



CHASHMA SUGAR MILLS LIMITED

**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED
DECEMBER 31, 2022**

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KING'S ARCADE, 20-A, MARKAZ F-7,
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CHASHMA SUGAR MILLS LIMITED

COMPANY INFORMATION

Board of Directors

Begum Laila Sarfaraz	Chief Executive
Mr. Abbas Sarfaraz Khan	Chairman
Ms. Zarmine Sarfaraz	Director
Mr. Iskander M. Khan	Director
Mr. Abdul Qadar Khattak	Director
Ms. Mariam Ali Khan	Independent Director
Mr. Feisal Kemal Khan	Independent Director

Company Secretary

Mr. Mujahid Bashir

Chief Financial Officer

Mr. Rizwan Ullah Khan

Head of Internal Audit

Mr. Zaheer Mir

Auditors

M/s. A.F Ferguson & Co.

Chartered Accountants

Tax Consultants

M/s. ShineWing Hameed Chaudhri & Co.,

Chartered Accountants

Legal Advisor

Mr. Tariq Mehmood Khokhar

Barrister-at-Law, 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	Habib Bank Limited
The Bank of Khyber	National Bank of Pakistan
MCB Bank Limited	Soneri Bank Limited
The Bank of Punjab	Askari Bank Limited
Bank Al-Falah Limited	United Bank Limited
Dubai Islamic Bank Limited	Meezan Bank Limited
Al-Baraka Bank (Pakistan) Limited	Allied Bank Limited
Habib Metropolitan Bank Limited	Samba Bank Limited

CHASHMA SUGAR MILLS LIMITED

DIRECTORS' REVIEW REPORT

The Directors of Chashma Sugar Mills Limited are pleased to present the un-audited condensed interim financial information for the three months period 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 PERFORMANCE

The sugarcane crushing season 2022-23 commenced on November 28, 2022. The mills have crushed 1,123,538 tons of sugarcane and have produced 117,060 tons of sugar till January 23, 2023. The Provincial Government of Punjab and Khyber Pakhtunkhwa (KPK) fixed the sugar cane price @ Rs. 300/- per 40 kg.

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 cost of production.

ETHANOL FUEL PLANT AT UNIT-II

The Ethanol Fuel Plant produced 8,585 M.T of Ethanol during the first Quarter ended December 31, 2022.

FINANCIAL PERFORMANCE

The Company earned Rs. 45.105 million profit after taxation (2021: 39.608 million) 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


Director

Islamabad
January 26, 2023


CHIEF EXECUTIVE

چشمہ شوگر ملز لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ

ڈائریکٹرز کی جائزہ رپورٹ
چشمہ شوگر ملز لمیٹڈ کے ڈائریکٹرز 31 دسمبر 2022 کو ختم ہونے والی پہلی سرمایہ کے اختتام پر کمپنی کی غیر آڈٹ شدہ کنٹریزنڈا انٹیرم مالیاتی معلومات حصص داروں کو جو کہ کمپنیز ایکٹ 2017 (وی ایکٹ) کے سیکشن 237 اور پاکستان سٹاک ایکچینج کے قواعد کے مطابق ہیں پیش کرنے پر مسرت محسوس کرتے ہیں۔

آپریٹس کا کردگی

گئے کارکنگ ییزن 23-2022 کا آغاز 28 نومبر 2022 کو شروع ہوا۔ ملوں نے 1,123,538 ٹن گنا کرش کیا۔ اور 23 جنوری 2023 تک 117,060 ٹن چینی بنائی پنجاب اور خیبر پختونخوا کی صوبائی حکومتوں نے گئے کی قیمت -/300 روپے فی 40 کلو مٹر کی۔

چینی کی قیمت

تقریباً 1 ملین میٹرک ٹن کے پرنے اسٹاک نے چینی کی قیمتوں پر ڈاؤن لاء اور 250,000 میٹرک ٹن کی تاخیر سے برآمد کی منظوری جس نے مارکیٹ میں چینی کی قیمتوں پر اثر ڈالا اس وجہ سے قیمتیں پیداواری لاگت سے کم ہیں۔

ڈپٹری

ہتھنوں فیول پلائٹ نے 31 دسمبر 2022 کو ختم ہونے والی پہلی سرمایہ کے دوران 8585 میٹرک ٹن ہتھنوں کی پیداوار کی۔

مالیاتی کارکردگی

31 دسمبر 2022 کو ختم ہونے والی پہلی سرمایہ کے دوران کمپنی کا منافع بعد از ٹیکس 45.105 ملین روپے رہا (2021 میں 39.608 ملین روپے تھا)۔

اکاؤنٹنگ کی پالیسیاں

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

منجانب بورڈ

سعید احمد

نیمم سربراہ

چیف ایگزیکٹو

اسلام آباد

اصلاح مسلمان

اسکندر محمد خان

ڈائریکٹر

تاریخ: 26 جنوری 2023

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

	Note	Un-audited December 31, 2022	Audited September 30, 2022
(Rupees in thousand)			
NON CURRENT ASSETS			
Property, plant and equipment	5	18,029,459	18,016,724
Right-of-use assets	6	305,197	283,515
Long term investment	7	423,964	423,964
Long term loans and deposits	8	266,822	261,304
		<u>19,025,442</u>	<u>18,985,507</u>
CURRENT ASSETS			
Stores and spares	9	729,749	509,428
Stock-in-trade	10	6,703,794	3,379,869
Trade debts	11	229,803	44,157
Loans and advances	11	2,809,116	1,474,655
Trade deposits and other receivables	12	240,216	255,651
Income tax refundable		38,316	41,457
Cash and bank balances		<u>205,734</u>	<u>212,853</u>
		<u>10,996,728</u>	<u>5,918,070</u>
TOTAL ASSETS		<u>29,982,170</u>	<u>24,903,577</u>
SHARE CAPITAL AND RESERVES			
Authorized capital		500,000	500,000
Issued, subscribed and paid-up capital	13	286,920	286,920
Capital reserve		327,000	327,000
General reserve			
Revenue reserve			
Unappropriated profits		3,743,568	3,567,555
Surplus on revaluation of property, plant and equipment		6,803,580	6,934,478
Shareholders' equity		<u>11,161,058</u>	<u>11,115,953</u>
NON-CURRENT LIABILITIES			
Long term finances - secured	14	4,037,962	3,577,818
Loans from related parties - secured	15	147,471	163,089
Lease liabilities	16	150,254	146,604
Deferred taxation		3,040,031	3,102,225
Provision for gratuity		16,655	14,843
Deferred government grant		-	417
		<u>7,392,373</u>	<u>7,004,996</u>
CURRENT LIABILITIES			
Trade and other payables	17	4,401,645	1,225,988
Unclaimed dividend		14,597	14,607
Short term running finance - secured	18	6,034,146	4,489,508
Current maturity of non-current liabilities	19	978,351	1,052,515
		<u>11,428,739</u>	<u>6,782,628</u>
TOTAL LIABILITIES		<u>18,821,112</u>	<u>13,787,624</u>
Contingencies and commitments	20		
TOTAL EQUITY AND LIABILITIES		<u>29,982,170</u>	<u>24,903,577</u>

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2022

	Note	Three month period ended December 31, 2022	December 31, 2021
(Rupees in thousand)			
Gross sales	21	3,813,940	2,985,902
Sales tax, other government levies and discounts	22	(385,086)	(224,881)
Sales - net		<u>3,428,854</u>	<u>2,761,021</u>
Cost of sales		(2,726,671)	(2,329,625)
Gross profit		<u>702,183</u>	<u>431,396</u>
Selling and distribution expenses		(134,660)	(127,304)
Administrative and general expenses		(231,492)	(175,245)
Other income		6,487	15,626
Other expenses		(5,755)	(988)
Operating profit		<u>336,763</u>	<u>143,485</u>
Finance cost		(312,136)	(123,959)
Profit before taxation		<u>24,627</u>	<u>19,526</u>
Taxation			
- Current		(41,716)	(31,020)
- Deferred		62,194	51,102
		<u>20,478</u>	<u>20,082</u>
Profit for the period		<u>45,105</u>	<u>39,608</u>
Earnings per share - basic and diluted (Rs)		<u>1.57</u>	<u>1.38</u>

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2022

	Three month period ended December 31, 2022	December 31, 2021
	(Rupees in thousand)	
Profit for the period	45,105	39,608
Other comprehensive income / (loss)	-	-
Total comprehensive income for the period	45,105	39,608

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2022

	Three month period ended	
	December 31, 2022	December 31, 2021
	(Rupees in thousand)	
Cash flow from operating activities		
Profit for the period - before taxation	24,627	19,526
Adjustments for non-cash items:		
Depreciation	330,749	250,306
(Gain) / loss on sale of operating fixed assets	-	(1,175)
Finance cost	312,136	123,959
Provision for gratuity	1,393	-
	668,905	392,616
Changes in working capital		
Decrease / (Increase) in stores and spares stock-in-trade	(220,321)	81,320
trade debts	(3,323,925)	(2,100,658)
loans and advances	(185,646)	388,343
trade deposits and other receivables	(1,334,461)	(934,696)
Increase in trade and other payables	15,435	(6,910)
	(4,873,271)	(2,111,971)
	(1,204,366)	(1,719,355)
Income tax paid	(38,575)	(45,844)
Gratuity paid	419	(173)
	(1,242,522)	(1,765,372)
Net cash used in operating activities		
Cash flow from investing activities		
Purchase of property, plant and equipment	(327,095)	(2,525,811)
Sale proceeds of operating fixed assets	-	40,266
Long term loans and deposits	-	(5,054)
	(327,095)	(2,490,599)
Net cash used in investing activities		
Cash flow from financing activities		
Long term finances - net	329,902	2,348,035
Short term loan received	1,920,000	10,000
Loan repaid to related party	(15,618)	(10,625)
Lease obligation repaid	(36,388)	(32,549)
Finance cost paid	(352,224)	(85,196)
	1,845,672	2,229,665
Net increase / (decrease) in cash and cash equivalents	276,055	(2,026,306)
Cash and cash equivalents - at beginning of the period	(2,389,042)	51,133
Cash and cash equivalents - at end of the period	(2,112,987)	(1,975,173)
Cash and cash equivalents comprised of:		
Bank balances	205,734	394,371
Short term running finance - secured	(2,318,721)	(2,369,544)
	(2,112,987)	(1,975,173)

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2022

	Share capital	General reserve	Unappropriated profits	Surplus on revaluation of property, plant and equipment	Total
	Rupees in thousand				
Balance as at October 01, 2021	286,920	327,000	3,332,184	5,065,731	9,011,835
Total comprehensive income for the three month period ended December 31, 2021	-	-	-	-	-
Income for the period	-	-	39,608	-	39,608
Other comprehensive income / (loss) for the period	-	-	39,608	-	39,608
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	87,904	(87,904)	-
Balance as at December 31, 2021	286,920	327,000	3,459,696	4,977,827	9,051,443
Balance as at September 30, 2022	286,920	327,000	3,567,955	6,934,478	11,115,953
Total comprehensive income for the three month period ended December 31, 2022	-	-	45,105	-	45,105
Income for the period	-	-	45,105	-	45,105
Other comprehensive income / (loss) for the period	-	-	45,105	-	45,105
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	130,888	(130,888)	-
Balance as at December 31, 2022	286,920	327,000	3,743,559	6,803,590	11,161,059

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE



DIRECTOR
CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2022

1. Legal status and operations

Chashma Sugar Mills Limited (the Company) 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. The Company has its shares quoted on the Pakistan Stock Exchange Limited. The Company is principally engaged in manufacturing, production, processing, compounding, preparation and sale of sugar, other allied compound, intermediates and allied products. The Company is a subsidiary of The Premier Sugar Mills and Distillery Company Limited. The head office of the Company is situated at King's Arcade, 20-A, Markaz F-7, Islamabad and its manufacturing facilities are located at Dera Ismail Khan, Khyber Pakhtunkhwa.

2. Statement of compliance

These condensed interim financial statements for three month period ended December 31, 2022 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:

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

The disclosures in this condensed interim financial statements does not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended September 30, 2022.

3. Significant Accounting Policies

The Accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the audited financial statements for the year ended September 30, 2022.

5. Property, plant and equipment

	Note	December 31, 2022	September 30, 2022
		(Rupees in thousand)	
Operating fixed assets	5.1	14,173,845	14,475,625
Capital work-in-progress	5.2	3,855,614	3,541,099
		18,029,459	18,016,724

	Un-audited December 31, 2022 (Rupees in thousand)	Audited September 30, 2022 (Rupees in thousand)
5.1 Operating fixed assets - at net book value		
Net book value at the beginning of the period / year	14,475,625	11,035,865
Add: Revaluation surplus during the period / year	-	3,496,704
Add: Additions during the period / year	12,580	955,485
Add: Transfers from right of use assets to owned	-	2,388
Less: Disposals during the period / year	-	(46,205)
Depreciation charged for the period / year	(314,360)	(968,612)
	(314,360)	(1,014,817)
Net book value at the end of the period / year	14,173,845	14,475,625
5.1.1 Additions during the period / year		
Building and roads	-	251,054
Plant and machinery	1,700	541,592
Electric Installations	-	139,039
Office equipment	6,966	6,306
Farm equipment	-	168
Furniture and fixtures	3,310	8,624
Vehicles	604	8,702
	12,580	955,485
5.2 Capital work-in-progress		
At the beginning of the period / year	3,541,099	797,360
Add: Additions during the period / year	353,190	3,746,995
Less: Capitalized / adjusted during the period / year	(38,675)	(1,003,256)
Balance at the end of the period / year	3,855,614	3,541,099
5.2.1 Additions during the period / year		
Land and building	199,948	2,882,581
Plant and machinery	83,852	461,509
Electric installations	37,574	43,901
Vehicles - owned	255	8,559
Vehicles - leased	31,061	78,480
Advance payments against land - freehold and buildings	500	271,965
	353,190	3,746,995

	Un-audited December 31, 2022 (Rupees in thousand)	Audited September 30, 2022 (Rupees in thousand)
6. Right of Use Assets		
Net book value at the beginning of the period / year	283,515	339,575
Add: Additions during the period / year	38,071	63,362
Less: Remeasurement during the period / year	-	(2,058)
Less: Deletion during the period / year	-	(53,562)
Less: Transfers from right of use assets to owned	-	(2,388)
Less: Depreciation charge for the period / year	(16,389)	(61,414)
Net book value at the end of the period / year	305,197	283,515
7. Long term investment		
Investment in shares of Whole Foods (Private) Limited (WFL) - at cost	100,000	100,000
Investment in shares of Ultimate Whole Foods (Private) Limited (UWFL) - at cost	204,000	204,000
Difference in fair value and present value on initial recognition of interest free loan	119,964	119,964
Balance as at end of the period / year	423,964	423,964
	7.1	
	% age holding	
7.1 Whole Foods (Private) Limited - Un-quoted	219,964	219,964
Ultimate Whole Foods (Private) Limited - Un-quoted	204,000	204,000
	423,964	423,964
8. Long term loans and deposits - considered good		
Long term security deposits	15,084	15,084
Loan to subsidiary company - WFL - at amortized cost	251,738	246,220
	266,822	261,304
8.1 The Company has subordinated an aggregate interest free loan of Rs 335 million to its subsidiary company, WFL. Pursuant to a tripartite subordination agreement dated June 29, 2020 and June 30, 2021 entered into between the Company, WFL and Soneri Bank Limited (the lender), the related amount has been subordinated to the principle, markup and all other amounts that may be payable to the lender under the financing agreements and no payment of the aforesaid amount can be made, except with the prior written consent of the lender. Owing to the substance of loan at non-market interest rate (nil in this case), the difference between present value and loan proceeds is recognized as an investment in the subsidiary.		
At the beginning of the period / year	246,220	225,493
Unwinding of interest on loan to subsidiary company	5,518	20,727
Balance as at end of the period / year	251,738	246,220

	Un-audited December 31, 2022	Audited September 30, 2022	Note
9. Stock-in-trade			
Finished goods			
- Sugar	4,624,595	1,848,502	
- Molasses	1,230,789	1,082,773	
- Ethanol	729,481	436,448	
	<u>6,584,865</u>	<u>3,367,723</u>	
Work-in-process	118,929	12,146	
	<u>6,703,794</u>	<u>3,379,869</u>	
10. Trade debts - unsecured			
Considered good	229,803	44,157	
Considered doubtful	1,782	1,782	
	<u>231,585</u>	<u>45,939</u>	
Less: loss allowance	(1,782)	(1,782)	
	<u>229,803</u>	<u>44,157</u>	
11. Loans and advances			
Advances to:			
Employees - secured	10,689	10,211	
Suppliers and contractors - unsecured	<u>2,331,434</u>	<u>1,038,141</u>	
	<u>2,342,123</u>	<u>1,048,352</u>	
Due from related parties	307,211	267,024	11.1
Letters of credit - secured	189,525	189,022	
	<u>2,838,859</u>	<u>1,504,398</u>	
Less:			
- Provision for doubtful advances	(28,838)	(28,838)	
- Loss allowance	(905)	(905)	
	<u>2,809,116</u>	<u>1,474,655</u>	
11.1 This represents amounts due from the associated companies:			
Due from holding company:			
The Premier Sugar Mills and Distillery Company Limited	90,675	162,538	
Due from subsidiary company / associated company			
Whole Foods (Private) Limited	108,247	100,045	
Ultimate Whole Foods (Private) Limited	108,289	2,666	
Relative of a director	-	1,775	
	<u>307,211</u>	<u>267,024</u>	
12. Trade deposits and other receivables			
Deposits	4,987	5,845	
Prepayments	13,470	5,152	
Export subsidy receivable	305,519	305,519	
Others	6,609	29,504	
	<u>330,585</u>	<u>346,020</u>	
Less: loss allowance	(90,369)	(90,369)	
	<u>240,216</u>	<u>255,651</u>	

13. Share Capital		(Number of shares)
As at period end, the issued, subscribed and paid-up capital of the Company includes following share capital holdings by the related parties:		
Holding Company	13,751,000	13,751,000
The Premier Sugar Mills & Distillery Co. Ltd.		
Associated Companies		
Azlak Enterprises (Pvt.) Ltd.	1,477,359	1,477,359
Phipson & Co. Pakistan (Pvt.) Ltd.	307,500	307,500
Syntronics Ltd.	3,590,475	3,590,475
	<u>19,126,334</u>	<u>19,126,334</u>
14. Long term finances - secured	Un-audited December 31, 2022	Audited September 30, 2022
	(Rupees in thousand)	
Bank Al-Habib Limited	2,584,078	2,604,361
Soneri Bank Limited	553,565	553,565
Dubai Islamic Bank Pakistan Limited	400,000	547,493
MCB Bank Limited	182,206	134,528
Al Baraka Bank Limited	446,715	446,715
United Bank Limited	450,000	-
Total	4,616,564	4,286,662
Accrued mark-up	260,452	211,925
	<u>4,877,016</u>	<u>4,498,587</u>
Less: amount payable within next 12 months		
Principal	(578,602)	(708,844)
Accrued mark-up	(260,452)	(211,925)
	<u>4,037,962</u>	<u>3,577,818</u>
14.1 These represent term and demand finance obtained by the Company 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 the Company and first / joint pari passu charge by way of equitable mortgage on all present and future immovable fixed assets of the Company, pledge of sugar stock and lien on export contract / LC.		
15. Loans from related parties - secured		
Associated Companies		
Premier Board Mills Limited	15.1	56,207
Arpak International Investments Limited	15.2	37,500
Azlak Enterprises (Private) Limited	15.3	85,000
Accrued mark-up		17,918
		<u>196,625</u>
Less: amount payable within next 12 months		
Principal	(31,236)	(31,236)
Accrued mark-up	(17,918)	(10,317)
	<u>147,471</u>	<u>163,089</u>
Amount due after December 31, 2023		

15.1 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 the Company.

15.2 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 the Company.

15.3 The long term finance facility has been renewed on January 3, 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 Company.

16. Lease liabilities	Note	Un-audited December 31, 2022	Audited September 30, 2022
Balance at beginning of the period / year		236,797	328,290
Additions during the period / year		29,912	72,337
Unwinding of interest on lease liabilities		10,076	28,020
Payments made during the period / year		(36,388)	(124,883)
Remeasurement of lease liabilities		-	(2,001)
Early termination of lease liabilities		-	(64,966)
Balance at end of the period / year		240,397	236,797
Less: current portion of long term lease liabilities		(90,143)	(90,193)
		<u>150,254</u>	<u>146,604</u>

17. Trade and other payables		Un-audited December 31, 2022	Audited September 30, 2022
Creditors		3,650,660	314,961
Due to related parties	17.1	210,645	156,526
Accrued expenses		143,324	114,494
Retention money		22,709	20,940
Security deposits		1,309	984
Advance payments from customers		148,611	225,921
Income tax deducted at source		60,507	59,400
Sales tax payable		37,120	210,252
Payable for workers welfare obligations		47,229	53,965
Payable to employees		63,670	57,657
Payable to provident fund		5,880	3,700
Others		9,981	7,198
		<u>4,401,645</u>	<u>1,225,998</u>

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

Audited
September 30,
2022
(Rupees in thousand)

17.1 This represents amounts due to the following related parties and are interest free and payable on demand:

Note	Un-audited December 31, 2022 (Rupees in thousand)	Audited September 30, 2022 (Rupees in thousand)
Associated Companies		
The Frontier Sugar Mills and Distillery Limited	733	733
Syntronics Limited	24,305	-
Syntron Limited	36,405	-
Aziak Enterprises (Private) Limited	31,767	39,604
Directors	117,435	116,189
	<u>210,645</u>	<u>156,526</u>

18. Short term running finance - secured

Cash / running finance	2,318,721	2,601,895
Export re finance	3,620,000	1,700,000
	<u>5,938,721</u>	<u>4,301,895</u>
Accrued mark-up	95,425	187,613
	<u>6,034,146</u>	<u>4,489,508</u>

18.1 These represent cash finance and export re-finance facilities and are repayable in six months to one year period. The rate of mark-up ranges from SBP Rate+1% per annum to KIBOR + 1.75% per annum and are secured against pledge of sugar stock with margin ranging from 10% to 25%, lien on export contracts / LCs and import documents.

19. Current maturity of non-current liabilities

Long term finances	14	839,054	920,769
Loans from related parties	15	49,154	41,553
Lease liabilities	16	90,143	90,193
		<u>978,351</u>	<u>1,052,515</u>

20. Contingencies and commitments

20.1 Contingencies

20.1.1 There has been no significant change in the status of contingencies as disclosed in note 26 to the audited financial statements of the Company for the year ended September 30, 2022.

20.2 Commitments

The Company has following commitments in respect of:

- foreign letter of credit for purchase of plant and machinery	208,503	211,841
- local letter of credit for purchase of plant and machinery	220,644	207,519
- capital expenditure other than for letter of credit	58,617	104,683
	<u>487,764</u>	<u>524,043</u>

21. Gross sales

Local	Three month period ended	
Export	2,636,498	1,523,000
	1,177,442	1,462,902
	<u>3,813,940</u>	<u>2,985,902</u>

22. Sales tax, other government levies and discounts	Note	Un-audited		Audited	
		December 31, 2022	September 30, 2022	December 31, 2022	September 30, 2022
Indirect taxes		383,314		223,804	
Discounts		1,772		1,077	
		<u>385,086</u>		<u>224,881</u>	

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

	Sugar Division		Ethanol Division		Total	
	Three month period ended		Three month period ended		Three month period ended	
	December 31, 2021	December 31, 2021	December 31, 2022	December 31, 2022	December 31, 2021	December 31, 2021
Sales	2,451,930	1,347,510	1,362,010	1,638,392	3,813,940	2,985,902
-External Customers						
-Inter segment	622,329	458,726	-	-	622,329	458,726
	<u>3,074,259</u>	<u>1,806,236</u>	<u>1,362,010</u>	<u>1,638,392</u>	<u>4,436,269</u>	<u>3,444,628</u>
Less: sales tax & others	(359,268)	(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)
	<u>(2,541,634)</u>	<u>(1,535,215)</u>	<u>(807,366)</u>	<u>(1,253,136)</u>	<u>(3,349,000)</u>	<u>(2,788,351)</u>
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)
	<u>(170,405)</u>	<u>(113,711)</u>	<u>(195,747)</u>	<u>(188,838)</u>	<u>(366,152)</u>	<u>(302,549)</u>
Profit from operations	3,952	(39,731)	332,079	168,578	336,031	128,847
Other income	5,424	14,398	1,063	1,228	6,487	15,626
Other expenses	(5,755)	(988)	-	-	(5,755)	(988)
	<u>(311)</u>	<u>13,410</u>	<u>1,063</u>	<u>1,228</u>	<u>732</u>	<u>14,638</u>
Segment results	<u>3,621</u>	<u>(26,321)</u>	<u>333,142</u>	<u>169,806</u>	<u>336,763</u>	<u>143,485</u>
Finance cost					(312,136)	(123,959)
Profit before tax					24,627	19,526
Taxation					20,478	20,082
Profit for the period					<u>45,105</u>	<u>39,608</u>

23.1 Segment assets and liabilities

	Un-audited		Audited	
	December 31, 2022	September 30, 2022	December 31, 2022	September 30, 2022
	(Rupees in thousand)		(Rupees in thousand)	
	Assets	Liabilities	Assets	Liabilities
Sugar	21,521,123	14,541,396	18,267,845	11,379,821
Ethanol	8,461,047	3,967,394	6,635,732	2,083,503
Total for reportable segment	<u>29,982,170</u>	<u>18,508,790</u>	<u>24,903,577</u>	<u>13,463,324</u>
Others	-	312,322	-	324,300
Total assets / liabilities	<u>29,982,170</u>	<u>18,821,112</u>	<u>24,903,577</u>	<u>13,787,624</u>

24. Transactions with related parties

24.1 The Company has related party relationship, with its Holding Company, subsidiary companies and associated companies, its directors, key management personnel and employee benefit plan. The Company in the normal course of business carries out transactions with various related parties. There were no transactions with key management personnel other than under the terms of employment. Aggregate transactions with the related parties during the period were as follows:

Holding Company	Three month period ended	
	December 31, 2022	December 31, 2021
Sales	8,119	9,349
Expenses paid on behalf of the Company	892	552
Expenses paid by the Company	36,882	12,399
Rent income	29	29
Rent expense	-	5,445
<u>Subsidiary Companies</u>		
Freehold land	-	39,424
Expenses paid by the company	3,797	2,340
Expenses paid on behalf of the Company	20	-
<u>Associated Companies</u>		
Services on behalf of the company	9,163	7,639
Expenses paid on behalf of the Company	404	-
Purchase of goods	125,710	45,549
Mark-up charged	8,101	4,717
<u>Post employment benefit</u>		
Expense charged in respect of retirement benefit plan	7,521	4,748
<u>Key management personnel / Directors</u>		
Salaries and other benefits	47,483	37,373

25. Fair value of financial assets and liabilities

The carrying value of financial assets and liabilities reflected in financial statements approximate their respective fair value.

Fair value hierarchy

Certain property, plant and equipment of the Company was valued by independent valuer to determine the fair value of property, plant and equipment as at September 30, 2022. The revaluation surplus was credited to other comprehensive income and is shown as 'surplus on revaluation of property, plant and equipment'. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
 - Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
 - Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- Level 2 fair value of certain property, plant and equipment has been derived using the comparison approach. Sales prices of comparable property, plant and equipment in identical circumstances or close proximity are adjusted for differences in key attributes such as property size, structure, location, capacity etc. The most significant inputs into this valuation approach are price per marla, price per square feet, depreciated replacement cost etc.

26. General

26.1 Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of better presentation and comparison; however, no material re-arrangements / re-classifications have been made in these condensed interim financial statements.

26.2 Figures in these condensed interim financial statements have been rounded-off to the nearest thousand Rupees.

27. Date of authorisation for issue

These Condensed interim financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on January 26, 2023.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



CHASHMA SUGAR MILLS LIMITED

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED
DECEMBER 31, 2022**

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

	Note	Uh-audited December 31, 2022	Audited September 30, 2022
(Rupees in thousand)			
NON CURRENT ASSETS			
Property, plant and equipment	5	20,196,784	19,571,325
Right-of-use assets	6	305,197	283,515
Long term deposits		15,084	15,084
		<u>20,517,065</u>	<u>19,869,924</u>
CURRENT ASSETS			
Stores and spares	7	729,749	509,428
Stock-in-trade	8	6,703,794	3,379,869
Trade debts	9	229,803	44,157
Loans and advances	10	2,593,509	1,372,598
Trade deposits and other receivables	11	357,205	278,877
Short term investment		160,151	-
Income tax refundable		62,512	61,212
Cash and bank balances		208,423	256,140
		<u>11,045,146</u>	<u>5,902,281</u>
TOTAL ASSETS		<u>31,562,211</u>	<u>25,772,205</u>
SHARE CAPITAL AND RESERVES			
Authorised capital		500,000	500,000
Issued, subscribed and paid-up capital	12	286,920	286,920
Capital reserve		327,000	327,000
General reserve			
Revenue reserve		3,474,361	3,320,146
Unappropriated profits		6,962,153	7,087,094
Surplus on revaluation of property, plant and equipment		11,050,434	11,031,160
Equity attributable to owners of the parent		187,702	190,605
Non-controlling interest		11,238,136	11,221,765
		<u>5,326,645</u>	<u>4,191,793</u>
NON-CURRENT LIABILITIES			
Long term finances - secured	13	166,221	181,839
Loans from related parties - secured	14	150,254	146,604
Lease liabilities	15	3,122,170	3,193,056
Deferred taxation		16,655	14,843
Provision for gratuity		-	417
Deferred government grant		8,781,945	7,728,552
		<u>4,437,283</u>	<u>1,190,590</u>
CURRENT LIABILITIES			
Trade and other payables	16	14,597	14,607
Unclaimed dividend	17	6,034,146	4,489,508
Short term running finance - secured	18	1,056,104	1,127,183
Current maturity of non-current liabilities		11,542,130	6,821,888
		<u>20,324,075</u>	<u>14,550,440</u>
TOTAL LIABILITIES		<u>31,562,211</u>	<u>25,772,205</u>
Contingencies and commitments	19		
TOTAL EQUITY AND LIABILITIES			

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR

CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED)

FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2022

	Note	December 31, 2022	December 31, 2021
(Rupees in thousand)			
Gross sales	20	3,813,940	2,985,902
Sales tax, other government levies and discounts	21	(385,086)	(224,881)
Sales - net		<u>3,428,854</u>	<u>2,761,021</u>
Cost of sales		<u>(2,726,671)</u>	<u>(2,329,625)</u>
Gross profit		<u>702,183</u>	<u>431,396</u>
Selling and distribution expenses		(134,660)	(127,304)
Administrative and general expenses		(257,876)	(191,655)
Other income		6,869	14,602
Other expenses		(5,755)	(988)
Operating profit		<u>310,761</u>	<u>126,051</u>
Finance cost		(322,123)	(134,156)
Loss before taxation		<u>(11,362)</u>	<u>(8,105)</u>
Taxation			
- Current		(41,743)	(31,020)
- Deferred		69,476	50,291
		<u>27,733</u>	<u>19,271</u>
Profit after taxation		<u>16,371</u>	<u>11,166</u>
Attributable to:			
Owners of the parent company		19,274	12,506
Non-controlling interest		(2,903)	(1,340)
		<u>16,371</u>	<u>11,166</u>
Earnings per share attributable to owners of parent company - basic and diluted (Rs)		0.67	0.44

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR

CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2022

	<u>Three month period ended</u>	<u>December 31,</u>
	<u>2022</u>	<u>2021</u>
	(Rupees in thousand)	
Profit after taxation	16,371	11,166
Other comprehensive income	-	-
Total comprehensive income for the period	16,371	11,166
Attributable to:		
Owners of the Parent Company	19,274	12,506
Non-controlling interest	(2,903)	(1,340)
	<u>16,371</u>	<u>11,166</u>

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2022

	Three month period ended	
	December 31, 2022	December 31, 2021
	(Rupees in thousand)	
Cash flow from operating activities		
Loss before taxation	(11,362)	(8,105)
Adjustments for non-cash items:		
Depreciation	347,632	262,447
(Gain) / loss on sale of operating fixed assets	-	(151)
Finance cost	322,123	134,156
Provision for gratuity	1,393	-
	<u>659,786</u>	<u>388,347</u>
Changes in working capital		
Decrease / (Increase) in		
stores and spares	(220,321)	81,320
stock-in-trade	(3,323,925)	(2,100,858)
trade debts	(185,646)	388,343
loans and advances	(1,220,911)	(989,323)
trade deposits and other receivables	(78,328)	(7,113)
Increase in trade and other payables	3,246,693	460,947
	<u>(1,782,436)</u>	<u>(2,166,484)</u>
	(1,122,652)	(1,778,137)
Income tax paid	(43,043)	(65,720)
Gratuity paid	419	(173)
	<u>(1,165,276)</u>	<u>(1,844,030)</u>
Net cash used in operating activities		
Cash flow from investing activities		
Purchase of property, plant and equipment	(956,702)	(2,527,447)
Sale proceeds of operating fixed assets	-	842
Increase in long term security deposits	(160,151)	-
Short term investment	-	-
	<u>(1,116,853)</u>	<u>(2,526,605)</u>
Net cash used in investing activities		
Cash flow from financing activities		
Long term finances received	1,005,142	2,428,379
Short term loan received	1,920,000	10,000
Loan repaid to related party	(15,618)	(10,625)
Lease obligation repaid	(36,388)	(32,549)
Finance cost paid	(355,550)	(93,485)
	<u>2,517,586</u>	<u>2,301,720</u>
Net cash generated in financing activities		
Net increase / (decrease) in cash and cash equivalents	235,457	(2,068,915)
Cash and cash equivalents - at beginning of the period	(2,345,755)	211,423
Cash and cash equivalents - at end of the period	(2,110,298)	(1,857,492)
Cash and cash equivalents comprised of:		
Bank balances	208,423	512,052
Short term running finance - secured	(2,318,721)	(2,369,544)
	<u>(2,110,298)</u>	<u>(1,857,492)</u>

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2022

	Share capital	General reserve	Unappropriated profits	Surplus on property, plant and equipment	Total	Non-controlling interest	Total
Balance as at September 30, 2021	286,920	327,000	3,160,740	5,157,960	6,892,640	194,760	9,157,400
Transfer from surplus on evaluation of property, plant and equipment (net of deferred taxation) for the three month period ended December 31, 2021	-	-	12,500	-	12,500	(1,340)	11,160
Income for the period	-	-	12,500	-	12,500	(1,340)	11,160
Other comprehensive income for the period	-	-	90,397	(90,397)	-	-	-
Transfer from surplus on evaluation of property, plant and equipment (net of deferred taxation)	-	-	3,263,510	5,697,713	8,975,440	193,440	9,168,880
Balance as at December 31, 2021	286,920	327,000	3,261,146	7,097,994	11,031,100	190,665	11,221,765
Total comprehensive income for the three month period	-	-	19,274	-	19,274	(2,903)	16,371
Income for the period	-	-	19,274	-	19,274	(2,903)	16,371
Other comprehensive income for the period	-	-	-	-	-	-	-
Transfer from surplus on evaluation of property, plant and equipment (net of deferred taxation)	-	-	134,941	(134,941)	-	-	-
Balance as at December 31, 2022	286,920	327,000	3,474,361	6,882,153	11,059,434	187,762	11,238,196

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2022

1. THE GROUP AND ITS OPERATIONS

1.1 Chashma Sugar Mills Limited (the Holding Company)

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

1.2 Subsidiary Companies

(a) Whole Foods (Private) Limited

Whole Foods (Private) Limited (WFPL) - 100% owned subsidiary of the Company was incorporated in Pakistan as a Private Limited Company under Companies Act, 2017 on October 26, 2017. The principal activity of WFPL is to setup, manage, supervise and control the storage facilities for agricultural produce. The WFPL is yet to commence its operations.

(b) Ultimate Whole Foods (Private) Limited

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

For the purpose of these condensed interim consolidated financial statements, Chashma Sugar Mills Limited and its subsidiaries are referred to as the Group.

2. Statement of compliance

These condensed interim consolidated financial statements for three month period ended December 31, 2022 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:

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

The disclosures in this condensed interim consolidated financial statements does not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended September 30, 2022.

3. Significant Accounting Policies

The Accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the audited financial statements for the year ended September 30, 2022.

4 Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended September 30, 2022.

	Un-audited December 31, 2022 (Rupees in thousand)	Audited September 30, 2022 (Rupees in thousand)
5. Property, plant and equipment		
Operating fixed assets	14,918,535	15,229,277
Capital work-in-progress	5,278,249	4,342,048
	<u>20,196,784</u>	<u>19,571,325</u>
5.1 Operating fixed assets - at net book value		
Net book value at the beginning of the period / year	15,229,277	11,701,695
Add: Revaluation surplus during the period / year	-	3,609,507
Add: Additions during the period / year	20,501	958,502
Add: Transfers from right of use assets to owned	-	2,388
Less: Disposals during the period / year	-	(7,805)
Depreciation charged for the period / year	(331,243)	(1,035,010)
	<u>(331,243)</u>	<u>(1,042,815)</u>
Net book value at the end of the period / year	<u>14,918,535</u>	<u>15,229,277</u>
5.1.1 Additions during the period / year		
Freehold land	-	2,074
Building and roads	-	251,475
Plant and machinery	1,700	541,592
Electric Installations	-	139,039
Office equipment	7,259	6,692
Farm equipment	-	168
Furniture and fixtures	3,393	8,624
Vehicles	8,149	8,838
	<u>20,501</u>	<u>958,502</u>
5.2 Capital work-in-progress		
At the beginning of the period / year	4,342,048	799,218
Add: Additions during the period / year	1,021,841	4,562,263
Less: Capitalized during the period / year	(85,640)	(1,005,330)
Other adjustments	-	(14,103)
Balance at the end of the period / year	<u>5,278,249</u>	<u>4,342,048</u>

	Un-audited December 31, 2022 (Rupees in thousand)	Audited September 30, 2022 (Rupees in thousand)
5.2.1 Additions during the period / year		
Land and building	409,733	3,148,960
Plant and machinery	109,634	607,316
Electric installations	40,274	43,901
Office equipments	1,480	-
Vehicles - owned	255	15,948
Vehicles - leased	31,061	78,480
Capital stores	-	73,826
Advance payments to contractors	428,904	321,867
Advance payments against land - freehold and buildings	500	271,965
	<u>1,021,841</u>	<u>4,562,263</u>
6. Right of Use Assets		
Net book value at the beginning of the period / year	283,515	339,575
Add: Additions during the period / year	38,071	63,362
Less: Remeasurement during the period / year	-	(2,058)
Less: Deletion during the period / year	-	(53,562)
Less: Transfers from right of use assets to owned	-	(2,388)
Less: Depreciation charge for the period / year	(16,389)	(61,414)
Net book value at the end of the period / year	<u>305,197</u>	<u>283,515</u>
7. Stock-in-trade		
Finished goods	4,624,595	1,848,502
- Sugar	1,230,789	1,082,773
- Molasses	729,481	436,448
- Ethanol	6,584,865	3,367,723
Work-in-process	118,929	12,146
	<u>6,703,794</u>	<u>3,379,869</u>
8. Trade debts - unsecured		
Considered good	229,803	44,157
Considered doubtful	1,782	1,782
	<u>231,585</u>	<u>45,939</u>
Less: loss allowance	(1,782)	(1,782)
	<u>229,803</u>	<u>44,157</u>

	Un-audited December 31, 2022 (Rupees in thousand)	Audited September 30, 2022 (Rupees in thousand)
9. Loans and advances		
Advances to:		
Employees - secured	10,739	10,211
Suppliers and contractors - unsecured	2,332,241	1,038,723
	2,342,980	1,048,934
Due from related parties	90,747	164,385
Letters of credit	189,525	189,022
	2,623,252	1,402,341
Less:		
- Provision for doubtful advances	(28,838)	(28,838)
- Loss allowance	(905)	(905)
	2,593,509	1,372,598
9.1 This represents amounts due from the associated companies:		
Due from related parties:	90,747	162,610
The Premier Sugar Mills and Distillery Company Limited	-	1,775
Relative of director	90,747	164,385
10. Trade deposits and other receivables		
Deposits	7,358	3,212
Prepayments	14,281	5,601
Export subsidy receivable	305,519	305,519
Sales tax	94,807	-
Guarantees issued	19,000	19,000
Others	6,609	30,914
	447,574	369,246
Less: loss allowance	(90,369)	(90,369)
	357,205	278,877
11. Short term investment - At fair value through profit or loss		
First Habib Cash Fund	160,151	-
Investment made during the period - 1,601,506 Units		
12. Share Capital		
As at period end, the issued, subscribed and paid-up capital of the Company includes following share capital holdings by the related parties;	(Number of shares)	
Holding Company	13,751,000	13,751,000
The Premier Sugar Mills & Distillery Co. Ltd.	1,477,359	1,477,359
Associated Companies	307,500	307,500
Aziak Enterprises (Pvt.) Ltd.	3,590,475	3,590,475
Phipson & Co. Pakistan (Pvt.) Ltd.		
Syntronics Ltd.	19,126,334	19,126,334

	Un-audited December 31, 2022 (Rupees in thousand)	Audited September 30, 2022 (Rupees in thousand)
13. Long term finances - secured		
Bank Al-Habib Limited	2,584,078	2,604,361
Soneri Bank Limited	1,092,096	693,753
Dubai Islamic Bank Pakistan Limited	400,000	547,493
MCB Bank Limited	591,752	264,528
Al Baraka Bank Limited	446,715	446,715
The Bank of Khyber	393,077	395,726
United Bank Limited	450,000	-
Total	5,957,718	4,952,576
Accrued mark-up	277,386	227,386
	6,235,104	5,179,962
Less: amount payable within next 12 months		
Principal	(631,073)	(760,783)
Accrued mark-up	(277,386)	(227,386)
Amount due after December 31, 2023	5,326,645	4,191,793
13.1 These represent term and demand finance obtained by the Group 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 the Group and first / joint pari passu charge by way of equitable mortgage on all present and future immovable fixed assets of the Group, pledge of sugar stock and lien on export contract / L.C.		
14. Loans from related parties - secured		
Associated Companies		
Premier Board Mills Limited	81,207	90,575
Arpak International Investments Limited	37,500	43,750
Aziak Enterprises (Private) Limited	85,000	85,000
Accrued mark-up	20,016	11,335
	223,723	230,660
Less: amount payable within next 12 months		
Principal	(37,486)	(37,486)
Accrued mark-up	(20,016)	(11,335)
	166,221	181,839
14.1 This include long term finance facilities obtained by the Company and the Subsidiary. The long term finance facility obtained by the Company had been renewed on November 4, 2019. The principal is repayable in 7 semi annual installments commencing from November 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Company. WFPL obtained long term finance facility amounting to Rs 25 million. The principal is repayable in 8 semi annual installments commencing from December 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the WFPL.		

14.2 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 the Group.

14.3 The long term finance facility has been renewed on January 3, 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 Group.

	Un-Audited December 31, 2022	Audited September 30, 2022
	(Rupees in thousand)	
15. Lease liabilities		
Balance at beginning of the period / year	236,797	328,290
Additions during the period / year	29,912	72,337
Unwinding of interest on lease liabilities	10,076	28,020
Payments made during the period / year	(36,388)	(124,883)
Remeasurement of lease liabilities	-	(2,001)
Early termination of lease liabilities	-	(64,966)
Balance at end of the period / year	240,397	236,797
Less: current portion of long term lease liabilities	(90,143)	(90,193)
	<u>150,254</u>	<u>146,604</u>

16. Trade and other payables

Creditors	3,664,526	328,782
Due to related parties	210,645	156,526
Accrued expenses	146,430	116,130
Retention money	28,913	24,496
Security deposits	1,309	984
Advance payments from customers	148,611	225,921
Income tax deducted at source	70,667	63,630
Sales tax payable	-	110,635
Payable for workers welfare obligations	47,229	53,965
Payable to employees	63,670	57,657
Payable to provident fund	5,880	3,700
Others	49,403	48,164
	<u>4,437,283</u>	<u>1,190,590</u>

16.1 This represents amounts due to the following related parties:

	Un-Audited December 31, 2022	Audited September 30, 2022
Associated Companies		
Syntronics Limited	24,305	-
Syntron Limited	36,405	-
The Frontier Sugar Mills & Distillery Limited	733	733
Azlak Enterprises (Private) Limited	31,767	39,604
Directors	117,435	116,189
	<u>210,645</u>	<u>156,526</u>

	Un-audited December 31, 2022	Audited September 30, 2022
	(Rupees in thousand)	
17. Short term running finance - secured		
Cash / running finance	2,318,721	2,601,895
Export re finance	3,620,000	1,700,000
	5,938,721	4,301,895
Accrued mark-up	95,425	187,613
	<u>6,034,146</u>	<u>4,489,508</u>

17.1 These represent cash finance and export re-finance facilities and are repayable in six months to one year period. The rate of mark-up ranges from SBP Rate+1% per annum to KIBOR + 1.75% per annum and are secured against pledge of sugar stock with margin ranging from 10% to 25%, lien on export contracts / LCs and import documents.

18. Current maturity of non-current liabilities

Long term finances	13	908,459	988,169
Loans from related parties	14	57,502	48,821
Lease liabilities	15	90,143	90,193
		<u>1,056,104</u>	<u>1,127,183</u>

19. Contingencies and commitments

19.1 Contingencies

18.1.1 There has been no significant change in the status of contingencies as disclosed in note 24 to the audited consolidated financial statements of the Company for the year ended September 30, 2022.

19.2 Commitments

The Group has following commitments in respect of:

- foreign letter of credit for purchase of plant and machinery 280,536 739,238
- local letter of credit for purchase of plant and machinery 220,644 207,519
- capital expenditure other than for letters of credit 58,617 104,683

20. Gross sales

Local	2,636,498	1,523,000
Export	1,177,442	1,462,902
	<u>3,813,940</u>	<u>2,985,902</u>

21. Sales tax, other government levies and discounts

Indirect taxes	383,314	223,804
Discounts	1,772	1,077
	<u>385,086</u>	<u>224,881</u>

25. General

25.1 Corresponding figures have been re-arranged and re-classified, where necessary, for the purpose of better presentation and comparison; however, no material re-arrangements / re-classifications have been made in this condensed interim financial information.

25.2 Figures in these condensed interim consolidated financial statements have been rounded-off to the nearest thousand Rupees.

26. Date of authorisation for issue

These Condensed interim financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on January 26, 2023.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER