



CHASHMA SUGAR MILLS LIMITED

**CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD
ENDED JUNE 30, 2018
(UN-AUDITED)**

CHASHMA SUGAR MILLS LIMITED

COMPANY INFORMATION

Board of Directors

Mr. Aziz Sarfaraz Khan	Chief Executive
Mr. Abbas Sarfaraz Khan	Chairman
Begum Laila Sarfaraz	
Ms. Zarmine Sarfaraz	
Ms. Najda Sarfaraz	
Mr. Iskander M. Khan	
Mr. Baber Ali Khan	
Mr. Abdul Qadar Khattak	
Mr. Sher Ali Jafar Khan	

Audit Committee

Mr. Sher Ali Jafar Khan	Chairman
Mr. Iskander M. Khan	Member
Ms. Najda Sarfaraz	Member
Mr. Baber Ali Khan	Member
Mr. Mujahid Bashir	Secretary

Company Secretary

Mr. Mujahid Bashir

Chief Financial Officer

Mr. Rizwan Ullah Khan

Head of Internal Auditors

Mr. Zaheer Mir

External Auditors

M/s. A.F.Ferguson & 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	Faysal 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 (Pakistan) Limited	Meezan Bank Limited
Al-Baraka Bank (Pakistan) Limited	Habib Bank Limited

Registered Office

Nowshera Road, Mardan, KPK
Phone: 0937-862051-52 Fax: 0937-862989

CHASHMA SUGAR MILLS 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 ended on June 30, 2018. This condensed 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 listing regulations of the Pakistan Stock Exchange. The enclosed financial information is un-audited and have been reviewed by the external auditors as required by the Code of Corporate Governance.

OPERATIONAL PERFORMANCE

The sugarcane crushing season 2017-18 commenced on November 30, 2017 and continued till April 12, 2018. The mills have crushed 2,040,734 tons (2017: 2,224,494 tons) of sugarcane and have produced 193,323 tons (2017: 203,686.50 tons) of sugar at an average recovery of 9.47% (2017: 9.16%).

SUGAR PRICES

The industry has exported surplus 1.40 million tons of sugar, we are expecting better sugar prices in the next quarter.

ETHANOL FUEL PLANT AT UNIT II

The Ethanol Fuel Plant produced 26,839 MT of Ethanol during the period from October 01, 2017 to June 30, 2018.

FINANCIAL PERFORMANCE

The Company has earned after tax profit of RS. 184.550 million (2017: 180.261 million) during the past nine months.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding annual financial statements of the Company, except as stated in Note 3.2 and 3.3 of the condensed interim financial information.

ACKNOWLEDGEMENT

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

ON BEHALF OF THE BOARD

- Sd -

Mardan:
July 27, 2018

(AZIZ SARFARAZ KHAN)
CHIEF EXECUTIVE

مالیاتی کارکردگی

پچھلے نو ماہ کے دوران کمپنی نے ٹیکس ادا کرنے کے بعد 184.550 ملین کا منافع حاصل کیا جو کہ 2017 میں 180.261 ملین تھا۔

اکاؤنٹنگ کی پالیسیاں

کمپنی کی سہ ماہی کنڈنسڈ انٹیرم مالیاتی معلومات کی تیاری کے دوران اپنائی گئی اکاؤنٹنگ پالیسیاں وہی ہیں جو پچھلے سال سالانہ مالیاتی معاملات میں اپنائی گئی تھی ماسوائے ان پالیسیوں کے جو کہ نوٹ 3.2 اور 3.3 میں بیان کی گئی ہیں۔

اعتراف

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

منجانب بورڈ

- Sd -

عزیز مسر فراز خان

چیف ایگزیکٹو

مردان

بتاریخ: 27 جولائی 2018

ڈائریکٹرز کی جائزہ رپورٹ

ڈائریکٹرز 30 جون 2018 کو ختم ہونے والی تیسری سہ ماہی کی اختتامی مدت پر کمپنی کی غیر آڈٹ شدہ کنڈنسڈ انٹیرم مالیاتی معلومات پیش کرنے پر مسرت محسوس کرتے ہیں۔ یہ کنڈنسڈ انٹیرم مالیاتی معلومات حصص داروں کو انٹرنیشنل اکاؤنٹنگ کے قواعد نمبر 34، انٹیرم فائننشیل رپورٹنگ، کوڈ آف کارپوریٹ گورننس، کمپنی ایکٹ 2017 (دی ایکٹ) کے سیکشن 237 اور پاکستان سٹاک ایکسچینج کے قواعد کے مطابق ہیں۔ مشترکہ مالیاتی معلومات غیر آڈٹ شدہ اور بیرونی آڈیٹرز کی جانب سے جائزہ لینے کے بعد کوڈ آف کارپوریٹ گورننس کی ضرورت کے مطابق ہے۔

آپریشن کا جائزہ

گئے کارکننگ سیزن 2017-18، 30 نومبر 2017 کو شروع ہوا اور 12 اپریل 2018 تک جاری رہا۔ ملز نے 2,040,734 ٹن (2017 میں 2,224,494 ٹن) گنا کرش کیا اور 9.47 فیصد اوسط (2017: 9.16 فیصد) کے حساب سے چینی کی پیداوار 193,323 ٹن (2017 میں 203,686.50 ٹن) رہی۔

چینی کی قیمت

انڈسٹری نے 1.40 ملین ٹن اضافی چینی برآمد کی، اگلے سہ ماہی کے لیے ہمیں چینی کی اچھی قیمت ملنے کی توقع ہے۔

انتھنول فیول پلانٹ۔ یونٹ II

انتھنول فیول پلانٹ نے 01 اکتوبر 2017 سے 30 جون 2018 کی مدت کے دوران تک 26,839 ٹن انتھنول تیار کیا۔

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

	Note	Un-audited June 30, 2018	Audited September 30, 2017 (Restated)	Audited September 30, 2016 (Restated)
(Rupees in thousand)				
NON CURRENT ASSETS				
Property, plant and equipment	5	7,506,931	7,789,577	8,169,406
Intangible assets		-	-	433
Long term security deposits		13,918	13,918	4,163
		<u>7,520,849</u>	<u>7,803,495</u>	<u>8,174,002</u>
CURRENT ASSETS				
Stores and spares		341,322	345,339	295,498
Stock-in-trade	6	4,207,323	1,353,534	571,183
Trade debts	7	290,658	185,372	143,410
Loans and advances	8	316,728	270,937	280,408
Trade deposits, prepayments and other receivables	9	798,121	531,526	259,676
Income tax refundable		65,253	-	310,633
Cash and bank balances		75,823	83,703	37,511
		<u>6,095,228</u>	<u>2,770,411</u>	<u>1,898,319</u>
TOTAL ASSETS		<u>13,616,077</u>	<u>10,573,906</u>	<u>10,072,321</u>
SHARE CAPITAL AND RESERVES				
Authorised capital		500,000	500,000	500,000
Issued, subscribed and paid-up capital	10	286,920	286,920	286,920
Capital reserve				
General reserve		327,000	327,000	327,000
Revenue reserve				
Unappropriated profits		1,114,104	846,585	696,075
		<u>1,728,024</u>	<u>1,460,505</u>	<u>1,309,995</u>
Surplus on revaluation of property, plant and equipment		2,478,130	2,604,674	2,765,364
Shareholders' equity		<u>4,206,154</u>	<u>4,065,179</u>	<u>4,075,359</u>
NON-CURRENT LIABILITIES				
Long term finances - secured	11	1,147,561	1,640,638	2,237,608
Loans from related parties - secured	12	388,825	388,825	312,143
Liabilities against assets subject to finance lease - secured	13	34,002	40,105	31,600
Deferred liabilities	14	631,498	723,106	789,159
		<u>2,201,886</u>	<u>2,792,674</u>	<u>3,370,510</u>
CURRENT LIABILITIES				
Trade and other payables	15	899,389	470,220	805,062
Unclaimed dividends		8,108	7,162	4,541
Accrued mark-up		127,822	116,855	108,820
Short term running finance - secured	16	5,523,999	2,452,407	1,037,045
Current maturity of non-current liabilities		648,719	643,602	670,984
Provision for taxation		-	25,807	-
		<u>7,208,037</u>	<u>3,716,053</u>	<u>2,626,452</u>
TOTAL LIABILITIES		<u>9,409,923</u>	<u>6,508,727</u>	<u>5,996,962</u>
Contingencies and commitments	17			
TOTAL EQUITY AND LIABILITIES		<u>13,616,077</u>	<u>10,573,906</u>	<u>10,072,321</u>

The annexed notes 1-22 form an integral part of this condensed interim financial information.

- Sd -
Aziz Sarfaraz Khan
Chief Executive

- Sd -
Iskander M. Khan
Director

- Sd -
Rizwan Ullah Khan
Chief Financial Officer

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2018

	Note	Three months period ended		Nine months period ended	
		June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
----- Rupees in thousand -----					
Sales - net	18	3,565,981	4,184,892	7,542,258	8,691,582
Cost of sales		(3,197,184)	(3,776,572)	(6,526,732)	(7,716,011)
Gross profit		<u>368,797</u>	<u>408,320</u>	<u>1,015,526</u>	<u>975,571</u>
Distribution cost		(78,209)	(47,505)	(261,480)	(140,672)
Administrative expenses		(100,602)	(84,746)	(320,824)	(242,443)
Other income		70,735	(1,061)	118,472	10,000
Other expenses		(105)	(5,535)	(6,838)	(20,485)
Profit from operations		<u>260,617</u>	<u>269,473</u>	<u>544,856</u>	<u>581,971</u>
Finance cost		(144,623)	(157,031)	(352,800)	(376,242)
Profit before taxation		<u>115,994</u>	<u>112,442</u>	<u>192,056</u>	<u>205,729</u>
Taxation					
- Current		(70,588)	(44,652)	(106,330)	(44,652)
- Deferred		62,669	14,936	98,824	19,184
		<u>(7,919)</u>	<u>(29,716)</u>	<u>(7,506)</u>	<u>(25,468)</u>
Profit after taxation		<u>108,075</u>	<u>82,726</u>	<u>184,550</u>	<u>180,261</u>
Earnings per share-basic and diluted (Rupees)		<u>3.77</u>	<u>2.88</u>	<u>6.43</u>	<u>6.28</u>

The annexed notes 1-22 form an integral part of this condensed interim financial information.

- Sd -
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Chief Executive

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Director

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Rizwan Ullah Khan
Chief Financial Officer

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2018

Note	Three months period ended		Nine months period ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	----- Rupees in thousand -----			
Profit for the period	108,075	82,726	184,550	180,261
Other comprehensive income / (loss)				
Items that will not be classified to profit or loss:				
Remeasurement loss arising on actuarial valuation	-	-	(537)	-
Total comprehensive income for the period	<u>108,075</u>	<u>82,726</u>	<u>184,013</u>	<u>180,261</u>

The annexed notes 1-22 form an integral part of this condensed interim financial information.

- Sd -
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Chief Executive

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Director

- Sd -
Rizwan Ullah Khan
Chief Financial Officer

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2018

	Nine months period ended	
	June 30, 2018	June 30, 2017
	(Rupees in thousand)	
Cash flow from operating activities		
Profit for the period - before taxation	192,056	205,729
Adjustment for non cash charges and other items:		
Depreciation	500,611	547,396
Loss / (gain) on sale of operating fixed assets - net	27	(784)
Amortisation of intangible assets	-	325
Profit on deposit accounts	(3,449)	(4,312)
Finance cost	352,800	376,242
Provision for doubtful debts	1,528	-
Provision for doubtful advances	26,400	-
Provision for gratuity	7,117	-
	<u>1,077,090</u>	<u>1,124,596</u>
Changes in working capital		
Decrease / (increase) in stores and spares	4,017	34,920
Decrease / (increase) in stock-in-trade	(2,853,789)	(2,997,770)
Decrease / (increase) in trade debts	(106,814)	28,857
Decrease / (increase) in loans and advances	(72,191)	(121,148)
Decrease / (increase) in trade deposits, prepayments and other receivables	(266,595)	1,192
Decrease / (increase) in sales tax refundable	0	(214,983)
Increase / (decrease) in trade and other payables	429,169	314,382
	<u>(2,866,203)</u>	<u>(2,954,550)</u>
	(1,789,113)	(1,829,954)
Income taxes paid	(197,390)	1,174
Gratuity paid	(438)	-
Net cash used in operating activities	<u>(1,986,941)</u>	<u>(1,828,780)</u>
Cash flow from investing activities		
Purchase of property, plant and equipment	(195,363)	(173,259)
Sale proceeds of operating fixed assets	145	5,004
Long term security deposits - net	-	(9,423)
Profit on bank deposits received	3,449	4,312
Net cash used in investing activities	<u>(191,769)</u>	<u>(173,366)</u>
Cash flow from financing activities		
Long term finances repaid	(489,860)	(418,547)
Loans from related parties paid	-	(48,175)
Lease finances - net	(26,977)	14,040
Dividend paid	(42,092)	(126,183)
Finance cost paid	(341,833)	(357,035)
Net cash used in financing activities	<u>(900,762)</u>	<u>(935,900)</u>
Net decrease in cash and cash equivalents	<u>(3,079,472)</u>	<u>(2,938,046)</u>
Cash and cash equivalents - at beginning of the period	<u>(2,368,704)</u>	<u>(999,534)</u>
Cash and cash equivalents - at end of the period	<u><u>(5,448,176)</u></u>	<u><u>(3,937,580)</u></u>
Cash and cash equivalents comprised of:		
Bank balances	75,823	60,406
Short term running finance	(5,523,999)	(3,997,986)
	<u><u>(5,448,176)</u></u>	<u><u>(3,937,580)</u></u>

The annexed notes 1-22 form an integral part of this condensed interim financial information.

- Sd -
Aziz Sarfaraz Khan
Chief Executive

- Sd -
Iskander M. Khan
Director

- Sd -
Rizwan Ullah Khan
Chief Financial Officer

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2018

	Share capital	General reserve	Unappropriated profits	Total	Surplus on revaluation of property, plant and equipment	Total
Rupees in thousand						
Balance as at October 1, 2016 (as previously reported)	286,920	327,000	696,075	1,309,995	-	1,309,995
Effect of retrospective restatement due to change in accounting policy (note 3.2)					2,765,364	2,765,364
Balance as at October 1, 2016 - restated	286,920	327,000	696,075	1,309,995	2,765,364	4,075,359
Total comprehensive income for the nine month period ended June 30, 2017						
Income for the period	-	-	180,261	180,261	-	180,261
Other comprehensive income for the period	-	-	180,261	180,261	-	180,261
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the nine month - net of deferred taxation	-	-	140,603	140,603	(140,603)	-
Deferred tax adjustment due to reduction in tax rate	-	-	-	-	26,782	26,782
Cash dividend at rate of Rs. 4.50 per ordinary share for the year ended September 30, 2016	-	-	(129,114)	(129,114)	-	(129,114)
Balance as at June 30, 2017 - restated	286,920	327,000	887,825	1,501,745	2,651,543	4,153,288
Total comprehensive income/(loss) for the three month period ended September 30, 2017						
Loss for the period	-	-	(88,109)	(88,109)	-	(88,109)
Other comprehensive income for the period	-	-	(88,109)	(88,109)	-	(88,109)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the three months - net of deferred taxation	-	-	46,869	46,869	(46,869)	-
Balance as at September 30, 2017	286,920	327,000	846,585	1,460,505	2,604,674	4,065,179
Total comprehensive income for nine months period ended June 30, 2018						
Income for the period	-	-	184,550	184,550	-	184,550
Other comprehensive loss for the period	-	-	(537)	(537)	-	(537)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the nine months - net of deferred taxation	-	-	126,544	126,544	(126,544)	-
Cash dividend at rate of Rs 1.50 per ordinary share for the year ended September 30, 2017	-	-	(43,038)	(43,038)	-	(43,038)
Balance as at June 30, 2018	286,920	327,000	1,114,104	1,728,024	2,478,130	4,206,154

The annexed notes 1-22 form an integral part of this condensed interim financial information.

- Sd -
Aziz Sarfaraz Khan
Chief Executive

- Sd -
Iskander M. Khan
Director

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Rizwan Ullah Khan
Chief Financial Officer

CHASHMA SUGAR MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2018

1. Legal status and operations

Chashma Sugar Mills Limited (the Company) was incorporated in Pakistan on May 5, 1988 as a public company, under the Companies Ordinance, 1984 and commenced its business from July 9, 1988. The shares of the Company are 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.

2. Statement of compliance

These condensed interim financial statements for nine months period ended June 30, 2018 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.

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, 2017.

3. Significant accounting policies, critical accounting estimates and judgments

- The accounting policies, significant judgements made in application of accounting policies, key sources of estimations, the methods of computations adopted and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of audited financial statements for the year ended September 30, 2017, except as otherwise stated in notes.
- In accordance with the requirements of newly enacted Companies Act, 2017, the surplus on revaluation of property, plant and equipment is now presented as part of shareholders' equity. This change in accounting policy has resulted in reclassification of surplus on revaluation of property, plant and equipment - net of tax to shareholders' equity in the statement of financial position by restating the corresponding figures which resulted in increase in shareholders' equity by Rs 2,765 million as at October 1, 2016. There is no corresponding effect on the reported financial performance and cash flows of the Company.
- The Company operates an unfunded gratuity scheme covering eligible employees under their employment contract. During the period ended June 30, 2018, the liability for gratuity is recognized on the basis of actuarial valuation conducted as at March 31, 2018, using Projected Unit Credit Method. Previously, the gratuity expense was recognised on the basis of payments to employees. The comparative figures have not been restated for change in accounting policy due to insignificant impact. Accordingly, Rs 5,576 thousand at September 30, 2017 has been accounted for as expense in the statement of profit or loss for the nine months period ended June 30, 2018.

4. Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended September 30, 2017.

	Note	Un-audited June 30, 2018 (Rupees in thousand)	Audited September 30, 2017
5. Property, plant and equipment			
Operating fixed assets - tangible	5.1	7,102,077	7,567,595
Capital work-in-progress	5.2	404,854	221,137
Stores held for capital expenditure		-	845
		<u>7,506,931</u>	<u>7,789,577</u>
5.1 Operating fixed assets - at net book value			
Net book value at the beginning of the period / year		7,567,595	8,130,966
Add: Additions during the period / year	5.1.1	35,265	173,794
Less: Disposals during the period / year		(172)	(5,313)
Depreciation charged for the period / year		(500,611)	(731,852)
		(500,783)	(737,165)
Net book value at the end of the period / year		<u>7,102,077</u>	<u>7,567,595</u>
5.1.1 Additions during the period / year			
Freehold land		-	31,235
Building and roads		-	21,583
Plant and machinery		-	50,932
Generators		100	-
Electric Installations		2,637	9,952
Office equipment		4,144	17,154
Furniture and Fixtures		1,874	5,921
Owned vehicles		3,736	785
Leased vehicles		22,774	36,232
		<u>35,265</u>	<u>173,794</u>
5.2 Capital work-in-progress			
At the beginning of the period / year		221,137	37,410
Add: Additions during the period / year	5.2.1	219,549	328,786
Less: Capitalized/adjusted during the period/ year		(35,832)	(145,059)
Balance at the end of the period / year		<u>404,854</u>	<u>221,137</u>
5.2.1 Additions during the period / year			
Buildings on freehold land		22,053	56,404
Plant and machinery		114,809	202,650
Electric installations		28,607	20,866
Leased vehicles		18,918	41,446
Advances to contractors		35,162	7,420
		<u>219,549</u>	<u>328,786</u>
6. Stock-in-trade			
Finished goods			
- sugar		3,487,954	692,212
- molasses		573,262	384,832
- spirit	6.1	138,484	268,542
		4,199,700	1,345,586
Work-in-process		7,623	7,948
		<u>4,207,323</u>	<u>1,353,534</u>

6.1 Stocks include items costing Rs Nil (2017: Rs 127.51 million) stated at their net realizable values aggregating Rs Nil (2017: Rs 112.41 million). The amount charged to the profit and loss account in respect of stocks written down to their net realisable values is Rs Nil (2017: Rs 15.10 million).

	Note	Un-audited June 30, 2018 (Rupees in thousand)	Audited September 30, 2017
7. Trade debts - Unsecured, considered good			
Considered good		290,658	185,372
Considered doubtful		1,528	-
		292,186	185,372
Provision for doubtful debts		(1,528)	-
		<u>290,658</u>	<u>185,372</u>
8. Loans and advances			
These are net of provision for an amount of Rs 28.8 million (2017: Rs 2.4 million) in respect of long outstanding advances due from cane growers. Further, loans and advances include balances due from related parties as follows:			
Premier Sugar Mills and Distillery Company Limited		155,682	50,251
Whole Foods (Private) Limited		5,482	-
		<u>161,164</u>	<u>50,251</u>
9. Trade deposits, prepayments and other receivables			
Trade deposits		5,500	5,500
Prepayments		6,095	5,230
Sugar export subsidy receivable		339,892	254,935
Insurance claim receivable		142	16,836
Sales tax advance		446,242	248,775
Others		250	250
		<u>798,121</u>	<u>531,526</u>
10. 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;			
		Un-audited June 30, 2018	Audited September 30, 2017
		(Number of shares)	
Holding company			
Premier Sugar Mills & Distillery Co.		13,751,000	13,751,000
Associated companies			
Azrak Enterprises (Pvt.) Ltd		1,462,859	1,462,859
Phipson & Co. Pakistan (Pvt.) Ltd.		307,500	307,500
Syntronics Ltd.		3,590,475	3,590,475
		<u>19,111,834</u>	<u>19,111,834</u>
11. Long term finances - secured			
		(Rupees in thousand)	
Bank Alfalah Limited		50,000	100,000
Bank Al-Habib Limited		269,009	303,697
Faysal Bank Limited		83,327	249,982
Soneri Bank Limited		282,439	351,231
The Bank of Punjab		210,482	282,714
Syndicated Islamic finance facility		877,438	974,931
		1,772,695	2,262,555
Less: amount payable within next 12 months	11.2	(625,134)	(621,917)
Amount due after June 30, 2019	11.1	<u>1,147,561</u>	<u>1,640,638</u>

- 11.1 These represent term and demand finances 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 + 1.3% per annum to KIBOR + 2% per annum and are secured against first/joint pari passu hypothecation charge over all present and future movable fixed assets of the Company and first/joint pari passu charge by way of equitable mortgage on all present and future immovable fixed assets of the Company.
- 11.2 This includes installments due on June 30, 2018 for an aggregate amount of Rs 14.05 million which have been paid subsequently on July 3, 2018.
- 11.3 In case of various loan arrangements, the concerned lenders have waived the requirements of certain covenants of the respective loan agreements. Accordingly, the liabilities under these loan agreements have been classified as per the repayment schedule applicable in respect of the aforesaid loan agreements.

	Note	Un-audited June 30, 2018 (Rupees in thousand)	Audited September 30, 2017 (Rupees in thousand)
12. Loans from related parties - secured			
Holding company			
Premier Sugar Mills & Distillery Co. Limited	12.1	279,500	279,500
Associated companies			
Premier Board Mills Limited	12.2	65,575	65,575
Arpak International Investments Limited	12.3	43,750	43,750
		<u>388,825</u>	<u>388,825</u>

- 12.1 The Company obtained an aggregate long term finance facility of Rs 279.5 million from holding company. The principal is repayable in 7 semi annual installments commencing from February 2020. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the holding company is not less than the borrowing cost of the holding company.
- 12.2 The Company has outstanding long term finance facility of Rs 65.575 million to an associated company Premier Borad Mills Limited. The principal is repayable in 7 semi annual installments commencing from November 2019. 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.
- 12.3 The Company obtained long term finance facility of Rs 43.75 million from an associated company Arpak International Investments Limited. The principal is repayable in 7 semi annual installments commencing from November 2019. 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.

	Un-audited June 30, 2018 (Rupees in thousand)	Audited September 30, 2017 (Rupees in thousand)
13. Liabilities against assets subject to finance lease - secured		
Present value of finance lease payments	57,587	61,790
Less: Current portion shown under current liabilities	(23,585)	(21,685)
Minimum lease payments	<u>34,002</u>	<u>40,105</u>
Due within one year		
Minimum lease payments	27,402	25,781
Less: Financial charges not yet due	(3,817)	(4,096)
Present value of minimum lease payments	<u>23,585</u>	<u>21,685</u>
Due after one year but not later than five years		
Minimum lease payments	37,135	44,126
Less: Financial charges not yet due	(3,133)	(4,021)
Present value of minimum lease payments	<u>34,002</u>	<u>40,105</u>
	<u>57,587</u>	<u>61,790</u>

	Note	Un-audited June 30, 2018 (Rupees in thousand)	Audited September 30, 2017 (Rupees in thousand)
14. Deferred liabilities			
Deferred taxation		624,282	723,106
Provision for gratuity		<u>7,216</u>	<u>-</u>
		<u>631,498</u>	<u>723,106</u>
15. Trade and other payables			
Creditors		153,398	178,997
Due to related parties	15.1	28,207	34,798
Accrued expenses		68,497	81,537
Retention money		14,534	14,735
Security deposits - interest free repayable on demand		779	769
Advances from customers		588,500	135,166
Income tax deducted at source		7,236	301
Payable to workers welfare institutions		11,960	6,615
Payable to employees		26,117	17,115
Others		<u>161</u>	<u>187</u>
		<u>899,389</u>	<u>470,220</u>
15.1 This represents amounts due to the following related parties:			
Associated Companies			
Frontier Sugar Mills Limited		81	69
Syntronics Limited		7,006	16,956
Syntron Limited		-	3,276
Aztrak Enterprises (Private) Limited		<u>21,120</u>	<u>14,497</u>
		<u>28,207</u>	<u>34,798</u>
16. Short term running finance			
Secured	16.1	5,523,999	2,451,000
Un-secured		<u>-</u>	<u>1,407</u>
		<u>5,523,999</u>	<u>2,452,407</u>

- 16.1 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 KIBOR + 1% per annum to KIBOR + 1.25% per annum and are secured against pledge of sugar stock with margin ranging from 10% to 15%, lien on export contracts/LCs and import documents.
- 16.2 In case of various loan arrangements, the concerned lenders have waived the requirements of certain covenants of the respective financing agreements. Accordingly, the liabilities under these financing agreements have been classified as per the repayment schedule applicable in respect of the aforesaid financing agreements.
- 17. Contingencies and commitments**
- 17.1 Contingencies
- 17.1.1 There has been no significant change in the status of contingencies as disclosed in note 24 to the audited financial statements of the Company for the year ended September 30, 2017 except for the following:

18. Sales - net	Un-audited		Audited	
	Three months period ended		Nine months period ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	(Rupees in thousand)			
Local	3,053,051	4,098,364	6,195,830	8,608,080
Export	814,729	512,023	1,973,163	967,004
Gross Sales	3,867,779	4,610,387	8,168,993	9,575,084
Less: Sales tax and other government levies	(301,798)	(425,495)	(626,735)	(883,502)
Sales - net	3,565,981	4,184,892	7,542,258	8,691,582

19. Segment operating results for the Nine months period ended June 30, 2018 (Un-audited)

[illegible]

19.1 Segment assets and liabilities

	Un-audited June 30, 2018		Audited September 30, 2017	
	(Rupees in thousand)			
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
Sugar	9,183,796	6,063,366	7,265,861	581,645
Ethanol	4,773,917	2,596,784	2,979,556	2,279,998
Total for reportable segment	13,957,713	8,660,150	10,245,417	2,861,643
Others	-	1,090,895	328,489	3,647,084
Entity's total assets / liabilities	13,957,713	9,751,045	10,573,906	6,508,727

20. Transactions with related parties

- 20.1 The Company has related party relationship, with its Holding Company 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:

	Three months period ended		Nine months period ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	-----Rupees in thousand-----			
<u>Holding Company</u>				
Premier Sugar Mills and Distillery Company Limited				
Purchase of molasses	136,285	152,324	171,000	155,300
Sale of store items	-	-	1,732	1,600
Sale of bagasse	598	-	1,325	-
Purchase of store items	-	8	57	193
Mark-up charged	5,495	5,240	16,080	15,671
Expenses paid by Holding Company	3,842	3,690	11,496	13,291
Expenses paid on behalf of Holding Company	54	2	63	81
Dividends paid	-	-	20,627	61,880
<u>Associated undertakings</u>				
Services	3,293	2,651	13,500	10,800
Expenses paid by associated companies	1,492	373	3,349	7,780
Purchase of goods	17,258	3,016	93,801	98,673
Expenses paid on behalf of associated companies	5	2	1,317	2
Dividends paid	-	-	8,041	24,124
Post employment benefit				
Expense charged in respect of retirement benefit plan	514	-	7,216	2,359
Key management personnel				
Salaries and other benefits	16,934	13,263	49,477	43,861

21. Corresponding figures

Corresponding figures have been re-arranged and re-classified as follows, for the purposes of comparison and better presentation as per reporting framework. However, the change in corresponding figures has no material impact on reported financial position, financial performance and cash flows of the Company.

Reclassified from	Reclassified to	Rupees in thousands
Income tax refundable	Trade deposits, prepayments and other receivables	248,775
	Provision for taxation	51,882
Trade and other payables	Unclaimed dividends	7,162

22. Date of Authorisation for Issue

This condensed interim financial information was authorised for circulation to the shareholders by the Board of Directors of the Company on July 27, 2018.

- Sd -
Aziz Sarfaraz Khan
Chief Executive

- Sd -
Iskander M. Khan
Director

- Sd -
Rizwan Ullah Khan
Chief Financial Officer