

BOOK POST
Printed Matter
UNDER POSTAL CERTIFICATE

If undelivered please return to:
THE PREMIER SUGAR MILLS & DISTILLERY CO., LTD.
MARDAN



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

**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED
DECEMBER 31, 2021**

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

COMPANY INFORMATION

Board of Directors

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

Company Secretary

Mr. Mujahid Bashir

Chief Financial Officer

Mr. Rizwan Ullah Khan

Head of Internal Audit

Mr. Zaheer Mir

Auditors

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

Tax Consultants

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

Legal Advisor

Mr. Isaac Ali Qazi
Advocate

Shares Registrar

M/s. Hameed Majeed Associates (Pvt.) Limited,
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

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

DIRECTORS' REVIEW REPORT

The Directors of The Premier Sugar Mills and Distillery Company Limited ("the Company") are pleased to present the un-audited condensed interim financial information of the Company for the first quarter ended December 31, 2021 to the shareholders of the Company in compliance with Section 237 of the Companies Act, 2017 (the Act) and the rule book of the Pakistan Stock Exchange.

OPERATIONAL OPERATIONS

The sugarcane crushing season 2021-22 commenced on November 12, 2021. The Mills have crushed 30,035 tons of sugarcane and have produced 1822 tons of sugar till December 19, 2021. The Mills operated intermittently at 20% of its capacity causing inversion of sugarcane juice and pushing recovery at historic low. In these conditions, the management in order to avoid huge losses decided closure of the Mill on January 31, 2022. As the entire sugarcane is being diverted to tax free commercial Gur making, we have requested Cane Commissioner/Director Food, Food Directorate, KPK to play their role as defined in Gur Control Act, 1948 but of no avail, nor did FBR took measures to collect sales tax on the Commercial Gur sales at the Mandi Level.

SUGAR PRICES

The Company operated intermittently for only 38 days and had to close its operations due to non-supply of sugarcane.

DISTILLERY

The Ethanol Fuel Plant produce 795 M.T of ethanol during the first Quarter ended December 31, 2021.

FINANCIAL PERFORMANCE

The Company suffered Rs. 55.353 million loss after taxation (2020: Rs. 79.172 million) during the first quarter ended December 31, 2021.

ACCOUNTING POLICIES

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

ACKNOWLEDGEMENT

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

FOR AND ON BEHALF OF THE BOARD



(ISKANDER M. KHAN)
Director



(ABBAS SARFARAZ KHAN)
Chief Executive

Islamabad
February 24, 2022

چینی کی قیمت

کمپنی نے وقفے وقفے سے صرف 38 دن کام کیا اور گنے کی عدم فراہمی کی وجہ سے کام بند کر دیا۔

ڈسٹری

ایسٹھنول فیول پلانٹ نے 31 دسمبر 2021 کو ختم ہونے والی پہلی سہ ماہی کے دوران، 795

M.T ایسٹھنول کی پیداوار کی۔

مالیاتی کارکردگی

31 دسمبر 2021 کو ختم ہونے والی پہلی سہ ماہی کے دوران کمپنی کا نقصان بعد از ٹیکس

55.353 ملین روپے رہا (2020 میں 79.172 ملین روپے تھا)۔

اکاؤنٹنگ کی پالیسیاں

کمپنی کی پہلی سہ ماہی کنڈنڈ انٹیرم مالیاتی معلومات کی تیاری کے دوران اپنائی گئی اکاؤنٹنگ

پالیسیاں وہی ہیں جو پچھلے سال سالانہ مالیاتی حسابات میں اپنائی گئی تھیں۔

اعتراف

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

منجانب بورڈ



اسکندر محمد خان
ڈائریکٹر

اسلام آباد



عباس سرفراز خان
چیف ایگزیکٹو

بتاریخ: 24 فروری 2022

دی پریسمیر شوگر ملز اینڈ ڈسٹری کمپنی لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ

دی پریسمیر شوگر ملز اینڈ ڈسٹری کمپنی لمیٹڈ ("کمپنی") کے ڈائریکٹرز 31 دسمبر 2021 کو ختم ہونے والی پہلی سہ ماہی کی اختتامی مدت پر غیر آڈٹ شدہ کنڈنڈ انٹیرم مالیاتی معلومات جو کہ کمپنی ایکٹ 2017 (دی ایکٹ) کے سیکشن 237 اور پاکستان سٹاک ایکسچینج کی رول بک کے مطابق ہیں کمپنی کے شئر ہولڈرز کو پیش کرنے پر مسرت محسوس کرتے ہیں۔

آپریشن کا جائزہ

گنے کا کرشنگ سیزن 2021-22 کا آغاز 12 نومبر 2021 کو شروع ہوا۔ 19 دسمبر 2021 تک ملز نے 30,035 ٹن گنا کرش کیا اور 1822 ٹن چینی کی پیداوار ہوئی۔ ملز اپنی صلاحیت کے 20 فیصد پر وقفے وقفے سے کام کرتی رہی جس کی وجہ گنے کے رس میں کمی آئی اور ریکوری تاریخ کی کم ترین سطح پر ہوئی۔ ان حالات میں انتظامیہ نے بھاری نقصان سے بچنے کے لئے 31 جنوری 2022 کو مل بند کر دی۔ جیسا کہ پورے گنے کو ٹیکس فری کمرشل گزربنانے کی طرف موڑ دیا گیا ہے، ہم نے کین کمشنر/ڈائریکٹر فوڈز، فوڈ ڈائریکٹریٹ، کے پی کے سے درخواست کی تھی کہ وہ اپنا کردار ادا کریں جیسا کہ گزربنانے وال ایکٹ 1948 میں بیان کیا گیا ہے لیکن کوئی خاطر خواہ فائدہ نہیں ہوا، اور نا ہی ایف بی آر نے منڈی کی سطح پر گزربنانے کی سہولتیں وصول کرنے کے لئے کوئی اقدامات کئے۔

**THE PREMIER SUGAR MILLS &
CONDENSED INTERIM STATEMENT OF FINANCIAL**

		<u>Unaudited</u> Dec 31, 2021	<u>Audited</u> Sep 30, 2021
	Note	Rupees in thousand	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
5,750,000 ordinary shares			
of Rs. 10 each		<u>57,500</u>	<u>57,500</u>
Issued, subscribed and			
paid-up capital	14	37,500	37,500
Capital reserves			
- share redemption		1	1
- revaluation surplus on property,			
plant and equipment		777,239	792,005
General revenue reserve		900,000	900,000
Accumulated loss		<u>(649,519)</u>	<u>(608,932)</u>
		1,065,221	1,120,574
NON-CURRENT LIABILITIES			
Long term finances	15	0	5,077
Lease liabilities		399	1,095
Government Grant		0	78
Staff retirement benefits - gratuity		20,040	20,096
Deferred taxation	19	97,364	126,479
		117,803	152,825
CURRENT LIABILITIES			
Trade and other payables	16	233,743	128,053
Unclaimed dividends		7,470	7,470
Accrued mark-up		2,684	5,877
Short term borrowings	17	473,767	247,612
Current portion of non- current			
liabilities	18	25,147	26,886
Taxation	19	17,902	16,400
		760,713	432,298
Liabilities directly associated with non-current			
assets classified as held for sale		270,000	270,000
CONTINGENCIES AND			
COMMITMENTS			
	20		
		<u>2,213,737</u>	<u>1,975,697</u>

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


CHIEF EXECUTIVE

**DISTILLERY COMPANY LIMITED
POSITION AS AT DECEMBER 31, 2021**

		<u>Unaudited</u> Dec 31, 2021	<u>Audited</u> Sep 30, 2021
	Note	Rupees in thousand	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,249,001	1,278,751
Investment property	6	20,183	20,480
Long term investments	7	170,006	170,006
Long term loan to Subsidiary Company		0	0
Security deposits		1,263	1,263
		<u>1,440,453</u>	<u>1,470,500</u>
CURRENT ASSETS			
Stores and spares	8	111,884	109,699
Stock-in-trade	9	360,963	133,605
Trade debts		20,850	156,955
Advances	10	122,344	5,661
Trade deposits and short term prepayments	11	7,952	4,344
Accrued profit on bank deposits		715	527
Other receivables	12	14,205	19,135
Current portion of long term loan to a Subsidiary Company		0	0
Sales tax refundable		6,233	780
Income tax refundable, advance income tax and tax deducted at source		18,631	17,076
Bank balances	13	104,865	52,773
		768,642	500,555
Non-current assets classified as held for sale		4,642	4,642
		<u>2,213,737</u>	<u>1,975,697</u>


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2021

		Dec 31, 2021	Dec 31, 2020
	Note	Rupees in thousand	
Sales - net	21	143,064	242,258
Cost of sales	22	(204,017)	(317,142)
Gross loss		(60,953)	(74,884)
Distribution cost	23	(11,058)	(5,820)
Administrative expenses	24	(14,897)	(14,658)
Other expenses	25	(338)	(215)
		(26,293)	(20,693)
		(87,246)	(95,577)
Other income	26	10,929	13,645
Loss from operations		(76,317)	(81,932)
Finance cost	27	(6,648)	(7,688)
Loss before taxation		(82,965)	(89,620)
Taxation		27,612	10,448
Loss after taxation		(55,353)	(79,172)
Other comprehensive income		0	0
Total comprehensive loss		(55,353)	(79,172)
		Rupees	
Loss per share		(14.76)	(21.11)

- The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2021

	Dec 31, 2021	Dec 31, 2020
	Rupees in thousand	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the period - before taxation	(82,965)	(89,620)
Adjustments for:		
Depreciation on property, plant and equipment	29,883	32,413
Depreciation on investment property	297	203
Mark-up on loan to Subsidiary company and profit / mark-up on bank deposits	(356)	(1,161)
Staff retirement benefits-gratuity (Net)	(56)	740
Finance cost	5,797	6,512
Loss before working capital changes	(47,400)	(50,913)
EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES		
Decrease / (Increase) in current assets:		
Stores and spares	(2,185)	(3,224)
Stock-in-trade	(227,358)	54,847
Trade debts	136,105	(30,754)
Loans and advances	(116,683)	(6,036)
Trade Deposits and short term prepayments	(3,608)	(2,083)
Other receivables	4,930	(682)
Advance sales tax - net	(5,456)	0
Decrease in trade and other payables	105,690	(29,409)
	(108,565)	(17,341)
Cash used in operations	(155,965)	(68,254)
Income Tax paid	(1,556)	(2,534)
Net cash used in operating activities	(157,521)	(70,788)
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(133)	0
Mark-up / profit received on loan to Subsidiary company and bank deposits	171	658
Net cash used in investing activities	38	658
CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowings-net	226,155	25,000
Long term loan to Subsidiary Company	(6,013)	9,648
Long term loan to Subsidiary Company	0	24,238
Finance cost paid	(8,990)	(6,265)
Dividend paid	0	(10)
Lease finances - net	(1,577)	(499)
Net cash generated from financing activities	209,575	52,112
Net decrease in cash and cash equivalents	52,092	(18,018)
Cash and cash equivalents - at beginning of the period	52,773	52,563
Cash and cash equivalents - at end of the period	104,865	34,545

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2021

	Share capital	Reserves				TOTAL
		Share redemption	Revaluation surplus on property, plant and	Revenue		
				General	Accumulated Loss	
Balance as at September 30, 2020 - audited	37,500	1	519,562	900,000	(463,599)	993,464
Total comprehensive loss for the quarter ended December 31, 2020	0	0	0	0	(79,172)	(79,172)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period -net of deferred taxation	0	0	(10,419)	0	10,419	0
Balance as at December 31, 2020 - unaudited	37,500	1	509,143	900,000	(532,352)	914,292
Balance as at September 30, 2021 - audited	37,500	1	792,005	900,000	(608,932)	1,120,574
Total comprehensive loss for the quarter ended December 31, 2021	0	0	0	0	(55,353)	(55,353)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for current period -net of deferred taxation	0	0	(14,766)	0	14,766	0
Balance as at December 31, 2021 unaudited	37,500	1	777,239	900,000	(649,519)	1,065,221

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2021

1. Legal status and operations

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 Limited. 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.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. Significant Accounting Policies

The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended September 30, 2021.

4. Accounting Estimates, Judgments and Financial Risk Management

The preparation of condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended September 30, 2021.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended September 30, 2021.

	Unaudited Dec 31, 2021 (Rupees in thousand)	Audited Sep 30, 2021
5. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	<u>1,249,001</u>	<u>1,278,751</u>
5.1. Operating fixed assets - tangible		
Book value at the beginning of the period / year	1,278,751	1,403,441
Additions during the period / year :		
- Plant & machinery		2,561
- furniture, fittings & office equipment	133	3,800
- vehicles	0	67
	<u>133</u>	<u>6,428</u>
Revaluations Adjustments	0	0
Book value of assets disposed-off during the period /year	(552)	(908)
Depreciation charge for the period / year	<u>(29,883)</u>	<u>(130,210)</u>
Book value at the end of the period / year	<u>1,249,001</u>	<u>1,278,751</u>
6. Investment property		
Opening book value	20,480	25,766
Depreciation charge for the period/ year	(297)	(644)
Less: Book value of property classified as held for sale	0	(4,642)
Closing book value	<u>20,183</u>	<u>20,480</u>
7. 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) as at December 31, 2021 were Rs.1,167.185 million and Rs.18.268 million respectively.		
8. STORES AND SPARES		
Stores	41,587	40,316
Spares	<u>70,297</u>	<u>69,383</u>
	<u>111,884</u>	<u>109,699</u>
8.1	Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.	

	Un-audited Dec 31, 2021 (Rupees in thousand)	Audited Sep. 30, 2021
9. Stock-in-trade		
Sugar-in-process	27,652	8,688
Finished goods:		
- sugar	130,003	0
- molasses	121,091	21,525
- ethanol	82,217	103,392
	<u>333,311</u>	<u>124,917</u>
	<u>360,963</u>	<u>133,605</u>
10. ADVANCES - Considered good		
Suppliers and contractors	117,451	2,027
Employees	4,893	3,634
	<u>122,344</u>	<u>5,661</u>
10.1	No amount was due from key management personnel of the Company during the current and preceding years.	
11. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS		
Excise duty deposit	136	136
Short term prepayments	4,954	1,346
Deposits against decretal amounts	<u>2,862</u>	<u>2,862</u>
	<u>7,952</u>	<u>4,344</u>
12. Other receivables		
Other receivables include due from Premier Board Mills Ltd. (an Associated Company) amounting Rs.1.505 million (September 30, 2021: Rs.5.148 million) on account of building lease rentals.		
13. Bank balances		
13.1	Period-end bank balances include deposits aggregating Rs.6 million lying with Innovative Investment Bank Ltd. (IIBL), Islamabad carrying profit at the rate of 5% per annum. The maturity dates of these deposits fell between July 29, 2009 to July 29, 2012.	
13.2	The realisability of these deposits is doubtful of recovery as these could not be encashed on their respective maturity dates; further, year-end balance confirmation certificate from IIBL was also not received. The Securities and Exchange Commission of Pakistan (SECP), in exercise of its powers conferred under sections 282 E & F of the repealed Companies Ordinance, 1984, had superseded the entire Board of Directors of IIBL and appointed an Administrator with effect from January 28, 2010. SECP had also instituted winding-up proceedings against IIBL before the Lahore High Court, Lahore (LHC). SECP had sought liquidation on a number of counts including violation of the Scheme of Amalgamation approved by SECP under which IIBL took over all the rights / liabilities of Crescent Standard Investment Bank Ltd.	

The SECP winding-up petition has been decided by the LHC and LHC has appointed Joint Official Liquidator (JOL). The LHC, vide its order dated April 14, 2018 has approved release of payment upto Rs.10 million in respect of principal amount only subject to verification as per the laws. The amount of Rs.12 million, as per the LHC order, has been received by the Company during Dec, 2020. The management, for the release of further

amount, anticipates that JOL will intimate in due course of time; no provision, therefore, for the remaining deposits aggregating Rs.6 million has been made in the books of account.

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

- 13.3** The Company had deposited Rs.5 million in Term Deposit with Mehran Bank Limited at Peshawar for a period of six months @ 12.5% per annum on September 25, 1993 vide TDR No.007902, which was to mature on March 25, 1994. The aforesaid TDR could not be encashed because of the crisis of Mehran Bank's affairs which were being administered by the State Bank of Pakistan (SBP). Mehran Bank Limited was eventually merged into National Bank of Pakistan (NBP).

The Company, through its lawyers, had issued legal notices to SBP, NBP and the defunct Mehran Bank Limited. In response, the Company had received a letter from NBP dated November 05, 1995 stating that the investment by the Company was shown in Fund Management Scheme, which was an unrecorded liability of Mehran Bank Limited. The Company had filed a suit with the Civil Court for recovery of the said amount along with profit @ 12.5% per annum with effect from September 25, 1993 till the date of payment. The Civil Judge, Peshawar, vide his judgment dated May 13, 2004, had decreed against SBP. SBP, against the said judgment, has filed an appeal before the Peshawar High Court, which is pending adjudication. Full provision for the said doubtful amount exists in these financial statements.

14. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		Un-audited	Audited
Dec 31, 2021	Sep. 30, 2021	Dec 31, 2021	Sep. 30, 2021
(No. of shares)		(Rupees in thousand)	
1,476,340	1,476,340	14,763	14,763
	ordinary shares of Rs.10 each fully paid in cash		
2,273,660	2,273,660	22,737	22,737
	ordinary shares of Rs.10 each issued as fully paid bonus shares		
3,750,000	3,750,000	37,500	37,500

- 14.1** Voting rights, board selection, right of first refusal and block voting are in proportion to the shareholding of the shareholders.

- 14.2** Arpak International Investments Ltd. (an Associated Company) held 400,000 ordinary shares as at December 31, 2021 and September 30, 2021.

15. LONG TERM FINANCES - Secured

Balance as at,	24,389	29,988
Less: current portion grouped under current liabilities	24,389	24,911
	<u>0</u>	<u>5,077</u>

16. TRADE AND OTHER PAYABLES		Un-audited	Audited
		Dec 31, 2021	Sep. 30, 2021
(Rupees in thousand)			
Due to Chashma Sugar Mills Limited - a related party		145,774	89,995
Creditors		50,034	10,176
Accrued expenses		23,550	12,203
Due to employees		7,320	5,783
Deposits from contractors and others		938	796
Advances from customers		624	623
Income tax deducted at source		166	149
Sales tax payable		739	0
Workers' (profit) participation fund - allocation for the year		0	0
Gratuity payable to ex-employees		4,012	4,074
Employees' provident fund payable		431	4,113
Others		155	141
		<u>233,743</u>	<u>128,053</u>

17. SHORT TERM BORROWINGS

Short term finances - secured		473,767	239,000
Temporary bank overdraft - unsecured		0	8,612
	17.1	<u>473,767</u>	<u>247,612</u>

- 17.1** Short term finance facilities available from various commercial banks under mark-up arrangements aggregate Rs.1,400 million (2021: Rs.1,350 million). These facilities are secured against pledge of stock of refined sugar, charge over fixed assets, charge over present and future current assets of the Company and registered first exclusive charge over the Company's head office second and third floors. These facilities, during the year, carried mark-up at the rates ranging from 8.78 % to 9.48% (2021: 8.25% to 9.49%) per annum and are expiring on various dates by March 31, 2022.

- 17.2** Facilities available for opening letters of guarantee and credit from commercial banks aggregate Rs.95 million (2021: Rs.95 million). Out of the available facilities, facilities aggregating Rs.45.66 million (2021: Rs.73 million) remained unutilised at the year-end. These facilities are secured against lien over term deposit receipts, shipping documents and the securities detailed in the preceding paragraph.

18. CURRENT PORTION OF NON-CURRENT LIABILITIES

Long term finances	24,389	24,911
Lease liabilities	106	987
Government grant	652	988
	<u>25,147</u>	<u>26,886</u>

19. Taxation

Provision for the current period represents tax due under sections 5 (Tax on dividends), 15 (Income from property) and 113 (Minimum tax on income of certain persons) of the Income Tax Ordinance, 2001 (the Ordinance).

	Un-audited Dec 31, 2021 (Rupees in thousand)	Audited Sep. 30, 2021
19.1 Deferred		
This is comprised of the following:		
Taxable temporary differences arising in respect of:		
- accelerated tax depreciation allowances	8,350	9,616
- revaluation surplus on property, plant and equipment	317,464	323,495
- lease finances	57	
	<u>325,871</u>	<u>333,111</u>
Deductible temporary differences arising in respect of:		
- available unused tax losses	(177,974)	(156,070)
- staff retirement benefits - gratuity	(5,811)	(5,828)
- provision for doubtful bank balance	(1,450)	(1,450)
- lease finances	0	(13)
- minimum tax recoverable against normal tax charge in future years	(43,272)	(43,271)
	<u>(228,507)</u>	<u>(206,632)</u>
	<u>97,364</u>	<u>126,479</u>
20. Contingencies and commitments		
20.1 There has been no significant change in the status of contingencies as reported in the audited financial statements of the Company for the year ended September 30, 2021.		
20.2 Guarantees given to Sui Northern Gas Pipelines Ltd. by a commercial bank on behalf of the Company outstanding as at December 31, 2021 were for Rs.37.34 million (September 30, 2021: Rs.22 million). These guarantees are valid upto Nov 16, 2022.		
21. SALES - Net	Dec 31, 2021	Dec 31, 2020
	Rupees in thousand	
Turnover:		
Local	29,455	163,714
Export	114,983	102,332
	<u>144,438</u>	<u>266,046</u>
Less: sales tax	1,374	23,788
	<u>143,064</u>	<u>242,258</u>

	Dec 31, 2021 Rupees in thousand	Dec 31, 2020
22. COST OF SALES		
Raw materials consumed	334,570	167,907
Chemicals and stores consumed	5,039	1,036
Salaries, wages and benefits	34,215	30,072
Power and fuel	21,764	21,991
Insurance	737	531
Repair and maintenance	6,405	9,203
Depreciation	28,645	31,554
	<u>431,375</u>	<u>262,294</u>
Adjustment of sugar-in-process:		
Opening	8,688	7,832
Closing	(27,652)	(21,302)
	<u>(18,964)</u>	<u>(13,470)</u>
Cost of goods manufactured	412,411	248,824
Adjustment of finished goods:		
Opening stock	124,917	179,929
Closing stock	(333,311)	(111,611)
	<u>(208,394)</u>	<u>68,318</u>
	<u>204,017</u>	<u>317,142</u>
23. DISTRIBUTION COST		
Commission	4	128
Salaries, wages and amenities	96	281
Stacking and loading	411	646
Expenses on ethanol export	10,547	4,765
	<u>11,058</u>	<u>5,820</u>
24. ADMINISTRATIVE EXPENSES		
Salaries and amenities	6,358	8,141
Travelling, vehicles' running and maintenance	857	591
Utilities	231	371
Directors' travelling	0	3
Rent, rates and taxes	861	542
Insurance	253	221
Repair and maintenance	1,283	716
Printing and stationery	56	678
Communication	232	311
Legal and professional charges (other than Auditors)	1,928	1,370
Subscription	107	197
Depreciation on:		
- operating fixed assets	684	859
- investment property	297	202
General office expenses	1,750	456
	<u>14,897</u>	<u>14,658</u>

	Dec 31, 2021 Rupees in thousand	Dec 31, 2020
25. OTHER EXPENSES		
Sales tax arears	338	0
Exchange fluctuation loss	0	215
	338	215
26. OTHER INCOME		
Income from financial assets:		
Mark-up on loan to Subsidiary Company	0	540
Mark-up / interest / profit on bank deposits / saving accounts and certificates	356	621
Income from other than financial assets:		
Rent	6,084	7,183
Sale of agricultural produce	2,859	4,764
Exchange gain	909	0
Government grant	414	537
Gain on sale of vehicle / fixed assets	179	0
Miscellaneous	128	0
	10,929	13,645
27. FINANCE COST		
Mark-up on:		
- long term finances	614	913
- short term borrowings	5,797	6,512
Lease finance charges	28	135
Bank charges	209	128
	6,648	7,688

28. Segment operating results for the three month period ended December 31,2021(Un- audited)

	Sugar Division December 31, 2021Rupees in thousand.....	Ethanol Division December 31, 2021	Total December 31, 2021
TURNOVER			
- Local	25,506	3,949	29,455
- Export	0	114,983	114,983
	25,506	118,932	144,438
Less: Sales Tax	800	574	1,374
	24,706	118,358	143,065
COST OF SALES	130,183	73,834	204,016
GROSS (LOSS) / PROFIT	(105,476)	44,525	(60,952)
DISTRIBUTION COST	511	10,548	11,058
ADMINISTRATIVE EXPENSES	14,897	0	14,897
OTHER OPERATING EXPENSES	338		338
	15,745	10,548	26,293
	(121,222)	33,977	(87,245)
OTHER OPERATING INCOME	0	0	10,930
PROFIT/ (LOSS) FROM OPERATIONS		33,977	(76,315)
FINANCE COST			6,648
(LOSS) / PROFIT BEFORE TAXATION			(82,963)
TAXATION			27,612
LOSS AFTER TAXATION			(55,351)

28.1 Segment assets and liabilities

	Un- audited December 31,2021 (Rupees in thousand)		Audited September 30,2021 (Rupees in thousand)	
	Assets	Liabilities	Assets	Liabilities
Sugar	1,962,857	732,743	1,710,306	495,125
Ethanol	250,880	415,774	265,388	359,995
Total for reportable segment	2,213,737	1,148,517	1,975,694	855,120
Others	-	-	-	-
Entity's total assets / liabilities	2,213,737	1,148,517	1,975,694	855,120

29. Transactions with related parties

29.1 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:

	Un-audited Period ended Dec. 31, 2021 (Rupees in thousand)	
Subsidiary Companies:		
- purchase of goods	4,965	1,067
- sale of store items	4,384	1,529
- rent paid	29	29
- rent received	5,445	5,445
- mark-up earned on long term loan	0	541
- expenses paid on behalf of the Company	12,399	7,430
- expenses paid by the Company	552	4,583
Associated Companies:		
- rent received	635	1,735
Key management personnel		
- salaries and other benefits	1,821	5,164
- contribution towards provident fund	-	253

29.2 The Company's shareholdings in Subsidiary and Associated Companies' have been detailed in note 45 of annual financial statements of the Company for the year ended September 30, 2021. In addition to the names of the Associated Companies detailed in note 8, the following are other Associated Companies:

- Syntronics Limited
- Syntron Limited
- Premier Ceramics Limited
- Phipson & Co. Pakistan (Pvt.) Ltd.

29.3 Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the Company. The Company considers its Chief Executive, directors and all members of management team to be its key management personnel.

30. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Particulars	Chief Executive		Directors		Executives	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	----- Rupees in thousand -----					
Managerial remuneration	360	300	900	750	561	4,114
Contribution to provident fund	0	0	-	-	-	253
	360	300	900	750	561	4,367
Number of persons	1	1	1	2	1	2

30.1 The Chief Executive, one director and the executives residing in the factory are provided free housing (with the Company's generated electricity in the residential colony within the factory compound). The Chief Executive, one director and executives are also provided with the Company maintained cars.

30.2 Remuneration of directors does not include amounts paid or provided for, if any, by the Subsidiary and Associated Companies.

31. Date of Authorisation for Issue

This condensed interim financial information was approved and authorised for issue by the Board of Directors of the Company on February 24, 2022.

32. Corresponding Figures

32.1 In order to comply with the requirements of IAS 34 'Interim financial reporting', the condensed interim balance sheet has been compared with the balances of annual audited financial statements of the preceding financial year, whereas, the condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.

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 this condensed interim financial information.

32.2 Figures in this condensed interim financial information has been rounded-off to the nearest thousand Rupees.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER



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

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED
DECEMBER 31, 2021**

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

	Note	Unaudited December 31, 2021	Audited September 30, 2021
Assets			
Non-current Assets			
Rupees in thousand			
Property, plant and equipment	6	16,915,242	14,660,214
Right-of-use assets		332,615	342,299
Investment property		24,825	25,122
Long term investments		161,968	160,384
Security deposits		16,439	16,439
		<u>17,451,089</u>	<u>15,204,458</u>
Current Assets			
Stores and spares	7	560,278	639,413
Stock-in-trade	8	3,816,166	1,488,150
Trade debts		165,969	690,417
Loans and advances		1,826,235	775,647
Trade deposits, short term prepayments and other receivables	9	307,733	301,828
Accrued profit on bank deposits		715	527
Tax refunds due from the Government		375,344	333,564
Short term investments	10	30,497	34,697
Bank balances	11	625,482	501,490
		<u>7,708,419</u>	<u>4,765,733</u>
TOTAL ASSETS		<u>25,159,508</u>	<u>19,970,191</u>
Equity and Liabilities			
Share Capital and Reserves			
Authorised capital			
5,750,000 (2020: 5,750,000) ordinary shares of Rs.10 each		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		3,769,057	3,874,361
General revenue-reserve		1,010,537	1,010,537
Unappropriated profit		1,199,442	1,190,299
Equity Attributable to Equity Holders of the Holding Company		<u>6,016,537</u>	<u>6,112,698</u>
Non-Controlling Interest		<u>5,391,394</u>	<u>5,340,303</u>
		<u>11,407,931</u>	<u>11,453,001</u>
Non-current Liabilities			
Long term finances	12	4,045,138	1,707,371
Loans from related parties	13	168,707	198,075
Lease liabilities		202,970	227,981
Government grant		4,144	6,282
Deferred liabilities		1,815,937	1,916,956
		<u>6,236,896</u>	<u>4,056,665</u>
Current Liabilities			
Trade and other payables	14	1,282,185	771,434
Unclaimed dividends		20,395	7,470
Accrued mark-up		2,684	129,076
Short term borrowings		5,105,948	2,677,942
Current portion of non-current liabilities		1,085,144	844,946
Dividends payable to non-controlling interest		-	12,925
Taxation		18,325	16,732
		<u>7,514,681</u>	<u>4,460,525</u>
Total liabilities		<u>13,751,577</u>	<u>8,517,190</u>
Contingencies and Commitments			
TOTAL EQUITY AND LIABILITIES		<u>25,159,508</u>	<u>19,970,191</u>

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE FIRST QUARTER ENDED DECEMBER 31, 2021

	December 31, 2021	December 31, 2020
-----Rupees in thousand-----		
Sales - Net	2,894,736	2,736,972
Cost of Sales	(2,525,014)	(2,324,838)
Gross Profit	369,722	412,134
Distribution Cost	(138,362)	(130,443)
Administrative Expenses	(203,905)	(177,934)
Other Expenses	(1,326)	(20,602)
	(343,593)	(328,979)
	26,129	83,155
Other Income	21,063	36,069
Profit from Operations	47,192	119,224
Finance Cost	(140,804)	(130,337)
	(93,612)	(11,113)
Share of loss from Associated Companies	(6,456)	(5,802)
Loss before Taxation	(100,068)	(16,915)
Taxation		
Group		
- Current	(3,506)	(16,009)
- Deferred	50,464	(2,370)
	46,958	(18,379)
Associated Companies	(57)	-
	46,901	(18,379)
Loss after Taxation	(53,167)	(35,294)
Attributable to:		
- Equity holders of the Parent Company	(57,209)	(60,938)
- Non-controlling interest	4,042	25,644
	(53,167)	(35,294)
----- Rupees -----		
Combined Loss per share - basic and diluted	(15.26)	(16.25)

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED STATEMENT OF
OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2021

	December 31, 2021	December 31, 2020
	-----Rupees in thousand-----	
Loss after Taxation	(53,167)	(35,294)
Other Comprehensive Income / (Loss)		
Fair value gain / (loss) on available-for-sale investments	-	-
Share of other comprehensive (loss) / income from Associated Companies	7,390	3,902
Adjustment for gain included in statement of profit or loss upon sale of Available for sale investments	-	-
Total Comprehensive Loss	(45,777)	(31,392)
Attributable to:		
- Equity holders of the Parent Company	(53,667)	(58,989)
- Non-controlling interest	7,890	27,596
	(45,777)	(31,392)

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
CASH FLOW STATEMENT (UNAUDITED)
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2021

	Quarter ended December 31, 2021	December 31, 2020
	-----Rupees in thousand-----	
Cash flow from operating activities		
loss for the period - before taxation	(100,068)	(16,915)
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	275,272	260,260
Depreciation on investment property	297	203
Loss from Associated Companies - net	6,456	5,802
Interest / profit on bank deposits and saving accounts	(1,623)	(1,996)
Staff retirement benefits - gratuity (net)	-	-
Gain on disposal of operating fixed assets	(330)	-
Gain on re-measurement of short term investments to fair value	(690)	(544)
Gain on redemption of long term investment	-	-
Dividend income	-	-
Finance cost	140,804	130,337
Profit before working capital changes	320,118	377,147
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Stores and spares	79,135	44,330
Stock-in-trade	(2,328,016)	(2,471,253)
Trade debts	524,448	(48)
Loans and advances	(1,050,588)	(335,207)
Trade deposits, short term prepayments and other receivables	(5,905)	(53,312)
Sales tax refundable	(41,780)	1,406
Advance sales tax	-	-
Increase in current liabilities	510,751	909,450
Trade and other payables	(2,311,955)	(1,904,634)
Cash (used in) / generated from operations	(1,991,837)	(1,527,487)
Income tax paid	76,289	13,413
Security deposits	0	(26)
Net cash (used in) / generated from operating activities	(1,915,548)	(1,514,100)
Cash flow from investing activities		
Additions to property, plant and equipment	(2,541,227)	(374,762)
Sale proceeds of operating fixed assets	1,243	15,887
Interest / profit on bank deposits and saving accounts	1,435	1,491
Proceeds from disposal of long term investment	(8,040)	(2,900)
Short term investments - net	4,890	(8,729)
Dividend received	0	-
Net cash used in investing activities	(2,541,699)	(369,013)
Cash flow from financing activities		
Long term finances - net	2,234,610	94,616
Loans from Associated Companies	(29,368)	(12,500)
Lease finances - net	215,187	114,006
Short term borrowings - net	2,428,006	2,468,423
Finance cost paid	(267,196)	(244,667)
Dividend paid	-	(9,269)
Net cash generated from / (used in) financing activities	4,581,239	2,410,609
Net decrease in cash and cash equivalents	123,992	527,496
Cash and cash equivalents - at beginning of the period	501,490	364,707
Cash and cash equivalents - at end of the period	625,482	892,203

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2021

	Attributable to equity holders of the Parent								Total equity
	Share capital	Reserves				Unappropriated profit	Total	Non-controlling interest	
		Capital		Revenue					
		Share redemption	Revaluation surplus on property, plant and equipment	General	Fair value reserve on available-for-sale investments				
Rupees in thousand									
Balance as at September 30, 2020 - audited	37,500	1	2,760,882	1,010,539	-	1,219,546	5,028,468	4,128,754	9,157,222
Total comprehensive income / (loss) for the period ended December 31, 2020									
Loss after taxation	0	0	0	0	0	(60,938)	(60,938)	25,644	(35,294)
Other comprehensive income / (loss)	0	0	(943)	0	0	3,902	2,959	0	2,959
	0	0	(943)	0	0	(57,036)	(57,979)	25,644	(32,335)
Effect of items directly credited in equity by Associated Companies						(17)			
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the period -net of deferred taxation	0	0	0	0	0	53,323	53,323	36,945	90,268
-net of deferred taxation			(90,268)				(90,268)		(90,268)
Balance as at December 31, 2020 - unaudited	37,500	1	2,669,671	1,010,539	0	1,215,816	4,933,544	4,191,343	9,124,887
Balance as at September 30, 2021 - audited	37,500	1	3,874,361	1,010,537	-	1,190,299	6,112,698	5,340,303	11,453,001
Total comprehensive income / (loss) for the period ended December 31, 2021									
Loss after taxation	0	0	0	0	0	(57,209)	(57,209)	4,042	(53,167)
Other comprehensive income / (loss)	0	0	0	0	0	7,390	7,390	0	7,390
	0	0	0	0	0	(49,819)	(49,819)	4,042	(45,777)
Effect of items directly credited in equity by Associated Companies	0	0	0	0	0	707	707	0	707
Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation)			(105,304)			58,255	(47,049)	47,049	0
Balance as at December 31, 2021	37,500	1	3,769,057	1,010,537	0	1,199,442	6,016,537	5,391,394	11,407,931

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
SELECTED NOTES TO AND FORMING PART OF THE CONDENSED
INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2021

1. The Group and its operations

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

The Holding Company was incorporated on July 24, 1944 as a Public Company 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

(a) Chashma Sugar Mills Ltd. (CSM)

CSM was incorporated in Pakistan on May 05, 1988 as a Public Company, under the Companies Ordinance, 1984 (which is repealed upon enactment of the Companies Act, 2017 on May 30, 2017) and commenced its commercial production from July 09, 1988. CSM has its shares quoted on the Pakistan Stock Exchange Ltd. CSM is principally engaged in manufacturing, production, processing, compounding, preparation and sale of sugar, other allied compound, intermediates and by-products. CSM is a Subsidiary of The Premier Sugar Mills & Distillery Company Ltd.. The head office of CSM 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. (100% owned subsidiary of CSM) was incorporated in Pakistan as a Private Limited Company under the Companies Act, 2017 on October 26, 2017. The principal activity of Whole Foods (Pvt.) Ltd. is to set-up, manage, supervise and control the storage facilities for agricultural produce.

During the year 2021, the Board of Directors of CSM passed resolution to incorporate Ultimate Whole Foods (Private) Ltd. (UWFPL), and the same has been incorporated on May 17, 2021 as UWFPL limited by shares. The objective of UWFPL will be to set up mills for milling wheat, gram, other grains and other allied products and by-products from flours. CSM owns 51% (i.e. 20,400,000 shares of Rs 10 each) of the total shareholding of UWFPL (i.e. 40,000,000 shares of Rs 10 each). The operations of UWFPL have yet to be started.

The Holding Company directly and indirectly controls / beneficially owns more than fifty percent of CSM's paid-up capital and also has the power to elect and appoint more than fifty percent of its directors; accordingly, CSM 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 June 30, 1938 as a Public Company and its shares were quoted on all the Stock Exchanges of Pakistan; FSM was delisted from the Stock Exchanges as detailed in note 1.2 (c). The principal activity of FSM is manufacturing and sale of white sugar and its Mills and Registered Office are located at Takht-i-Bhai, Mardan (Khyber Pakhtunkhwa). FSM is a Subsidiary of The Premier Sugar Mills & Distillery Company Ltd.

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

(c) Delisting of FSM

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

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

2. Basis of preparation

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.

3. Accounting policies

The accounting policies and methods of computation adopted for the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of preceding consolidated annual financial statements of the Group for the year ended September 30, 2021.

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

4. Accounting estimates, judgments and financial risk management

- 4.1** The preparation of consolidated condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable

expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

- 4.2** Judgments and estimates made by the management in the preparation of these consolidated condensed interim financial statements are the same as those that were applied to consolidated financial statements as at and for the year ended September 30, 2020.
- 4.3** The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended September 30, 2021.
- 4.4** The Holding Company and FSM follow 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 and FSM.

5. Principles of consolidation

These consolidated condensed interim financial statements include the condensed interim financial statements of the Holding Company, consolidated condensed interim financial statements of CSM & its Subsidiary Company and the condensed interim financial statements of FSM as at and for the period ended December 31, 2021. The Holding Company's direct interest, as at December 31, 2021, in CSM was 47.93% (2020: 47.93%) and in FSM was 82.49% (2020: 82.49%).

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

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

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

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

6. Property, plant and equipment

		Un-audited Dec 31, 2021 (Rupees in thousand)	Audited September 30, 2021
	Note		
Operating fixed assets - tangible	6.1	13,858,557	14,130,996
Capital work-in-progress	6.2	3,056,685	529,218
		<u>16,915,242</u>	<u>14,660,214</u>

	Un-audited Dec 31, 2021 (Rupees in thousand)	Audited September 30, 2021
6.1 Operating fixed assets - tangible		
Book value at beginning of the period - audited	14,130,996	
Additions during the period:		
- Building and roads	0	
- plant and machinery	0	
- Office equipment and furniture	2,996	
- vehicles:		
owned	402	
leased	0	
	3,398	
Add: Transfers from right of use assets to owned	678	
Book value of operating fixed assets disposed-off during the period	(1,243)	
Depreciation charge for the period	(275,272)	
Book value at end of the period - un-audited	13,858,557	
6.2 Capital work-in-progress		
At beginning of the period / year	529,218	820,738
Add: Additions during the period / year	2,536,032	1,086,171
Other adjustment	3,962	(9,995)
Less: Capitalised during the period / year	(12,527)	(1,367,696)
Balance at end of the period / year	3,056,685	529,218
7. Stores and spares		
FSM has not carried-out manufacturing operations during the current period and prior years. The management, during year 2021, carried out a detailed exercise to identify obsolete / damaged stores and spares inventory, carrying values of the stores and spares inventory were adjusted accordingly.		
7.1 Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.		
8. Stock-in-trade		
Work-in-process	106,327	22,137
Finished goods:		
- sugar	2,733,623	169,689
- molasses	759,822	769,670
- ethanol	216,394	526,654
	3,709,839	1,466,013
	3,816,166	1,488,150

	Un-audited Dec 31, 2021 (Rupees in thousand)	Audited September 30, 2021
9. Trade deposits, short term prepayments and other receivables		
Sugar export subsidy receivable	305,519	308,510
Prepayments	13,700	6,635
Excise duty deposits	136	136
Gas infrastructure development cess paid under protest - refundable	0	3,018
Lease rentals receivable from an Associated Company (Premier Board Mills Ltd.)	0	870
Guarantees issued	19,000	19,000
Trade deposits	10,326	3,561
Other receivables	15,172	16,218
	363,853	357,948
Less: loss allowance	(56,120)	(56,120)
	307,733	301,828
10. Short term investments - At fair value through profit or loss		
First Habib Cash Fund		
Opening balance - 344,001 Units (2021: 308,045Units)	34,697	31,097
Investments made during the period / year -Nil (2021:109,362 Units)	0	11,000
Gain on redemption and re-measurement to fair value	650	2,150
Units redeemed during the period / year - 47,870 Units (2021: 94,735 Units)	(4,850)	(9,550)
Closing balance - 267,144 Units (2021: 344,001 Units)	30,497	34,697
11. Cash and bank balances		
11.1 Period-end bank balances include deposits aggregating Rs.15 million (September 30, 2020: Rs.20 million), which are under lien of a bank against guarantees issued by it in favour of Sui Northern Gas Pipelines Ltd. on behalf of the Holding Company.		
11.2 (a) These represent deposits lying with Innovative Investment Bank Limited (IIBL), Islamabad carrying profit at the rate of 5% per annum. The maturity dates of these deposits were as follows:		
Date of maturity	Amount of deposit	
	Rupees in thousand	
July 29, 2009	15,600	
July 29, 2010	15,600	
July 29, 2011	15,600	
July 29, 2012	31,200	
	78,000	
Less amounts realised during the :-		
- financial year ended September 30, 2021	(24,000)	
- financial year ended September 30, 2020	(22,000)	
- financial year ended September 30, 2018	(20,000)	
	12,000	

(b) These deposits could not be encashed on their respective maturity dates; further, year-end balance confirmation certificates from IIBL was also not received. The Securities and Exchange Commission of Pakistan (SECP), in exercise of its powers conferred under sections 282 E & F of the repealed Companies Ordinance, 1984, had superseded the entire Board of Directors of IIBL and appointed an Administrator with effect from January 28, 2010. SECP had also instituted winding-up proceedings against IIBL before the Lahore High Court, Lahore (LHC). SECP had sought liquidation on a number of counts including violation of the Scheme of Amalgamation approved by SECP under which IIBL took over all the rights / liabilities of Crescent Standard Investment Bank Ltd.

(c) The SECP winding-up petition was decided by the LHC and LHC appointed Joint Official Liquidator (JOL). The LHC, vide its order dated April 14, 2018 had approved release of payment upto Rs.20 million in respect of principal amounts only subject to verification as per the laws. These amounts of Rs.20 million, as per the LHC order, were received by the Group during August, 2018. The Group, during July, 2020, has received second tranche of Rs.22 million vide the LHC's order dated March 12, 2020. The Group, during October, 2020, has received notice of dividends regarding payment of third tranche of Rs.24 million from JOL as per the LHC's order dated October 01, 2020. The management, for the release of further amounts, anticipates that JOL will intimate in due course of time; no provision, therefore, for the remaining deposits has been made in the books of account of the Holding Company and FSM.

(d) The Group has not accrued profit on these deposits during the current period and preceding financial years.

12. Long term finances - secured

Long term finances - secured		Un-audited Dec 31, 2021	Audited September 30, 2021
	Note	(Rupees in thousand)	
<u>Loan from banking companies</u>			
The Holding Company			
Bank Al-Habib Ltd.	13.1	0	29,988
Bank Al-Habib Ltd.	12.1	2,496,006	617,766
Soneri Bank Ltd.	12.1	944,146	964,301
The Bank of Khyber	12.1	90,000	0
Dubai Islamic Bank Pakistan Ltd.	12.1	694,986	292,480
MCB Bank Ltd.	12.1	177,498	191,821
Al Baraka Bank Ltd.	12.1	446,715	352,544
		<hr/> 4,849,351	<hr/> 2,448,900
Less: amount payable within next 12 months			
The Holding Company			
-principal		804,213	24,911
Less: current portion grouped under current liabilities:			
		-	695,407
deferred benefit of below market rate of interest on refinance facility		-	21,211
		<hr/> -	<hr/> 21,211
Amount due after December 31, 2020	12.2	4,045,138	1,707,371

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

12.2 In case of various loan arrangements, the concerned lenders have waived the requirements of certain covenants of the respective loan agreements. Accordingly, the liabilities under these loan agreements have been classified as per the repayment schedule applicable in respect of the aforesaid loan agreements.

respect of the aforesaid loan agreements.

		Un-audited Dec 31, 2021	Audited September 30, 2021
	Note	(Rupees in thousand)	
13. Loans from related parties - secured			
Premier Board Mills Ltd.	13.1	90,575	90,575
Arpak International Investments Ltd.	13.2	43,750	43,750
Aztlak Enterprises (Private) Ltd.	13.3	74,375	85,000
		208,700	219,325
Less: current portion grouped under current liabilities		39,993	21,250
		168,707	198,075

13.1 This include long term finance facilities obtained by the Subsidiary (CSM) and the Sub-Subsidiary (WFL).

The long term finance facility obtained by CSM 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 CSM.

Long term finance facility amounting to Rs 25 million was obtained during the year by the WFL. 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 WFL.

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

13.3 The long term finance facility was obtained in 2019. The principal is repayable in 8 semi annual installments commencing from December 2021. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the CSM.

14. Trade and other payables

		Un-audited Dec 31, 2021 (Rupees in thousand)	Audited September 30, 2021
	Note		
Creditors		720,679	369,281
Bills payable		0	0
Due to Associated Companies	14.1	85,017	41,823
Accrued expenses		157,763	120,231
Retention money		18,868	18,390
Security deposits - interest free repayable on demand		3,158	1,591
Advance payments from customers		62,340	17,864
Income tax deducted at source		48,074	49,816
Sales tax payable		35,043	14,908
Gratuity payable to ex-employees		5,815	5,877
Advance received against sale of scrap		2,025	2,024
Payable for workers' welfare obligations		60,868	59,373
Payable to provident fund		4,202	4,147
Payable to employees		54,427	47,830
Others		23,906	18,279
		1,282,185	771,434
14.1	This represents amounts due to:		
	- Azlak Enterprises (Pvt.) Ltd.	34,865	37,220
	- Syntronics Ltd.	24,768	4,603
	- Syntron Limited	25,084	0
	- The Frontier Sugar Mills & Distillery Limited	300	0
		85,017	41,823
15. Current portion of non-current liabilities			
Long term finances		581,641	515,848
Lease liabilities		102,467	95,809
Loans from related parties		44,341	1,921
		728,449	613,578
16. Contingencies and commitments			
	There has been no significant change in the status of contingencies as disclosed in note 30 to the audited consolidated financial statements of the Company for the year ended September 30, 2021.		
16.1 Commitments - CSM			
	Commitments in respect of :		
	- foreign letters of credit for purchase of plant & machinery	658,113	264,820
	- local letters of credit for purchase of plant & machinery	282,733	257,546
	- capital expenditure other than for letters of credit	74,927	144,647

17. Other income

		Un-audited Quarter ended Dec 31, 2021 (Rupees in thousand)	Dec 31, 2020
	Note		
Income from financial assets:			
Profit on bank deposits and saving accounts		1,623	1,996
Gain on redemption and remeasurement of short term investments to fair value	10	0	0
		690	544
Exchange fluctuation gain		909	0
Dividend		0	0
Income from other than financial assets:			
Rental income		639	1,738
Sale of scrap		10,556	11,426
Sale of press mud - net		1,746	1,511
Gain on sale of operating fixed assets		330	0
Sale of seeds and agricultural produce		2,859	4,764
Sale of fusel oil - net		1,169	1,118
Miscellaneous		542	12,972
		21,063	36,069
18. Other expenses			
Workers' (profit) participation fund		976	5,339
Donations (without Directors' interest)		12	16
Others		338	15,247
		1,326	20,602
19. Operating segment			

Upto December 31,2021, 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.

19.1 Segment operating results of Holding Co for the three month period ended Dec 31,2021

	Sugar Division		Ethanol Division		Total	
	Three month period ended December 31, 2021	December 31, 2020	Three month period ended December 31, 2021	December 31, 2020	Three month period ended December 31, 2021	December 31, 2020
	Rupees in thousand					
Sales						
-External Customers	1,363,667	1,197,554	1,757,324	1,486,166	3,120,991	2,683,720
-Intersegment	458,726	304,017			458,726	304,017
	1,822,393	1,501,571	1,757,324	1,486,166	3,579,717	2,987,737
Less : sales tax and others	(197,841)	(212,890)	(28,414)	(37,875)	(226,255)	(250,765)
Sales - net	1,624,552	1,288,681	1,728,910	1,448,291	3,353,462	2,736,972
Segment expenses:						
Cost of sales						
Cost of Sales	(1,656,770)	(1,249,108)	(868,244)	(771,713)	(2,525,014)	(2,020,821)
less: Intersegment cost	0	0	(458,726)	(304,017)	(458,726)	(304,017)
	(1,656,770)	(1,249,108)	(1,326,970)	(1,075,730)	(2,983,740)	(2,324,838)
Gross (loss) / profit	(32,218)	39,573	401,940	372,561	369,722	412,134
Selling and distribution expenses	(6,471)	(6,353)	(131,891)	(124,090)	(138,362)	(130,443)
Administrative and general expenses	(136,410)	(144,969)	(67,495)	(32,965)	(203,905)	(177,934)
	(142,881)	(151,322)	(199,386)	(157,055)	(342,267)	(308,377)
(Loss) / profit from operations	(175,099)	(111,749)	202,554	215,506	27,455	103,757
Other income	19,835	21,278	1,228	14,791	21,063	36,069
Other expenses	(7,782)	(11,372)	0	(15,032)	(7,782)	(26,404)
	12,053	9,906	1,228	(241)	13,281	9,665
Segment results	(163,046)	(101,843)	203,782	215,265	40,736	113,422
Finance cost					(140,804)	(130,337)
Profit before tax					(100,068)	(16,915)
Taxation					46,901	(18,379)
Profit for the period					(53,167)	(35,294)

Un- audited
December 31,2021
(Rupees in thousand)

	Assets	Liabilities
Sugar	1,962,857	732,743
Ethanol	250,880	415,774
Total for reportable segment	2,213,737	1,148,517
Others	-	-
Entity's total assets / liabilities	2,213,737	1,148,517

20. Segment operating results of CSM for the three month period ended December 31, 2021 (Un-audited)

	Sugar		Ethanol		Total	
	Three month December 31, 2021	December 31, 2020	Three month December 31, 2021	December 31, 2020	Three month December 31, 2021	December 31, 2020
	Rupees in thousand					
Sales						
-External Customers	1,347,510	1,346,992	1,638,392	1,377,295	2,985,902	2,724,287
-Intersegment	458,726	304,017	-	-	458,726	304,017
	1,806,236	1,651,009	1,638,392	1,377,295	3,444,628	3,028,304
Less : sales tax and others	(197,041)	(195,641)	(27,840)	(31,336)	(224,881)	(226,977)
Sales - net	1,609,195	1,455,368	1,610,552	1,345,959	3,219,747	2,801,327
Segment expenses:						
Cost of sales						
Cost of Sales	(1,535,215)	(1,245,378)	(794,410)	(764,476)	(2,329,625)	(2,009,854)
less: Intersegment cost	-	-	(458,726)	(304,017)	(458,726)	(304,017)
	(1,535,215)	(1,245,378)	(1,253,136)	(1,068,493)	(2,788,351)	(2,313,871)
Gross profit	73,980	209,990	357,416	277,466	431,396	487,456
Selling and distribution expenses	(5,961)	(5,298)	(121,343)	(119,325)	(127,304)	(124,623)
Administrative and general expenses	(107,750)	(115,326)	(67,495)	(32,720)	(175,245)	(148,046)
Others	-	-	-	-	(16,410)	(18,304)
	(113,711)	(120,624)	(188,838)	(152,045)	(318,959)	(290,973)
Profit from operations	(39,731)	89,366	168,578	125,421	112,437	196,483
Other income	13,374	26,734	1,228	1,146	14,602	27,880
Other expenses	(988)	(5,355)	-	(15,032)	(988)	(20,387)
	12,386	21,379	1,228	(13,886)	13,614	7,493
Segment results	(27,345)	110,745	169,806	111,535	126,051	203,976
Finance cost					(134,156)	(123,189)
(Loss) / profit before tax					(8,105)	80,787
Taxation					19,271	(28,703)
Profit for the period					11,166	52,084

20.1 Segment assets and liabilities

	Un-audited December 31, 2021 (Rupees in thousand)		Audited September 30, 2021 (Rupees in thousand)	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
Sugar	15,403,283	9,515,740	10,621,822	4,619,616
Ethanol	5,742,492	2,767,356	5,636,656	2,810,170
Total for reportable segment	21,145,775	12,283,096	16,258,478	7,429,786
Others	1,020,935	715,028	900,102	571,374
Total assets / liabilities	22,166,710	12,998,124	17,158,580	8,001,160

21. Transactions with related parties

- 21.1 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 Associated Companies during the period were as follows:

	Un-audited Three month period ended Dec 31, Dec 31, 2021 2020 (Rupees in thousand)	
Syntron Limited		
Purchase of store items	25,084	38,296
Syntronics Limited		
Purchase of store items	20,165	0
Aztrak Enterprises (Private) Limited		
Service	7,639	7,635
Expenses paid on behalf of the Company	0	554
Mark-up charged	2,063	1,857
Phipson & Company Pakistan (Private) Limited		
Expenses paid on behalf of the Company	0	0
Arpak International Investments Limited		
Mark-up charged	1,062	956
Premier Board Mills Limited		
Rent received	635	1,735
Mark-up charged	2,737	1,977

- 21.2. Following are the related parties with whom Group had entered into transactions or have arrangement / agreement in place.

Company Name	Basis of	Share-holding %
Premier Board Mills Ltd.	Common directorship	0.00%
Aztrak Enterprises (Pvt.) Ltd.	----- do -----	5.10%
Arpak International Investments Ltd.	----- do -----	0.00%
Phipson & Company Pakistan (Pvt.) Ltd.	----- do -----	1.07%
Syntronics Ltd.	----- do -----	12.51%
Syntron Ltd.	----- do -----	0.00%

22. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amounts of remuneration, including certain benefits, to chief executive, directors and executives of the Group for the three months period ended are as follows:

Particulars	Chief Executive		Directors		Executives	
	31-Dec	31-Dec	31-Dec	31-Dec	31-Dec	31-Dec
	2021	2020	2021	2020	2021	2020

----- Rupees in thousand -----

Managerial remuneration including bonus	360	300	11,700	9,750	11,611	13,090
Allowances and utilities	0	0	964	0	7,367	5,984
Contribution to provident fund	0	0	-	-	836	889
Medical expenses reimbursed	0	0	1,863	3,671	175	155
Other expenses	0	0	4,317	1,568	0	0
	360	300	18,844	14,989	19,989	20,118

Number of persons	1	1	5	3	20	17
-------------------	---	---	---	---	----	----

23. Corresponding figures

In order to comply with the requirements of IAS 34 'Interim financial reporting', the consolidated condensed interim statement of financial position has been compared with the balances of annual audited consolidated financial statements of the preceding financial year, whereas, consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of other comprehensive income, consolidated condensed interim statement of cash flows and consolidated condensed interim statement of changes in equity have been compared with the balances of comparable period of the immediately preceding financial year.

24. Date of authorisation for issue

These consolidated condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Holding Company on February 24, 2022.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER