



CHASHMA SUGAR MILLS LIMITED

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

BOOK POST
Printed Matter
UNDER POSTAL CERTIFICATE

If undelivered please return to:
CHASHMA SUGAR MILLS LIMITED
KING'S ARCADE, 20-A, MARKAZ F-7,
ISLAMABAD - PAKISTAN
TEL: 051-2650805-7

CHASHMA SUGAR MILLS LIMITED **COMPANY INFORMATION**

Board of Directors

Begum Laila Sarfaraz	Chief Executive
Mr. Abbas Sarfaraz Khan	Chairman
Ms. Zamine Sarfaraz	Director
Mr. Iskander M. Khan	Director
Miss. Mahnaz Saigol	Director
Ms. Samia Liaquat 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 Board of Directors are pleased to present the un-audited condensed interim financial information of the Company for the nine months' period ended on June 30, 2024. 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 Listed Companies (Code of Corporate Governance) Regulations, 2019.

Operational Highlights

	June 2024	June 2023
--	-----------	-----------

Date of Crushing Started	November 27, 2023	November 28, 2022
Date of Crushing Closed	March 6, 2024	March 14, 2023
Crushing - M. Tons	1,726,610	1,963,196
Sucrose Recovery	9.94%	10.8%
Sugar Production - M. Tons	171,591	211,871
Ethanol Fuel Plant Production-M. Tons	26,010	25,689

The Provincial Government of Khyber Pakhtunkhwa (KPK) fixed minimum support price of sugarcane price @ Rs. 400/- per 40 kgs. However, due to unorganized expansion and the establishment of new sugar mills in the vicinity, sugarcane is being procured at higher rates.

FINANCIAL PERFORMANCE

The Company suffered loss of Rs. 1485.094 million after taxation (2023: Profit Rs 257.048). Higher finance costs, coupled with increased expenses in sugar production driven by inflation, worsened the financial situation.

ECONOMICAL CHALLENGES & INDUSTRY OVERVIEW

The financial year 2023-24 has proven to be more challenging due to inability of the government to decide about export of the surplus sugar stock of 1.5 million tons. Further, higher KIBOR rate, 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 losses.

Since the beginning of the year, the Pakistan Sugar Mill Association highlighted the surplus quantity of sugar and requested for export, but the government delayed the decision to achieve political gains.

FUTURE PROSPECTS

State Bank of Pakistan has reduced the policy rate from the current 22.00% per annum to 20.50% per annum and the IMF has estimated that Pakistan's average inflation will decelerate this year from last year's level. In the light of these factors, we are expecting further reduction in the policy rate.

Recently, the government has allowed the export of 150,000 metric tons of surplus sugar stock, with certain conditions, which are detrimental for the financial health of the company.

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 and valuable staff of our Bankers.

ON BEHALF OF THE BOARD



(BEGUM LAILA SARFRAZ)
Chief Executive



(ISKANDER M. KHAN)
Director

Mardan
July 26, 2024

چشمہ شوگر ملز لمیٹڈ ڈائریکٹرز کی جائزہ رپورٹ

یہ رپورٹ ڈائریکٹرز 30 جون 2024 کو ختم ہونے والی نو ماہ کی مدت کے لئے کمپنی کی غیر آڈٹ شدہ عبوری مالی معلومات پیش کرنے پر خوش ہیں۔ کمپنی ایکٹ 2017 کی دفعہ 237 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تحت کارپوریٹ گورننس کوڈ، ایئر ٹیمپل اکاؤنٹنگ اسٹینڈرڈ نمبر 34 "عبوری مالیاتی رپورٹنگ" کوڈ آف کارپوریٹ گورننس کی تعمیل میں کمپنی کے شیئر ہولڈرز کو یہ جامع مالی معلومات پیش کی جاتی ہیں۔

آپریٹیشنل جھلمکیاں	جون 2023	جون 2024
کرٹنگ شروع ہونے کی تاریخ	28 نومبر 2022	27 نومبر 2023
کرٹنگ کی تاریخ بند کر دی گئی	14 مارچ 2023	6 مارچ 2024
کرٹنگ - ایم ٹن	1,963,196	1,726,610
سوکرہ کی بازیابی	10.8%	9.94%
چینی کی پیداوار - ایم ٹن	211,871	171,591
بھتھوں/ایوٹھن پلاسٹ کی پیداوار - ایم ٹن	25,689	26,010

خیبر پختونخوا (کے پی کے) کی صوبائی حکومت نے گئے کی کم از کم امدادی قیمت 400 روپے فی 40 کلو گرام مقرر کی ہے۔ تاہم غیر منظم توسیع اور آس پاس نئی شوگر ملوں کے قیام کی وجہ سے گئے کی خریداری منگنے زخموں پر کی جارہی ہے۔

مال کارکردگی

کمپنی کو بعد از یکس 1485.094 ملین روپے کا نقصان ہوا (2023- منافع 257.048 روپے)۔ افراط زر کی وجہ سے چینی کی پیداوار میں بڑھتے ہوئے اخراجات کے ساتھ ساتھ مالیاتی اخراجات میں اضافے نے مالی صورتحال کو مزید خراب کر دیا۔

اقتصادی چیلجز اور صحت کا جائزہ

مالی سال 2023-24ء زیادہ مشکل ثابت ہوا ہے کیونکہ حکومت 1.5 ملین ٹی کے اضافی چینی اسٹاک کی برآمد کے بارے میں فیصلہ کرنے میں ناکام رہی ہے۔ مزید برآں، کے آئی ٹی او آر کی بلند شرح، افراط زر اور گئے کی خریداری کی قیمتوں میں اضافے نے چینی کی پیداواری لاگت میں خاطر خواہ اضافہ نہیں کیا ہے۔ زیادہ تر ملیں اس وقت اپنی پیداواری لاگت سے کم قیمتوں پر چینی فروخت کر رہی ہیں جس کی وجہ سے کافی مالی نقصان ہو رہا ہے۔

سال کے آغاز سے ہی پاکستان شوگر ملز ایسوسی ایشن نے چینی کی اضافی مقدار کو اجاگر کیا اور برآمد کی درخواست کی لیکن حکومت نے سیاسی فائدے کے حصول کے لیے فیصلہ موخر کر دیا۔

مستقبل کے امکانات

اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ کو موجودہ 22.00 فیصد سالانہ سے کم کر کے 20.50 فیصد سالانہ کر دیا ہے اور آئی ایم ایف نے تجویز لگایا ہے کہ پاکستان کی اوسط افراط زر گزشتہ سال کی سطح سے اس سال کم ہو جائے گی۔ ان عوامل کی روشنی میں ہم پالیسی ریٹ میں مزید کمی کی توقع کر رہے ہیں۔

حال ہی میں حکومت نے ڈیڑھ لاکھ میٹرک ٹن اضافی چینی کے اسٹاک کو کچھ شرائط کے ساتھ برآمد کرنے کی اجازت دی ہے جو کمپنی کی مالی صحت کے لیے نقصان دہ ہیں۔

اکاؤنٹنگ پالیسیاں

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

اعتراف

ڈائریکٹرز ہر سطح پر کمپنی کے عملے اور ہمارے سٹیکرز کے قابل قدر عملے کی طرف سے کیے گئے اچھے کام کے جذبے کو سراہتے ہیں۔

منجانب بورڈ



اسکندر محمد خان

مردان

تاریخ: جولائی 2024، 26

تیم علیہ سر فرات

چیف ایگزیکٹو

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

	Note	Un-audited June 30, 2024 (Rupees in thousand)	Audited September 30, 2023 (Rupees in thousand)
NON CURRENT ASSETS			
Property, plant and equipment	5	19,367,823	20,371,132
Right-of-use assets	6	295,800	296,124
Long term investment	7	1,163,357	638,357
Long term loans and deposits	8	302,543	283,936
		21,129,523	21,589,549
CURRENT ASSETS			
Stores and spares		684,319	841,710
Stock-in-trade	9	13,698,322	5,177,676
Trade debts	10	885,989	1,214,104
Loans and advances	11	2,418,887	1,742,423
Trade deposits and other receivables	12	223,392	200,991
Income tax refundable		344,485	122,222
Cash and bank balances	13	814,498	811,313
		19,079,892	10,110,439
		40,209,415	31,699,988
TOTAL ASSETS			
SHARE CAPITAL AND RESERVES			
Authorised capital		500,000	500,000
Issued, subscribed and paid-up capital	14	286,920	286,920
General reserve		327,000	327,000
Surplus on revaluation of property, plant and equipment		7,330,123	8,148,726
Unappropriated profits		4,574,180	5,775,450
Shareholders' equity		12,518,223	14,538,096
NON-CURRENT LIABILITIES			
Long term finances - secured	15	2,355,112	3,261,715
Loans from related parties - secured	16	105,611	131,854
Lease liabilities	17	121,775	140,314
Deferred liabilities			
- Deferred taxation		3,450,480	3,472,814
- Provision for gratuity		24,111	19,965
- Deferred government grant		32,973	76,280
		3,507,564	3,569,059
		6,090,062	7,102,942
CURRENT LIABILITIES			
Trade and other payables	18	2,799,105	3,375,789
Unclaimed dividend		14,156	14,572
Unpaid dividend		1,523	-
Short term running finance - secured	19	16,685,162	4,871,003
Current maturity of non-current liabilities	20	1,836,075	1,581,737
Provision for tax/levies - net		265,109	215,849
		21,601,130	10,058,950
		27,691,192	17,161,892
TOTAL LIABILITIES			
Contingencies and commitments	21	40,209,415	31,699,988
TOTAL EQUITY AND LIABILITIES			

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

 **CHIEF FINANCIAL OFFICER**  **CHIEF EXECUTIVE**  **DIRECTOR**

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2024

	Note	Three month period ended June 30, 2024	June 30, 2023 (Rupees in thousand)	Nine month period ended June 30, 2024	June 30, 2023 (Rupees in thousand)
Gross sales	22	11,660,591	6,099,345	25,051,276	18,660,936
Sales tax, other government levies and discounts	23	(1,450,625)	(602,496)	(2,903,426)	(1,820,097)
Sales - net		10,209,966	5,496,849	22,147,850	16,840,839
Cost of sales		(10,062,518)	(4,554,764)	(19,142,265)	(13,203,769)
Gross profit		147,448	942,085	3,005,585	3,637,070
Selling and distribution expenses		(222,717)	(130,115)	(689,311)	(604,903)
Administrative and general expenses		(304,636)	(260,602)	(902,824)	(747,078)
Net impairment losses on financial assets		-	-	-	(34,128)
Other income		33,506	40,346	199,890	100,677
Other expenses - net		13,293	-	3,175	(29,662)
Operating profit / (loss)		(333,106)	591,714	1,616,515	2,321,976
Finance cost		(1,315,196)	(907,922)	(3,250,148)	(1,923,745)
Profit / (loss) before revenue tax and income tax		(1,648,302)	(316,208)	(1,633,633)	398,231
Final taxes - levy		(15,336)	(10,644)	(55,404)	(55,440)
Profit / (loss) before income tax		(1,663,638)	(326,852)	(1,689,037)	342,791
Taxation (expense) / credit					
- Current		(156,043)	(68,814)	(209,705)	(206,442)
- Prior year		-	-	-	(41,938)
- Deferred		289,836	66,817	413,648	162,637
		133,793	(1,997)	203,943	(85,743)
Profit / (loss) for the period		(1,529,845)	(328,849)	(1,485,094)	257,048
Earnings / (loss) per share - basic and diluted (Rs)		(53.32)	(11.46)	(51.76)	8.96

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

 **CHIEF FINANCIAL OFFICER**  **CHIEF EXECUTIVE**  **DIRECTOR**

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2024

	Three month period ended	Nine month period ended
	June 30, 2024	June 30, 2024
	2024	2023
	(Rupees in thousand)	(Rupees in thousand)
Profit / (loss) for the period	(1,529,845)	(328,849)
Other comprehensive income / (loss)		
Surplus on revaluation of Property, plant and equipment	-	-
Add: Deferred tax on surplus on revaluation of property, plant and equipment	(391,319)	(391,319)
Total comprehensive income / (loss)	(1,921,164)	(328,849)
		257,048

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



CHIEF FINANCIAL OFFICER



DIRECTOR

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023
	(Rupees in thousand)	(Rupees in thousand)
Cash flow from operating activities		
Profit / (loss) for the period - before taxation	(1,689,037)	342,791
Adjustments for non-cash items:		
Depreciation	1,206,842	1,007,510
Gain on sale of operating fixed assets	(14,483)	(5,483)
Profit on deposit accounts	(3,193)	(18,240)
Mark-up earned on term depository receipts	(65,506)	-
Mark-up income on loan to a related party	(54,002)	-
Finance cost	3,250,148	1,923,745
Net impairment losses on financial assets	-	34,128
Provision for gratuity	6,208	4,179
Final taxes - levy	55,404	55,440
	2,692,381	3,344,070
Changes in working capital		
Decrease / (Increase) in stores and spares	147,391	19,908
stock-in-trade	(8,520,646)	(7,794,780)
trade debts	291,523	(47,521)
loans and advances	(676,464)	(81,347)
trade deposits and other receivables	(22,401)	(111,662)
Increase / (decrease) in trade and other payables	(576,684)	1,681,147
	(9,357,281)	(6,334,255)
	(6,664,900)	(2,990,185)
Income taxes and levies paid	(438,117)	(196,635)
Gratuity paid	(2,062)	276
	(7,105,079)	(3,186,544)
Net cash used in operating activities		
Cash flow from investing activities		
Purchase of property, plant and equipment	(177,466)	(1,035,778)
Sale proceeds of operating fixed assets	41,164	16,863
Increase in long term investment	(525,000)	(300,000)
Profit on bank deposits received	3,193	18,240
Mark-up earned on term depository receipts	65,506	-
Mark-up income on loan to a related party	54,002	-
	(538,601)	(1,300,675)
Net cash used in investing activities		
Cash flow from financing activities		
Long term finances received / (repaid)	(796,713)	419,179
Short term loan received / (repaid)	3,783,584	1,166,000
Loan repaid to related party	(15,618)	(31,235)
Lease obligation repaid	(109,424)	(109,200)
Dividend paid	(142,353)	(10)
Finance cost paid	(2,302,828)	(1,319,633)
	416,648	125,101
	(7,227,032)	(4,362,118)
	(2,610,917)	(2,389,042)
Net decrease in cash and cash equivalents		
Cash and cash equivalents at beginning of the period		
Cash and cash equivalents at end of the period		
Cash and cash equivalents comprised of:		
Bank balances	13	360,498
Short term running finance - secured	19	(10,198,447)
		(9,837,949)
		(6,751,160)

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



CHIEF FINANCIAL OFFICER



DIRECTOR

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2024

	Share capital	General reserve	Surplus on revaluation of property, plant and equipment (Rupees in thousand)	Unappropriated profits	Total
Balance as at October 1, 2022	286,920	327,000	6,934,478	3,567,555	11,115,953
Total comprehensive income for the nine month period ended June 30, 2023	-	-	-	257,046	257,046
Profit for the period	-	-	-	257,046	257,046
Other comprehensive income for the period	-	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	(382,694)	382,694	-
Balance as at June 30, 2023	286,920	327,000	6,541,784	4,217,297	11,373,001
Total comprehensive income for the three month period ended September 30, 2023	-	-	-	1,442,091	1,442,091
Profit for the period	-	-	1,724,624	(1,620)	1,723,004
Other comprehensive income for the period	-	-	1,724,624	1,440,471	3,165,095
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	(117,682)	117,682	-
Balance as at September 30, 2023	286,920	327,000	8,148,726	5,775,450	14,538,096
Total comprehensive loss for the nine month period ended June 30, 2024	-	-	-	(1,485,094)	(1,485,094)
Loss for the period	-	-	-	(391,319)	(391,319)
Other comprehensive loss for the period	-	-	(391,319)	(1,093,775)	(1,485,094)
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	(427,284)	427,284	-
Cash dividend at rate of Rs 5.00 per ordinary share for the year ended September 30, 2023	-	-	-	(143,460)	(143,460)
Balance as at June 30, 2024	286,920	327,000	7,330,123	4,574,180	12,518,223

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE

DIRECTOR

CHASHMA SUGAR MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2024

1. Legal status and operations

Chashma Sugar Mills Limited (the Company) was incorporated in Pakistan on May 5, 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 Dara Ismail Khan, Khyber Pakhtunkhwa.

2. Statement of compliance

These condensed interim financial statements for nine month period ended June 30, 2024 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, 2023, except as outlined below.

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, 2023.

3.1 Accounting guidance issued by ICAP on Accounting for minimum taxes and final taxes

Institute of Chartered Accountant of Pakistan (ICAP) issued a guidance "Application guidance on accounting for minimum taxes and final taxes" through Circular No. 07/2024 dated May 15, 2024. In light of the said guidance, as the minimum taxes and final taxes are not calculated on the 'taxable profit' as defined in IAS 12 but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance, 2001 (ITO, 2001)), accordingly minimum taxes and final taxes should be accounted for under IAS 37/IFRIC 21 as levies (though these are charged under tax law) and not under IAS 12 as income taxes. Based on the guidance, the minimum taxes under ITO 2001 are hybrid taxes which comprise of a component within the scope of IAS 12 (Income Tax) and a component within the scope of IFRIC 21 (Levies).

The aforesaid guidance has been applied retrospectively by the Company and the comparative information has been restated, which has not affected current period or prior years' net sales, profit after taxes and levies, equity and cash flows. Impact as of October 1, 2022 is not material to the financial statements. In accordance with requirements of IAS 1 "Presentation of Financial Statements", the balances as at September 30, 2023 have been restated and third statement of financial position as of October 1, 2022 has not been presented due to immaterial impact. The effects of the restatement are summarized in note 3.2 below.

3.2 The following tables present the impacts of restatements as explained in note 3.1 above:

	Balances before restatement	Impact (Rupees in thousand)	Restated
September 30, 2023			
Current assets	-	122,222	122,222
Income tax refundable	-		
Current liabilities	93,627	(93,627)	-
Provision for taxation - net	-	215,849	215,849
Provision for tax levies - net	-		
In the statement of profit or loss, the minimum tax and final tax previously presented as income taxes have now been reclassified as "final taxes - levy" under IAS 37 / IFRIC 21 amounting to Rs 55,440 thousand for the nine month period ended June 30, 2023.			
4. Seasonality of operations			
Due to seasonal nature of sugar segment of the Company, operating results of the Company are expected to fluctuate in the second half of the year in comparison with the first six months of the year.			
		Un-audited June 30, 2024	Audited September 30, 2023
5. Property, plant and equipment		Note	
Operating fixed assets	5.1	18,396,406	18,853,151
Capital work-in-progress	5.2	971,417	1,517,981
		<u>19,367,823</u>	<u>20,371,132</u>
5.1 Operating fixed assets - at net book value			
Net book value at the beginning of the period / year		18,853,151	14,475,625
Revaluation surplus during the period / year		-	2,567,400
Additions during the period / year	5.1.1	698,151	3,130,126
Transfers from right of use assets to owned		25,485	20,553
Disposals during the period / year		(26,681)	(20,574)
Depreciation charged for the period / year		(1,153,700)	(1,319,979)
		<u>(1,180,381)</u>	<u>(1,340,553)</u>
Net book value at the end of the period / year		<u>18,396,406</u>	<u>18,853,151</u>
5.1.1 Additions during the period / year			
Leasehold land		-	2,722,248
Building and roads		628,508	79,122
Plant and machinery		13,962	271,725
Electric installations		6,440	23,989
Office equipment		15,733	13,624
Farm equipment		73	168
Furniture and fixtures		12,844	15,475
Vehicles		20,591	3,775
		<u>698,151</u>	<u>3,130,126</u>
5.2 Capital work-in-progress			
At the beginning of the period / year		1,517,981	3,541,099
Additions during the period / year	5.2.1	145,731	1,187,766
Capitalized during the period / year		(692,295)	(3,210,884)
Balance at the end of the period / year		<u>971,417</u>	<u>1,517,981</u>
5.2.1 Additions during the period / year			
Land and building		28,533	244,536
Plant and machinery		20,624	730,401
Electric installations		22,631	100,623
Vehicles - owned		5,917	1,597
Vehicles - leased		53,526	108,609
Advance payments against land and buildings		14,500	2,000
		<u>145,731</u>	<u>1,187,766</u>

6. Right of Use Assets

	Un-audited June 30, 2024 (Rupees in thousand)	Audited September 30, 2023 (Rupees in thousand)
Net book value at the beginning of the period / year	296,124	283,515
Additions during the period / year	78,303	113,552
Remeasurement during the period / year	-	(9,365)
Transfers from right of use assets to owned	(25,485)	(20,552)
Depreciation charged for the period / year	(53,142)	(71,026)
Net book value at the end of the period / year	<u>295,800</u>	<u>296,124</u>

7. Long term investment

Investment in shares of Whole Foods (Private) Limited (WFL) - at cost	100,000	100,000
10,000,000 (2023: 10,000,000) fully paid ordinary shares		
Investment in shares of Ultimate Whole Foods (Private) Limited (UWFL) - at cost	1,029,000	504,000
102,900,000 (2023: 50,400,000) fully paid ordinary shares		
Difference in fair value and present value on initial recognition of interest free loan to WFL	119,964	119,964
	<u>1,248,964</u>	<u>723,964</u>

Less: Impairment recognised on subsidiary

- Whole Foods (Private) Limited

Balance as at end of the period / year

85,607

1,163,357

8. Long term loans and deposits - considered good

Long term security deposits	15,344	15,084
Loan to subsidiary company - WFL - at amortized cost	287,199	268,852
	<u>302,543</u>	<u>283,936</u>

8.1 This represented an amount of Rs 335 million paid by the Company intermittently on behalf of the WFL. Further, tripartite subordination agreement dated June 29, 2020 and June 30, 2021 have been entered into between the Company, WFL and Soneri Bank Limited (the lender) whereby the related amount is subordinated to the principal, markup and any and all other amounts that may be payable to the lender under the financing agreements. Further, no payment of the aforesaid amount can be made by WFL, except with prior written consent of the lender. Accordingly, all payments due to Company shall be postponed till repayment of loan to the lender. The Company expects that repayment will be made in full after repayment of the amount due to lender. Owing to the substance of transactions at non-market interest rate (nil in this case), the difference between the present value and proceeds is recognised as a long term investment made in WFL by the Company using the effective interest method. In respect of loan to WFL referred in note 7 subordinated to all secured finance facilities availed by the Company, the entire amount of loan has been classified as non-current asset.

At the beginning of the period / year	268,852	246,220
Unwinding of interest on loan to subsidiary company	18,347	22,632
Balance as at end of the period / year	<u>287,199</u>	<u>268,852</u>

	Un-audited June 30, 2024 (Rupees in thousand)	Audited September 30, 2023 (Rupees in thousand)
9. Stock-in-trade		
Finished goods		
- Sugar	10,315,474	3,252,578
- Molasses	2,420,024	1,129,284
- Ethanol	765,159	742,952
- Bagasse	176,561	36,569
	<u>13,677,218</u>	<u>5,161,383</u>
Work-in-process	21,104	16,293
	<u>13,698,322</u>	<u>5,177,676</u>

9.1 Molasses and bagasse are used both for internal consumption as well as for sales to external parties.
9.2 Certain short term and long term borrowings of the Company are secured by way of collateral charge on stock-in-trade.

10. Trade debts - unsecured		
Considered good	-	450
Due from related parties	885,989	1,213,654
Others	885,989	1,214,104
	<u>3,333</u>	<u>3,333</u>
Considered doubtful	889,322	1,217,437
	<u>(3,333)</u>	<u>(3,333)</u>
Less: Loss allowance	885,989	1,214,104

11. Loans and advances		
Advances to:		
Employees - secured	12,333	12,077
Suppliers and contractors - unsecured	1,776,268	1,025,502
	<u>1,788,601</u>	<u>1,037,579</u>
Due from related parties	660,014	723,431
Letters of credit - secured	15	11,156
	<u>2,448,630</u>	<u>1,772,166</u>
Less:		
- Provision for doubtful advances	(28,838)	(28,838)
- Loss allowance	(905)	(905)
	<u>2,418,887</u>	<u>1,742,423</u>

11.1 This represents amounts due from the following:
Due from holding company:
The Premier Sugar Mills and Distillery Company Limited
Due from subsidiary company / associated company
Whole Foods (Private) Limited
Ultimate Whole Foods (Private) Limited

	75,069	-
	223,894	170,002
	361,051	553,429
	<u>660,014</u>	<u>723,431</u>

	Un-audited June 30, 2024 (Rupees in thousand)	Audited September 30, 2023 (Rupees in thousand)
12. Trade deposits and other receivables		
Deposits	1,500	2,500
Prepayments	4,688	9,304
Export subsidy receivable	305,519	305,519
Insurance claim receivable	7,306	33,746
Accrued mark-up on term deposit receipts	27,549	1,520
Others	32,632	4,184
	<u>379,174</u>	<u>356,773</u>
Less: Loss allowance	(155,782)	(155,782)
	<u>223,392</u>	<u>200,991</u>

13. Bank balances that are included in cashflow are as follows:
Cash and bank balances 814,498 822,132
Bank balances under lien (454,000) -
360,498 822,132

14. Share Capital
As at period end, the issued, subscribed and paid-up capital of the Company includes following share capital holdings by the related companies:
(Number of shares)

Holding company		
The Premier Sugar Mills & Distillery Company Ltd.	13,751,000	13,751,000
Associated companies		
Aziak Enterprises (Pvt.) Ltd.	1,497,359	1,477,359
Phipson & Co. Pakistan (Pvt.) Ltd.	307,500	307,500
Syntronics Ltd.	3,590,475	3,590,475
	<u>19,146,334</u>	<u>19,126,334</u>

15. Long term finances - secured		
Bank Al-Habib Limited	2,703,636	2,818,700
Soneri Bank Limited	206,823	332,139
Dubai Islamic Bank Pakistan Limited	-	250,000
MCB Bank Limited	-	139,237
Al-Baraka Bank Limited	334,647	445,493
United Bank Limited	393,750	450,000
Total	3,638,856	4,435,569
Accrued mark-up	334,786	245,132
	<u>3,973,642</u>	<u>4,680,701</u>
Less: amount payable within next 12 months		
Principal	(1,283,744)	(1,173,854)
Accrued mark-up	(334,786)	(245,132)
	<u>2,355,112</u>	<u>3,261,715</u>

15.1 These represent term and demand finance obtained by the Company from the aforesaid banks and are repayable in 5-7 years with varied grace periods. The rate of mark-up ranges from KIBOR + 1% per annum to KIBOR + 1.75% per annum and SBP rate + 4%. These are secured against first / joint pari passu hypothecation charge over all present and future movable fixed assets of the Company along with first / joint pari passu charge by way of equitable on all present and future immovable fixed assets of the Company and TDR of Rs. 450 million with 25% margin. There is no material change in the terms and conditions of the long term loans as disclosed in note 18 to the annual audited financial statements of the Company as at September 30, 2023.

	Un-audited		Audited	
	June 30, 2024		September 30, 2023	
	(Rupees in thousand)		(Rupees in thousand)	
	Assets	Liabilities	Assets	Liabilities
Sugar	32,389,998	21,472,285	24,332,650	14,895,145
Ethanol	7,819,417	5,975,842	7,367,338	1,942,447
Total for reportable segment	40,209,415	27,448,127	31,699,988	16,837,592
Others	-	243,065	-	324,300
Total assets / liabilities	40,209,415	27,691,192	31,699,988	17,161,892

24.1 Segment assets and liabilities

25. Transactions with related parties

25.1 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:

	Three month period ended		Nine month period ended	
	June 30, 2024		June 30, 2023	
	(Rupees in thousand)		(Rupees in thousand)	
Holding Company				
Purchase / sale of molasses	-	770,480	-	770,480
Sale of store items	336	166	3,839	21,291
Advance paid against purchase of building	40,885	-	50,885	-
Sale of baggage	-	-	-	2,428
Purchase of store items	1,340	2,341	3,489	6,012
Expenses paid by Holding Company	9,653	13,085	40,678	94,772
Expenses paid on behalf of Holding Company	28	28	86	86
Rent income	-	-	-	-
Dividend paid	-	-	68,755	-
Subsidiary Companies				
Investment in subsidiaries	-	55,000	525,000	300,000
Loan to subsidiary company	-	194,100	-	194,100
Expenses paid by the company	60,775	6,254	263,176	91,698
Mark-up charged by the company	44	-	54,002	-
Associated undertakings				
Services	9,830	9,172	36,352	27,605
Expenses paid by associated companies	1,650	951	2,943	1,355
Purchase of goods	1,130	887	221,643	257,828
Dividend paid	-	-	26,977	-
Mark-up charged	8,605	10,153	26,527	26,655
Post employment benefit				
Expense charged in respect of retirement benefit plan	9,172	7,786	28,715	23,372
Key management personnel / Directors				
Salaries and other benefits	61,178	99,986	175,344	190,500
Dividend paid	-	-	28,721	-

26. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to variety of financial risk namely market risk (including currency risk and interest rate risk), credit risk and liquidity risk. There have been no changes in the financial risk management policies of the Company during the period, consequently these condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

	June 30, 2024		June 30, 2023	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Sales				
- External Customers	8,767,300	4,926,674	17,626,042	13,617,607
- Internal segment	59,010	876,558	1,340,524	1,340,524
Less : sales tax & others	(7,524,089)	(4,399,698)	(15,886,714)	(13,205,604)
Less : sales tax & others	(1,243,211)	(585,986)	(2,615,911)	(1,752,527)
Cost of Sales	(7,630,439)	(3,863,846)	(14,244,359)	(11,440,654)
Less: inter segment cost	(1,340,524)	(876,558)	(1,340,524)	(1,340,524)
Gross profit	(106,344)	535,852	1,642,355	1,764,950
Admin and distribution expenses	(10,148)	(6,876)	(212,569)	(212,569)
Selling and distribution expenses	(251,515)	(199,267)	(676,273)	(544,862)
Net impairment losses on financial assets	(34,128)	-	-	-
Profit/(loss) from operations	(368,007)	329,709	928,496	1,044,834
Other income - net	32,945	38,717	195,401	96,397
Segment results	46,238	38,717	198,576	66,735
Finance cost	(11,337)	223,288	489,443	1,210,407
Profit/(loss) before revenue tax and income tax	(1,315,196)	(907,922)	(3,250,148)	(1,923,745)
Final taxes - levy	(1,648,302)	(316,208)	(1,639,633)	398,231
Profit/(loss) before income tax	(1,315,196)	(907,922)	(3,250,148)	(1,923,745)
Taxation	(1,529,845)	(328,849)	(1,485,094)	257,048

24. Segment operating results for the nine month period ended June 30, 2024 (Un-audited)

Fair value estimation

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, 2023. 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.

27. General

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

28. 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 July 26, 2024.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR



CHASHMA SUGAR MILLS LIMITED

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

CHASHMA SUGAR MILLS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF
FINANCIAL POSITION AS AT JUNE 30, 2024

Note	Un-audited June 30, 2024	Audited September 30, 2023
	(Rupees in thousand)	
NON CURRENT ASSETS		
Property, plant and equipment	23,024,808	23,783,471
Right-of-use assets	349,450	322,672
Long term deposits	15,344	15,084
Deferred tax asset	160,757	10,100
	23,560,359	24,131,327
CURRENT ASSETS		
Stores and spares	766,299	842,019
Stock-in-trade	14,793,384	5,378,443
Trade debts	1,068,491	1,214,104
Loans and advances	1,837,963	1,022,562
Trade deposits and other receivables	246,888	226,809
Income tax refundable	406,744	181,952
Cash and bank balances	846,490	822,656
	19,966,259	9,688,545
	43,516,618	33,819,872
TOTAL ASSETS		
SHARE CAPITAL AND RESERVES		
Authorised capital	500,000	500,000
Issued, subscribed and paid-up capital	286,920	286,920
General reserve	327,000	327,000
Surplus on revaluation of property, plant and equipment	7,547,790	8,382,950
Unappropriated profits	3,796,343	5,426,972
Equity attributable to owners of the parent company	11,968,053	14,423,842
Non-controlling interest	132,381	181,631
	12,090,434	14,605,473
NON-CURRENT LIABILITIES		
Long term finances - secured	3,959,897	4,673,542
Loans from related parties - secured	130,611	163,064
Lease liabilities	161,255	157,994
Deferred liabilities		
- Deferred taxation	3,597,476	3,620,702
- Provision for gratuity	24,111	19,965
- Deferred government grant	32,973	76,280
	3,654,560	3,716,947
	7,906,323	8,711,547
CURRENT LIABILITIES		
Trade and other payables	3,136,463	3,500,977
Unclaimed dividend	14,156	14,572
Unpaid dividend	1,523	-
Short term running finance - secured	17,915,751	4,994,853
Current maturity of non-current liabilities	2,180,579	1,776,601
Provision for tax levies - net	271,389	215,849
	23,519,861	10,502,852
	31,426,184	19,214,399
TOTAL LIABILITIES		
Contingencies and commitments		
TOTAL EQUITY AND LIABILITIES	43,516,618	33,819,872

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

 **CHIEF FINANCIAL OFFICER**  **DIRECTOR**

CHASHMA SUGAR MILLS LIMITED
CONSOLIDATED CONDENSED INTERIM
STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2024

Note	Three month period ended June 30, 2024	Nine month period ended June 30, 2024	Nine month period ended June 30, 2023
	(Rupees in thousand)		
Gross sales	12,672,365	6,099,345	27,563,457
Sales tax, other government levies and discounts	(1,450,625)	(602,496)	(2,903,426)
Sales - net	11,221,740	5,496,849	24,660,031
Cost of sales	(11,241,603)	(4,554,764)	(21,646,116)
Gross profit	(19,863)	942,085	3,013,915
Selling and distribution expenses	(239,930)	(130,115)	(717,391)
Administrative and general expenses	(402,224)	(291,439)	(1,100,509)
Net impairment losses on financial assets	-	-	(34,128)
Other income	33,723	35,998	146,690
Other expenses - net	13,293	-	3,175
Operating profit	(615,001)	556,529	2,229,627
Finance cost	(1,491,614)	(918,874)	(3,622,046)
(Loss) / profit before revenue tax and income tax	(2,106,615)	(362,345)	(1,392,419)
Final taxes - levy	(15,336)	(10,644)	(55,440)
	(2,121,951)	(372,989)	(1,447,859)
(Loss) / profit before income tax			
Taxation (expense) / credit			
- Current	(198,640)	(68,814)	(215,985)
- Prior year	-	-	(41,938)
- Deferred	410,431	65,918	167,309
	211,791	(2,896)	(81,071)
	(1,910,160)	(375,885)	(138,047)
(Loss) / profit after taxation			
Attributable to:			
Owners of the parent company	(1,866,109)	(376,799)	(1,924,852)
Non-controlling interest	(44,051)	914	(7,655)
	(1,910,160)	(375,885)	(138,047)
Earnings / (loss) per share - basic and diluted (Rs)	(66.57)	(13.10)	4.81

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

 **CHIEF FINANCIAL OFFICER**  **DIRECTOR**

CHASHMA SUGAR MILLS LIMITED
CONSOLIDATED CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2024

	Three month period ended June 30, 2024	Nine month period ended June 30, 2023	Nine month period ended June 30, 2024
Profit / (loss) for the period	(1,910,160)	(375,885)	(1,980,260)
Other comprehensive income / (loss)	-	-	-
Surplus on revaluation of Property, plant and equipment	-	-	-
Add: Deferred tax on surplus on revaluation of property, plant and equipment	(391,319)	(391,319)	(391,319)
Total comprehensive income / (loss)	(2,301,479)	(375,885)	(2,371,579)
Attributable to:			
Owners of the parent company	(2,257,428)	(376,799)	(2,316,171)
Non-controlling interest	(44,051)	914	(55,408)
	(2,301,479)	(375,885)	(2,371,579)

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





CHIEF FINANCIAL OFFICER **CHIEF EXECUTIVE** **DIRECTOR**

CHASHMA SUGAR MILLS LIMITED
CONSOLIDATED CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2024

	Balance as at October 1, 2022				Balance as at September 30, 2023				Balance as at June 30, 2024				
Share capital	286,920	286,920	286,920	286,920	286,920	286,920	286,920	286,920	286,920	286,920	286,920	286,920	286,920
General reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Unappropriated profits	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	286,920	286,920	286,920	286,920	286,920	286,920	286,920	286,920	286,920	286,920	286,920	286,920	286,920
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	286,920	286,920	286,920	286,920	286,920	286,920	286,920	286,920	286,920	286,920	286,920	286,920	286,920





CHIEF FINANCIAL OFFICER **CHIEF EXECUTIVE** **DIRECTOR**

CHASHMA SUGAR MILLS LIMITED
CONSOLIDATED CONDENSED INTERIM
STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2024

Nine month period ended
June 30,
2024
(Rupees in thousand)

	Note	2024	2023
Cash flow from operating activities		219,118	1,060,604
Profit / (loss) for the period - before taxation		(2,331,570)	(5,483)
Adjustments for non-cash items:			(19,476)
Depreciation		1,419,641	(3,756)
Gain on sale of operating fixed assets		(14,722)	(65,506)
Profit on deposit accounts		(3,756)	-
Mark-up earned on term depository receipts		3,622,046	1,955,069
Finance cost		-	34,128
Net impairment losses on financial assets		6,208	4,179
Provision for gratuity		55,404	55,440
Final taxes - levy		2,687,745	3,303,579

Changes in working capital

Decrease / (Increase) in stock and spares	75,720	18,288
stock-in-trade	(9,414,941)	(7,794,780)
trade debts	109,021	(47,521)
loans and advances	(815,401)	176,007
trade deposits and other receivables	(20,079)	(273,223)
Increase / (decrease) in trade and other payables	(364,514)	1,791,892
	(10,430,194)	(6,129,337)
	(7,742,449)	(2,825,756)
	(438,548)	(203,140)
	(2,062)	276
	(8,183,059)	(3,028,622)

Income taxes paid

Gratuity paid	(639,889)	(2,400,428)
	47,045	16,863
	(260)	(756)
	-	(330)
	3,756	19,476
	(523,842)	(2,365,175)

Net cash used in operating activities

Purchase of property, plant and equipment	(487,790)	1,331,367
Sale proceeds of operating fixed assets	3,783,584	1,166,000
Long term deposits	(15,618)	(31,235)
Short term investment	(116,023)	(112,872)
Dividends paid	(142,353)	(10)
Finance cost paid	(2,576,619)	(1,303,632)
	445,181	1,049,618
	(8,261,720)	(4,344,179)
	(2,723,034)	(2,345,755)
	(10,984,754)	(6,689,934)

Net cash generated in financing activities

Net decrease in cash and cash equivalents	12	883,358
Cash and cash equivalents- at beginning of the period	18	(11,377,244)
Cash and cash equivalents- at end of the period		(10,984,754)

Cash and cash equivalents comprised of:

Bank balances	392,490	883,358
Short term running finance - secured	(11,377,244)	(7,573,292)
	(10,984,754)	(6,689,934)

Net cash generated in financing activities

Net decrease in cash and cash equivalents	12	883,358
Cash and cash equivalents- at beginning of the period	18	(11,377,244)
Cash and cash equivalents- at end of the period		(10,984,754)

Cash and cash equivalents comprised of:

Bank balances	392,490	883,358
Short term running finance - secured	(11,377,244)	(7,573,292)
	(10,984,754)	(6,689,934)

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

 **CHIEF EXECUTIVE**
 **CHIEF FINANCIAL OFFICER**
DIRECTOR

CHASHMA SUGAR MILLS LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2024

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 5, 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.
- 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 Holding Company holds 84% 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 nine month period ended June 30, 2024 have been prepared in accordance with the accounting and reporting standards 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, 2023, except as outlined below.
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, 2023.
 - 3.1 **Accounting guidance issued by ICAP on Accounting for minimum taxes and final taxes**
Institute of Chartered Accountant of Pakistan (ICAP) issued a guidance "Application guidance on accounting for minimum taxes and final taxes" through Circular No. 07/2024 dated May 15, 2024. In light of the said guidance, as the minimum taxes and final taxes are not calculated on the 'taxable profit' as defined in IAS 12 but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance, 2001 (ITO, 2001)), accordingly minimum taxes and final taxes should be accounted for under

IAS 37/IFRIC 21 as levies [though these are charged under tax law] and not under IAS 12 as income taxes. Based on the guidance, the minimum taxes under ITO 2001 are hybrid taxes which comprise of a component within the scope of IAS 12 (Income Tax) and a component within the scope of IFRIC 21 (Levies).

The aforesaid guidance has been applied retrospectively by the Company and the comparative information has been restated, which has not affected current period or prior years' net sales, profit after taxes and levies, equity and cash flows. Impact as of October 1, 2022 is not material to the financial statements. In accordance with requirements of IAS 1 "Presentation of Financial Statements", the balances as at September 30, 2023 have been restated and third statement of financial position as of October 1, 2022 has not been presented due to immaterial impact. The effects of the restatement are summarized in note 3.2 below.

3.2 The following tables present the impacts of restatements as explained in note 3.1 above:

	Balances before restatement	Impact	Restated
		(Rupees in thousand)	
September 30, 2023			
Current assets			
Income tax refundable	-	122,222	122,222
Current liabilities			
Provision for taxation - net	93,627	(93,627)	-
Provision for tax levies - net	-	215,849	215,849

In the statement of profit or loss, the minimum tax and final tax previously presented as income taxes have now been reclassified as "final taxes - levy" under IAS 37 / IFRIC 21 amounting to Rs 55,440 thousand for the six month period ended June 30, 2023.

4. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended September 30, 2023.

5. 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 months of the year.

	Un-audited June 30, 2024	Audited September 30, 2023
	(Rupees in thousand)	(Rupees in thousand)
6. Property, plant and equipment		
Operating fixed assets	22,058,875	19,700,369
Capital work-in-progress	965,933	4,083,102
	<u>23,024,808</u>	<u>23,783,471</u>
6.1 Operating fixed assets - at net book value		
Net book value at the beginning of the period / year	19,700,369	15,229,277
Revaluation surplus during the period / year	-	2,693,463
Additions during the period / year	3,725,562	3,169,455
Transfers from right of use assets to owned	25,485	20,553
Disposals during the period / year	(32,323)	(20,574)
Depreciation charged for the period / year	(1,360,218)	(1,391,805)
	<u>(1,392,541)</u>	<u>(1,412,379)</u>
Net book value at the end of the period / year	<u>22,058,875</u>	<u>19,700,369</u>

	Un-audited June 30, 2024	Audited September 30, 2023
	(Rupees in thousand)	(Rupees in thousand)
6.1.1 Additions during the period / year		
Leasehold land	-	2,722,248
Building and roads	1,983,541	81,674
Plant and machinery	1,408,727	271,725
Electric installations	232,570	23,989
Office equipment	41,194	38,473
Farm equipment	73	168
Furniture and fixtures	38,601	19,778
Vehicles	20,856	11,400
	<u>3,725,562</u>	<u>3,169,455</u>
6.2 Capital work-in-progress		
At the beginning of the period / year	4,083,102	4,342,048
Additions during the period / year	793,753	4,232,936
Capitalized / adjusted during the period / year	(3,910,922)	(4,505,774)
Other adjustments	-	13,892
Balance at the end of the period / year	<u>965,933</u>	<u>4,083,102</u>
6.2.1 Additions during the period / year		
Land and building	407,753	940,176
Plant and machinery	247,323	1,814,720
Electric installations	56,218	291,166
Vehicles - owned	5,917	1,597
Vehicles - leased	53,526	108,609
Capital stores	-	262,244
Advance payments to contractors	6,516	812,424
Advance payments against land - freehold and buildings	14,500	2,000
	<u>793,753</u>	<u>4,232,936</u>
7. Right of Use Assets		
Net book value at the beginning of the period / year	322,672	283,515
Additions during the period / year	111,686	144,957
Remeasurement during the period / year	-	(9,365)
Transfers from right of use assets to owned	(25,485)	(20,552)
Depreciation charged for the period / year	(59,423)	(75,883)
Net book value at the end of the period / year	<u>349,450</u>	<u>322,672</u>
8. Stock-in-trade		
Finished goods		
- Sugar	10,315,474	3,252,578
- Molasses	2,420,024	1,129,284
- Ethanol	765,159	742,952
- Bagasse	176,561	36,569
- Wheat flour - UWFPL	25,550	-
	<u>13,702,768</u>	<u>5,161,383</u>
Raw material - UWFPL		
- Wheat	1,069,512	200,767
Work-in-process	21,104	16,293
	<u>14,793,384</u>	<u>5,378,443</u>

- 8.1 Molasses and bagasse are used both for internal consumption as well as for sales to external parties.
8.2 Certain short term and long term borrowings of the Group are secured by way of collateral charge on stock-in-trade.

	Un-audited June 30, 2024 (Rupees in thousand)	Audited September 30, 2023 (Rupees in thousand)
--	--	--

9. Trade debts - unsecured

Considered good	-	450
Due from related parties	1,068,491	1,213,654
Others	1,068,491	1,214,104
Considered doubtful	3,333	3,333
	1,071,824	1,217,437
Less: Loss allowance	(3,333)	(3,333)
	1,068,491	1,214,104

10. Loans and advances

Advances to:		
Employees - secured	15,586	15,007
Suppliers and contractors - unsecured	1,777,036	1,026,142
	1,792,622	1,041,149
Due from holding company The Premier Sugar Mills and Distillery Company Limited	75,069	-
Letters of credit	15	11,156
	1,867,706	1,052,305
Less:		
- Provision for doubtful advances	(28,838)	(28,838)
- Loss allowance	(905)	(905)
	1,837,963	1,022,562

11. Trade deposits and other receivables

Deposits	8,296	8,876
Prepayments	6,296	13,343
Export subsidy receivable	305,519	305,519
Insurance claim receivable	7,306	33,746
Accrued mark-up on term deposit receipts	27,549	1,520
Guarantee issued	15,000	15,000
Others	32,704	4,587
	402,670	382,591
Less: loss allowance	(155,782)	(155,782)
	246,888	226,809

12. Bank balances that are included in cashflow are as follows:

Cash and bank balances	846,490	883,358
Bank balances under lien	(454,000)	-
	392,490	883,358

13. 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:

Holding company	Note	Un-audited June 30, 2024 (Number of shares)	Audited September 30, 2023 (Number of shares)
The Premier Sugar Mills & Distillery Co. Ltd.		13,751,000	13,751,000
Associated companies			
Aziak Enterprises (Pvt.) Ltd.		1,497,359	1,477,359
Phipson & Co. Pakistan (Pvt.) Ltd.		307,500	307,500
Syntronics Ltd.		3,590,475	3,590,475
		19,146,334	19,126,334

14. Long term finances - secured

	Note	Un-audited June 30, 2024 (Rupees in thousand)	Audited September 30, 2023 (Rupees in thousand)
Bank Al-Habib Limited		2,703,636	2,818,700
Soneri Bank Limited		779,417	933,703
Dubai Islamic Bank Pakistan Limited		-	250,000
MCB Bank Limited		536,006	698,783
Al-Baraka Bank Limited		334,647	445,493
The Bank of Khyber		344,125	382,692
United Bank Limited		793,750	450,000
Total	14.1	5,491,581	5,979,371
Accrued mark-up		413,326	302,368
		5,904,907	6,281,739
Less: amount payable within next 12 months			
Principal		(1,531,684)	(1,305,829)
Accrued mark-up		(413,326)	(302,368)
Amount due after June 30, 2025		3,959,897	4,673,542

14.1 These represent term and demand finance obtained by the Group from the aforesaid banks and are repayable in 5-7 years with varied grace periods. The rate of mark-up ranges from KIBOR + 1% per annum to KIBOR + 1.75% per annum and SBP rate + 1.5%. These are secured against first / joint part passu hypothecation charge over all present and future movable fixed assets of the Group along with first / joint part passu charge by way of equitable on all present and future immovable fixed assets of the Company and TDR of Rs. 450 million with 25% margin. There is no material change in the terms and conditions of the long term loans as disclosed in note 17 to the annual audited financial statements of the Company as at September 30, 2023.

15. Loans from related parties - secured

Associated Companies	Note	Un-audited June 30, 2024	Audited September 30, 2023
Premier Board Mills Limited	15.1	62,472	71,840
Arpak International Investments Limited	15.2	25,000	31,250
Aziak Enterprises (Private) Limited	15.3	85,000	85,000
Accrued mark-up		75,340	52,446
		247,812	240,536
Less: amount payable within next 12 months			
Principal		(41,861)	(31,236)
Accrued mark-up		(75,340)	(46,236)
Amount due after June 30, 2025		130,611	163,064

15.1 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.

The long term finance facility amounting to Rs 25 million obtained by WFPL has been renewed on June 23, 2023. The principal is repayable in 8 semi annual installments commencing from June 2025. 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.

15.2 The long term finance facility had 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.

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

	Un-Audited June 30, 2024 (Rupees in thousand)	Audited September 30, 2023 (Rupees in thousand)
16. Lease liabilities		
Balance at beginning of the period / year	248,926	236,797
Additions during the period / year	80,190	124,878
Unwinding of interest on lease liabilities	43,427	46,928
Payments made during the period / year	(116,023)	(150,312)
Remeasurement of lease liabilities	-	(9,365)
Balance at end of the period / year	256,520	248,926
Less: current portion of long term lease liabilities	(95,265)	(90,932)
	<u>161,255</u>	<u>157,994</u>

17. Trade and other payables

Creditors	744,794	523,081
Due to related parties	126,856	296,017
Accrued expenses	124,875	139,236
Retention money	43,568	39,839
Security deposits	2,299	1,299
Advance payments from customers - contract liability	1,272,038	1,957,552
Sales tax payable	630,089	246,710
Income tax deducted at source	63,157	102,848
Payable for workers' profit participation fund	-	83,166
Payable for workers' welfare fund	30,258	30,258
Payable to employees	74,201	58,231
Payable to provident fund	7,202	8,459
Others	17,126	14,281
	<u>3,136,463</u>	<u>3,500,977</u>

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

Audited
September 30,
2023
(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 June 30, 2024 (Rupees in thousand)	Audited September 30, 2023 (Rupees in thousand)
Holding company:		
The Premier Sugar Mills and Distillery Company Limited	-	150,161
Associated Companies		
Phipson & Company Pakistan (Private) Limited	-	55
The Frontier Sugar Mills and Distillery Limited	-	733
Syntronics Limited	1,130	-
Aztlak Enterprises (Private) Limited	25,726	25,143
Directors	100,000	119,925
	<u>126,856</u>	<u>296,017</u>

18. Short term running finance - secured

Cash / running finance	11,377,244	3,091,690
Export re finance	5,307,479	1,523,895
	<u>16,684,723</u>	<u>4,615,585</u>
Accrued mark-up	1,231,028	379,268
	<u>17,915,751</u>	<u>4,994,853</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 KIBOR + 1% per annum to KIBOR + 2% per annum and SBP rate + 1.25% 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	1,945,010	1,608,197
Loans from related parties	15	117,201	77,472
Lease liabilities	16	95,265	90,932
Deferred government grant		23,103	-
		<u>2,180,579</u>	<u>1,776,601</u>

20. Contingencies and commitments

20.1 Contingencies

21.1.1 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, 2023.

20.2 Commitments

The Group has following commitments in respect of:

- foreign letter of credit for purchase of plant and machinery	19,167	-
- local letter of credit for purchase of plant and machinery	-	143,681
- capital expenditure other than for letters of credit	8,002	14,386

21. Gross sales

	Three month period ended	June 30, 2023	June 30, 2024	Nine month period ended	June 30, 2023	June 30, 2024
	(Rupees in thousand)					
Local	5,034,910	5,034,910	22,023,045	13,116,929	13,116,929	13,116,929
Export	1,533,573	1,064,435	5,540,412	5,544,007	5,544,007	5,544,007
	<u>12,672,365</u>	<u>6,099,345</u>	<u>27,563,457</u>	<u>18,660,936</u>	<u>18,660,936</u>	<u>18,660,936</u>

22. Sales tax, other government levies and discounts

Indirect taxes	1,446,707	600,172	2,895,012	1,812,142	1,812,142	1,812,142
Discounts	3,918	2,324	8,414	7,955	7,955	7,955
	<u>1,450,625</u>	<u>602,496</u>	<u>2,903,426</u>	<u>1,820,097</u>	<u>1,820,097</u>	<u>1,820,097</u>

23. Segment operating results for the nine month period ended June 30, 2024 (Un-audited)

	Sugar Division			Ethanol Division			Total		
	Three month period ended June 30, 2024	Three month period ended June 30, 2023	Three month period ended June 30, 2024	Three month period ended June 30, 2024	Three month period ended June 30, 2023	Three month period ended June 30, 2024	Three month period ended June 30, 2023	Three month period ended June 30, 2024	Three month period ended June 30, 2023
Sales	8,767,300	4,926,674	17,626,042	13,617,607	2,893,291	1,172,671	7,425,234	5,043,329	11,660,591
- External Customers	-	-	-	-	-	-	-	-	-
- Inter-segment	-	-	-	-	-	-	-	-	-
- Others - WFPPL	-	-	-	-	-	-	-	-	-
Less : sales tax and others	7,524,089	4,399,698	15,886,714	13,205,604	2,685,877	1,156,161	7,137,719	4,975,759	11,221,740
Segment expenses:									
Cost of Sales	(7,630,433)	(3,863,846)	(14,244,359)	(11,440,654)	(2,432,085)	(690,918)	(4,897,906)	(1,763,115)	(10,062,518)
Less: Intersegment cost	-	-	-	-	-	-	-	-	-
Others - WFPPL	-	-	-	-	-	-	-	-	-
Gross profit	(7,630,433)	(3,863,846)	(14,244,359)	(11,440,654)	(2,432,085)	(690,918)	(4,897,906)	(1,763,115)	(10,062,518)
Selling and distribution expenses	(10,148)	(6,876)	(37,586)	(141,126)	(212,569)	(651,725)	(463,775)	(222,717)	(222,717)
Administrative and general expenses	(251,515)	(199,267)	(676,273)	(544,862)	(53,121)	(61,335)	(226,551)	(202,216)	(304,636)
Net impairment losses on financial assets	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Profit from operations	(368,007)	(329,709)	(928,496)	(1,044,834)	(11,898)	(1,206,127)	(484,954)	(1,206,127)	(662,017)
Other income	32,901	17,491	141,399	91,089	561	1,629	4,489	4,280	33,662
Other expenses - net	13,293	3,175	(29,662)	-	-	-	-	-	13,293
Finance cost	46,194	33,409	144,574	61,427	561	1,629	4,489	4,280	47,016
Segment results	(321,813)	(363,118)	(1,073,070)	(1,106,261)	(11,337)	(223,288)	(489,443)	(1,210,407)	(615,001)
Profit / (loss) before revenue tax and income tax	(2,106,615)	(362,345)	(2,276,166)	(2,106,615)	(1,991,614)	(3,622,046)	(1,991,614)	(3,622,046)	(1,991,614)
Final taxes - levy	(56,440)	(10,644)	(56,404)	(56,440)	(15,336)	(10,644)	(56,404)	(56,440)	(15,336)
Profit / (loss) before income tax	(2,163,055)	(372,989)	(2,332,570)	(2,163,055)	(2,006,950)	(3,732,690)	(2,006,950)	(3,732,690)	(2,006,950)
Taxation	138,047	(1,980,260)	(1,980,260)	138,047	(2,121,951)	(2,331,570)	(2,121,951)	(2,331,570)	(2,121,951)
Profit / (loss) after taxation	(2,025,008)	(3,758,850)	(3,758,850)	(2,025,008)	(1,878,999)	(4,064,260)	(1,878,999)	(4,064,260)	(1,878,999)

23.1 Segment assets and liabilities

	Un-audited		Audited	
	June 30, 2024 (Rupees in thousand)		September 30, 2023 (Rupees in thousand)	
	Assets	Liabilities	Assets	Liabilities
Sugar	30,294,585	21,477,249	24,705,331	16,000,028
Ethanol	7,819,417	5,975,842	7,367,338	1,942,447
Total for reportable segment	38,114,002	27,453,091	32,072,669	17,942,475
Others	5,402,616	3,973,093	1,747,203	1,271,924
Total assets / liabilities	43,516,618	31,426,184	33,819,872	19,214,399

24. Transactions with related parties

24.1 The Group has related party relationship, with its Holding Company and associated companies, its directors, key management personnel and employee benefit plan. The Group 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 month period ended		Nine month period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Rupees in thousand)			
The Premier Sugar Mills and Distillery Company Limited				
Purchase / sale of molasses	-	770,480	-	770,480
Sale of store items	336	166	3,839	21,291
Advance paid against purchase of building	40,885	-	50,885	-
Sale of bagasse	-	-	-	2,428
Purchase of store items	-	-	-	2,546
Expenses paid by Holding Company	1,340	2,341	3,489	6,012
Expenses paid on behalf of Holding Company	9,653	13,085	40,678	94,772
Rent income	28	28	86	86
Dividend paid	-	-	68,755	-
Associated undertakings				
Services	9,630	9,172	36,352	27,505
Expenses paid by associated companies	1,650	951	2,843	1,355
Purchase of goods	1,130	887	221,643	257,028
Dividend paid	-	-	26,977	-
Mark-up charged	10,068	11,578	30,958	30,336
Post employment benefit				
Expense charged in respect of retirement benefit plan	9,172	7,786	28,715	23,372
Key management personnel / Directors				
Salaries and other benefits	61,178	99,986	175,344	190,500
Dividend paid	-	-	28,721	-

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 Group was valued by independent valuer to determine the fair value of property, plant and equipment as at September 30, 2023. 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

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

27. Date of authorisation for issue

These condensed interim consolidated financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on July 26, 2024.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE
DIRECTOR