u>(442,426)</u>	<u>(371,155)</u>
<b>Administrative expenses</b>		<u>(254,199)</u>	<u>(171,819)</u>	<u>(678,094)</u>	<u>(531,845)</u>
<b>Other income</b>		37,694	10,435	78,635	66,687
<b>Other expenses</b>		<u>(17,926)</u>	<u>(25,074)</u>	<u>(44,479)</u>	<u>(37,453)</u>
<b>Profit from operations</b>		<u>667,753</u>	<u>442,845</u>	<u>1,308,354</u>	<u>626,716</u>
<b>Finance cost</b>		<u>(438,467)</u>	<u>(218,102)</u>	<u>(966,669)</u>	<u>(591,750)</u>
		<u>229,286</u>	<u>224,743</u>	<u>341,685</u>	<u>34,966</u>
<b>Share of profit / (loss) from Associated Companies</b>	8	848	(2,403)	(5,608)	(7,284)
<b>Profit before taxation</b>		<u>230,134</u>	<u>222,340</u>	<u>336,077</u>	<u>27,682</u>
<b>Taxation</b>					
Group					
- current		142,512	11,361	174,771	45,546
- prior year		0	0	64,704	0
- deferred		48,128	59,994	93,571	75,729
		<u>190,640</u>	<u>71,355</u>	<u>333,046</u>	<u>121,275</u>
Associated Companies	8	31	106	87	64
		<u>190,671</u>	<u>71,461</u>	<u>333,133</u>	<u>121,339</u>
<b>Profit/(loss) after taxation</b>		<u>39,463</u>	<u>150,879</u>	<u>2,944</u>	<u>(93,657)</u>
		----- Rupees -----			
<b>Combined earnings/ (loss) per share</b>		<u>10.75</u>	<u>11.36</u>	<u>(20.67)</u>	<u>(42.85)</u>

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

  
Director

  
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 NINE MONTHS ENDED JUNE 30, 2022**

	<u>Quarter ended</u>		<u>Nine months ended</u>	
	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>----- Rupees in thousand -----</u>			
<b>Profit / (Loss) after taxation</b>	<b>39,463</b>	150,879	<b>2,944</b>	(93,657)
<b>Other comprehensive income</b>				
Item that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income from Associated Companies	0	0	0	0
<b>Total comprehensive income / (loss)</b>	<b>39,463</b>	150,879	<b>2,944</b>	(93,657)
<b>Attributable to:</b>				
- Equity holders of the Holding Company	<b>40,314</b>	42,585	<b>(77,518)</b>	(160,700)
- Non-controlling interest	<b>(851)</b>	108,294	<b>80,462</b>	67,043
	<b>39,463</b>	150,879	<b>2,944</b>	(93,657)

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

  
Director

  
Director

  
Chief Financial Officer

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**CONSOLIDATED CONDENSED INTERIM**  
**STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2022**

	<u>Nine Months Period Ended</u>	
	<u>June 30,</u>	<u>June 30,</u>
	<u>2022</u>	<u>2021</u>
	<u>(Rupees in thousand)</u>	
<b>Cash flows from operating activities</b>		
Profit for the period - before taxation	336,077	27,682
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	856,527	767,711
Depreciation on right-of-use assets	52,757	71,520
Depreciation on investment property	223	608
Pprofit from Associated Companies	5,608	7,284
Mark-up / profit on bank deposits and saving accounts	(88,802)	(5,077)
Un-claimed payable balances written-back	0	(83)
Loss on sale of operating fixed assets	(952)	0
Gain on redemption and re-measurement of short term investments to fair value	(1,949)	(1,846)
Reversal of impairment loss for doubtful debts	(18,519)	0
Uncollectible receivable balances written-off	0	38
Finance cost	966,669	591,750
<b>Profit before working capital changes</b>	<b>2,107,639</b>	1,459,587
<b>Effect on cash flows due to working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Stores and spares	(43,357)	91,712
Stock-in-trade	(5,291,445)	(3,954,973)
Trade debts	499,140	(232,870)
Loans and advances	(457,298)	522,536
Trade deposits, short term prepayments and other receivables	(1,188)	(10,014)
Sales tax refundable - net	(4,180)	(38,077)
<b>Increase in trade and other payables</b>	<b>633,088</b>	(284,475)
	<b>(4,665,240)</b>	(3,906,161)
<b>Cash used in operations</b>	<b>(2,557,600)</b>	(2,446,574)
Taxation - net	(44,280)	(49,120)
Security deposits	0	(26)
Staff retirement benefits - gratuity (net)	3,511	(915)
<b>Net cash used in operating activities</b>	<b>(2,598,369)</b>	(2,496,635)
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment and right-of-use assets	(3,350,937)	(546,697)
Sale proceeds of operating fixed assets	5,043	59,395
Dividend received	18,519	0
Short term investments - made	0	(11,000)
- redeemed	11,650	7,550
Mark-up / profit received on bank deposits and saving accounts	88,802	5,931
<b>Net cash used in investing activities</b>	<b>(3,226,923)</b>	(484,821)
<b>Cash flows from financing activities</b>		
Long term finances - net	2,490,354	351,780
Lease liabilities - net	(81,067)	(32,419)
Government grant	(5,670)	(7,576)
Short term borrowings - net	4,117,156	3,507,230
Finance cost paid	(667,814)	(555,824)
Dividends paid	(71,773)	(69,808)
<b>Net cash generated from financing activities</b>	<b>5,781,185</b>	3,193,383
<b>Net increase in cash and cash equivalents</b>	<b>(44,107)</b>	211,927
<b>Cash and cash equivalents - at beginning of the period</b>	<b>501,490</b>	364,707
<b>Cash and cash equivalents - at end of the period</b>	<b>457,383</b>	576,634

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

  
Director

  
Director

  
Chief Financial Officer

# THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

## CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2022

	----- Attributable to equity holders of the Holding Company-----					Total	Non-controlling interest	Total equity
	Share capital	Reserves						
		Share redemption	Revaluation surplus on property, plant and equipment	General revenue	Unappropriated profit			
	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	(71,773)	(71,773)
Total comprehensive income:								
(Loss) / Profit for Nine months period ended June 30, 2022	0	0	0	0	(77,518)	(77,518)	80,462	2,944
Effect of items directly credited in equity by Associated Companies	0	0	12,719	0	1,609	14,328	0	14,328
Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation)	0	0	0	0	181,308	181,308	136,644	317,952
- on account of incremental depreciation	0	0	(317,952)	0	0	(317,952)	0	(317,952)
Balance as at June 30, 2022	37,500	1	3,569,128	1,010,537	1,295,698	5,912,864	5,485,636	11,398,500
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) / profit for the Nine months ended June 30, 2021	0	0	0	0	(160,700)	(160,700)	67,043	(93,657)
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	(160,700)	(160,700)	67,043	(93,657)
Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation)	0	0	3,879	0	(567)	3,312	0	3,312
Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation)	0	0	0	0	176,892	176,892	110,622	287,514
- on account of incremental depreciation for the half year	0	0	(270,219)	0	0	(270,219)	0	(270,219)
- upon disposal of revalued assets	0	0	(17,295)	0	0	(17,295)		(17,295)
Balance as at June 30, 2021	37,500	1	2,496,369	1,010,537	1,206,629	4,751,036	4,234,646	8,985,682

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

  
Director

  
Director

  
Chief Financial Officer

# THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 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. 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.

#### 1.2 Subsidiary Companies

##### (a) Chashma Sugar Mills Ltd. (CSML), Whole Foods (Pvt.) Ltd & Ultimate 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.

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

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'.

## **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, 2021.

**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, 2021, 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 unaudited condensed interim consolidated financial statements of the Group for the period ended June 30, 2021.

**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, 2021.

## **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, 2021. 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, 2022. 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, 2021.

**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, 2021.

**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 Nine months period ended June 30, 2022. The Holding Company's direct interest, as at June 30, 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.

		Un-audited June 30, 2022 (Rupees in thousand)	Audited September 30, 2021
6. Property, plant and equipment			
	Note		
Operating fixed assets - tangible	6.1	16,457,059	14,130,996
Capital work-in-progress	6.2	659,230	529,218
		<u>17,116,289</u>	<u>14,660,214</u>
6.1 Operating fixed assets - tangible			
Book value at beginning of the period - audited		14,133,715	
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		5,271	
- farm equipment		168	
- furniture and fixtures		5,275	
- vehicles-owned		2,323	
		<u>3,182,440</u>	
Book value of operating fixed assets disposed-off during the period		(4,091)	
Depreciation charge for the period		(856,527)	
Transfer from right-of-use assets to owned	7	1,522	
Book value at end of the period - un-audited		<u>16,457,059</u>	
6.2 Capital work-in-progress			
At beginning of the period		799,218	
Add: Additions during the period	6.3	3,063,941	
Less: Capitalised / adjusted during the period		(3,203,929)	
Less: other adjustments		0	
Balance at end of the period		<u>659,230</u>	

		Un-audited June 30, 2022 Rupees in thousand	
	Note		
6.3 Additions during the period			
Freehold land		1,050	
Buildings on freehold land		365,429	
Plant and machinery		351,672	
Electric installations		33,675	
Vehicles		66,029	
Advances payments against land - freehold and buildings		<u>2,246,086</u>	
		<u>3,063,941</u>	
7. Right-of-use assets			
Book value at beginning of the period - audited		339,575	
Additions during the period		32,666	
Deletions during the period		(45,968)	
Transfer to owned assets	6.1	(1,522)	
Depreciation charge for the period		<u>(52,757)</u>	
Book value at end of the period		<u>271,994</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		<u>154,745</u>	
		<u>160,383</u>	
Add: share for the period:			
- loss		(5,608)	
- items directly credited in equity		8,340	
Less: taxation		<u>(87)</u>	
		<u>2,645</u>	
Balance at end of the period		<u>163,028</u>	
9. Stores and spares			
9.1 Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.			
10. Stock-in-trade			
		Un-audited June 30, 2022 (Rupees in thousand)	Audited September 30, 2021
Finished goods:			
- sugar		4,187,867	169,689
- molasses		1,924,114	769,670
- ethanol		643,203	526,654
		<u>6,755,184</u>	<u>1,466,013</u>
Work-in-process		24,411	22,137
		<u>6,779,595</u>	<u>1,488,150</u>

	Un-audited June 30, 2022 (Rupees in thousand)	Audited September 30, 2021
<b>11. Trade debts - Unsecured</b>		
Considered good	191,277	690,417
Considered doubtful	2,446	2,446
	<u>193,723</u>	<u>692,863</u>
Less: loss allowance	2,446	2,446
	<u>191,277</u>	<u>690,417</u>
<b>12. Loans and advances</b>		
Advances to:		
- employees - secured	12,667	11,642
- suppliers and contractors - unsecured	1,125,719	584,859
Letters of credit	123,742	208,329
	<u>1,262,128</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>1,232,945</u>	<u>775,647</u>
<b>13. Trade deposits, short term prepayments and other receivables</b>		
Sugar export subsidy receivable	252,390	252,390
Prepayments	6,249	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
Other receivables	9,757	13,356
	<u>303,016</u>	<u>301,828</u>
Less: loss allowance		

	Note	Un-audited June 30, 2022 (Rupees in thousand)	Audited September 30, 2021
<b>14. Short term investments -At fair value through profit or loss</b>			
<b>First Habib Cash Fund</b>			
Opening balance - 344,001 Units (2021: 308,045 Units)		34,697	31,097
Investments made during the period / year - Nil Units (2021: 109,362 Units)		0	11,000
Gain on redemption / re-measurement to fair value		1,949	2,150
Units redeemed during the period / year - 115,049 Units (2021: 94,735 Units)		(11,650)	(9,550)
Closing balance - 247,603 Units (2021: 344,001 Units)		<u>24,996</u>	<u>34,697</u>
<b>15. Bank balances</b>			
<b>15.1</b> These include deposits amounting Rs.3.73 million (September 30 , 2021: Rs.15 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.			
<b>15.2</b> 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.			
<b>15.3</b> The Group has not accrued profit on these deposits during the current period and preceding financial years.			
<b>15.4</b> 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, 2021.			
<b>16. Long term finances - secured</b>			
<b>The Holding Company</b>			
Bank Al-Habib Ltd.	16.1	12,081	29,988
<b>CSML</b>			
Bank Al-Habib Ltd.		2,563,600	617,766
Soneri Bank Ltd.		814,123	964,301
The Bank of Khyber		359,869	0
Dubai Islamic Bank Pakistan Ltd.		594,014	292,480
MCB Bank Ltd.		148,852	191,821
Al-Baraka Bank (Pakistan) Ltd.		446,715	352,544
	16.2	4,927,173	2,418,912
<b>balance c/f</b>		<u>4,939,254</u>	<u>2,448,900</u>

		Un-audited June 30, 2022	Audited September 30, 2021
	Note	(Rupees in thousand)	
balance b/f		4,939,254	2,448,900
Less:			
Amounts payable within next 12 months grouped under current liabilities - principal			
- The Holding Company		12,081	24,911
- CSML		761,452	695,407
Deferred benefit of below market rate of interest on refinance facility grouped under deferred liabilities	19	17,663	21,211
		791,196	741,529
Amount due after June 30, 2022		4,148,058	1,707,371

16.1 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.

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

17. Loans from related parties - secured

Premier Board Mills Ltd.	17.1	90,575	90,575
Arpak International Investments Ltd.	17.2	43,750	43,750
Azrak Enterprises (Pvt.) Ltd.	17.3	85,000	85,000
		219,325	219,325
Less: current portion grouped under current liabilities		31,236	21,250
		188,089	198,075

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

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

Long term finance facility amounting to Rs 25 million was obtained during the year by WFPL. The principal is repayable in 8 semi annual installments commencing from December 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the WFPL.			
<b>17.2</b>	The long term finance facility has been renewed on November 04, 2019. The principal is repayable in 7 semi annual installments commencing from November 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from CSML and its subsidiaries.		
<b>17.3</b>	The long term finance facility has been renewed on January 03, 2022. The principal is repayable in 8 semi annual installments commencing from December 2024. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from CSML and its subsidiaries.		
<b>18</b>	<b>Lease liabilities</b>	<b>Un-audited June 30,2022</b>	
	Balance at beginning of the period -audited	328,290	
	Additions during the period	56,936	
	Unwinding of interest on lease liabilities	23,652	
	Early termination / remeasurement of lease liabilities	(58,889)	
	Payments made during the period	(100,996)	
	Balance at end of the period -un-audited	248,993	
	Less: current portion grouped under current liabilities	(96,477)	
		152,516	
<b>19.</b>	<b>Deferred liabilities</b>	<b>Un-audited June 30, 2022</b>	<b>Audited September 30, 2021</b>
	<b>Deferred taxation</b>	<b>(Rupees in thousand)</b>	
	- The Holding Company	102,210	126,479
	- FSM	4,082	4,429
	- CSML	1,851,393	1,733,208
		1,957,685	1,864,116
	<b>Staff retirement benefits - gratuity</b>		
	- The Holding Company	21,720	20,096
	- FSM	66	66
	- CSML	13,354	11,467
		35,140	31,629
	Deferred benefit of below market rate of interest on refinance facility	17,663	21,211
		2,010,488	1,916,956

	Note	Un-audited June 30, 2022 (Rupees in thousand)	Audited September 30, 2021
<b>20. Trade and other payables</b>			
Creditors		420,360	369,281
Due to Associated Companies	20.1	37,541	41,823
Accrued expenses		117,273	120,231
Retention money		21,807	18,390
Security deposits		1,902	1,591
Advances against sale of floor area		100,000	0
Advances from customers		399,970	17,864
Income tax deducted at source		54,070	49,816
Sales tax payable		85,220	14,908
Gratuity payable to ex-employees		5,819	5,877
Advance received against sale of scrap		2,024	2,024
Payable for workers' welfare obligations		81,900	59,373
Payable to provident fund		4,645	4,147
Payable to employees		65,390	47,830
Others		6,601	18,279
		<b>1,404,522</b>	<b>771,434</b>
<b>20.1</b> This represents amounts due to:			
- Azlak Enterprises (Pvt.) Ltd.		37,541	37,220
- Syntronics Ltd.		0	4,603
- Syntron Ltd.		0	0
		<b>37,541</b>	<b>41,823</b>
<b>21. Short term borrowings - secured</b>			
The Holding Company		436,110	247,612
CSML			
Cash / running finances	21.1	5,122,142	230,330
Export refinances		1,236,846	2,200,000
		<b>6,795,098</b>	<b>2,677,942</b>
<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	773,533	720,318
Loans from related parties	17	31,236	21,250
Lease liabilities	18	96,788	102,390
Government grant		333	988
		<b>901,890</b>	<b>844,946</b>

## 23. Contingencies and commitments The Holding Company

- 23.1** No commitments were outstanding as at June 30, 2022 and September 30, 2021.
- 23.2** 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.
- 23.3** 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.
- 23.4** 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.
- 23.5** 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.
- 23.6** 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.
- 23.7** Guarantees given to Sui Northern Gas Pipelines Ltd. by commercial banks on behalf of the Company outstanding as at June 30, 2022 were for Rs.37.340 million (September 2021: Rs.22 million).

## 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, 2021.

## CSML

- 23.9** There has been no significant change in the status of contingencies as disclosed in notes 24 to the audited consolidated financial statements of the Group for the year ended September 30, 2021.

### 23.10 Commitments

	Un-audited June 30, 2022 (Rupees in thousand)	Audited September 30, 2021
In case of CSM commitments in respect of :		
- foreign letters of credit for purchase of plant & machinery	<u>720,029</u>	264,820
- local letters of credit for purchase of plant & machinery	<u>271,343</u>	257,546
- capital expenditure other than for letters of credit	<u>101,496</u>	144,647

## 24. Operating segment

Upto June 30, 2022, 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 Nine months ended

	Sugar Division June 30, 2022	Sugar Division June 30, 2022	Total
Sales			
- Local	103,245	57,125	160,370
- Export	0	420,878	420,878
	<u>103,245</u>	<u>478,003</u>	<u>581,248</u>
Less : sales tax	6,322	9,721	16,043
Sales - net	<u>96,923</u>	<u>468,282</u>	<u>565,205</u>
Cost of sales	(333,861)	(287,138)	(620,999)
Gross (loss) / profit	<u>(236,938)</u>	<u>181,145</u>	<u>(55,794)</u>
Distribution cost	(1,042)	(41,461)	(42,503)
Administrative expenses	(45,905)	0	(45,905)
	<u>(46,947)</u>	<u>(41,461)</u>	<u>(88,408)</u>
(Loss) / profit from operations ( segment results )	<u>(283,885)</u>	<u>139,684</u>	<u>(144,201)</u>
Other income			98,240
Other expenses			(788)
			<u>97,452</u>
			<u>(46,750)</u>
Finance cost			(39,407)
Loss before taxation			<u>(86,157)</u>
Taxation			7,868
Loss after taxation			<u>(78,289)</u>

	Un-audited Nine months ended	
	June 30, 2021	June 30, 2021
	Rupees in thousand	
	Assets	Liabilities
Sugar	1,796,875	480,794
Ethanol	265,388	401,448
Total for reportable segment	<u>2,062,263</u>	<u>882,242</u>

25. Segment operating results for the nine month period ended June 30, 2022 (Un-audited)

	Sugar Division			Ethanol Division			Total		
	Three month period ended		Nine month period ended	Three month period ended		Nine month period ended	Three month period ended		Nine month period ended
	June 30, 2021	June 30, 2022	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022
----- Rupees in thousand -----									
<b>Sales</b>	5,091,228	5,009,224	10,867,308	9,027,655	2,014,097	1,150,005	4,198,124	3,449,692	7,105,325
- External Customers	22,508	74,478	934,541	693,670	-	-	74,478	934,541	22,508
- Intersegment	5,113,736	5,083,702	11,801,849	9,721,325	2,014,097	1,150,005	4,198,124	3,449,692	7,127,833
Less : sales tax and others	(770,268)	(731,445)	(1,625,858)	(1,325,795)	(21,435)	(15,139)	(69,897)	(53,083)	(791,703)
<b>Sales - net</b>	4,343,468	4,352,257	10,175,991	8,395,530	1,992,662	1,134,866	4,128,227	3,396,609	6,336,130
<b>Segment expenses:</b>									
Cost of Sales	(3,824,579)	(3,663,706)	(8,753,493)	(7,235,823)	(1,410,555)	(950,760)	(2,163,684)	(2,154,129)	(5,235,134)
less: Intersegment cost	-	-	-	-	(22,508)	(74,478)	(934,541)	(693,670)	(22,508)
Gross profit	518,889	688,551	1,422,498	1,159,707	(1,433,063)	(1,025,238)	(3,098,225)	(2,847,799)	1,078,488
Selling and distribution expenses	(13,035)	(3,428)	(44,450)	(16,032)	559,599	109,628	1,030,002	548,810	178,179
Administrative and general expenses	(154,442)	(128,973)	(432,134)	(401,834)	(160,634)	(109,691)	(355,473)	(346,692)	(172,669)
Net impairment losses on financial assets	18,519	-	18,519	-	(50,108)	(14,182)	(139,223)	(44,965)	18,519
Others	-	-	-	-	-	-	-	-	18,519
	(148,958)	(132,401)	(458,065)	(417,866)	(210,742)	(123,873)	(494,696)	(391,657)	(390,532)
Profit from operations	369,931	556,150	964,433	741,841	348,857	(14,245)	535,306	157,153	687,956
Other income					1,412	1,080	3,697	2,968	18,012
Other expenses	(17,926)	(14,865)	(43,691)	(11,772)	-	-	-	-	(17,926)
Other expenses	(1,326)	(11,148)	(5,872)	6,994	1,412	1,080	3,697	(12,289)	86
Segment results	368,605	545,002	959,561	748,835	350,269	(13,165)	539,003	144,864	688,042
Finance cost									
Profit before tax									
Taxation									
Profit for the period									

25.1 Segment assets and liabilities

	Un-audited June 30, 2022 (Rupees in thousand)		Audited September 30, 2021 (Rupees in thousand)	
	Assets	Liabilities	Assets	Liabilities
Sugar	16,840,106	12,645,599	10,621,822	4,619,616
Ethanol	6,291,228	1,744,297	5,636,656	2,810,170
Total for reportable segment	23,131,334	14,389,896	16,258,478	7,429,786
Others	1,457,170	1,018,021	900,102	571,374
Total assets / liabilities	24,588,504	15,407,917	17,158,580	8,001,160

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 Nine months ended June 30, 2022		June 30, 2021
	(Rupees in thousand)		
<b>The Holding Company</b>			
<b>Associated Companies</b>			
Rental income	1,271		5,206
<b>CSML</b>			
<b>Associated undertakings:</b>			
Services	22,934		22,903
Expenses paid by associated companies	5,371		1,283
Purchase of goods	167,581		90,928
Expenses paid on behalf of associated companies	-		82,411
Dividend paid	26,877		26,804
Mark-up charged	19,916		14,290
Post employment benefit			
Expense charged in respect of retirement benefit plan	19,612		2,583
Key management personnel / Directors			
Salaries and other benefits	144,131		92,330
Dividend paid	19,103		14,741
Advance against sale of floor area - building	100,000		-



**27. 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.

**28. 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 27 July, 2022.



**Director**



**Director**



**Chief Financial Officer**