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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, 2022**

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

COMPANY INFORMATION

Board of Directors

Begum Laila Sarfaraz	Chairperson
Mr. Abbas Sarfaraz Khan	Chief Executive
Ms. Zarmine Sarfaraz	Director
Ms. Mahnaz Saigol	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, 2022 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 2022-23 commenced on November 01, 2022. The Mills have crushed 86,814 tons of sugarcane and have produced 9211 tons of sugar till December 09, 2022. The Mills have closed as the KPK Government failed to implement The Gur Control Act, 1948 and the entire sugarcane is diverted towards the Tax-free Commercial Gur making.

SUGAR PRICES

The carry-over stocks around 1 million M.T pressurized the sugar prices, and the delayed export approval of 250,000 M.T failed to create market sentiment and hence prices are lower than the current cost of production.

DISTILLERY

The Ethanol Fuel Plant produce 1947 M.T of ethanol during the first Quarter ended December 31, 2022.

FINANCIAL PERFORMANCE

The Company earned profit of Rs. 57.840 million after taxation during the first quarter ended December 31, 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 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
January 26, 2023

ڈسٹری

بیتھنول فیول پلانٹ نے 31 دسمبر 2022 کو ختم ہونے والی پہلی سہ ماہی کے دوران، 1947 M.T بیتھنول کی پیداوار کی۔

مالیاتی کارکردگی

31 دسمبر 2022 کو ختم ہونے والی پہلی سہ ماہی کے دوران کمپنی کا ٹیکس کے بعد کا منافع 57.840 ملین روپے رہا۔

اکاؤنٹنگ کی پالیسیاں

کمپنی کی پہلی سہ ماہی کنڈرلڈ 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 راز خان
چیف ایگزیکٹو

بتاریخ: 26 جنوری 2023

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 2022 کو ختم ہونے والی پہلی سہ ماہی کی اختتامی مدت پر غیر آڈٹ شدہ کنڈرلڈ انٹیرم مالیاتی معلومات جو کہ کمپنی ایکٹ 2017 (دی ایکٹ) کے سیکشن 237 اور پاکستان شااک انکلیچنگ کی رول بک کے مطابق ہیں کمپنی کے شر ہولڈرز کو پیش کرنے پر مسرت محسوس کرتے ہیں۔

آپریشن کا جائزہ

گئے کارکننگ سیزن 2022-23 کا آغاز 1 نومبر 2022 کو شروع ہوا۔ 9 دسمبر 2022 تک ملز نے 86,814 ٹن گنا کرش کیا اور 9,211 ٹن چینی کی پیداوار ہوئی۔ ملز کو بند کرنا پڑا کیونکہ خمیر پختون خواہ حکومت گزٹنرول ایکٹ 1948 کو نافذ کرنے میں ناکام رہی ہے اور تمام گنے کی فصل کو ٹیکس فری کمرشل گزٹ بنانے کی طرف موڑ دیا گیا ہے۔

چینی کی قیمت

تقریباً ایک ملین M.T کے کیری اور اسٹاک نے چینی کی قیمتوں پر دباؤ ڈالا، اور M.T 250,000 کی تاخیر سے برآمد کی منظوری مارکیٹ میں کیفیت پیدا کرنے میں ناکام رہی اور اس وجہ سے قیمتیں موجودہ پیداواری لاگت سے کم ہیں۔

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

	Note	Un-audited December 31, 2022	Audited September 30, 2022
(Rupees in thousand)			
NON CURRENT ASSETS			
Property, plant and equipment	5	1,137,079	1,160,797
Investment property	6	20,135	20,183
Long term investments	7	170,006	170,006
Security Deposits		1,809	1,309
		<u>1,329,029</u>	<u>1,352,295</u>
CURRENT ASSETS			
Stores and spares	8	110,954	106,710
Stock-in-trade	9	1,173,791	760,503
Trade debts		72,138	45,071
Advances	10	520,809	250,244
Trade deposits and short term prepayments	11	7,664	4,017
Accrued profit on bank deposits		0	0
Other receivables	12	9,670	9,910
Sales tax refundable		180	417
Income tax refundable, advance income tax and tax deducted at source		31,011	20,280
Bank balances	13	87,582	71,665
		<u>2,013,799</u>	<u>1,268,817</u>
Non-current assets classified as held for sale		4,642	4,642
		<u>2,018,441</u>	<u>1,273,459</u>
TOTAL ASSETS		<u>3,347,470</u>	<u>2,625,754</u>


CHIEF EXECUTIVE

**DISTILLERY COMPANY LIMITED
POSITION AS AT DECEMBER 31, 2022**

	Note	Un-audited December 31, 2022	Audited September 30, 2022
(Rupees in thousand)			
SHARE CAPITAL AND RESERVES			
Authorized capital (5,750,000 ordinary shares of Rs. 10 each)		57,500	57,500
Issued, subscribed and paid-up capital	14	37,500	37,500
Capital reserves			
-share redemption		1	1
-revaluation surplus on property, plant and equipment		719,554	732,941
General revenue reserve		900,000	900,000
Accumulated loss		(581,719)	(652,946)
Shareholders' equity		<u>1,075,336</u>	<u>1,017,496</u>
NON-CURRENT LIABILITIES			
Long term finances	15	0	0
Lease liabilities		2,076	0
Government grant		0	0
Staff retirement benefits- gratuity		30,047	28,697
Deferred taxation	19	77,135	83,747
		<u>109,258</u>	<u>112,444</u>
CURRENT LIABILITIES			
Trade and other payables	16	479,748	220,316
Unclaimed dividend		7,470	7,470
Accrued mark-up		12,840	2,791
Short term running borrowings	17	1,095,985	701,000
Current maturity of non-current liabilities	18	719	6,439
Taxation	19	26,149	17,833
		<u>1,622,911</u>	<u>955,849</u>
Liabilities directly associated with non-current assets classified as held for sale		539,965	539,965
TOTAL LIABILITIES		<u>2,272,134</u>	<u>1,608,258</u>
Contingencies and commitments	20		
TOTAL EQUITY AND LIABILITIES		<u>3,347,470</u>	<u>2,625,754</u>

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


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2022

	Note	Dec 31, 2022 Rupees in thousand	Dec 31, 2021
Sales - net	21	793,095	143,064
Cost of sales	22	(654,409)	(204,017)
Gross profit / (loss)		138,686	(60,953)
Distribution cost	23	(19,107)	(11,058)
Administrative expenses	24	(17,200)	(14,897)
Other expenses	25	(15,671)	(338)
		(51,978)	(26,293)
		86,708	(87,246)
Other income	26	4,580	10,929
Profit / (loss) from operations		91,288	(76,317)
Finance cost	27	(31,744)	(6,648)
Profit / (loss) before taxation		59,544	(82,965)
Taxation		(1,704)	27,612
Profit / (loss) after taxation		57,840	(55,353)
Other comprehensive income		0	0
Total comprehensive profit / (loss)		57,840	(55,353)
		Rupees	
Loss per share		15.42	(14.76)

- 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, 2022

	Dec 31, 2022 Rupees in thousand	Dec 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the period - before taxation	59,544	(82,965)
Adjustments for:		
Depreciation on property, plant and equipment	26,506	29,883
Depreciation on investment property	48	297
Mark-up on loan to Subsidiary company and profit / mark-up on bank deposits	(470)	(356)
Staff retirement benefits-gratuity (Net)	1,293	(56)
Finance cost	31,178	5,797
Loss before working capital changes	118,099	(47,400)
EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES		
Decrease / (Increase) in current assets:		
Stores and spares	(4,244)	(2,185)
Stock-in-trade	(413,288)	(227,358)
Trade debts	(27,067)	136,105
Loans and advances	(270,565)	(116,683)
Trade Deposits and short term prepayments	(3,647)	(3,608)
Other receivables	240	4,930
Advance sales tax - net	234	(5,456)
Decrease in trade and other payables	259,489	105,690
	(458,848)	(108,565)
Cash used in operations	(340,749)	(155,965)
Security paid	(500)	0
Income Tax paid	(10,731)	(1,556)
Net cash used in operating activities	(351,980)	(157,521)
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(2,785)	(133)
Mark-up / profit received on loan to Subsidiary company and bank deposits	470	171
Net cash used in investing activities	(2,315)	38
CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowings-net	394,985	226,155
Long term finances repaid	(6,228)	(6,013)
Finance cost paid	(21,129)	(8,990)
Lease finances - net	2,584	(1,577)
Net cash generated from financing activities	370,212	209,575
Net decrease in cash and cash equivalents	15,917	52,092
Cash and cash equivalents - at beginning of the period	71,665	52,773
Cash and cash equivalents - at end of the period	87,582	104,865

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, 2022

Share capital	Reserves				TOTAL
	Capital		Revenue		
	Share redemption	Revaluation surplus on property, plant and equipment	General	Accumulated Loss	

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 the 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

Balance as at September 30, 2022 - audited 37,500 1 732,941 900,000 (652,946) 1,017,496

Total comprehensive income for the quarter ended December 31, 2022 0 0 0 0 57,840 57,840

Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for current period -net of deferred taxation 0 0 (13,387) 0 13,387 0

Balance as at December 31, 2022 unaudited 37,500 1 719,554 900,000 (581,719) 1,075,336

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, 2022

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, 2022.

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, 2022.

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, 2022.

	Unaudited Dec 31, 2022 (Rupees in thousand)	Audited Sep 30, 2022
5. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	1,137,079	1,159,687
Advance against lease vehicle	0	1,110
	<u>1,137,079</u>	<u>1,160,797</u>
5.1. Operating fixed assets - tangible		
Book value at the beginning of the period / year	1,159,687	1,278,751
Additions during the period / year :		
- furniture, fittings & office equipment	0	271
- vehicles	3,898	0
	<u>3,898</u>	<u>271</u>
Book value of assets disposed-off during the period /year	0	(2,287)
Depreciation charge for the period / year	(26,506)	(117,048)
Book value at the end of the period / year	<u>1,137,079</u>	<u>1,159,687</u>
6. INVESTMENT PROPERTY		
Opening book value	20,183	20,480
Depreciation charge for the period/ year	(48)	(297)
Closing book value	<u>20,135</u>	<u>20,183</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, 2022 were Rs.907.566 million and Rs.17.013 million respectively.		
8. STORES AND SPARES		
Stores	42,857	37,675
Spares	68,097	69,035
	<u>110,954</u>	<u>106,710</u>
8.1	Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.	

9. STOCK-IN-TRADE

	Un-audited Dec 31, 2022	Audited Sep. 30, 2022
	(Rupees in thousand)	
Sugar-in-process	10,848	10,482
Finished goods:		
- sugar	553,191	6,421
- molasses	275,107	269,385
- ethanol	334,645	474,215
	1,162,943	750,021
	1,173,791	760,503

10. ADVANCES - Considered good

Suppliers and contractors	514,789	246,238
Employees	6,020	4,006
	520,809	250,244

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	4,666	1,019
Deposits against decretal amounts	2,862	2,862
	7,664	4,017

12. OTHER RECEIVABLES

Other receivables include due from Premier Board Mills Ltd. (an Associated Company) amounting Rs.2.140 million (September 30, 2022: Rs.2.140 million) on account of building lease rentals.

13. BANK BALANCES

13.1 Period-end bank balances include deposits aggregating Rs.6 million lying with InnovativeInvestment 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,

13.2 The realisibility 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, 2022	Sep. 30, 2022
		(Rupees in thousand)	
Dec 31, 2022	Sep. 30, 2022		
(No. of shares)			
1,476,340	1,476,340 ordinary shares of Rs.10 each fully paid in cash	14,763	14,763
2,273,660	2,273,660 ordinary shares of Rs.10 each issued as fully paid bonus shares	22,737	22,737
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, 2022 and September 30, 2022.

Note	Un-audited	Audited
	Dec 31, 2022	Sep. 30, 2022
(Rupees in thousand)		
15. LONG TERM FINANCES - Secured		
Balance as at,	0	6,227
Less: current portion grouped under current liabilities	0	6,227
	<u>0</u>	<u>0</u>
16. TRADE AND OTHER PAYABLES		
Due to Chashma Sugar Mills Ltd.(Subsidiary Company)	91,121	162,538
Due to Azlak Enterprises (Pvt) Ltd. (Associated Company)	11,444	9,045
Creditors	42,431	13,970
Accrued expenses	26,992	17,346
Due to employees	3,960	3,600
Deposits from contractors and others	910	910
Advances from customers	287,424	5,558
Income tax deducted at source	444	432
Sales tax payable	10,099	16
Gratuity payable to ex-employees	4,339	4,396
Employees' provident fund payable	361	2,300
Others	223	205
	<u>479,748</u>	<u>220,316</u>
17. SHORT TERM BORROWINGS		
Short term finances - secured	1,095,985	701,000
Temporary bank overdraft - unsecured	0	0
17.1	<u>1,095,985</u>	<u>701,000</u>
17.1	Short term finance facilities available from various commercial banks under mark-up arrangements aggregate Rs.1,500 million (2022: Rs.1,200 million). These facilities are secured against charge over fixed assets, charge over present and future current assets of the Company, registered first exclusive charge over the Company's head office second and third floors (without land), pledge of sugar stocks and lien over export documents. These facilities, during the year, carried mark-up at the rates ranging from 8.78% to 18.09% (2022: 8.78% to 18.09%) per annum and are expiring on various dates by March 31, 2023.	
17.2	Facilities available for opening letters of guarantee and credit from commercial banks aggregate Rs.95 million (2022: Rs.95 million). Out of the available facilities, facilities aggregating Rs. 57.660 million (2022: Rs.57.660 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.	

	Un-audited Dec 31, 2022	Audited Sep. 30, 2022
	(Rupees in thousand)	
18. CURRENT PORTION OF NON-CURRENT LIABILITIES		
Long term finances	0	6,227
Lease liabilities	719	211
Government grant	0	1
	<u>719</u>	<u>6,439</u>
19. TAXATION		
Provision for the current period represents tax due under sections 154 (Tax on income from exporters) and 113 (Minimum tax on income of certain persons) of the Income Tax Ordinance, 2001 (the Ordinance).		
19.1 Deferred		
This is comprised of the following:		
Taxable temporary differences arising in respect of:		
- accelerated tax depreciation allowances	4,486	3,658
- revaluation surplus on property, plant and equipment	293,903	299,370
- lease finances	341	145
	<u>298,730</u>	<u>303,173</u>
Deductible temporary differences arising in respect of:		
- available unused tax losses	(173,467)	(178,944)
- staff retirement benefits - gratuity	(8,714)	(6,416)
- provision for doubtful bank balance	(1,450)	(1,450)
- lease finances	0	0
- minimum tax recoverable against normal tax charge in future years	(37,964)	(32,616)
	<u>(221,595)</u>	<u>(219,426)</u>
	<u>77,135</u>	<u>83,747</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, 2022.	
20.2	Guarantees given to Sui Northern Gas Pipelines Ltd. by a commercial bank on behalf of the Company outstanding as at December 31, 2022 were for Rs.37.34 million (September 30, 2022: Rs.37.340 million). These guarantees are valid upto July 16, 2023.	
21. SALES - Net	Un-audited Dec. 31, 2022	Dec. 31, 2021
	(Rupees in thousand)	
Turnover:		
Local	180,556	114,983
Export	638,774	29,455
	<u>819,330</u>	<u>144,438</u>
Less: sales tax	26,235	1,374
	<u>793,095</u>	<u>143,064</u>

	Un-audited Dec 31, 2022	Audited Sep. 30, 2022
	(Rupees in thousand)	
22. COST OF SALES		
Raw materials consumed	951,337	334,570
Chemicals and stores consumed	13,242	5,039
Salaries, wages and benefits	52,526	34,215
Power and fuel	9,783	21,764
Insurance	1,582	737
Repair and maintenance	13,462	6,405
Depreciation	25,765	28,645
	<u>1,067,697</u>	<u>431,375</u>
Adjustment of sugar-in-process:		
Opening	10,482	8,688
Closing	(10,848)	(27,652)
	<u>(366)</u>	<u>(18,964)</u>
Cost of goods manufactured	<u>1,067,331</u>	<u>412,411</u>
Adjustment of finished goods:		
Opening stock	750,021	124,917
Closing stock	(1,162,943)	(333,311)
	<u>(412,922)</u>	<u>(208,394)</u>
	<u>654,409</u>	<u>204,017</u>
23. DISTRIBUTION COST		
Commission	120	4
Salaries, wages and amenities	986	507
Expenses on ethanol export	18,001	10,547
	<u>19,107</u>	<u>11,058</u>
24. ADMINISTRATIVE EXPENSES		
Salaries and amenities	7,743	6,358
Travelling, vehicles' running and maintenance	990	857
Utilities	265	231
Rent, rates and taxes	1,026	861
Insurance	375	253
Repair and maintenance	2,011	1,283
Printing and stationery	820	56
Communication	258	232
Legal and professional charges (other than Auditors)	2,004	1,928
Subscription	206	107

	Un-audited Dec 31, 2022	Audited Sep. 30, 2022
	(Rupees in thousand)	
Depreciation on:		
- operating fixed assets	740	684
- investment property	48	297
General office expenses	714	1,750
	<u>17,200</u>	<u>14,897</u>
25. OTHER EXPENSES		
Sales tax arrears	0	338
Exchange fluctuation loss	15,671	0
	<u>15,671</u>	<u>338</u>
26. OTHER INCOME		
Income from financial assets:		
Mark-up / interest / profit on bank deposits / saving accounts and certificates	470	356
Income from other than financial assets:		
Rent	2	6,084
Sale of agricultural produce	4,108	2,859
Exchange gain	0	909
Government grant	0	414
Gain on sale of vehicle / fixed assets	0	179
Miscellaneous	0	128
	<u>4,580</u>	<u>10,929</u>
27. FINANCE COST		
Mark-up on:		
- long term finances	76	614
- short term borrowings	31,178	5,797
Lease finance charges	242	28
Bank charges	248	209
	<u>31,744</u>	<u>6,648</u>

28. TRANSACTIONS WITH RELATED PARTIES

- 28.1** 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, 2022	Dec. 31, 2021
	(Rupees in thousand)	
Subsidiary Companies:		
- purchase of goods	8,119	4,965
- sale of store items	0	4,384
- rent paid	29	29
- rent received	0	5,445
- expenses paid on behalf of the Company	36,882	12,399
- expenses paid by the Company	892	552
Associated Companies:		
- rent received	0	635
- purchase of goods	2,399	0
Key management personnel		
- salaries and other benefits	1,730	1,821

- 28.2** The Company's shareholdings in Subsidiary and Associated Companies have been detailed in note 41. In addition to the names of the Associated Companies detailed in note 7, the following are other Associated Companies and a sub-subsidiary Company:

- Whole Foods (Pvt.) Ltd. (Sub-subsidiary)	- Premier Construction & Housing Ltd.
- Syntron Ltd.	- Phipson & Co. Pakistan (Pvt.) Ltd.
- Syntronics Ltd.	- Aurora (Pvt.) Ltd.
- Premier Ceramics Ltd.	- Ultimate Whole Foods (Pvt.) Ltd. (Sub-subsidiary)

28.3 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.

29. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Particulars	Chief Executive		Directors		Executives	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	Rupees in thousand					
Managerial remuneration	330	360	825	900	575	561
Contribution to provident fund	0	0	-	-	-	-
	<u>330</u>	<u>360</u>	<u>825</u>	<u>900</u>	<u>575</u>	<u>561</u>
Number of persons	1	1	1	1	1	1

- 29.1** 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.
- 29.2** Remuneration of directors does not include amounts paid or provided for, if any, by the Subsidiary and Associated Companies.

30. 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 January 26, 2023.

31. CORRESPONDING FIGURES

- 31.1** 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.

- 31.2** 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, 2022**

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

	Note	Unaudited December 31, 2022	Audited September 30, 2022
Assets			
Non-current Assets			
Rupees in thousand			
Property, plant and equipment	6	21,943,508	21,342,308
Right-of-use assets		305,910	284,233
Investment property		24,777	24,825
Long term investments		171,858	172,002
Security deposits		16,985	16,485
		<u>22,463,038</u>	<u>21,839,853</u>
Current Assets			
Stores and spares	7	847,853	623,288
Stock-in-trade	8	7,877,585	4,140,372
Trade debts		301,941	89,228
Loans and advances		3,023,685	1,460,655
Trade deposits, short term prepayments and other receivables	9	279,735	292,807
Accrued profit on bank deposits		-	-
Tax refunds due from the Government		192,548	85,517
Short term investments	10	184,783	25,237
Bank balances	11	302,949	337,853
		<u>13,011,079</u>	<u>7,054,957</u>
TOTAL ASSETS		<u>35,474,117</u>	<u>28,894,810</u>
Equity and Liabilities			
Share Capital and Reserves			
Authorised capital		57,500	57,500
5,750,000 (2020: 5,750,000) ordinary shares of Rs.10 each		<u>37,500</u>	<u>37,500</u>
Issued, subscribed and paid-up capital			
Capital reserves			
- share redemption	1	1	1
- revaluation surplus on property, plant and equipment		4,414,940	4,563,539
General revenue-reserve		1,010,537	1,010,537
Unappropriated profit		1,367,323	1,223,171
Equity Attributable to Equity Holders of the Holding Company		<u>6,830,301</u>	<u>6,834,748</u>
Non-Controlling Interest		<u>6,664,245</u>	<u>6,588,892</u>
		<u>13,494,546</u>	<u>13,423,640</u>
Non-current Liabilities			
Long term finances	12	5,326,645	4,191,793
Loans from related parties	13	166,221	181,839
Lease liabilities		152,330	146,603
Government grant		-	418
Deferred liabilities		3,250,502	3,324,838
		<u>8,895,698</u>	<u>7,845,491</u>
Current Liabilities			
Trade and other payables	14	4,834,887	1,257,867
Unclaimed dividends		7,470	7,470
Accrued mark-up		310,242	429,125
Short term borrowings		7,130,131	5,002,895
Current portion of non-current liabilities		759,421	894,901
Dividends payable to non-controlling interest		15,169	15,179
Taxation		26,553	18,242
		<u>13,083,873</u>	<u>7,625,679</u>
Total liabilities		<u>21,979,571</u>	<u>15,471,170</u>
Contingencies and Commitments			
TOTAL EQUITY AND LIABILITIES		<u>35,474,117</u>	<u>28,894,810</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 OR LOSS (UNAUDITED)

FOR THE FIRST QUARTER ENDED DECEMBER 31, 2022

		December 31, 2022	December 31, 2021
-----Rupees in thousand-----			
Sales - Net		<u>4,213,830</u>	<u>2,894,736</u>
Cost of Sales		<u>(3,374,167)</u>	<u>(2,525,014)</u>
Gross Profit		<u>839,663</u>	<u>369,722</u>
Distribution Cost		<u>(153,767)</u>	<u>(138,362)</u>
Administrative Expenses		<u>(278,107)</u>	<u>(203,905)</u>
Other Expenses	18	<u>(21,428)</u>	<u>(1,326)</u>
		<u>(453,302)</u>	<u>(343,593)</u>
		<u>386,361</u>	<u>26,129</u>
Other Income	17	<u>12,383</u>	<u>21,063</u>
Profit from Operations		<u>398,744</u>	<u>47,192</u>
Finance Cost		<u>(353,867)</u>	<u>(140,804)</u>
		<u>44,877</u>	<u>(93,612)</u>
Share of profit/ (loss) from Associated Companies		<u>4,462</u>	<u>(6,456)</u>
Profit/ (loss) before Taxation		<u>49,339</u>	<u>(100,068)</u>
Taxation			
Group			
- Current		<u>(50,060)</u>	<u>(3,506)</u>
- Deferred		<u>76,089</u>	<u>50,464</u>
		<u>26,029</u>	<u>46,958</u>
Associated Companies		<u>(6,103)</u>	<u>(57)</u>
		<u>19,926</u>	<u>46,901</u>
Profit/ (loss) after Taxation		<u>69,265</u>	<u>(53,167)</u>
Attributable to:			
- Equity holders of the Parent Company		<u>64,223</u>	<u>(57,209)</u>
- Non-controlling interest		<u>5,042</u>	<u>4,042</u>
		<u>69,265</u>	<u>(53,167)</u>
----- Rupees -----			
Combined earnings/ (loss) per share - basic and diluted		<u>17.13</u>	<u>(15.26)</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
CONSOLIDATED STATEMENT OF
OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2022

	December 31, 2022	December 31, 2021
	-----Rupees in thousand-----	
Profit / (loss) after Taxation	69,265	(53,167)
Other Comprehensive Income / (Loss)		
Fair value gain / (loss) on available-for-sale investments	-	-
Share of other comprehensive (loss) / income from Associated Companies	872	7,390
Adjustment for gain included in statement of profit or loss upon sale of Available for sale investments	-	-
Total Comprehensive income / (loss)	70,137	(45,777)
Attributable to:		
- Equity holders of the Parent Company	64,641	(53,667)
- Non-controlling interest	5,496	7,890
	70,137	(45,777)

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, 2022

	Quarter ended December 31, 2022	December 31, 2021
	-----Rupees in thousand-----	
Cash flow from operating activities		
Profit/ (loss) for the period - before taxation	49,339	(100,068)
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	374,679	275,272
Depreciation on investment property	48	297
Loss from Associated Companies - net	(4,462)	6,456
Interest / profit on bank deposits and saving accounts	(4,201)	(1,623)
Staff retirement benefits - gratuity (net)	-	-
Gain on disposal of operating fixed assets	-	(330)
Gain on re-measurement of short term investments to fair value	(1,104)	(690)
Gain on redemption of long term investment	-	-
Dividend income	-	-
Finance cost	353,867	140,804
Profit before working capital changes	768,166	320,118
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Stores and spares	(224,565)	79,135
Stock-in-trade	(3,737,213)	(2,328,016)
Trade debts	(212,713)	524,448
Loans and advances	(1,563,030)	(1,050,588)
Trade deposits, short term prepayments and other receivables	13,072	(5,905)
Sales tax refundable	(107,031)	(41,780)
Advance sales tax	-	-
Increase in current liabilities		
Trade and other payables	3,577,020	510,751
	(2,254,460)	(2,311,955)
Cash (used in) / generated from operations	(1,486,294)	(1,991,837)
Income tax paid	(41,749)	76,289
Security deposits	(500)	-
Net cash (used in) / generated from operating activities	(1,528,543)	(1,915,548)
Cash flow from investing activities		
Additions to property, plant and equipment	(925,929)	(2,541,227)
Sale proceeds of operating fixed assets	-	1,243
Interest / profit on bank deposits and saving accounts	4,201	1,435
Proceeds from disposal of long term investment	4,606	(8,040)
Short term investments - net	(158,442)	4,890
Dividend received	0	-
Net cash used in investing activities	(1,075,564)	(2,541,699)
Cash flow from financing activities		
Long term finances - net	1,060,098	2,234,610
Loans from Associated Companies	(15,618)	(29,368)
Lease finances - net	(129,753)	215,187
Short term borrowings - net	2,127,236	2,428,006
Finance cost paid	(472,750)	(267,196)
Dividend paid	(10)	-
Net cash generated from / (used in) financing activities	2,569,203	4,581,239
Net decrease in cash and cash equivalents	(34,904)	123,992
Cash and cash equivalents- at beginning of the period	337,853	501,490
Cash and cash equivalents- at end of the period	302,949	625,482

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, 2022

----- Attributable to equity holders of the Parent -----							
Share capital	Reserves		Revenue	Unappropriated profit	Total	Non-controlling interest	Total equity
	Capital	Revaluation surplus on property, plant and equipment					
	Share redemption		General				

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

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
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Total comprehensive income / (loss) for the period ended December 31, 2020

Loss/ profit after taxation	0	0	0	0	(57,209)	(57,209)	4,042	(53,167)
Other comprehensive income	0	0	0	0	7,390	7,390	0	7,390
Effect of items directly credited in equity by Associated Companies	0	0	0	0	(49,819)	(49,819)	4,042	(45,777)
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the period -net of deferred taxation			(105,304)		58,255	(47,049)	47,049	0
-net of deferred taxation					707	707	0	707

Balance as at December 31, 2021 - unaudited

37,500	1	3,769,057	1,010,537	1,199,442	6,016,537	5,391,394	11,407,931
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Balance as at September 30, 2022 - audited

37,500	1	4,563,539	1,010,537	1,223,171	6,834,748	6,588,892	13,423,640
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Total comprehensive income / (loss) for the period ended December 31, 2021

Profit after taxation	0	0	0	0	64,223	64,223	5,042	69,265
Other comprehensive income	0	0	0	0	872	872		872
Effect of items directly credited in equity by Associated Companies	0	0	0	0	65,095	65,095	5,042	70,137
Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation)			(148,599)		78,288	(70,311)	70,311	0

Balance as at December 31, 2022

37,500	1	4,414,940	1,010,537	1,367,323	6,830,301	6,664,245	13,494,546
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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, 2022

1. The Group and its operations

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

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

1.2 Subsidiary Companies

(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 May30, 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, 2022.

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, 2022.

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, 2022.

- 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, 2022.

- 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, 2022	Audited September 30, 2022
Note	(Rupees in thousand)	
Operating fixed assets - tangible	6.1 17,205,224	17,539,115
Capital work-in-progress	6.2 4,738,284	3,802,083
Advance against leased vehicle	0	1,110
	21,943,508	21,342,308

6.1 Operating fixed assets - tangible

Book value at beginning of the period audited 17,539,115

Additions during the period:

- Building and roads	0
- plant and machinery	1,700
- Office equipment and furniture	10,652
- vehicles:	12,047
	24,399

Add: Transfers from right of use assets to owned 0

Book value of operating fixed assets disposed-off during the period

Depreciation charge for the period (358,290)

Book value at end of the period un-audited **17,205,224**

6.2 Capital work-in-progress

	Un-audited Dec 31, 2022 (Rupees in thousand)	Audited September 30, 2022
At beginning of the period / year	3,802,083	529,218
Add: Additions during the period / year	1,021,841	4,292,298
Other adjustment	0	(14,103)
Less: Capitalised during the period / year	(85,640)	(1,005,330)
Balance at end of the period / year	<u>4,738,284</u>	<u>3,802,083</u>

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	129,777	22,628
Finished goods:		
- sugar	5,177,786	1,854,923
- molasses	1,505,896	1,352,158
- ethanol	1,064,126	910,663
	<u>7,747,808</u>	<u>4,117,744</u>
	<u>7,877,585</u>	<u>4,140,372</u>

9. Trade deposits, short term prepayments and other receivables

Sugar export subsidy receivable	305,519	308,510
Prepayments	18,950	6,623
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	2,140
Guarantees issued	19,000	19,000
Trade deposits	10,220	11,074
Other receivables	16,279	32,675
	<u>370,104</u>	<u>383,176</u>
Less: loss allowance	(90,369)	(90,369)
	<u>279,735</u>	<u>292,807</u>

	Un-audited Dec 31, 2022 (Rupees in thousand)	Audited September 30, 2022
10. Short term investments - At fair value through profit or loss		
First Habib Cash Fund		
Opening balance - 247,317 Units (2021: 344,001 Units)	25,237	34,697
Investments made during the period / year -Nil (2021:109,362 Units)	160,000	0
Gain on redemption and re-measurement to fair value	946	2,790
Units redeemed during the period / year -	(1,400)	(12,250)
Closing balance - 267,144 Units (2021: 344,001 Units)	<u>184,783</u>	<u>25,237</u>

11. Cash and bank balances

- 11.1 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.

- 11.2 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.

- 11.3 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.

12. Long term finances -secured

		Un-audited Dec 31, 2022 (Rupees in thousand)	Audited September 30, 2022
	Note		
Loan from banking companies			
The Holding Company			
Bank Al-Habib Ltd.		0	6,227
CSM and its Subsidiaries			
Bank Al-Habib Ltd.		2,584,078	2,604,361
Soneri Bank Ltd.		1,092,096	693,753
Dubai Islamic Bank Pakistan Ltd.		400,000	547,493
MCB Bank Ltd.		591,752	264,528
Al Baraka Bank Ltd.		446,715	446,715
The Bank of Khyber		393,077	395,726
United Bank Limited		450,000	0
Total	12.1	5,957,718	4,958,803
Less: amount payable within next 12 months			
The Holding Company			
-principal		0	6,227
CSM and its Subsidiaries			
-principal		631,073	760,783
Amount due after December 31, 2020		5,326,645	4,191,793

12.1 These represent term and demand finances obtained by CSM 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 + 2.1% 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 CSM and its subsidiaries 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.

13. Loans from related parties- secured

Premier Board Mills Ltd.	13.1	81,207	90,575
Arpak International Investments Ltd.	13.2	37,500	43,750
Azlak Enterprises (Private) Ltd.	13.3	85,000	85,000
		203,707	219,325
Less: current portion grouped under current liabilities		37,486	37,486
		166,221	181,839

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

14. Trade and other payables

		Un-audited Dec 31, 2022 (Rupees in thousand)	Audited September 30, 2022
	Note		
Creditors		3,706,957	342,752
Bills payable		0	0
Due to Associated Companies	14.1	221,356	148,649
Accrued expenses		174,549	139,857
Retention money		29,823	24,496
Security deposits - interest free repayable on demand		1,330	1,915
Advance payments from customers		436,035	231,479
Income tax deducted at source		71,111	64,062
Sales tax payable		10,099	110,651
Gratuity payable to ex-employees		6,142	6,199
Advance received against sale of scrap		2,024	2,024
Payable for workers' welfare obligations		47,229	53,965
Payable to provident fund		10,967	6,000
Payable to employees		67,630	77,446
Others		49,635	48,372
		4,834,887	1,257,867

14.1 This represents amounts due to:

- Azlak Enterprises (Pvt.) Ltd.	43,211	48,649
- Syntronics Ltd.	24,305	0
- Syntron Limited	36,405	0
- Directors	117,435	100,000
	221,356	148,649

15. Current portion of non-current liabilities

Long term finances	631,073	767,010
Lease liabilities	90,862	90,404
Loans from related parties	37,486	37,487
	759,421	894,901

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, 2022.

16.1 Commitments - CSM

Commitments in respect of :

	Un-audited Dec 31, 2022 (Rupees in thousand)	Audited September 30, 2022
- foreign letters of credit for purchase of plant & machinery	280,536	739,238
- local letters of credit for purchase of plant & machinery	220,644	207,519
- capital expenditure other than for letters of credit	58,617	104,683

17. Other income

	Note	Un-audited Quarter ended Dec 31, 2022 (Rupees in thousand)	Dec 31, 2021
Income from financial assets:			
Profit on bank deposits and saving accounts		4,201	1,623
Gain on redemption and remeasurement of short term investments to fair value	10	1,104	690
Exchange fluctuation gain		0	909
Income from other than financial assets:			
Rental income		2	639
Sale of scrap		0	10,556
Sale of press mud - net		1,934	1,746
Gain on sale of operating fixed assets		0	330
Sale of seeds and agricultural produce		4,108	2,859
Sale of fusel oil - net		1,034	1,169
Miscellaneous		0	542
		12,383	21,063

18. Other expenses

Workers' (profit) participation fund	5,743	976
Donations (without Directors' interest)	12	12
Others	15,673	338
	21,428	1,326

19. Operating segment

Upto December 31, 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.

19.1 Segment operating results of Holding Co for the three month period ended Dec 31, 2022

	Sugar Division	Ethanol Division	Total
	December 31, 2022		
	---Rupees in thousand---		
TURNOVER			
- Local	152,178	28,379	180,556
- Export	0	638,774	638,774
	152,178	667,153	819,330
Less: Sales Tax	25,206	1,029	26,235
	126,972	666,124	793,095
COST OF SALES	119,964	534,445	654,409
GROSS PROFIT	7,008	131,679	138,686
DISTRIBUTION COST	1,106	18,001	19,107
ADMINISTRATIVE EXPENSES	17,200	0	17,200
OTHER OPERATING EXPENSES	0	15,671	15,671
	18,306	33,672	51,978
	(11,298)	98,007	86,708
OTHER OPERATING INCOME	4,580	0	4,580
PROFIT FROM OPERATIONS	(6,718)	98,007	91,288
FINANCE COST	9,668	22,076	31,744
(LOSS)/ PROFIT BEFORE TAXATION	(16,386)	75,931	59,544
TAXATION			
- Current -			8,317
- Prior			0
- Deferred			(6,613)
			1,704
PROFIT AFTER TAXATION			57,840
Segment assets and liabilities			
	<u>Assets</u>	<u>Liabilities</u>	
Sugar	3,122,975	2,169,569	
Ethanol	224,495	102,565	
Total for reportable segment	<u>3,347,470</u>	<u>2,272,134</u>	

20. Segment operating results of CSM for the three month period ended December 31, 2022 (Un-audited)

	Sugar Division		Ethanol Division		Total	
	Three month period ended December 31, 2022	December 31, 2021	Three month period ended December 31, 2022	December 31, 2021	Three month period ended December 31, 2022	December 31, 2021
	Rupees in thousand					
Sales						
-External Customers	2,451,930	1,347,510	1,362,010	1,638,392	3,813,940	2,985,902
-Inter segment	622,329	458,726	-	-	622,329	458,726
	3,074,259	1,806,236	1,362,010	1,638,392	4,436,269	3,444,628
Less : sales tax and others	(358,268)	(197,041)	(26,818)	(27,840)	(385,086)	(224,881)
Sales - net	2,715,991	1,609,195	1,335,192	1,610,552	4,051,183	3,219,747
Segment expenses:						
Cost of Sales	(2,541,634)	(1,535,215)	(185,037)	(794,410)	(2,726,671)	(2,329,625)
less: Inter segment cost	-	-	(622,329)	(458,726)	(622,329)	(458,726)
	(2,541,634)	(1,535,215)	(807,366)	(1,253,136)	(3,349,000)	(2,788,351)
Gross profit	174,357	73,980	527,826	357,416	702,183	431,396
Selling and distribution expenses	(9,398)	(5,961)	(125,262)	(121,343)	(134,660)	(127,304)
Administrative and general expenses	(161,007)	(107,750)	(70,485)	(67,495)	(231,492)	(175,245)
Others	-	-	-	-	(26,384)	(16,410)
	(170,405)	(113,711)	(195,747)	(188,838)	(392,536)	(318,959)
Profit from operations	3,952	(39,731)	332,079	168,578	309,647	112,437
Other income	5,424	13,374	1,063	1,228	6,487	14,602
Others	-	-	-	-	382	-
Other expenses	(5,755)	(988)	-	-	(5,755)	(988)
	(331)	12,386	1,063	1,228	1,114	13,614
Segment results	3,621	(27,345)	333,142	169,806	310,761	126,051
Finance cost					(322,123)	(134,156)
Loss before tax					(11,362)	(8,105)
Taxation					27,733	19,271
Profit for the period					16,371	11,166

20.1 Segment assets and liabilities

	Un-audited December 31, 2022 (Rupees in thousand)		Audited September 30, 2022 (Rupees in thousand)	
	Assets	Liabilities	Assets	Liabilities
Sugar	20,584,443	14,504,962	17,389,270	11,281,220
Ethanol	8,461,047	3,967,394	6,635,732	2,083,503
Total for reportable segment	29,045,490	18,472,356	24,025,002	13,364,723
Others	2,516,721	1,851,719	1,747,203	1,185,717
Total assets / liabilities	31,562,211	20,324,075	25,772,205	14,550,440

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,
2022
(Rupees in thousand)

Syntron Limited		
Purchase of store items	38,804	25,084
Syntronics Limited		
Purchase of store items	89,305	20,165
Azlak Enterprises (Private) Limited		
Service	9,163	7,639
Expenses paid on behalf of the Company	404	0
Mark-up charged	0	2,063
Phipson & Company Pakistan (Private) Limited		
Expenses paid on behalf of the Company	0	0
Arpak International Investments Limited		
Rent received	1,772	
Mark-up charged	9,181	1,062
Premier Board Mills Limited		
Rent received	0	635
Mark-up charged	2,600	2,737
Key management personnel / Directors		
Salaries and other benefits	49,213	39,193

- 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%
Azlak Enterprises (Pvt.) Ltd.	----- do -----	5.15%
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. 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.

23. 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 January 26, 2023.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER