



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

**CONDENSED INTERIM
UNCONSOLIDATED FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD
ENDED JUNE 30, 2024
(UN-AUDITED)**

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**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED,
MARDAN**
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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. Najda Sarfaraz Director
Mr. Iskander M. Khan Director
Mr. Shahbaz Haider Agha Independent Director
Ms. Shahida 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 are pleased to present the un-audited condensed interim financial information of the Company for the nine months' period that ended on June 30, 2024. This condensed interim financial information is presented to the shareholders of the Company in compliance with the International Accounting Standard No. 34 "Interim Financial Reporting", the Code of Corporate Governance, under Section 237 of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

OPERATIONAL PERFORMANCE

The sugarcane crushing season 2023-24 commenced on October 25, 2023. During the season 2023-24, The Mills crushed 130,269 tons of sugarcane and produced 12,477 tons of sugar till December 15, 2023. Unfortunately, the operations had to be closed for the season due to diversion of sugarcane towards tax free commencement of Gur manufacturing. The mills found it financial unviable to continue operations at this elevated price, leading to closure.

FINANCIAL PERFORMANCE

The Company earned Profit after taxation of Rs. 134.966 million (2023: Profit Rs. 13.576 million) during the nine months' period ended on June 30, 2024.

ECONOMICAL CHALLENGES & INDUSTRY OVERVIEW

The financial year 2023-24 has proven to be more challenging due to inability of the government to decide ahead the surplus sugar stock of 1.5 million tons. Further, increase in the discount rate by the SBP, hyperinflation, and the rise in sugarcane procurement prices have substantially increased the production cost of sugar without an adequate corresponding increase in sugar prices. The majority of the mills are currently selling sugar at prices lower than their production costs, leading to a significant financial crisis.

Since the beginning of the year, the sugar association wanted to export the extra sugar, but the government delay the decision to achieve political gains.

DISTILLERY

The upgradation of Distillery Plant is in process, we are expediting completion by December 2024.

JAGGERY PLANT

The Board has approved to setup a jaggery plant in the mills premises at Mardan with a capacity of 750 TCD (Tons Crushing Per Day). The plant come into operation during upcoming crushing season.

ACCOUNTING POLICIES

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

ACKNOWLEDGEMENT

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

ON BEHALF OF THE BOARD

Mardan:
July 26, 2024



(ABBAS SARFARAZ KHAN)
Chief Executive



(ISKANDER M. KHAN)
Director

دی پری سیمیر شوگر ملز اینڈ ڈسٹری بیوٹن کمپنی لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ

ڈائریکٹرز 30 جون 2024 کو ختم ہونے والی نو ماہ کی مدت کے لئے کمپنی کی غیر آزاد شدہ عبوری مالی معلومات پیش کرنے پر خوش ہیں۔ کمپنی ایکٹ 2017 کی دفعہ 237 اور سٹینڈرڈ اینڈ پوائنٹ (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تحت کارپوریٹ گورننس کوڈ، انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈ نمبر 34 "عبوری مالی رپورٹنگ" کوڈ آف کارپوریٹ گورننس کی تعمیل میں کمپنی کے شیئر ہولڈرز کو یہ مختصر عبوری مالی معلومات پیش کی جاتی ہیں۔

آپریٹنگ کارکردگی

گئے کی کرٹنگ سیزن 2023-2024 آٹا 25 اکتوبر 2023 کو ہوا۔ سیزن 2023-2024 کے دوران شوگر کرٹنگ نے 15 ستمبر 2023 تک 130,269 ٹن گئے کی کرٹنگ کی اور 12,477 ٹن چینی پیدا کی۔ بد قسمتی سے گئے کی پیداوار کو گیس فزری شروع کرنے کی وجہ سے سیزن کے لیے آپریشن بند کرنا پڑا۔ مولوں کو اس اونچی قیمت پر کام جاری رکھنے کے لئے مالی طور پر ناقابل برداشت محسوس ہوا، جس کی وجہ سے اسے بند کرنا پڑا۔

مالی کارکردگی

کمپنی نے 30 جون 2024 کو ختم ہونے والے نو ماہ کی مدت کے دوران 134,966 ملین روپے (2023: 13,576 ملین روپے) کا اعداد و گیس منافع کیا۔

اقتصادی چیلنجز اور صعوبت کا جائزہ

مالی سال 2023-2024 زیادہ مشکل ثابت ہوا ہے کیونکہ حکومت 1.5 ملین ٹن کے اضافی چینی اسٹاک کا فیصلہ کرنے میں ناکام رہی ہے۔ مزید برآں اسٹیٹ بینک کی جانب سے ڈسکانٹنٹ ریت میں اضافہ، فراڈز میں اضافہ اور گئے کی خریداری کی قیمتوں میں اضافے نے چینی کی پیداواری آگت میں خاطر خواہ اضافہ کیے بغیر چینی کی پیداواری آگت

میں خاطر خواہ اضافہ کیا ہے۔ زیادہ تر ملیں اس وقت اپنی پیداواری آگت سے کم قیمت پر چینی فروخت کر رہی ہیں جس کی وجہ سے ایک اہم مالی بحران پیدا ہو رہا ہے۔

سال کے آغاز سے ہی شوگر ایسوسی ایشن اضافی چینی برآمد کرنا چاہتی تھی لیکن حکومت نے اسے نافذ کرنے کے لئے فیصلہ منسوخ کر دیا۔

ڈسٹری بیوٹن

ڈسٹری بیوٹن پلانٹ کی سٹریٹجی کا عمل جاری ہے، ہم دسمبر 2024 تک مکمل میں تیزی لارہے ہیں۔

جیجری پلانٹ

یورپ نے مردان میں طے کے طے میں 750 ٹی ڈی (ٹن کرٹنگ ٹی ڈی) کی گھنٹاش والا جیجری پلانٹ لگانے کی منظوری دی ہے۔ پلانٹ آنے والے کرٹنگ سیزن کے دوران کام شروع کر دے گا۔

اکاؤنٹنگ پالیسیاں

اس سماجی عبوری مالی معلومات کی تیاری میں اختیار کی جانے والی اکاؤنٹنگ پالیسیاں وہی ہیں جو کمپنی کے پچھلے سالانہ مالی بیانات کی تیاری میں لاگو ہوتی ہیں۔

اعتراف

ڈائریکٹرز ہر سطح پر کمپنی کے عملے کی جانب سے کیے گئے اچھے کام کے جذبے کو سراہتے ہیں۔

اور اس کے لئے بورڈ کی جانب سے


صاحب سلسلہ

عباس سر فراز خان

اسکندر محمد خان

مردان

چیف ایگزیکٹو آفیسر

ڈائریکٹر

تاریخ: جولائی 2024, 26

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

Assets	Note	Un-audited June 30, 2024 (Rupees in thousand)	Audited Sep. 30, 2023 (Rupees in thousand)
Non-current Assets			
Property, plant and equipment	5	3,041,537	2,409,696
Investment property		19,700	19,901
Long term investments	6	170,006	170,006
Security deposits		1,809	1,809
		<u>3,233,052</u>	<u>2,601,412</u>
Current Assets			
Stores and spares		122,397	114,587
Stock-in-trade	7	1,308,809	134,622
Trade debts, unsecured-considered good		106,960	37,319
Advances	8	57,172	198,534
Trade deposits and short term prepayments	9	6,953	5,085
Other receivables	10	6,653	10,125
Sales tax refundable		45,174	0
Income tax refundable, advance tax and tax deducted at source		45,037	23,540
Bank balances	11	10,238	120,095
		<u>1,709,393</u>	<u>643,907</u>
Non-current assets classified as held for sale		0	4,642
Total Assets		<u>4,942,445</u>	<u>3,249,961</u>
Equity and Liabilities			
Share Capital and Reserves			
Authorised capital		57,500	57,500
Issued, subscribed and paid-up capital		37,500	37,500
Capital reserves		1	1
- share redemption		1	1
- revaluation surplus on property, plant and equipment		1,533,984	1,634,949
General revenue reserve		900,000	900,000
Accumulated loss		(296,762)	(532,693)
Shareholders' Equity		<u>2,174,723</u>	<u>2,039,757</u>
Non-current Liabilities			
Long term finances		702,899	0
Lease liabilities		6,529	3,402
Government grant		0	0
Staff retirement benefits - gratuity		44,452	39,132
Deferred taxation		203,515	378,197
		<u>957,394</u>	<u>420,731</u>
Current Liabilities	12		
Trade and other payables		313,299	177,429
Contract liabilities		91	15,780
Unclaimed dividends		7,470	7,470
Accrued mark-up		105,082	12,672
Short term borrowings		1,330,000	35
Current portion of non-current liabilities		2,422	1,082
Taxation		51,964	35,040
		<u>1,810,328</u>	<u>249,508</u>
Liabilities directly associated with non-current assets classified as held for sale		0	539,965
Total Liabilities		<u>2,767,722</u>	<u>1,210,204</u>
Contingencies and Commitments	13		
Total Equity and Liabilities		<u>4,942,445</u>	<u>3,249,961</u>

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED JUNE 30, 2024

	Note	For the Quarter			Nine Months Ended		
		April-June 2024	April-June 2023	Oct.-June 2024	Oct.-June 2023		
Sales	14	110,612	1,359,333	622,144	2,366,198		
Less : sales tax		(16,873)	(21,464)	(94,903)	(75,427)		
Sales - net		<u>93,739</u>	<u>1,337,869</u>	<u>527,241</u>	<u>2,290,771</u>		
Cost of sales		<u>(215,262)</u>	<u>(1,229,832)</u>	<u>(939,377)</u>	<u>(1,984,555)</u>		
Gross profit / (loss)		<u>(121,523)</u>	<u>108,037</u>	<u>(412,136)</u>	<u>306,216</u>		
Distribution cost		<u>(383)</u>	<u>(33,912)</u>	<u>(2,899)</u>	<u>(62,305)</u>		
Administrative expenses		<u>(30,316)</u>	<u>(19,385)</u>	<u>(104,481)</u>	<u>(68,962)</u>		
Other income	15	<u>588,358</u>	<u>(44)</u>	<u>681,275</u>	<u>25,979</u>		
Other expenses	16	<u>(4)</u>	<u>4,880</u>	<u>(4)</u>	<u>(14,266)</u>		
Profit from operations		<u>436,133</u>	<u>59,576</u>	<u>161,756</u>	<u>186,662</u>		
Finance cost		<u>(62,280)</u>	<u>(52,015)</u>	<u>(184,547)</u>	<u>(134,511)</u>		
Profit / (Loss) before taxation		<u>373,853</u>	<u>7,561</u>	<u>(22,791)</u>	<u>52,151</u>		
Taxation	17	<u>173,504</u>	<u>(11,943)</u>	<u>157,756</u>	<u>(38,575)</u>		
Profit / (Loss) after taxation		<u>547,358</u>	<u>(4,382)</u>	<u>134,966</u>	<u>13,576</u>		
Other comprehensive income		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
Total comprehensive Profit / (Loss)		<u>547,358</u>	<u>(4,382)</u>	<u>134,966</u>	<u>13,576</u>		
Earning/ (Loss) per share		<u>145.96</u>	<u>(1.17)</u>	<u>35.99</u>	<u>3.62</u>		

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2024

	Nine Months Ended June 30, 2024	June 30, 2023
	(Rupees in thousand)	
Cash flows from operating activities	(22,791)	52,151
Profit / (loss) for the period - before taxation	170,671	79,706
Adjustments for non-cash charges and other items:	201	212
Depreciation on property, plant and equipment	0	110
Depreciation on investment property	(525)	(151)
Uncollectible receivable balances written-off	(4,054)	(1,733)
Unclaimed payable balances written-back	(586,206)	(145)
Profit on bank deposits	5,231	(1,520)
Gain on sale of vehicles	(68,755)	0
Staff retirement benefits - gratuity (net)	184,547	134,511
Dividends from Subsidiary Company and Associated Company	(321,683)	263,141
Finance cost		
(Loss) / profit before working capital changes	(7,810)	(10,834)

Effect on cash flows due to working capital changes	(1,174,187)	44,972
Decrease / (increase) in current assets:	(69,641)	(6,556)
Stores and spares	141,362	205,803
Stock-in-trade	0	(221,111)
Trade debts	(1,866)	(1,286)
Advances	3,472	(1,387)
Due from Subsidiary Company	(45,174)	250
Trade deposits and short term prepayments	120,794	15,401
Other receivables		
Sales tax refundable		
Increase / (decrease) in trade and other payables	(1,033,051)	25,252

Net Cash generated from / (used in) operations	(1,354,735)	288,393
Income tax paid	(0)	(500)
Income tax paid	(21,499)	(20,166)
Net cash generated from / (used in) operating activities	(1,376,234)	267,725

Cash flows from investing activities	(802,512)	(9,848)
Additions to property, plant and equipment	590,850	780
Sale proceeds of vehicles	(539,965)	0
Advance received against non-current assets classified as held for sale	68,755	0
Dividends received	4,054	1,733
Profit received bank deposits	(678,816)	(7,335)
Net cash generated from / (used in) investing activities	(702,899)	(6,226)

Cash flows from financing activities	0	0
Long term finances repaid	0	0
Decrease in long term loan to a Subsidiary Company	4,466	4,505
Lease finances - net	1,329,965	(180,751)
Short term borrowings - net	0	0
Dividends paid	(92,136)	(108,058)
Finance cost paid	1,945,194	(290,532)
Net cash (used in) / generated from financing activities	(109,857)	(30,142)
Net (decrease)/ increase in cash and cash equivalents	(120,095)	71,665
Cash and cash equivalents - at beginning of the period	10,238	41,523
Cash and cash equivalents - at end of the period	-	-

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2024

	Share capital	Reserves		Revaluation surplus on Property, plant and equipment	Accumulated loss	Total
		Capital Share redemption	Revenue General			

Rupees in thousand

Balance as at September 30, 2022	37,500	1	900,000	900,001	732,941	(652,946)	1,017,496
Total comprehensive income / (loss) for the period	0	0	0	0	0	13,576	13,576

Profit after taxation for the nine months ended June 30, 2023	0	0	0	0	0	13,576	13,576
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period	0	0	0	0	(40,161)	40,161	0
-net of deferred taxation	0	0	0	0	692,780	(599,209)	1,031,072
Balance as at June 30, 2023	37,500	1	900,000	900,001	692,780	(599,209)	1,031,072

Total comprehensive income / (loss) for the period	0	0	0	0	0	59,408	59,408
Loss after taxation for the three months ended Sep 30, 2023	0	0	0	0	0	59,408	59,408
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period	0	0	0	0	(13,387)	13,387	0
-net of deferred taxation	0	0	0	0	955,556	(6,279)	949,277
Other comprehensive income	0	0	0	0	1,634,949	(632,693)	2,039,757
Balance as at September 30, 2023	37,500	1	900,000	900,001	1,634,949	(632,693)	2,039,757

Total comprehensive income / (loss) for the period	0	0	0	0	0	134,966	134,966
Loss after taxation for the nine months ended June 30, 2024	0	0	0	0	0	134,966	134,966
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period	0	0	0	0	(100,965)	100,965	0
-net of deferred taxation	0	0	0	0	1,533,984	(296,762)	2,174,723
Balance as at June 30, 2024	37,500	1	900,000	900,001	1,533,984	(296,762)	2,174,723

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL
INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2024

1. Legal status and nature of business

The Premier Sugar Mills & Distillery Company Limited (the Company) was incorporated on July 24, 1944 as a Public Company and its shares are quoted on Pakistan Stock Exchange Ltd. The Company is principally engaged in manufacture and sale of white sugar and spirit. The Company's Mills and Registered Office are located at Mardan (Khyber Pakhtunkhwa) whereas the Head Office is situated at King's Arcade, 20-A, Markaz F-7, Islamabad. The Company has shifted its distillery from Mardan to Ramak Dera Ismail Khan during the financial year ended September 30, 2020.

2. Basis of preparation

2.1 Statement of Compliance

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

- International Accounting Standard (IAS) 34, "Interim financial reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IFRS standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended September 30, 2023.

2.3 The comparative unconsolidated condensed interim statement of financial position presented in these interim financial statements has been extracted from the audited financial statements of the Company for the year ended September 30, 2023, whereas the unconsolidated condensed comparative interim statement of profit or loss & other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows have been extracted from the un-audited condensed interim financial statements for the period ended June 30, 2023.

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

2.5 Basis of measurement

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

2.6 Functional and presentation currency

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

3. Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of audited annual financial statements of the Company as at ended September 30, 2023.

3.1 Changes in accounting standards, interpretations and pronouncements

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

There are certain amendments and interpretations to the accounting and reporting standards, which are mandatory for the Company's annual accounting period commencing on or after January 01, 2022. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

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

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

4. Accounting estimates, judgments and financial risk management

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

4.2 The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual audited financial statements of the Company as at and for the year ended September 30, 2023.

4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended September 30, 2023.

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

	Un-audited June 30, 2024 (Rupees in thousand)	Audited Sep 30, 2023 (Rupees in thousand)
5. Property, plant and equipment		
Operating fixed assets	2,247,534	2,087
Capital work in process	794,003	2,862
	<u>3,041,537</u>	<u>5,085</u>
5.1 Operating fixed assets	2,409,696	
Book value at beginning of the period - audited		
Additions during the period		
- capital work in process vehicles	0	
- furniture, fittings & offices equipment	2,020	
- Vehicles	6,488	
- Vehicles disposal	0	
Depreciation charge for the period	(170,671)	
Book value at end of the period - un-audited	<u>2,247,534</u>	
6. Long term investments		
Market values of the Company's quoted investments in Chashma Sugar Mills Ltd. (a Subsidiary Company) and Arpak International Investments Ltd. (an Associated Company) at period-end were Rs.923,792 million (September 30, 2023: Rs.782,569 million) and Rs.11,033 million (September 30, 2023: Rs.14,829 million) respectively.		
7. Stock-in-trade		
In-process	22,360	10,544
- sugar	3,563	0
- molasses	<u>25,923</u>	<u>10,544</u>
Finished goods:		
- sugar	<u>1,200,715</u>	<u>124,078</u>
- molasses	<u>82,171</u>	<u>0</u>
	<u>1,282,886</u>	<u>124,078</u>
	<u>1,308,809</u>	<u>134,622</u>
8. Advances - Considered good		
Due from Chashma Sugar Mills Ltd. (CSM- a Subsidiary Company)	0	150,161
Suppliers and contractors	51,463	42,939
Employees	5,709	5,434
	<u>57,172</u>	<u>198,534</u>

	Un-audited June 30, 2024 (Rupees in thousand)	Audited Sep 30, 2023 (Rupees in thousand)
9. Trade deposits and short term prepayments		
Excise duty deposit	136	136
Short term prepayments	3,955	2,087
Deposits against decretal amounts	2,862	2,862
	<u>6,953</u>	<u>5,085</u>
9.1 These have been deposited with the Commissioner for Workers' Compensation and Authority under the Payment of Wages Act, 2013 for Mardan.		
10. Other receivables		
Sugar export subsidy	2,991	2,991
Gas infrastructure development cess paid under protest - refundable	3,018	3,018
Lease rentals receivable from Premier Board Mills Ltd. (an Associated Company)	0	2,140
Others	644	1,976
	<u>6,653</u>	<u>10,125</u>
11. Bank balances		
Cash at banks on:		
- PLS accounts	1,171	20,887
- current accounts	5,333	89,474
- deposit accounts	8,734	8,734
- deposits with a non-banking finance company - unsecured	0	6,000
	<u>15,238</u>	<u>125,095</u>
Less: provision for doubtful bank balance	5,000	5,000
	<u>10,238</u>	<u>120,095</u>
11.1 These include deposits amounting Rs.3,734 million (September 30, 2023: Rs.3,734 million), which are under lien of a bank against guarantees issued by it in favour of Sui Northern Gas Pipelines Ltd. on behalf of the Company.		

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

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

12. Trade and other payables

	Un-audited June 30, 2024	Audited Sep 30, 2023
	(Rupees in thousand)	
Due to related parties :		
- Chashma Sugar Mills Ltd. (Subsidiary Company)	75,069	0
- The Frontier Sugar Mills & Distillery Ltd.(Subsidiary Company)	8	0
- Azlak Enterprises (Pvt) Ltd. (Associated Company)	21,529	21,529
- Syntron Ltd. (Associated Company)	14,927	
- Syntronic Ltd. (Associated Company)	157	157
Creditors	132,117	36,652
Accrued expenses	51,119	54,547
Due to employees	5,190	5,151
Deposits from contractors and others	993	958
Income tax deducted at source	1,808	2,892
Sales tax payable	0	45,682
Gratuity payable to ex-employees	4,028	4,116
Workers' (profit) participation fund	0	792
Workers' welfare fund	0	301
Employees' provident fund payable	5,935	4,228
Others	420	424
	313,299	177,429

13. Contingencies and commitments

13.1 There has been no significant change in the status of contingencies as disclosed in note 25 to the financial statements of the Company for the year ended September 30, 2023.

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

13.3 Petitions filed before the Supreme Court of Pakistan (SCP) against imposition of Gas Infrastructure Development Cess (GIDC) were dismissed vide judgment dated August 13, 2020 in 2-1 ratio. The SCP's judgment stated that the cess under GIDC Act, 2015 was levied on those consumers of natural gas which on account of their industrial or commercial dealings had passed on GIDC burden to their customers. The SCP's judgment stated that no late payment surcharge would be collected while the GIDC amount that had become due upto July 31, 2020 would be recovered in 24 equal monthly instalments. Based on this judgment, the Company has filed the a writ petition before the PHC challenging the demand of GIDC arrears amounting Rs. 29.936 million on the ground that the Company has not passed on GIDC burden to its customers. The PHC, vide its order dated September 19, 2021, has granted interim relief.

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

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

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

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

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

13.9 Guarantees given to Sui Northern Gas Pipelines Ltd. by commercial banks on behalf of the Company outstanding as at June 30, 2024 were for Rs.37.340 million (September 2023: Rs.37.340 million).

14

	Quarter ended		Nine Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Sales				
Local	110,612	911,191	622,144	1,279,282
Export	0	825,416	0	1,086,917
	<u>110,612</u>	<u>1,736,606</u>	<u>622,144</u>	<u>2,366,199</u>

Rupees in thousand -----

15.

	Un-audited nine months ended June 30, 2024	June 30, 2023
Other income		
Profit on bank deposits and saving accounts	4,054	1,733
Dividend from a Subsidiary Company	68,755	0
Income from other than financial assets:		
Un-claimed payable balances written-back	525	151
Rent from:		
- an Associated Company	0	0
- a Subsidiary Company	0	0
Sale of agricultural produce - net	20,028	10,611
Gain on sale of fixed assets	586,208	145
Miscellaneous	1,704	13,338
	<u>681,275</u>	<u>25,979</u>

Income from financial assets:

Profit on bank deposits and saving accounts
Dividend from a Subsidiary Company

Income from other than financial assets:

Un-claimed payable balances written-back
Rent from:

- an Associated Company
- a Subsidiary Company

Sale of agricultural produce - net

Gain on sale of fixed assets

Miscellaneous

16.

Other expenses		
Uncollectible receivable balances written-off	0	110
Exchange loss	0	13,170
Others	4	986
	<u>4</u>	<u>14,266</u>

17.

Taxation		
Current	17.1	16,926
Deferred		(174,682)
		<u>(157,756)</u>
		<u>38,575</u>

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

18.

Operating segment

Upto June 30, 2024, the Company considered itself to be a single reportable segment on the basis of its internal reporting structure. The Company's reportable segments during the current period are as follows:

- Sugar
- Distillery

18.1 Segment operating results for the nine months period ended June 30, 2024

	Sugar Division June 30, 2024	Sugar Division June 30, 2024	Total
Sales			
- Local	622,144	-	622,144
- Export	-	-	-
	<u>622,144</u>	<u>-</u>	<u>622,144</u>
Less : sales tax	(94,903)	-	(94,903)
Sales - net	<u>527,241</u>	<u>-</u>	<u>527,241</u>
Cost of sales	(874,428)	(64,949)	(939,377)
Gross (loss) / profit	<u>(347,187)</u>	<u>(64,949)</u>	<u>(412,136)</u>
Distribution cost	(2,899)	-	(2,899)
Administrative expenses	(104,481)	-	(104,481)
	<u>(107,380)</u>	<u>-</u>	<u>(107,380)</u>
(Loss) / profit form operations (segment results)	<u>(454,567)</u>	<u>(64,949)</u>	<u>(519,516)</u>
Other income			681,275
Other expenses			(4)
			<u>681,271</u>
			<u>161,755</u>
Finance cost			(184,547)
Loss before taxation			<u>(22,791)</u>
Taxation			157,757
Loss after taxation			<u>134,966</u>

18.2 Segment assets and liabilities

	Un-audited Nine Months Ended	
	June 30, 2024	June 30, 2024
Assets		
Sugar	4,440,320	1,326,353
Ethanol	502,125	21,529
Total for reportable segment	<u>4,942,445</u>	<u>2,767,722</u>

19. Transactions with related parties

19.1 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 nine months ended June 30, 2024	June 30, 2023
	(Rupees in thousand)	
Subsidiary Companies:	3,839	21,291
- purchase of store items	0	2,428
- purchase of baggage	0	2,546
- sale of store items	0	770,480
- sale of molasses	50,885	0
- receipt against sale of building	0	0
- purchase of molasses	68,755	0
- dividend	0	0
- rent income	86	86
- rent expense	3,489	6,012
- Expenses paid by the Company	40,678	69,814
- Expenses paid on behalf of the Company	14,927	0
Associated Companies:		
- purchase of store items		

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

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

20. Corresponding figures

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

21. Date of authorisation for issue

These unconsolidated condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on July 26, 2024.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER



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

**CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD
ENDED JUNE 30, 2024
(UN-AUDITED)**

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

Assets	Note	Un-audited		Audited
		June 30, 2024	June 30, 2023	
Non-current assets				
Property, plant and equipment	7	26,627,863	26,796,376	962,775
Right-of-use assets	8	349,450	328,202	5,513,065
Investment property		19,700	24,543	1,251,423
Long term investments	9	179,726	182,471	1,071,224
Security deposits		17,245	16,985	242,022
Deferred tax asset		160,757	10,100	87,296
		27,354,741	27,358,677	0
Current assets				
Stores and spares	10	895,846	962,775	10,305
Stock-in-trade	11	16,102,193	5,513,065	950,611
Trade debts	12	1,175,451	1,251,423	10,088,721
Loans and advances	13	1,820,449	1,071,224	37,447,398
Trade deposits, short term prepayments and other receivables	14	260,494	242,022	57,500
Tax refunds due from the Government		46,624	87,296	37,500
Income tax refundable	15	455,415	0	57,500
Short term investments	16	1,572	10,305	57,500
Bank balances		857,884	950,611	37,500
		21,615,928	10,088,721	37,447,398
Total assets		48,970,668	37,447,398	57,500
Equity and liabilities				
Share capital and reserves				
Authorised capital		57,500	57,500	57,500
Issued, subscribed and paid-up capital		37,500	37,500	37,500
Capital reserves				
- share redemption	1	1	1	1
- revaluation surplus on property, plant and equipment		5,303,339	5,804,999	5,804,999
General revenue reserve		1,010,537	1,010,537	1,010,537
Unappropriated profit		819,542	2,342,927	2,342,927
Equity attributable to equity holders of the Holding Company		7,170,919	9,195,964	9,195,964
Non-controlling interest		7,665,674	8,608,832	8,608,832
		14,836,593	17,804,797	17,804,797

17	4,662,796	4,673,541
18	130,611	156,854
19	167,784	161,396
20	32,973	76,281
	3,874,049	4,062,491
	8,868,213	9,130,563
21	3,384,321	1,595,505
	0	1,973,332
	23,721	7,470
	1,336,110	746,754
22	18,014,723	4,615,620
23	2,183,001	1,429,079
	0	15,144
	323,987	129,134
	25,265,863	10,512,038
	34,134,075	19,642,601
24	48,970,668	37,447,398

Total liabilities		34,134,075
Contingencies and commitments		19,642,601
Total equity and liabilities		37,447,398

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



CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM
STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED JUNE 30, 2024

	Note	Quarter ended		Nine month period ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Rupees in thousand					
Sales					
- local		11,252,907	5,175,620	22,645,189	13,625,730
- export		1,533,573	1,512,578	5,540,412	6,630,924
		12,786,480	6,688,198	28,185,601	20,256,654
Less: sales tax, other government levies and discounts		(1,467,498)	(623,960)	(2,998,329)	(1,895,524)
Sales - net		11,318,982	6,064,238	25,187,272	18,361,130
Cost of sales		(11,453,218)	(5,011,767)	(22,581,654)	(14,391,579)
Gross profit/ (loss)		(134,236)	1,052,470	2,605,618	3,969,550
Selling and distribution expenses		(240,313)	(164,027)	(720,290)	(667,208)
Administrative and general expenses		(469,806)	(285,079)	(1,220,602)	(886,101)
Net impairment losses on financial assets		0	0	0	(34,128)
Other income		32,242	21,718	170,069	98,945
Other expenses		(13,290)	(13,330)	3,172	(78,056)
Profit/ (loss) from operations		(798,824)	611,752	837,967	2,403,002
Finance cost		(1,553,887)	(970,883)	(3,806,593)	(2,089,580)
		(2,352,711)	(359,131)	(2,968,627)	313,422
Share of profit / (loss) from Associated Companies	9	789	1,414	(11,819)	(3,640)
(Loss)/ profit before income tax, minimum tax and final levies		(2,351,922)	(357,717)	(2,980,446)	309,782
Final taxes - levy		0	0	(55,404)	0
(Loss)/ profit before income tax		(2,351,922)	(357,717)	(3,035,850)	309,782
Taxation					
Group					
- current		(175,526)	(93,050)	(233,025)	(287,966)
- prior year		0	0	0	(41,938)
- deferred		470,976	67,847	741,977	154,818
		295,450	(25,203)	508,952	(175,086)
Associated Companies	9	(23)	(23)	(77)	(45)
		295,427	(25,226)	508,875	(175,131)
(Loss)/ profit after taxation		(2,056,495)	(382,943)	(2,526,975)	134,651
Attributable to :					
- Equity Holders of the Holding Company		(1,122,551)	(460,214)	(1,493,259)	53,338
- Non-controlling interest		(933,944)	77,271	(1,033,716)	81,313
		(2,056,495)	(382,943)	(2,526,975)	134,651

Rupees					
Combined earnings / (loss) per share		(299.35)	(49.74)	(398.20)	17.36

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



CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM
STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2024

	Quarter ended		Nine month period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(2,056,495)	(382,942)	(2,526,975)	134,652
Profit after taxation				
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income from Associated Companies	6,530	3,142	7,402	4,014
Total comprehensive income/(loss)	(2,049,964)	(379,800)	(2,910,891)	138,666
Attributable to:				
- Equity holders of the Holding Company	(1,010,752)	(443,859)	(1,877,175)	69,111
- Non-controlling interest	(1,039,212)	64,059	(1,033,716)	69,555
	(2,049,964)	(379,800)	(2,910,891)	138,666

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM
STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2024

	Nine month period ended	
	June 30, 2024	June 30, 2023
	(3,035,850)	309,783
Cash flows from operating activities		
Profit/ (loss) for the period - before taxation	1,531,863	1,086,780
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	64,953	55,153
Depreciation on right-of-use assets	4,843	212
Loss from Associated Companies	11,819	3,640
Mark-up / profit on bank deposits and saving accounts	0	(21,305)
Un-claimed payable balances written-back	0	(151)
Gain on sale of operating fixed assets	0	(5,628)
Gain on redemption and re-measurement of short term investments to fair value	(568)	(1,490)
Reversal of impairment loss for doubtful debts	0	0
Finance cost	3,806,593	2,089,580
	2,383,654	3,516,574

Profit before working capital changes

Effect on cash flows due to working capital changes

(Increase) / decrease in current assets

Stores and spares

Stock-in-trade

Trade debts

Loans and advances

Trade deposits, short term prepayments and other receivables

Sales tax refundable-net

Increase in trade and other payables

Cash used in operations

Taxation - net

Security deposits

Staff retirement benefits - gratuity (net)

Net cash used in operating activities

Cash flows from investing activities

Additions to property, plant and equipment

Sale proceeds of operating fixed assets

Dividend received

Short term investments - made

- redeemed

Mark-up / profit received on bank deposits and saving accounts

Net cash used in investing activities

Cash flows from financing activities

Long term finances and loans from related parties - net

Lease liabilities - net

Government grant

Short term borrowings - net

Finance cost paid

Dividends paid

Net cash generated from financing activities

Net increase in cash and cash equivalents

Cash and cash equivalents - at beginning of the period

Cash and cash equivalents - at end of the period

66,929	7,454
(10,589,128)	(7,749,808)
75,972	(66,238)
(749,225)	219,264
(18,472)	(242,307)
0	0
(184,516)	1,746,951
(11,398,440)	(6,084,684)
(9,014,786)	(2,568,110)
(452,915)	(222,909)
(260)	(1,256)
9,466	3,217
(9,458,495)	(2,789,058)
(1,410,395)	(2,397,531)
47,045	17,008
0	0
0	(318)
9,301	11,926
0	21,305
(1,354,049)	(2,347,610)

688,158	1,190,816
(116,023)	(112,872)
56,077	107,804
12,832,851	5,956,646
(2,668,755)	(1,411,690)
(72,491)	(10)
10,719,816	5,730,694
(92,727)	594,026
950,611	337,853
857,884	931,879

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2024

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

Balance as at September 30, 2022 37,500 1 4,565,539 1,010,537 1,223,171 6,834,748 6,958,892 13,423,640

Total comprehensive income:

Profit for the nine month period ended June 30, 2023 0 0 0 65,096 69,555 134,651

Other comprehensive income 0 0 0 4,014 4,014 0 4,014

Effect of items directly credited in equity by Associated Companies 0 0 0 69,110 69,110 69,555 138,665

Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation) 0 0 0 1,175 1,175 0 1,175

- on account of incremental depreciation 0 0 (234,865) 0 0 (234,865) (140,662) (975,527)

Balance as at June 30, 2023 37,500 1 4,328,674 1,010,537 1,528,321 6,905,033 6,658,447 13,563,480

Balance as at September 30, 2023 37,500 1 5,804,999 1,010,537 2,342,927 9,195,985 8,608,832 17,804,797

Transaction with owners:

- Cash dividend at the rate of Rs.5.00 per ordinary share for the year ended September 30, 2023 0 0 0 0 (143,460) (143,460) (143,460)

Total comprehensive income:

Loss for the nine month period ended June 30, 2024 0 0 0 (1,493,259) (1,493,259) (1,033,716) (2,526,975)

Other comprehensive loss 0 0 0 (383,917) (383,917) 0 (383,917)

Effect of items directly credited in equity by Associated Companies 0 0 0 (1,877,175) (1,877,175) (1,033,716) (2,910,891)

Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation) 0 0 (501,660) 0 501,660 0 0

- on account of incremental depreciation 0 0 5,303,339 1,010,537 819,842 7,314,379 7,665,674 14,836,593

Balance as at June 30, 2024 37,500 1 5,303,339 1,010,537 819,842 7,314,379 7,665,674 14,836,593

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

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2024

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. The Holding Company has shifted its distillery from Mardan to Ramak, Dera Ismail Khan during the financial year ended September 30, 2020.
 - 1.2 Subsidiary Companies and Sub-subsidiary Companies
 - (a) Chashma Sugar Mills Ltd. (CSML)

CSML was incorporated in Pakistan on May 05, 1988 as a Public Limited Company, under the repealed Companies Ordinance, 1984 (repealed upon enactment of the Companies Act, 2017 on May 30, 2017) and commenced its commercial production from October 01, 1992. CSML has its shares quoted on the Pakistan Stock Exchange Ltd. CSML is principally engaged in manufacturing, production, processing, compounding, preparation and sale of sugar, other allied compound, intermediates and allied products. CSML is a Subsidiary of The Premier Sugar Mills & Distillery Company Ltd. The head office of CSML is situated at King's Arcade, 20-A, Markaz F-7, Islamabad and its manufacturing facilities are located at Dera Ismail Khan, Khyber Pakhtunkhwa.

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

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

UWFPL (Subsidiary of CSML) was incorporated in Pakistan as a Private Limited Company under the Companies Act, 2017 on May 17, 2021. The objective of UWFPL is to set-up mills for milling wheat, gram, other grains and other allied products and by-products from flours. The operations of UWFPL have not yet been started. CSML holds 72% shares of UWFPL.
 - (d) The Frontier Sugar Mills and Distillery Ltd. (FSM)

FSM was incorporated on March 31, 1938 as a Public Company and its shares were quoted on all the Stock Exchanges of Pakistan; FSM was delisted from the Stock Exchanges as detailed in paragraph 1.2(c) to the consolidated financial statements for the year ended September 30, 2023. The principal activity of FSM was manufacturing and sale of white sugar and its Mills and Registered Office are located at Takht-I-Bhai, Mardan (Khyber Pakhtunkhwa). FSM is a Subsidiary of The Premier Sugar Mills & Distillery Company Ltd.

CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



Going concern basis

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

- FSM's production facilities are closed since the year 2008 due to diversion of entire sugarcane crop to Gur making;
- the small size of the plant is not economical to run; and
- FSM has been suffering losses over the years; accumulated loss as at June 30, 2024 aggregated Rs.143.820 million.

The financial statements of FSM have been prepared on going concern basis as the management is exploring different avenues / options for future purposes, which include but are not limited to flour mills and other industrial / commercial projects. The management is of the view that with the start of these projects, FSM will be able to cover losses and continue as a going concern. FSM is in possession of property, plant and equipment having carrying values of Rs.1.150 billion at the reporting date, which may be utilised for proposed future projects. Further, being part of Premier Group of Companies, FSM also enjoys financial backing from the Group.

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

2. Basis of preparation

2.1 Statement of compliance

These condensed interim consolidated financial statements (the interim consolidated financial statements) for six month period ended June 30, 2023 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Group as at and for the year ended September 30, 2022. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Group's financial position and performance since the last annual audited consolidated financial statements.

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

2.4 Basis of measurement

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

2.5 Functional and presentation currency

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

3. Significant accounting policies

The accounting policies adopted for the preparation of these interim consolidated financial statements are the same as those applied in the preparation of audited consolidated financial statements of the Group as at and for the year ended September 30, 2023.

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

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

There were certain amendments to accounting and reporting standards which became mandatory for the Group during the period. However, these do not have any significant impact on the Group's financial reporting and, therefore, have not been detailed in these condensed interim consolidated financial statements.

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

There are certain amendments to the accounting and reporting standards that will be mandatory for the Group's annual accounting periods beginning on or after October 01, 2023. However, these amendments will not have any significant impact on the financial reporting of the Group and, therefore, have not been disclosed in these condensed interim consolidated financial statements.

4. Accounting estimates and judgements

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

4.2 In preparing these interim consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended September 30, 2023.

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

5. Principles of consolidation

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

These interim consolidated financial statements include the financial statements of the Holding Company, consolidated financial statements of CSML and the financial statements of FSM as at and for the six month period ended June 30, 2023. The Holding Company's direct interest, as at June 30, 2024 and September 30, 2023, in CSML was 47.93% and in FSM was 82.49%.

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

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

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

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

6. Seasonality of operations

Due to seasonal nature of sugar segment of the Group, operating results of the Group are expected to fluctuate in the second half of the year in comparison with the first six month of the year.

7. Property, plant and equipment

	Un-audited June 30, 2024 (Rupees in thousand)	Audited Sep. 30, 2023
Operating fixed assets	25,428,650	23,253,239
Capital work-in-progress	1,199,213	3,543,137
Advance against leased vehicle	0	0
	<u>26,627,863</u>	<u>26,796,376</u>

7.1 Operating fixed assets

Book value as at September 30, 2023 - audited

Book value as at September 30, 2023 - audited	23,253,239
Additions during the period:	
- buildings and roads	1,989,067
- plant and machinery	1,408,727
- electric installations	232,570
- office equipment	41,267
- furniture and fixtures	40,622
- vehicles	27,344
	<u>3,739,597</u>
Book value of operating fixed assets disposed-off during the period	(32,323)
Depreciation charge for the period	(1,531,863)
Book value as at June 30, 2024 - un-audited	<u>25,428,650</u>

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

Depreciation charge for the period

Book value as at June 30, 2024 - un-audited

Un-audited
June 30,
2024
Rupees in
thousand

7.2 Capital work-in-progress	Note	
At beginning of the period		3,543,137
Add: additions during the period	7.3	1,027,033
Less: capitalised / adjusted during the period		(3,370,957)
Balance at end of the period		<u>1,199,213</u>

7.3 Additions during the period

- land and building	641,033
- plant and machinery	247,323
- electric installations	58,218
- office equipment	
- vehicles - owned	5,917
- leased	53,526
- capital stores	0
- advance payments to contractors	6,516
- advance payments against freehold land and buildings	14,500
	<u>1,027,033</u>

8. Right-of-use assets

Book value at beginning of the period - audited	328,202
Additions during the period	111,686
Transfer from right of use assets to owned	(25,485)
Depreciation charge for the period	(64,953)
Book value at end of the period - un-audited	<u>349,450</u>

9. Long term investments

Investments in equity instruments of Associated Companies

Balance at beginning of the period - cost	5,638
Add: post acquisition profit brought forward	176,833
	<u>182,471</u>

Add: share for the period:

- loss	(11,819)
- other comprehensive income	7,402
- items directly credited in equity	1,748
Less: taxation	(77)

(2,745)

179,726

Balance at end of the period - un-audited

10. Stores and spares

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

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

11. Stock-in-trade

	Note	Un-audited June 30, 2024 (Rupees in thousand)	Audited Sep. 30, 2023
Finished goods:			
- sugar		11,516,189	3,376,656
- molasses	11.1	2,502,195	1,129,284
- ethanol		765,159	742,952
- bagasse	11.1	176,561	36,569
- wheat flour- UWFPL		25,550	0
		<u>14,985,654</u>	<u>5,285,461</u>
Work-in-process		47,027	26,837
Raw Material-wheat (UWFPL)		1,069,512	200,767
		<u>16,102,193</u>	<u>5,513,065</u>

11.1 Molasses and bagasse are used both for internal consumption as well as for sales to external parties.

11.2 Certain short term and long term borrowings of the Group are secured by way of collateral charge on stock-in-trade.

12. Trade debts - unsecured

Considered good	1,175,451	1,251,423
Considered doubtful	3,333	3,333
	<u>1,178,784</u>	<u>1,254,756</u>
Less: loss allowance	3,333	3,333
	<u>1,175,451</u>	<u>1,251,423</u>

13. Loans and advances

Advances to:		
- employees - secured	21,678	20,730
- suppliers and contractors - unsecured	1,828,499	1,069,081
Letters of credit	15	11,156
Due from relative of director	0	0
	<u>1,850,192</u>	<u>1,100,967</u>
Less:		
- provision for doubtful advances	29,743	28,838
- loss allowance	-	905
	<u>29,743</u>	<u>29,743</u>
	<u>1,820,449</u>	<u>1,071,224</u>

Un-audited
June 30,
2024
(Rupees in thousand)

Audited
Sep. 30,
2023

14. Trade deposits, short term prepayments and other receivables

Sugar export subsidy receivable	308,510	308,510
Prepayments	10,251	15,433
Excise duty deposits	136	136
Gas infrastructure development cess paid under protest - refundable	3,018	3,018
Lease rentals receivable from an Associated Company (Premier Board Mills Ltd.)	0	2,140
Guarantees issued	15,000	15,000
Trade deposits	8,296	8,876
Sales tax	0	0
Deposits against decretal amounts	2,862	2,862
Other receivables	68,203	41,829
	<u>416,276</u>	<u>397,804</u>
Less: loss allowance	(155,782)	(155,782)
	<u>260,494</u>	<u>242,022</u>

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

Opening balance - 247,315 Units (2023: 247,315 Units)	10,305	25,237
Investment made during the period	0	0
Gain on redemption / re-measurement to fair value	568	2,819
Bonus received during the period / year - 5843 Units (2023: 26,752 Units)	0	0
Units redeemed during the period / year - 90807 Units (2023: 1736,65 Units)	(9,301)	(17,751)
Closing balance - 206,867 Units (2023: 247,315 Units)	1,572	10,305

16. Bank balances

16.1 Bank balances include deposits amounting Rs.3.734 million (September 30, 2023: Rs.3.734 million), which are under lien of a bank against guarantees issued in favour of Sui Northern Gas Pipelines Ltd. on behalf of the Holding Company.

16.2 The Securities and Exchange Commission of Pakistan winding-up petition filed against Innovative Investment Bank Ltd. was decided by the Lahore High Court, Lahore (LHC) and LHC appointed Joint Official Liquidators (JOLs). The LHC, vide its order dated April 14, 2018 had approved release of payment upto Rs.20 million in respect of principal amounts only. The Group, during July, 2020, had received second tranche of Rs.22 million vide the LHC's order dated June 12, 2020. The Group, during November, 2020, had received the third tranche of Rs.24 million from JOLs as per the LHC's order dated October 01, 2020.

The management, for the release of balance amounts of Rs.12 million, anticipates that JOLs will intimate in due course of time; no provision, therefore, for the remaining deposits balance amounting Rs.12 million has been made in the books of account of the Holding Company and FSM.

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

16.3 There is no significant change in the status of matter as disclosed in note 17.6 to the audited consolidated financial statements of the Group for the year ended September 30, 2023. The appeal filed by State Bank Pakistan was remanded-back to Additional District Judge, Peshawar. The appeal was disposed-off vide judgment dated November 29, 2019. The judgment states that the Holding Company is entitled to recover Rs.5 million with profit at the rate of 12.5% per annum from National Bank of Pakistan from the year 1999. The said execution petition is pending adjudication. Full provision for the said deposit amounting Rs.5 million exists in the books of account of the Holding Company.

	Un-audited June 30, 2024	Audited Sep. 30, 2023
	(Rupees in thousand)	
17. Long term finances - secured CSML and its Subsidiaries		
Bank Al-Habib Ltd.	2,703,636	2,818,699
Soneri Bank Ltd.	1,100,447	933,703
Dubai Islamic Bank Pakistan Ltd.	0	250,000
MCB Bank Ltd.	536,006	698,783
Al-Baraka Bank (Pakistan) Ltd.	334,647	445,493
The Bank of Khyber	344,125	382,692
United Bank Ltd.	1,175,618	450,000
	17.1	6,194,480
Less:		5,979,370
Amounts payable within next 12 months grouped under current liabilities - Principal	1,531,684	1,305,829
Amount due after June 30, 2024	4,662,796	4,673,541

17.1 These represent term and demand finance obtained by CSML and its Subsidiaries from the aforesaid banks and are repayable in 3-5 years with varied grace period. The rate of mark-up ranges from KIBOR + 1% per annum to KIBOR + 2.10% per annum and SBP rate + 1%. These are secured against first / joint pari passu hypothecation charge over all present and future movable fixed assets of CSML and its Subsidiaries and first / joint pari passu charge by way of equitable mortgage on all present and future immovable fixed assets of CSML and its Subsidiaries, pledge of sugar stock and lien on export contract / LC.

	Un-audited June 30, 2024	Audited Sep. 30, 2023
	(Rupees in thousand)	
18. Loans from related parties - secured		
Premier Board Mills Ltd.	62,472	71,840
Arpak International Investments Ltd.	25,000	31,250
Aziak Enterprises (Pvt.) Ltd.	85,000	85,000
	172,472	188,090
Less: amount payable within next twelve months	41,861	31,236
	130,611	156,854

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

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

Long term finance facility amounting to Rs. 25 million was obtained by the Subsidiary of CSML. The principal is repayable in 8 semi annual instalments commenced from December, 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark-up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Subsidiary of CSML.

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

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

19. Lease liabilities - secured

	Un-audited June 30,2024	Audited Sep. 30, 2023
	Rupees in thousand	
Balance at beginning of the period - audited	248,926	248,926
Additions during the period	86,719	86,719
Unwinding of interest on lease liabilities	43,427	43,427
Payments / adjustments made during the period	(116,023)	(116,023)
Balance at end of the period -un-audited	263,049	263,049
Less: current portion grouped under current liabilities	(95,265)	(95,265)
	167,784	167,784

	Un-audited June 30, 2024 (Rupees in thousand)	Audited Sep. 30, 2023 (Rupees in thousand)
20. Deferred liabilities		
Deferred taxation		
- The Holding Company	203,515	378,197
- FSM	4,429	4,429
- CSML	3,597,476	3,620,702
	3,805,420	4,003,328
Staff retirement benefits - gratuity		
- The Holding Company	44,452	39,132
- FSM	66	66
- CSML	24,111	19,965
	68,629	59,163
Government grant	32,973	0
	3,874,049	4,062,491
21. Trade and other payables		
Creditors	876,911	559,733
Due to related parties	163,469	166,809
Accrued expenses	176,950	200,778
Retention money	43,568	39,839
Security deposits	3,358	2,278
Advance payments from customers	1,272,038	0
Income tax deducted at source	65,009	105,758
Sales tax payable	630,089	292,392
Gratuity payable to ex-employees	5,831	5,919
Advance received against sale of scrap	2,024	2,024
Workers profit participation fund-allocation for the year(the Holding Company)		792
Payable for workers' welfare obligations	30,258	113,424
Payable to provident fund	17,863	12,687
Payable to employees	79,391	63,382
Others	17,562	29,690
	3,384,321	1,595,505
22. Short term borrowings		
The Holding Company :		
Secured	1,330,000	0
Temporary Bank overdraft-unsecured	0	35
CSML :		
- Cash / running finances - secured	11,377,244	3,091,690
- Export refinances - secured	5,307,479	1,523,895
	18,014,723	4,615,620

22.1	These cash, running and export re-finance facilities are repayable in six months to one year period. The rate of mark-up ranges from SBP Rate+1% per annum to KIBOR + 1.75% per annum and are secured against pledge of sugar stock with margin ranging from 10% to 25%, lien on export contracts / LCs and import documents.	Un-audited June 30, 2024 (Rupees in thousand)	Audited Sep. 30, 2023
23.	Current portion of non-current liabilities	Note	
	Long term finances - the Holding Company	23.1	0
	Long term finances - CSML & its Subsidiaries	17	1,945,010
	Loans from related parties	18	117,201
	Lease liabilities	19	97,687
	Government grant		23,103
			2,183,001
			1,429,079
23.1	These finances were obtained during the financial year ended September 30, 2020 from Bank Al-Habib Ltd. under Refinance Scheme against a facility amount of Rs.50 million for payment of salaries and wages to workers and employees of the Holding Company to dampen the effect of COVID-19. The finance facility carried profit at SBP rate + 3%; the effective mark-up rate during the period was 3% per annum. This finance facility was repayable in 8 equal quarterly instalments commenced from January, 2021 and was secured against first exclusive registered charge over the Holding Company's head office second and third floors (without land) located at King's Arcade, Markaz F-7, Islamabad through token registered mortgage of Rs.0.500 million and remaining through equitable mortgage of Rs.580 million. The outstanding balance of this finance facility was fully repaid during the period.		
24.	Contingencies and commitments		
24.1	The Holding Company		
	No commitments were outstanding as at June 30, 2024 and September 30, 2023.		
24.2	The Holding Company's appeal filed before the Peshawar High Court (PHC) against order of the Customs, Sales Tax & Central Excise Appellate Tribunal is still pending adjudication. The Department, during the financial year ended September 30, 2001, had raised sales tax demand aggregating Rs.4.336 million along with additional tax. The Holding Company, however, during the financial year ended September 30, 2005, had paid sales tax amounting Rs.2.123 million along with additional tax amounting Rs.0.658 million as per the requirements of S.R.O. 247(I)/2004 dated May 05, 2004.		
24.3	Petitions filed before the Supreme Court of Pakistan (SCP) against imposition of Gas Infrastructure Development Cess (GIDC) were dismissed vide judgment dated August 13, 2020. The SCP's judgment states that the cess under GIDC Act, 2015 was levied on those consumers of natural gas which on account of their industrial or commercial dealings had passed on GIDC burden to their customers. The SCP's judgment states that no late payment surcharge would be collected while the GIDC amount that had become due up to July 31, 2020 would be recovered in 24 equal monthly instalments. Based on this judgment, the Holding Company had filed a writ petition before the PHC challenging the demand of GIDC arrears amounting Rs.29.936 million on the ground that the Holding Company had not passed on GIDC burden to its customers.		

PHC, vide its judgment dated June 15, 2022, has dismissed the petition filed by the Petitioners; the PHC, however allowed the Petitioners to approach a competent Court of law / forum having jurisdiction in the matter, if they so advised.

The Holding Company, during the financial year ended September 30, 2022, has filed a civil suit before the Civil Judge, Peshawar challenging the demand of GIDC arrears through the impugned additional bills without determination of alleged passing on the burden to the end consumers. The said civil suit is pending adjudication.

24.4 The Holding Company's petition filed before the PHC, against the Government of Khyber Pakhtunkhwa's notification dated August 12, 2015 in which minimum wages for unskilled workers was fixed at Rs.12,000 per month with effect from July 01, 2014 was dismissed by the PHC vide its judgment dated April 02, 2019. The Holding Company has filed a review petition before the PHC against the said judgment, which was also dismissed. The additional wage liabilities aggregate Rs.2.359 million approximately. The Holding Company has filed a civil petition for leave to appeal before the Supreme Court of Pakistan, which is pending adjudication.

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

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

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

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

24.9 Guarantees given to Sui Northern Gas Pipelines Ltd. by commercial banks on behalf of the Holding Company outstanding as at June 30, 2024 were for Rs.37.340 million (September 30, 2023: Rs.37.340 million).

FSM

24.10 There has been no significant change in the status of contingencies as disclosed in notes 30.10 to 30.12 to the audited consolidated financial statements of the Group for the year ended September 30, 2023.

CSML and its Subsidiaries

24.11 There has been no significant change in the status of contingencies as disclosed in notes 30.14 to 30.16 to the audited consolidated financial statements of the Group for the year ended September 30, 2023.

24.12 In case of CSML, commitments in respect of :

	Un-audited June 30, 2024	Audited Sep. 30, 2023
(Rupees in thousand)		
- foreign letters of credit for purchase of plant & machinery	19,167	0
- local letters of credit for purchase of plant & machinery	0	143,681
- capital expenditure other than for letters of credit	8,002	14,386

Operating segment

The Holding Company's reportable segments are as follows:

- Sugar
- Distillery

25.1 Segment operating results of the Holding Company for the six month period ended June 30, 2024

	Sugar Division June 30, 2024	Sugar Division June 30, 2024	Total
Sales	622,144	-	622,144
- Local	-	-	-
- Export	-	-	-
Less : sales tax	622,144	-	622,144
Gross (loss) / profit	(94,903)	-	(94,903)
Sales - net	527,241	-	527,241
Cost of sales	(874,428)	(64,949)	(939,377)
Gross (loss) / profit	(347,187)	(64,949)	(412,136)
Distribution cost	(2,899)	-	(2,899)
Administrative expenses	(104,481)	-	(104,481)
(Loss) / profit form operations (segment results)	(107,380)	-	(107,380)
	(454,567)	(64,949)	(519,516)
Other income			681,275
Other expenses			(4)
			681,271
			161,755
Finance cost			(184,547)
Loss before taxation			(22,791)
Taxation			157,767
Loss after taxation			134,966

25.2 Segment operating results of the CSML for the six month period ended June 30, 2024

Total	Nine month period ended			Rupees in thousand		
	June 30, 2024	June 30, 2023	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2023
Sales	8,767,300	4,926,674	17,626,042	13,617,607	2,893,291	11,722,671
- External Customers						
- Others - UWFPL						
Less : sales tax and others	8,767,300	4,985,684	18,502,625	14,988,131	2,893,291	11,722,671
Less : sales tax and others	(1,243,211)	(585,986)	(2,615,911)	(2,077,414)	(1,172,671)	(1,172,671)
7,524,089	4,399,698	15,886,714	15,886,714	12,910,717	1,720,620	10,550,000
Segment expenses:						
Cost of Sales	(7,630,433)	(3,863,846)	(14,244,359)	(11,440,654)	(2,432,085)	(4,897,906)
less: Intersegment cost	-	-	-	-	(59,010)	(876,583)
Others - UWFPL	-	-	-	-	-	-
Net impairment losses on financial assets	(10,148)	(6,876)	(7,586)	(141,126)	(212,569)	(463,772)
Administrative and general expenses	(251,515)	(199,267)	(676,273)	(53,121)	(61,385)	(226,551)
Sliding and distribution expenses	(1,063,444)	535,852	(1,642,355)	253,792	406,233	1,363,230
Gross profit	(7,630,433)	(3,863,846)	(14,244,359)	(11,440,654)	(2,432,085)	(4,897,906)
Profit from operations	(261,663)	(206,143)	(713,859)	(720,116)	(265,690)	(878,276)
Others	-	-	-	-	-	-
Administrative and general expenses	(251,515)	(199,267)	(676,273)	(53,121)	(61,385)	(226,551)
Sliding and distribution expenses	(1,063,444)	535,852	(1,642,355)	253,792	406,233	1,363,230
Profit from operations	(328,007)	329,709	928,196	1,044,834	(11,898)	484,954
Other income	32,901	17,491	141,399	91,089	561	4,489
Other expenses - net	13,293	15,918	3,175	(29,662)	-	-
Segment results	46,194	33,409	144,574	61,427	561	4,889
Finance cost	(321,813)	363,118	1,073,070	(11,327)	223,288	489,443
Profit / (loss) before revenue tax and income tax	(275,619)	700,527	1,411,564	50,100	224,615	578,886
Final taxes - levy	(15,336)	(10,644)	(55,404)	(55,440)	(274,558)	(2,106,615)
Profit / (loss) before income tax	(2,121,951)	(2,331,570)	(274,558)	(274,558)	(2,106,615)	(2,106,615)
Taxation	211,791	(2,896)	351,310	(81,071)	138,047	(1,910,160)
Profit / (loss) after taxation	(1,910,160)	(2,334,466)	(923,248)	(363,628)	(1,968,568)	(1,910,160)

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

	Un-audited Nine month period ended June 30, 2024		June 30, 2023	
	(Rupees in thousand)			
Associated Companies				
Purchase of store items	18,766	0		
Rental income	0	0		
Expenses paid on behalf of the Holding Company	3,489	0		
Key management personnel				
Salaries and other benefits	0	0		
CSML				
Associated Undertakings				
Services	36,352	27,505		
Expenses paid by Associated Companies	2,943	1,355		
Purchase of goods	221,643	257,828		
Dividend paid	26,977	0		
Mark-up charged	30,958	26,655		
Post employment benefit				
Expense charged in respect of retirement benefit plan	28,715	23,372		
Key management personnel / Directors				
Salaries and other benefits	175,344	190,500		
Dividend paid	28,721	0		

27. Financial risk management
Financial risk factors
The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.
These interim consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual financial statements as at and for the year ended September 30, 2023.

There have been no changes in the risk management department or in any risk management policies since the year ended September 30, 2023.

Fair value estimation

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

28. Corresponding figures

The comparative condensed interim consolidated statement of financial position presented in these interim consolidated financial statements has been extracted from the audited consolidated financial statements of the Group for the year ended September 30, 2023, whereas the comparative condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows have been extracted from the un-audited condensed interim consolidated financial statements for the period ended June 30, 2023.

29. Date of authorisation for issue

These condensed interim consolidated financial statements have been authorised for issue by the Board of Directors of the Holding Company on July 26, 2024.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER