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THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED.
MARDAN



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

**CONDENSED INTERIM
UNCONSOLIDATED FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD
ENDED JUNE 30, 2019
(UN-AUDITED)**

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

COMPANY INFORMATION

Board of Directors

Mr. Aziz Sarfaraz Khan	Chairman
Mr. Abbas Sarfaraz Khan	Chief Executive
Begum Laila Sarfaraz	
Ms. Zarmine Sarfaraz	
Ms. Najda Sarfaraz	
Ms. Samyra Rashid	
Mr. Iskander M. Khan	
Mr. Abdul Qadar Khattak	

Company Secretary

Mr. Mujahid Bashir

Chief Financial Officer

Mr. Rizwan Ullah Khan

Head of Internal Audit

Mr. Zaheer Mir

Auditors

M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants

Tax Consultants

M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants

Legal Advisor

Mr. Isaac Ali Qazi Advocate

Shares Registrar

M/s. Hameed Majeed Associates (Pvt.) Ltd.
H.M. House, 7-Bank Square, Lahore.
Phone No.: 042-37235081 Fax No.: 042-37235083

Bankers

Bank Al-Habib Limited	The Bank of Khyber
MCB Bank Limited	United Bank Limited
Allied Bank Limited	The Bank of Punjab
Bank Al-Falah Limited	Soneri Bank Limited
Habib Bank Limited	National Bank of Pakistan

Registered Office

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

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

DIRECTORS' REVIEW REPORT

The Directors are pleased to present the un-audited condensed interim financial information of the Company for the nine months' period ended on June 30, 2019. This condensed interim financial information is presented to the shareholders of the Company in compliance with the International Accounting Standard No. 34 "Interim Financial Reporting", the Code of Corporate Governance, under Section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

OPERATIONAL PERFORMANCE

The sugarcane crushing season 2018-19 commenced on November 15, 2018 and continued till March 31, 2019. The mills have crushed 154,414 tons (2018: 204,775 tons) of sugarcane and have produced 16,768 tons (2018: 22,708 tons) of sugar at an average recovery of 10.90% (2018: 11.12%).

SUGAR PRICES

The Federal Government in the Finance Act, 2019 increased the sales tax on sugar from 8% to 17% ad-valorem. This coupled with the condition of CNIC has slowed down sugar sales as Buyers are reluctant to purchase in the present conditions, while, the sugar prices have failed to absorb the enhanced rate of sales tax.

FINANCIAL PERFORMANCE

The Company suffered loss of Rs. 14.499 Million (2018: Rs. 105.710 million) during the nine months' period ended June 30, 2019 due to the low crushing during the crushing season 2018-19 and high fixed costs.

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.

ACKNOWLEDGEMENT

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

ON BEHALF OF THE BOARD



Mardan:
July 25, 2019
(ABBAS SARFARAZ KHAN)
CHIEF EXECUTIVE



(ISKANDER M. KHAN)
DIRECTOR

اکاؤنٹنگ کی پالیسیاں

کمپنی کی تیسری سہ ماہی کنڈسٹ مالیاقی معلومات کی تیاری کے دوران اپنائی گئی اکاؤنٹنگ پالیسیاں وہی ہیں جو پچھلے سال سالانہ مالیاقی معاملات میں اپنائی گئی تھی۔

اعتراف

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

منجانب بورڈ



اسکندر محمد خان

مردان

بتاریخ: 25 جولائی 2019



عباس سرفراز خان

چیف ایگزیکٹو

ڈائریکٹر

دی پرنسپل شوگر ملز اینڈ ڈسٹری بیوٹرز کمپنی لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ

ڈائریکٹرز 30 جون 2019 کو ختم ہونے والی تیسری سہ ماہی کی اختتامی مدت پر کمپنی کے غیر آڈٹ شدہ کنڈسٹ عبوری کمپنی کی مالیاقی معلومات پیش کرنے پر مسرت محسوس کرتے ہیں۔ یہ کنڈسٹ مالیاقی معلومات حصص داروں کو انٹرنیشنل اکاؤنٹنگ کے قواعد نمبر 34 "پرنسپل شوگر ملز اینڈ ڈسٹری بیوٹرز کمپنی لمیٹڈ" کو ڈآف کارپوریشن گورننس، کمپنی ایکٹ 2017 (دی ایکٹ) کے سیکشن 237 اور پاکستان سٹاک ایکسچینج کے قواعد کے مطابق ہیں۔

آپریشن کا جائزہ

گئے کارکننگ سیزن 19-2018، 15 نومبر 2018 کو شروع ہوا اور 31 مارچ 2019 تک جاری رہا۔ ملز نے 154,414 ٹن (2018 میں 204,775 ٹن) گنا کرش کیا اور 10.90 فیصد اوسط (2018: 11.12 فیصد) کے حساب سے چینی کی پیداوار 16,768 ٹن (2018 میں 22,708 ٹن) رہی۔

چینی کی قیمت

وفاقی حکومت نے فنانس ایکٹ 2019 میں چینی پر سیلز ٹیکس 8% سے بڑھا کر 17% ایڈ-والورم کر دیا ہے۔ اس کے علاوہ شناختی کارڈ کی شرط کی وجہ سے خریداری کے رجحان میں کمی واقع ہوئی ہے کیونکہ خریدار موجودہ صورت حال میں خریداری سے گریزاں ہے لہذا چینی کی قیمت نئے سیلز ٹیکس کو ہضم کرنے میں ناکام ہو گئی ہے۔

مالیاقی کارکردگی

30 جون 2019 کو ختم ہونے والے نو ماہ کے دوران کمپنی کو 14.499 ملین روپے کا نقصان اٹھانا پڑا (2018 میں نقصان 105.710 ملین روپے)۔ جس کی بنیادی وجہ 19-2018 کارکننگ سیزن میں کرکننگ کا کم ہونا اور زیادہ فکسڈ لاگت ہونا ہے۔

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2019

		Un-audited June 30, 2019	Audited Sep. 30, 2018
	Note	(Rupees in thousand)	
Assets			
Non-current Assets			
Property, plant and equipment	5	930,698	921,214
Investment property		26,886	27,607
Long term investments	6	170,006	170,006
Long term loan to Subsidiary Company	7	177,954	279,500
Security deposits		1,258	1,258
		<u>1,306,802</u>	<u>1,399,585</u>
Current Assets			
Stores and spares		111,808	108,029
Stock-in-trade	8	724,150	371,602
Current portion of long term loan to Subsidiary Company		29,659	0
Trade debts		19,792	178,054
Advances		6,679	14,423
Trade deposits and short term prepayments		886	7,058
Accrued profit on bank deposits		157	69
Other receivables	9	10,070	9,429
Advance sales tax		13,800	25,000
Sales tax adjustable		874	11,187
Income tax refundable, advance income tax and tax deducted at source		21,426	14,080
Bank balances	10	55,165	51,720
		<u>994,466</u>	<u>790,651</u>
Total Assets		<u>2,301,268</u>	<u>2,190,236</u>
Equity and Liabilities			
Share Capital and Reserves			
Authorised capital		57,500	57,500
Issued, subscribed and paid-up capital		37,500	37,500
Capital reserves			
- share redemption	1		
Reserves		900,000	900,000
Revaluation surplus on Property, plant and equipment		531,071	565,596
Accumulated loss		(490,255)	(510,281)
Shareholders' Equity		<u>978,317</u>	<u>992,816</u>
Non-current Liabilities			
Liabilities against assets subject to finance lease		2,859	3,009
Staff retirement benefits - gratuity		15,844	14,135
		<u>18,703</u>	<u>17,144</u>
Current Liabilities			
Trade and other payables	11	60,069	114,237
Unclaimed dividends		7,641	7,674
Accrued mark-up		36,158	22,300
Short term borrowings		1,127,000	945,384
Current portion of long term finances		33,333	66,666
Current portion of liabilities against assets subject to finance lease		1,942	2,329
Taxation		38,105	21,686
		<u>1,304,248</u>	<u>1,180,276</u>
Contingencies and Commitments	12		
Total Equity and Liabilities		<u>2,301,268</u>	<u>2,190,236</u>

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


Abbas Sarfaraz Khan
Chief Executive


Iskander M. Khan
Director


Rizwan Ullah Khan
Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER AND NINE MONTHS PERIOD ENDED JUNE 30, 2019

		For the Quarter		Nine Months Ended	
	Note	April - June 2019	April - June 2018	Oct. - June 2019	Oct. - June 2018
		----- Rupees in thousand -----			
Sales - local		120,592	634,255	689,493	1,252,257
Less: sales tax		(8,933)	(57,451)	(60,197)	(126,846)
Sales - net		<u>111,659</u>	<u>576,804</u>	<u>629,296</u>	<u>1,125,411</u>
Cost of sales		(100,392)	(485,134)	(555,319)	(1,140,716)
Gross profit / (loss)		<u>11,267</u>	<u>91,670</u>	<u>73,977</u>	<u>(15,305)</u>
Distribution cost		(1,847)	(7,747)	(5,778)	(11,434)
Administrative expenses		(16,016)	(13,015)	(47,192)	(44,948)
Other income	13	13,040	11,743	68,316	50,115
Other expenses	14	1,430	(907)	(2,967)	(3,879)
Profit / (loss) from operations		<u>7,874</u>	<u>81,744</u>	<u>86,356</u>	<u>(25,451)</u>
Finance cost		(37,019)	(25,793)	(84,435)	(61,465)
(Loss) / profit before taxation		<u>(29,145)</u>	<u>55,951</u>	<u>1,921</u>	<u>(86,916)</u>
Taxation					
- Current	15	(4,240)	(8,521)	(16,420)	(18,794)
- Deferred		0	0	0	0
		<u>(4,240)</u>	<u>(8,521)</u>	<u>(16,420)</u>	<u>(18,794)</u>
(Loss) / profit after taxation		<u>(33,385)</u>	<u>47,430</u>	<u>(14,499)</u>	<u>(105,710)</u>
Other comprehensive income		0	0	0	0
Total comprehensive (Loss) / profit for the period		<u>(33,385)</u>	<u>47,430</u>	<u>(14,499)</u>	<u>(105,710)</u>
		----- Rupees -----			
(Loss) / earning per share		<u>(8.90)</u>	<u>12.65</u>	<u>(3.87)</u>	<u>(28.19)</u>

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


Abbas Sarfaraz Khan
Chief Executive


Iskander M. Khan
Director


Rizwan Ullah Khan
Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

**UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF CASH FLOWS (UN-AUDITED)**

FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2019

	June 30, 2019	June 30, 2018
Cash flow from operating activities		
Profit / (loss) for the period - before taxation	1,921	(86,916)
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	64,138	71,227
Depreciation on investment property	720	785
Gain on sale of fixed assets	0	(128)
Uncollectible receivable balances written-off	7	526
Unclaimed payable balances written-back	(1,165)	(71)
Mark-up on loan to Subsidiary Company		
and profit / mark-up on bank deposits	(22,997)	(16,565)
Staff retirement benefits - gratuity (net)	1,709	603
Dividends	(20,627)	(20,627)
Finance cost	84,435	61,465
Profit before working capital changes	108,141	10,299
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Stores and spares	(3,779)	(1,960)
Stock-in-trade	(352,548)	173,508
Trade debts	158,262	(490,562)
Loans and advances	7,737	40,248
Trade deposits and short term prepayments	6,172	347
Other receivables	(641)	4,154
Sales tax -net	21,513	17,190
(Decrease) / increase in trade and other payables	(53,003)	(39,703)
	(216,287)	(296,778)
Cash used in operations	(108,146)	(286,479)
Income tax paid	(7,347)	(12,848)
Net cash used in operating activities	(115,493)	(299,327)
Cash flow from investing activities		
Additions to property, plant and equipment	(73,622)	(1,806)
Sale proceeds of fixed assets	0	527
Mark-up on loan to a Subsidiary Company and profit /		
mark-up on bank deposits received	22,909	16,464
Dividends received	20,627	20,627
Net cash (used in) / generated from investing activities	(30,086)	35,812
Cash flow from financing activities		
Short term borrowings - net	181,616	353,694
Long term finances repaid	(33,333)	(33,333)
Long term to subsidiary company	71,887	0
Finance cost paid	(70,577)	(56,442)
Dividends paid	(33)	(29)
Lease finances - net	(536)	(3,165)
Net cash generated from financing activities	149,024	260,725
Net Increase / (decrease) in cash and cash equivalents	3,445	(2,790)
Cash and cash equivalents - at beginning of the period	51,720	53,602
Cash and cash equivalents - at end of the period	55,165	50,812

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


Abbas Sarfaraz Khan
Chief Executive


Iskander M. Khan
Director


Rizwan Ullah Khan
Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

**UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**

FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2019

	Share capital	Reserves			Revaluation surplus on Property, plant and equipment	Accumul-ated loss	Total
		Capital	Revenue	Sub-total			
		Share redemption	General				
----- Rupees in thousand -----							
Balance as at September 30, 2017	37,500	1	900,000	900,001	607,776	(364,263)	1,181,014
Total comprehensive income / (loss) for the period							
Loss after taxation for the nine months ended June 30, 2018	0	0	0	0		(105,710)	(105,710)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period -net of deferred taxation	0	0	0	0	(35,892)	35,892	0
Balance as at June 30, 2018	37,500	1	900,000	900,001	571,884	(434,081)	1,075,304
Total comprehensive income / (loss) for the period							
Loss after taxation for the nine months ended June 30, 2018	0	0	0	0	8,682	(90,025)	(81,343)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period -net of deferred taxation	0	0	0	0	(14,970)	14,970	0
Other comprehensive income	0	0	0	0		(1,145)	(1,145)
Balance as at September 30, 2018	37,500	1	900,000	900,001	565,596	(510,281)	992,816
Total comprehensive loss for the period							
Loss after taxation for the nine months ended June 30, 2018	0	0	0	0		(14,499)	(14,499)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period -net of deferred taxation	0	0	0	0	(34,525)	34,525	0
Balance as at June 30, 2019	37,500	1	900,000	900,001	531,071	(490,255)	978,317

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


Abbas Sarfaraz Khan
Chief Executive


Iskander M. Khan
Director


Rizwan Ullah Khan
Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL
INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2019

1. Legal status and nature of business

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

2. Basis of preparation

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

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

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

3. Significant accounting policies

The accounting policies and methods of computation adopted for the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of preceding unconsolidated annual financial statements of the Company for the year ended September 30, 2018, except for the adoption of IFRS 15 "Revenue from contracts with customers", IFRS 9 "Financial instruments" and IAS 40 "Investment property".

3.1 IFRS 15 - Revenue from contracts with customers

IFRS 15 has been notified by Securities and Exchange Commission of Pakistan (SECP) to be effective for annual periods beginning on or after July 01, 2018. This standard deals with revenue recognition and establishes principles for reporting useful information to users of the financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. This standard replaces S 18, "Revenue" and IAS 11, "Construction contracts" and related interpretations.

The Company has applied IFRS 15 using the modified retrospective approach for transition. This approach requires entities to recognise the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of unappropriated profit in the period of initial application. Comparative prior year periods would not be adjusted. The application of IFRS 15 does not have any impact on the revenue recognition policy of the Company and therefore, the cumulative effect of initially applying this standard as an adjustment to the opening balance of unappropriated profit in the period of initial application is nil.

3.2 IFRS 9 - Financial instruments

IFRS 9 is applicable to accounting periods beginning on or after January 01, 2018. This standard has been notified by the SECP to be effective for annual periods beginning on or after July 01, 2018. This standard replaces the guidance in IAS 39, 'Financial instruments: Recognition and measurement'. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. The changes laid down by the new standard do not have any significant impact on these unconsolidated condensed interim financial statements.

3.3 IAS 40 - Investment property

Transfers of investment property; amendments to IAS 40 are effective for annual periods beginning on or after January 01, 2018. The amendments clarify that an entity shall transfer a property to, or from, investment property when, and only when, there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The changes laid down by the new standard do not have any significant impact on these unconsolidated condensed interim financial statements.

4. Accounting estimates, judgments and financial risk management

4.1 The preparation of unconsolidated condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

4.2 Judgments and estimates made by the management in the preparation of these unconsolidated condensed interim financial statements are the same as those that were applied to the unconsolidated financial statements as at and for the year ended September 30, 2018.

4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the unconsolidated financial statements as at and for the year ended September 30, 2018.

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

5. Property, plant and equipment

Property, plant and equipment	Note	Un-audited	Audited
		June 30, 2019	Sep. 30, 2018
		(Rupees in thousand)	
Operating fixed assets	5.1	858,811	921,214
CWIP - Distillery		71,887	0
		<u>930,698</u>	<u>921,214</u>

5.1 Operating fixed assets

	Un-audited June 30, 2019 (Rupees in thousand)
Book value at beginning of the period - audited	921,214
Additions during the period:	
- furniture, fittings and office equipment	176
- vehicle (owned)	0
- vehicle (leased)	1,559
	1,735
Book value of assets disposed-off during the period	0
Depreciation charge for the period	(64,138)
Book value at end of the period - un-audited	858,811

6. Long term investments

Market values of the Company's quoted investments in Chashma Sugar Mills Ltd. (a Subsidiary Company) and Arpak International Investments Ltd. (an Associated Company) at period-end were Rs.522.538 million and Rs.2.196 million respectively.

7. Long term loan to Subsidiary Company

Balance as at September 30, 2018	279,500
Less:	
- amount adjusted against cost incurred on shifting of the Company's Distillery Unit	5 71,887
- current portion grouped under current assets	29,659
	101,546
Balance as at June 30, 2019	177,954

The Company and Chashma Sugar Mills Ltd. (CSM), on February 09, 2017, have entered into a loan agreement whereby the Company has revised the repayment schedule. As per the revised terms, the loan tenor is 3.5 years with grace period of 3 years; the principal balance of loan is repayable in 7 equal instalments commencing February, 2020. The loan carries mark-up at the rate of 1-month KIBOR+1.25% but not less than the borrowing cost rate of the Company, the effective mark-up rates during the period ranged from 10.06% to 14.05% per annum. The loan is secured against a promissory note of Rs.374 million.

The Board of Directors, during the preceding year, have decided to shift the Company's Distillery operations from Mardan to Ramak, Dera Ismail Khan due to easy approach to power and raw materials. The shifting is under process. Expenses incurred on relocation of Distillery Unit aggregating Rs.71.887 million and paid by CSM have been adjusted against balance of loan receivable from CSM. The management is in the process of finalising the loan settlement adjustment terms with CSM.

8. Stock-in-trade

	Un-audited June 30, 2019 (Rupees in thousand)	Audited Sep. 30, 2018 (Rupees in thousand)
Sugar-in-process	2,959	2,117
Finished goods:		
- sugar	648,371	369,004
- molasses	72,820	481
	721,191	369,485
	724,150	371,602

9. Other receivables

Sugar export subsidy	2,991	2,991
Gas infrastructure development cess paid under protest - refundable	3,018	3,018
Due from related parties:		
- Premier Board Mills Ltd. (lease rentals receivable)	1,450	1,972
- The Frontier Sugar Mills & Distillery Ltd.	0	12
Receivable from press mud contractor	846	0
Others	1,765	1,436
	10,070	9,429

10. Bank balances

10.1 Period-end bank balances include deposits aggregating Rs.5 million (September 30, 2018: Rs.5 million), which are under lien of a bank against guarantees issued by it in favour of Sui Northern Gas Pipelines Ltd. on behalf of the Company.

10.2 (a) The period-end balance includes deposits lying with Innovative Investment Bank Ltd. (IIBL), Islamabad carrying profit at the rate of 5% per annum. The maturity dates of these deposits were as follows:

Date of maturity	Amount of deposit Rupees in thousand
July 29, 2009	7,800
July 29, 2010	7,800
July 29, 2011	7,800
July 29, 2012	15,600
	39,000
Less: amount realised during the preceding financial year	(10,000)
	29,000

(b) The realisability of these deposits is doubtful of recovery as these could not be encashed on their respective maturity dates; further, period-end balance confirmation certificate from IBL was also not received. The Securities and Exchange Commission of Pakistan (SECP), in exercise of its powers conferred under sections 282 E & F of the repealed Companies Ordinance, 1984, had superseded the entire Board of Directors of IBL and appointed an Administrator with effect from January 28, 2010. SECP had also instituted winding-up proceedings against IBL before the Lahore High Court, Lahore (LHC).

(c) The SECP winding-up petition has been decided by the LHC and LHC has appointed Joint Official Liquidator (JOL). The LHC, vide its order dated April 14, 2018 has approved release of payment upto Rs.10 million in respect of principal amount only subject to verification as per the laws. The amount of Rs.10 million, as per the LHC order, has been received by the Company during August, 2018. The management, for the release of further amount, anticipates that JOL will intimate in due course of time; no provision, therefore, for the remaining deposits aggregating Rs.29 million has been made in the books of account.

(d) The Company has not accrued profit on these deposits during the current and preceding financial years.

10.3 There has been no change in the status of matter as detailed in note 16.5 to the unconsolidated financial statements of the Company for the year ended September 30, 2018

11. Trade and other payables

	Note	Un-audited June 30, 2019	Audited Sep. 30, 2018
(Rupees in thousand)			
Due to a Subsidiary Company (Chashma Sugar Mills Ltd.)		13,872	78,875
Creditors	11.1	20,336	14,747
Accrued expenses		12,989	10,778
Due to employees against vehicles		6,809	5,018
Security deposits		2,150	1,427
Advances from customers		0	0
Income tax deducted at source		44	64
Sales tax payable		10	14
Gratuity payable to ex-employees		3,254	3,253
Employees provident fund payable		463	0
Others		142	61
		60,069	114,237

11.1 Balance as at June 30, 2018 includes payable to cane growers aggregating Rs.1.724 million.

12. Contingencies and commitments

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

12.2 The Company's petition filed before the Supreme Court of Pakistan (SCP) against imposition of Gas Infrastructure Development Cess (GIDC) is still pending adjudication. Sui Northern Gas Pipelines Ltd., along with gas bills for the month of March, 2019, has raised GIDC demands aggregating Rs.72.738 million, which are payable in case of an adverse judgment by the SCP. No provision for these GIDC demands has been made in the books of account as the management expects a favourable judgment by the SCP due to meritorious legal grounds.

12.3 The Company's petition filed before the PHC, against Government of Khyber Pakhtunkhwa's notification dated August 12, 2015 in which minimum wages for unskilled workers was fixed at Rs.12,000 per month with effect from July 01, 2014, has been disposed of by PHC vide judgment dated April 02, 2019.

12.4 The Additional Commissioner, Corporate Zone, has vacated the demand of Rs.5.592 million created under section 14 of the Federal Excise Act, 2005. The case is disposed of accordingly.

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

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

12.7 Guarantees given to Sui Northern Gas Pipelines Ltd. by a commercial bank on behalf of the Company outstanding as at June 30, 2019 were for Rs.20 million (September 30, 2018: Rs.20 million). These guarantees are valid upto April 24, 2020 and May 26, 2020.

12.8 No commitments were outstanding as at June 30, 2019 and September 30, 2018.

		Un-audited nine months ended	
		June 30, 2019	June 30, 2018
		(Rupees in thousand)	
13. Other income			
Income from financial assets:	Note		
Profit on bank deposits and saving accounts		529	485
Mark-up on loan to a Subsidiary Company		22,456	16,080
Dividend from a Subsidiary Company		20,627	20,627
Income from other than financial assets:			
Sale of press mud		1,776	2,065
Gain of disposal of vehicles			128
Un-claimed payable balances written-back		1,165	72
Rent from:			
- an Associated Company		5,032	5,032
- a Subsidiary Company		14,850	4,950
Sale of agricultural produce - net		1,861	612
Scrap sales		12	51
Miscellaneous		8	13
		68,316	50,115
14. Other expenses			
Uncollectible receivable balances written-off		7	526
Prior year's sales tax on account of inadmissible input		104	906
Workers' (profit) participation fund		101	0
Income tax paid of prior years under section 236G of the Income Tax Ordinance, 2001 (Advance tax on sales to distributors, dealers and wholesalers)		2,755	2,447
		2,967	3,879
15. Taxation			
15.1 Current			
Provision for the current period mainly represents tax due under sections 5 (Tax on dividends), 15 (Income from property) and 113 (Minimum tax on the income of certain persons) of the Income Tax Ordinance, 2001 (the Ordinance).			
15.2	The Company has filed a writ petition before the Peshawar High Court (PHC) against selection for audit under sections 177 and 214C of the Ordinance; the PHC has stayed the Income Tax Department from finalising the proceedings. The petition is pending adjudication.		
15.3 Deferred		Un-audited June 30, 2019	Audited Sep. 30, 2018
This is comprised of the following:		(Rupees in thousand)	
Taxable temporary differences arising in respect of:	Note		
- accelerated tax depreciation allowances		9,091	12,559
- revaluation surplus on property, plant and equipment		216,917	231,018
- lease finances		349	314
		226,357	243,891
Deductible temporary differences arising in respect of:			
- available unused tax losses	15.4	(149,028)	(176,552)
- staff retirement benefits - gratuity		(4,595)	(4,099)
- provision for doubtful bank balance		(1,450)	(1,450)
- minimum tax recoverable against normal tax charge in future years		(71,284)	(61,790)
		(226,357)	(243,891)
		0	0

15.4 Deferred tax asset recognised in this unconsolidated condensed interim financial information has been restricted to Rs.149.028 million (September 30, 2018: Rs.176.552 million) as taxable profits in the foreseeable future will not probably be available against which the temporary differences can be utilised. Unrecognised deferred tax asset as at June 30, 2019 amounts to Rs.103.093 million (September 30, 2018: Rs.53.875 million).

16. Transactions with related parties

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

		Un-audited nine months ended	
		June 30, 2019	June 30, 2018
		(Rupees in thousand)	
Subsidiary Companies:			
- purchase of goods		10,687	3,057
- sale of goods		0	69
- sale of molasses		22,617	46,538
- mark-up earned on long term loan		22,456	16,080
- dividend		20,627	20,627
- rent received		14,850	4,950
- Expenses paid by Subsidiary Company		507	63
- Expenses paid on behalf of Subsidiary Company		11,620	11,496
- Distillery relocation expenses paid by Chashma Sugar Mills Ltd. (CSM) adjusted by the Company against long term loan advanced to CSM		71,887	0
Associated Companies:			
- purchase of goods		15,269	10,420
- rent received		5,555	9,542

16.2 Receivables from and payables to Subsidiary and Associated Companies have been disclosed in notes 8, 10 and 12 respectively to these unconsolidated condensed interim financial statements.

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

17. Corresponding figures

In order to comply with the requirements of IAS 34 'Interim financial reporting', the unconsolidated condensed interim statement of financial position has been compared with the balances of annual audited financial statements of the preceding financial year, whereas, unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of cash flows and unconsolidated condensed interim statement of changes in equity have been compared with the balances of comparable period of the immediately preceding financial year.

18. Date of authorisation for issue

This unconsolidated condensed interim financial information was approved and authorised for issue by the Board of Directors of the Company on July 25, 2019.



Abbas Sarfaraz Khan
Chief Executive



Iskander M. Khan
Director



Rizwan Ullah Khan
Chief Financial Officer



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

**CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD
ENDED JUNE 30, 2019
(UN-AUDITED)**

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2019

	Note	Un-audited June 30, 2019 (Rupees in thousand)	Audited Sep. 30, 2018
Assets			
Non-current assets			
Property, plant and equipment	7	10,648,791	10,570,992
Investment property		26,886	27,607
Long term investments	8	104,260	124,297
Security deposits		16,434	15,208
		10,796,371	10,738,104
Current assets			
Stores and spares	9	497,086	483,059
Stock-in-trade	10	4,515,196	2,614,240
Trade debts		162,403	397,180
Loans and advances		334,554	237,075
Trade deposits, short term prepayments and other receivables	11	369,813	413,880
Accrued profit on bank deposits		157	69
Tax refunds due from the Government		26,233	492,024
Advance sales tax		208,377	25,000
Short term investments	12	31,976	12,939
Cash and bank balances	13	248,753	360,878
		6,394,548	5,036,344
Total assets		17,190,919	15,774,448
Equity and liabilities			
Share capital and reserves			
Authorised capital		57,500	57,500
Issued, subscribed and paid-up capital		37,500	37,500
Capital reserves			
- share redemption		1	1
- revaluation surplus on property, plant and equipment		2,504,384	2,646,568
General revenue reserve		1,010,537	1,010,537
Fair value reserve on available-for-sale investments		0	16,052
Unappropriated profit		684,408	263,315
Equity attributable to equity holders of the Holding Company		4,236,830	3,973,973
Non-controlling interest		3,001,622	2,939,859
		7,238,452	6,913,832
Non-current liabilities			
Long term finances	14	1,128,161	1,177,828
Loans from related parties	15	143,075	179,325
Liabilities against assets subject to finance lease		97,571	37,111
Deferred taxation		1,079,498	1,147,169
Staff retirement benefits - gratuity		23,743	21,916
		2,472,048	2,563,349
Current liabilities			
Trade and other payables	16	732,769	757,854
Unclaimed dividends		7,641	7,674
Accrued mark-up		251,184	166,431
Short term borrowings		5,704,969	4,652,665
Current portion of non-current liabilities	17	736,427	682,271
Dividends payable to non-controlling interest		9,109	8,562
Taxation	18	38,320	21,810
		7,480,419	6,297,267
Total equity and liabilities		17,190,919	15,774,448
Contingencies and commitments	19		

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


Abbas Sarfaraz Khan
Chief Executive


Iskander M. Khan
Director


Rizwan Ullah Khan
Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE QUARTER AND NINE MONTHS PERIOD ENDED JUNE 30, 2019

Note	Quarter ended		Nine months ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	----- Rupees in thousand -----			
Sales				
- local	6,316,115	3,675,547	8,755,885	7,401,549
- export	1,563,496	814,728	1,964,177	1,973,163
	7,879,611	4,490,275	10,720,062	9,374,712
Less: sales tax, other government levies and commissions	(679,040)	(365,012)	(912,185)	(753,581)
Sales - net	7,200,571	4,125,263	9,807,877	8,621,131
Cost of sales	(6,064,038)	(3,671,142)	(8,213,766)	(7,622,585)
Gross profit	1,136,533	454,121	1,594,111	998,546
Distribution cost	(111,997)	(85,957)	(167,093)	(272,914)
Administrative expenses	(279,632)	(110,793)	(420,724)	(367,744)
Other income	20 16,369	73,335	82,825	128,898
Other expenses	21 (23,193)	4,778	(34,103)	(10,717)
Profit from operations	738,080	335,484	1,055,016	476,069
Finance cost	(414,379)	(164,921)	(635,272)	(398,188)
	323,701	170,563	419,744	77,881
Gain on sale of long term investments (available-for-sale)	8.2 4,282	(3,481)	20,088	(3,481)
Share of loss from Associated Companies	8.1 282	(1,442)	195	(2,418)
	4,564	(4,923)	20,283	(5,899)
Profit / (loss) before taxation	328,265	165,640	440,027	71,982
Taxation				
Group				
- current	18 113,598	79,109	145,657	125,204
- prior year	0	0	564	0
- deferred	(40,508)	(62,669)	(67,672)	(98,824)
	73,090	16,440	78,549	26,380
Associated Companies	(20)	(20)	(53)	(56)
	73,070	16,420	78,496	26,324
Profit / (loss) after taxation	255,195	149,220	361,531	45,658
	----- Rupees -----			
Combined earnings / (loss) per share	50.10	53.95	67.75	(12.28)

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


Abbas Sarfaraz Khan
Chief Executive


Iskander M. Khan
Director


Rizwan Ullah Khan
Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM
STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2019

	Quarter ended		Nine months ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	----- Rupees in thousand -----			
Profit after taxation	255,195	149,220	361,531	45,658
Other comprehensive income / (loss)				
Items that may be reclassified subsequently to profit or loss:				
Fair value loss on available-for-sale investments	0	(2,332)	0	(2,069)
Share of other comprehensive loss from Associated Companies	(1)	19	(15)	(47)
Loss on remeasurement of staff retirement benefit - gratuity	0	0	0	(537)
Adjustment of gain included in statement of profit or loss upon sale of available-for-sale investments	(19,671)	0	(19,671)	0
Other comprehensive loss	(19,672)	(2,313)	(19,686)	(2,653)
Total comprehensive income	235,523	146,907	341,845	43,005
Attributable to:				
- Equity holders of the Holding Company	187,860	200,467	254,051	(47,882)
- Non-controlling interest	47,663	(53,560)	87,794	90,887
	235,523	146,907	341,845	43,005

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


Abbas Sarfaraz Khan
Chief Executive


Iskander M. Khan
Director


Rizwan Ullah Khan
Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM
STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2019

	Nine months ended June 30, 2019 (Rupees in thousand)	
	2019	2018
Cash flows from operating activities		
Profit for the period - before taxation	440,027	71,982
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	676,384	572,842
Depreciation on investment property	721	785
Loss from Associated Companies	(195)	2,418
Gain on sale of long term investments (available-for-sale)	(20,088)	0
Mark-up / profit on bank deposits and saving accounts	(5,788)	(3,988)
Un-claimed payable balances written-back	(1,165)	(72)
Gain / (loss) on sale of operating fixed assets	(4,311)	(101)
Gain on redemption and re-measurement of short term investments to fair value	(1,037)	(271)
Dividend	(608)	(406)
Uncollectible receivable balances written-off	7	526
Finance cost	635,272	398,188
Profit before working capital changes	1,719,219	1,041,903
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets		
Stores and spares	(14,027)	(1,353)
Stock-in-trade	(1,900,956)	(2,680,281)
Trade debts	234,777	(595,848)
Loans and advances	(97,486)	100,743
Trade deposits, short term prepayments and other receivables	44,067	(64,024)
Sales tax refundable -net	465,898	(258,049)
Advance sales tax	(183,377)	0
Increase in trade and other payables	(23,920)	289,017
	(1,475,024)	(3,209,795)
Cash used in operations	244,195	(2,167,892)
Taxation - net	(129,711)	(132,124)
Security deposits	(1,226)	0
Staff retirement benefits - gratuity (net)	1,827	7,752
Net cash used in operating activities	115,085	(2,292,264)
Cash flows from investing activities		
Additions to property, plant and equipment	(758,723)	(221,420)
Sale proceeds of operating fixed assets	8,851	672
Sale proceeds of long term investments	25,768	0
Dividend received	608	406
Short term investments - net	(18,000)	2,229
Mark-up / profit received on bank deposits and saving accounts	5,700	3,887
Net cash used in investing activities	(735,796)	(214,226)
Cash flows from financing activities		
Long term finances - net	(56,682)	(524,064)
Loan from a related party - repaid	10,000	0
Lease finances - net	75,381	(4,454)
Short term borrowings - net	1,052,304	3,425,286
Finance cost paid	(550,519)	(382,198)
Dividends paid	(21,898)	(21,495)
Net cash generated from financing activities	508,586	2,493,075
Net increase in cash and cash equivalents	(112,125)	(13,415)
Cash and cash equivalents - at beginning of the period	360,878	179,283
Cash and cash equivalents - at end of the period	248,753	165,868

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


Abbas Sarfaraz Khan
Chief Executive


Iskander M. Khan
Director


Rizwan Ullah Khan
Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2019

	----- Attributable to equity holders of the Holding Company-----						Total	Non-controlling interest	Total equity
	Share capital	Capital		Reserves		Unappropriated profit			
		Share redemption	Revaluation surplus on property, plant and equipment	General revenue	Fair value reserve on available-for-sale investments				
----- Rupees in thousand -----									
Balance as at September, 2017	37,500	1	1,982,765	1,010,537	17,929	253,304	3,302,036	2,069,465	5,371,501
Transaction with owners:									
- Cash dividend at the rate of Rs.1.50 per ordinary shares	0	0	0	0	0	0	0	(22,412)	(22,412)
Total comprehensive income / (loss):									
Profit / (loss) for the nine months ended June 30, 2018	0	0	0	0	0	(45,229)	(45,229)	90,887	45,658
Other comprehensive loss	0	0	0	0	(1,532)	(297)	(1,829)	(631)	(2,460)
	0	0	0	0	(1,532)	(45,526)	(47,058)	90,256	43,198
Effect of items directly credited in equity by Associated Companies	0	0	0	0	0	429	429	0	429
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the half-year net of deferred taxation	0	0	(163,127)	0	0	99,696	(63,431)	63,431	0
Balance as at June 30, 2018	37,500	1	1,819,638	1,010,537	16,397	307,903	3,191,976	2,200,740	5,392,716
Balance as at September 30, 2018	37,500	1	2,646,568	1,010,537	16,052	263,315	3,973,973	2,939,859	6,913,832
Transaction with owners:									
- Cash dividend at the rate of Rs.1.50 per ordinary shares	0	0	0	0	0	0	0	(22,412)	(22,412)
Total comprehensive income / (loss):									
Profit for the nine months ended June 30, 2019	0	0	0	0	0	273,737	273,737	87,794	361,531
Other comprehensive loss	0	0	0	0	0	(15)	(15)	0	(15)
	0	0	0	0	0	273,722	273,722	87,794	361,516
Effect of items directly credited in equity by Associated Companies	0	0	0	0	0	5,187	5,187	0	5,187
Adjustment of gain included in statement of profit or loss upon sale of available-for-sale investments	0	0	0	0	(16,052)	0	(16,052)	(3,619)	(19,671)
Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation)	0	0	0	0	0	142,184	142,184	107,332	249,516
- on account of incremental depreciation for the half year	0	0	(142,184)	0	0	0	(142,184)	(107,332)	(249,516)
Balance as at June 30, 2019	37,500	1	2,504,384	1,010,537	0	684,408	4,236,830	3,001,622	7,238,452

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

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2019

1. The Group and its operations

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

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

1.2 Subsidiary Companies

(a) Chashma Sugar Mills Ltd. (CSM)

CSM was incorporated in Pakistan on May 05, 1988 as a Public Company, under the Companies Ordinance, 1984 (which is repealed upon enactment of the Companies Act, 2017 on May 30, 2017) and commenced its commercial production from July 09, 1988. CSM has its shares quoted on the Pakistan Stock Exchange Ltd. CSM is principally engaged in manufacturing, production, processing, compounding, preparation and sale of sugar, other allied compound, intermediates and by-products. CSM is a Subsidiary of The Premier Sugar Mills & Distillery Company Ltd.. The head office of CSM is situated at King's Arcade, 20-A, Markaz F-7, Islamabad and its manufacturing facilities are located at Dera Ismail Khan, Khyber Pakhtunkhwa.

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

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

(b) The Frontier Sugar Mills and Distillery Ltd. (FSM)

FSM was incorporated on June 30, 1938 as a Public Company and its shares were quoted on all the Stock Exchanges of Pakistan; FSM was delisted from the Stock Exchanges as detailed in note 1.2 (c). The principal activity of FSM is manufacturing and sale of white sugar and its Mills and Registered Office are located at Takht-i-Bhai, Mardan (Khyber Pakhtunkhwa). FSM is a Subsidiary of The Premier Sugar Mills & Distillery Company Ltd.

FSM has been suffering losses over the years and during the current period and prior years had not carried-out manufacturing operations due to non-availability of raw materials. The management, however, anticipates that manufacturing operations will resume in the foreseeable future as necessary steps are being taken to ensure smooth supplies of sugar cane to FSM. The condensed interim financial statements of FSM, therefore, have been prepared on the 'going concern basis'.

(c) Delisting of FSM

The Holding Company, the majority shareholder of FSM, had decided to purchase all the ordinary and preference shares of FSM held by Others. The shareholders of FSM had passed a special resolution for de-listing of FSM from the Stock Exchanges at the annual general meeting held on January 30, 2010. The shareholders also passed a special resolution for purchase of 263,134 ordinary shares at a price of Rs.190.20 per share and 26,970 preference shares at a price of Rs.18.60 per share by the Holding Company in the extra ordinary general meeting held on June 10, 2010.

The purchase agent of the Holding Company (Invest Capital Investment Bank Ltd.) had completed the buying of 36,209 ordinary shares and 150 preference shares within the initial period of 60 days and after the submission of an undertaking to the Stock Exchanges to purchase the remaining shares upto August 26, 2011, FSM was de-listed from all the Stock Exchanges with effect from October 25, 2010. The purchase agent, during the financial year ended September 30, 2011, had further purchased 19,884 ordinary shares and 20,014 preference shares.

2. Basis of preparation

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

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

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

3. Accounting policies

The accounting policies and methods of computation adopted for the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of preceding consolidated annual financial statements of the Group for the year ended September 30, 2018, except for the adoption of IFRS 15 "Revenue from contracts with customers", IFRS 9 "Financial instruments" and IAS 40 "Investment property".

3.1 IFRS 15 - Revenue from contracts with customers

IFRS 15 has been notified by Securities and Exchange Commission of Pakistan (SECP) to be effective for annual periods beginning on or after July 01, 2018. This standard deals with revenue recognition and establishes principles for reporting useful information to users of the financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. This standard replaces IAS 18, "Revenue" and IAS 11, "Construction contracts" and related interpretations.

The Group has applied IFRS 15 using the modified retrospective approach for transition. This approach requires entities to recognise the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of unappropriated profit in the period of initial application. Comparative prior year periods would not be adjusted. The application of IFRS 15 does not have any impact on the revenue recognition policy of the Group and therefore, the cumulative effect of initially applying this standard as an adjustment to the opening balance of unappropriated profit in the period of initial application is nil.

3.2 IFRS 9 - Financial instruments

IFRS 9 is applicable to accounting periods beginning on or after January 01, 2018. This standard has been notified by the SECP to be effective for annual periods beginning on or after July 01, 2018. This standard replaces the guidance in IAS 39, 'Financial instruments: Recognition and measurement'. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. The changes laid down by the new standard do not have any significant impact on these consolidated condensed interim financial statements.

3.3 IAS 40 - Investment property

Transfers of investment property; amendments to IAS 40 are effective for annual periods beginning on or after January 01, 2018. The amendments clarify that an entity shall transfer a property to, or from, investment property when, and only when, there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The changes laid down by the new standard do not have any significant impact on these consolidated condensed interim financial statements.

3.4 IFRIC 22 clarifies the accounting for transactions that include the receipt or payment of advance consideration in foreign currency. IFRIC 22 is notified to be effective by IASB for annual periods beginning on or after January 01, 2018. IFRIC 22 addresses foreign currency transaction when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income. IFRIC 22 permits retrospective or prospective approach for adoption. The Group has applied the interpretation prospectively to all assets, expenses and income in the scope of the interpretation initially recognised on or after January 01, 2018.

3.5 New approved accounting standard not yet effective but relevant

The following new standard will be effective for the periods beginning on or after October 01, 2019 that may have an impact on the consolidated financial statements of the Group.

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability (to pay rentals) are recognised. The only exceptions are short term and low value leases.

The management is in the process of assessing the impact of changes laid down by this standard on its consolidated financial statements.

4. These un-audited consolidated condensed interim financial statements do not include all the information and disclosures as required in the annual consolidated financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended September 30, 2018.

5. Accounting estimates, judgments and financial risk management

5.1 The preparation of consolidated condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

5.2 Judgments and estimates made by the management in the preparation of these consolidated condensed interim financial statements are the same as those that were applied to consolidated financial statements as at and for the year ended September 30, 2018.

5.3 The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended September 30, 2018.

5.4 The Holding Company and FSM follow the practice of conducting actuarial valuation annually at the year-end. Hence, the impact of remeasurement of staff retirement benefits - gratuity has not been incorporated in the books of account of the Holding Company and FSM.

6. Principles of consolidation

These consolidated condensed interim financial statements include the condensed interim financial statements of the Holding Company, consolidated condensed interim financial statements of CSM & its Subsidiary Company and the condensed interim financial statements of FSM as at and for the period ended JUNE 30, 2019. The Holding Company's direct interest, as at JUNE 30, 2019, in CSM was 47.93% (2018: 47.93%) and in FSM was 82.49% (2018: 82.49%).

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

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

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

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

7. Property, plant and equipment

	Note	Un-audited June 30, 2019 (Rupees in thousand)	Audited September 30, 2018
Operating fixed assets - tangible	7.1	10,013,090	10,098,009
Capital work-in-progress	7.2	635,701	472,983
		10,648,791	10,570,992
7.1 Operating fixed assets - tangible			
Book value at beginning of the period - audited		10,098,009	
Additions during the period:			
- buildings and roads		45,443	
- plant and machinery		398,243	
- electric installations		57,287	
- furniture, fixtures and office equipment		7,364	
- vehicles:			
owned		7,925	
leased		79,743	
		596,005	
Book value of operating fixed assets disposed-off during the period		(4,540)	
Depreciation charge for the period		(676,384)	
Book value at end of the period - un-audited		10,013,090	
7.2 Capital work-in-progress			
At beginning of the period / year		472,983	221,341
Add: Additions during the period / year		806,665	322,135
Less: Capitalised during the period / year		(643,947)	(70,493)
Balance at end of the period / year		635,701	472,983

	Note	Un-audited June 30, 2019 (Rupees in thousand)	Audited September 30, 2018
8. Long term investments			
Related parties	8.1	104,260	98,946
Available-for-sale (Quoted)	8.2	0	25,351
		104,260	124,297
8.1 Investments in equity instruments of Associated Companies			
Balance at beginning of the period - cost		5,638	
Add: post acquisition profit brought forward		93,308	
		98,946	
Add: share for the period:			
- loss		195	
- other comprehensive loss		(15)	
- items directly credited in equity		5,187	
Less: taxation		(53)	
		5,314	
Balance at end of the period		104,260	
8.2 Available-for-sale (Quoted)			
Ibrahim Fibres Limited			
Nil shares (September 30, 2018: 405,670 ordinary shares of Rs.10 each)	8.2.1	0	5,680
Add: adjustment arisen from re-measurement to fair value		0	19,671
		0	25,351
8.2.1			
FSM, during the current period, has sold all the shares of Ibrahim Fibres Limited against aggregate consideration of Rs.25.768 million. Gain arisen on these sales aggregating Rs.20.088 million has been credited to consolidated condensed interim statement of profit or loss.			
9. Stores and spares			
FSM has not carried-out manufacturing operations during the current period and prior years and in the absence of an exercise to identify obsolete / damaged stores and spares inventory, carrying values of the period-end stores and spares inventory have not been adjusted for any potential impairment loss.			
9.1			
Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.			

10. Stock-in-trade

	Un-audited June 30, 2019 (Rupees in thousand)	Audited September 30, 2018
Work-in-process	11,842	9,900
Finished goods:		
- sugar	3,686,883	2,022,939
- molasses	687,930	391,745
- ethanol	128,541	189,656
	4,503,354	2,604,340
	4,515,196	2,614,240

11. Trade deposits, short term prepayments and other receivables

Sugar export subsidy receivable	308,510	342,884
Prepayments	5,789	13,890
Excise duty deposits	136	136
Gas infrastructure development cess paid under protest - refundable	3,018	3,018
Lease rentals receivable from an Associated Company (Premier Board Mills Ltd.)	0	1,972
Insurance claim receivable	142	142
Guarantees issued	19,000	15,000
Trade deposits	33	5,500
Other receivables	33,185	31,338
	369,813	413,880

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

Opening balance - 127,050 Units (2018: 80,140 Units)	12,939	8,154
Investments made during the period / year -209,330 Units (2018: 98,237 Units)	21,000	10,000
Gain on redemption and re-measurement to fair value	1,037	285
Bonus received during the period / year - 12,205 Units (2018: 2,658 Units)	0	0
Units redeemed during the period / year - 29,632 Units (2018: 53,985 Units)	(3,000)	(5,500)
Closing balance - 102,899 Units (2018: 127,050 Units)	31,976	12,939

13. Cash and bank balances

- 13.1** Period-end bank balances include deposits aggregating Rs.5 million (September 30, 2018: Rs.5 million), which are under lien of a bank against guarantees issued by it in favour of Sui Northern Gas Pipelines Ltd. on behalf of the Holding Company.

- 13.2 (a)** Period-end bank balances also include deposits aggregating Rs.58 million of the Holding Company and FSM lying with Innovative Investment Bank Ltd. (IIBL), Islamabad carrying profit at the rate of 5% per annum. The maturity dates of these deposits were as follows:

Date of maturity	Amount of deposit Rupees in thousand
July 29, 2009	15,600
July 29, 2010	15,600
July 29, 2011	15,600
July 29, 2012	31,200
	78,000
Less: amounts realised during the preceding financial year	(20,000)
	58,000

- (b)** The realisability of these deposits is doubtful of recovery as these could not be encashed on their respective maturity dates; further, period-end balance confirmation certificates from IIBL were also not received. The Securities and Exchange Commission of Pakistan (SECP), in exercise of its powers conferred under sections 282 E & F of the repealed Companies Ordinance, 1984, had superseded the entire Board of Directors of IIBL and appointed an Administrator with effect from January 28, 2010. SECP had also instituted winding-up proceedings against IIBL before the Lahore High Court, Lahore (LHC).

- (c)** The SECP winding-up petition has been decided by the LHC and LHC has appointed Joint Official Liquidator (JOL). The LHC, vide its order dated April 14, 2018 has approved release of payment upto Rs.10 million each to the Holding Company and FSM in respect of principal amount only subject to verification as per the laws. The aggregate amount of Rs.20 million, as per the LHC order, has been received by the Holding Company and FSM during August, 2018. The management, for the release of further amount, anticipates that JOL will intimate in due course of time; no provision, therefore, for the remaining deposits aggregating Rs.58 million has been made in the books of account of the Holding Company and FSM.

- (d)** The Holding Company and FSM have not accrued profit on these deposits during the current period as well as preceding financial years.

- 13.3** There has been no change in the status of matter as detailed in note 18.6 to the consolidated financial statements of the Group for the year ended September 30, 2018.

14. Long term finances - secured From banking companies	Note	Un-audited June 30, 2018 (Rupees in thousand)	Audited September 30, 2018
The Holding Company - Soneri Bank Ltd.		33,333	66,666
CSM			
Bank Alfalah Ltd.	14.1	0	25,000
Bank Al-Habib Ltd.	14.1	325,956	331,316
Faysal Bank Ltd.	14.1	0	83,327
Soneri Bank Ltd.	14.1	322,722	256,320
The Bank of Punjab	14.1	120,628	193,019
Dubai Islamic Bank Pakistan Ltd.	14.1	682,452	877,438
MCB Bank Ltd.	14.1	291,313	0
		1,776,404	1,833,086
Less: amount payable within next 12 months grouped under current liabilities		648,243	655,258
Amount due after June 30, 2020	14.2	1,128,161	1,177,828
14.1 These represent term and demand finances obtained by CSM from the aforesaid banks and are repayable in 3-5 years with varied grace period. The rate of mark-up ranges from KIBOR + 1% per annum to KIBOR + 2% per annum and are secured against first / joint pari passu hypothecation charge over all present and future movable fixed assets of CSM and first / joint pari passu charge by way of equitable mortgage on all present and future immovable fixed assets of CSM, pledge of sugar stocks and lien on export contracts / LCs.			
14.2 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.			
15. Loans from related parties - secured			
Premier Board Mills Ltd.	15.1	65,575	65,575
Arpak International Investments Ltd.	15.2	43,750	43,750
Azlak Enterprises (Private) Ltd.	15.3	80,000	70,000
		189,325	179,325
Less: current portion grouped under current liabilities		(46,250)	0
		143,075	179,325
15.1 The principal is repayable in 7 semi annual instalments commencing 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.			
15.2 The principal is repayable in 7 semi annual instalments commencing 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.			
15.3 The principal is repayable in 8 semi annual instalments commencing December, 2021. 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.			

16. Trade and other payables		Un-audited June 30, 2019 (Rupees in thousand)	Audited September 30, 2018
Creditors		203,134	220,651
Due to Associated Companies	16.1	16,901	26,995
Accrued expenses		113,329	103,271
Retention money		18,693	15,962
Security deposits - interest free repayable on demand		3,045	2,222
Advance payments from customers		267,475	297,802
Income tax deducted at source		15,308	17,828
Sales tax payable		10	14
Gratuity payable to ex-employees		5,089	5,268
Advance received against sale of scrap		2,024	2,024
Payable for workers' welfare obligations		48,397	16,570
Workers' (profit) participation fund		111	0
Payable to provident fund		3,155	2,201
Payable to employees		34,344	27,562
Others		1,754	19,484
		732,769	757,854
16.1 This represents amounts due to:			
- Azlak Enterprises (Pvt.) Ltd.		14,181	17,570
- Syntronics Ltd.		0	9,425
- Syntron Ltd.		2,720	0
- Premier Board Mills Ltd.		0	0
		16,901	26,995
17. Current portion of non-current liabilities			
Long term finances		648,243	655,258
Liabilities against assets subject to finance lease		41,934	27,013
Loans from related parties	15	46,250	0
		736,427	682,271
18. Taxation			
The Holding Company			
18.1 Provision for the current period mainly represents tax due under sections 5 (Tax on dividends), 15 (Income from property) and 113 (Minimum tax on the income of certain persons) of the Income Tax Ordinance, 2001 (the Ordinance).			
18.2 The Holding Company has filed a writ petition before the Peshawar High Court (PHC) against selection for audit under sections 177 and 214C of the Ordinance; the PHC has stayed the Income Tax Department from finalising the proceedings. The petition is pending adjudication.			
FSM			
There has been no significant change in the status of taxation matters as reported in note 29.4 to the preceding consolidated financial statements of the Group for the year ended September 30, 2018.			

18.3 Provision for the current period represents tax payable under section 5 (Tax on dividends) of the Ordinance.

19. Contingencies and commitments

The Holding Company

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

19.2 The Holding Company's petition filed before the Supreme Court of Pakistan (SCP) against imposition of Gas Infrastructure Development Cess (GIDC) is still pending adjudication. Sui Northern Gas Pipelines Ltd., along with gas bills for the month of March, 2019, has raised GIDC demands aggregating Rs.72.738 million, which are payable in case of an adverse judgment by the SCP. No provision for these GIDC demands has been made in the books of account as the management expects a favourable judgment by the SCP due to meritorious legal grounds.

19.3 The Holding Company's petition filed before the PHC, against Government of Khyber Pakhtunkhwa's notification dated August 12, 2015 in which minimum wages for unskilled workers was fixed at Rs.12,000 per month with effect from July 01, 2014, has been disposed of by PHC vide judgment dated April 02, 2019.

19.4 The Additional Commissioner, Corporate Zone, has vacated the demand of Rs.5.592 million created under section 14 of the Federal Excise Act, 2005. The case is disposed of accordingly.

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

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

19.7 Guarantees given to Sui Northern Gas Pipelines Ltd. by a commercial bank on behalf of the Holding Company outstanding as at JUNE 30, 2019 were for Rs.20 million (September 30, 2018: Rs.20 million). These guarantees are valid upto April 24, 2019 and May 26, 2019.

19.8 No commitments were outstanding as at JUNE 30, 2019 and September 30, 2018.

CSM

19.9 There has been no significant change in the status of contingencies as disclosed in notes 30.13 to 30.16 and 30.21 to the audited consolidated financial statements of the Group for the year ended September 30, 2018.

19.10 Commitments

	Un-audited June 30, 2019 (Rupees in thousand)	Audited September 30, 2018
Commitments in respect of :		
- foreign letters of credit for purchase of plant & machinery	180,723	68,041
- capital expenditure other than for letters of credit	17,327	30,240

FSM

19.11 There has been no significant change in the status of contingencies as reported in notes 30.9 to 30.11 to the preceding consolidated financial statements of the Group for the year ended September 30, 2018.

19.12 No commitments were outstanding as at JUNE 30, 2019 and September 30, 2018.

20. Other income

		Un-audited Half year ended June 30, 2019 (Rupees in thousand)	June 30, 2018
Income from financial assets:	Note		
Profit on bank deposits and saving accounts		5,788	3,988
Gain on redemption and remeasurement of short term investments to fair value	12	1,037	271
Exchange fluctuation gain		32,291	21,813
Dividend		608	406
Income from other than financial assets:			
Export subsidy		0	86,670
Rent from - an Associated Company		5,032	5,032
- other		163	10
Sale of scrap		16,177	1,288
Sale of press mud - net		12,843	5,409
Unclaimed payable balances written-back		1,165	72
Gain on sale of operating fixed assets		4,311	101
Sale of seeds and agricultural produce		1,891	612
Sale of fusel oil - net		1,436	513
Miscellaneous		83	2,713
		82,825	128,898

21. Other expenses

Donations-without directors' interest	536	1,493
Uncollectible receivable balances written-off	7	526
Workers' (profit) participation fund	30,701	5,345
Income tax paid of prior years under section 236G of the Income Tax Ordinance, 2001 (Advance tax on sales to distributors, dealers and wholesalers)	2,755	2,447
Others	104	906
	34,103	10,717

22.1 Segment assets and liabilities

	Un-audited June 30, 2019 (Rupees in thousand)		Audited September 30, 2018 (Rupees in thousand)	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
Sugar	11,555,701	4,779,241	7,995,346	3,089,189
Ethanol	3,433,906	2,445,184	5,819,420	3,265,854
Total for reportable segment	14,989,607	7,224,425	13,814,766	6,355,043
Others	-	1,620,976	-	1,655,711
Entity's total assets / liabilities	14,989,607	8,845,401	13,814,766	8,010,754

23. Transactions with related parties

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

	Un-audited Half year ended June 30, 2019 (Rupees in thousand)	
- purchase of goods	137,768	104,041
- services received	20,028	13,500
- mark-up expensed	0	4,140
- rental income	5,555	9,542
- dividend paid	8,041	8,041
- post employment benefit - expense charged in respect of retirement benefit plan	1,950	7,216
- key management personnel - salaries and other benefits	45,857*	26,314*

*Comparatives figures have been restated to reflect changes in the definition of "Executive" as per Companies Act, 2017.

23.2 Receivables from and payables to Associated Companies have been disclosed in notes 11, 15 and 16 respectively to these consolidated condensed interim financial statements.

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

24. Corresponding figures

In order to comply with the requirements of IAS 34 'Interim financial reporting', the consolidated condensed interim statement of financial position has been compared with the balances of annual audited consolidated financial statements of the preceding financial year, whereas, consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of other comprehensive income, consolidated condensed interim statement of cash flows and consolidated condensed interim statement of changes in equity have been compared with the balances of comparable period of the immediately preceding financial year.

22. Segment operating results of CSM for the nine months period ended June 30, 2019 (Un-audited)


	Sugar Division			Ethanol Division			Total		
	Three month period ended June 30, 2019	Nine month period ended June 30, 2019	Three month period ended June 30, 2018	Three month period ended June 30, 2018	Nine month period ended June 30, 2019	Nine month period ended June 30, 2018	Three month period ended June 30, 2019	Nine month period ended June 30, 2019	Nine month period ended June 30, 2018
Sales									
- External	3,825,343	3,162,984	7,560,314	6,189,873	921,006	704,795	2,492,872	1,979,120	4,746,349
- Internal	72,010	485,210	8,045,524	6,577,516	921,006	704,795	2,492,872	1,979,120	4,746,349
Less : sales tax and commission	(326,234)	(289,580)	(691,671)	(589,462)	(67,454)	(48,365)	(160,317)	(130,994)	(393,688)
Sales - net	3,499,109	2,893,014	7,353,853	5,989,054	853,552	656,430	2,332,555	1,848,186	4,352,661
Segment expenses:									
Cost of sales	(2,335,653)	(2,832,786)	(6,305,709.30)	(5,544,319)	(629,431)	(364,389)	(1,373,744)	(992,413)	(3,565,064)
less: Internal transfer	(2,335,653)	(2,832,786)	(6,305,710)	(5,544,319)	(629,431)	(364,389)	(1,373,744)	(992,413)	(3,565,064)
Gross profit / (loss)	565,457	106,228	1,048,143	443,735	224,121	220,022	473,801	478,130	787,578
Selling and distribution expenses	(9,545)	3,610	(40,858)	(51,327)	(44,341)	(47,019)	(126,235)	(127,926)	(53,886)
Administrative and general expenses	(154,501)	(103,564)	(393,316)	(334,805)	(13,594)	(10,722)	(35,003)	(32,348)	(168,028)
	(164,046)	(99,954)	(434,174)	(386,332)	(57,935)	(57,741)	(161,238)	(160,274)	(221,981)
Profit from operations	399,411	6,274	613,989	57,903	166,186	162,281	312,363	317,856	565,597
Other income	8,605	56,063	36,492	93,531	17,291	14,672	33,895	24,941	25,886
Other expenses	(16,399)	(105)	(25,016)	(6,838)	(6,120)	-	(6,120)	-	(22,459)
	(7,734)	55,958	11,476	86,693	11,171	14,672	27,775	24,941	3,427
Segment results	391,677	62,233	625,445	144,596	177,357	176,953	340,138	342,797	569,034
Finance cost									239,186
Profit before tax									(144,623)
Taxation									94,562
Profit after taxation									(7,919)
									(62,039)
									(7,506)
									(86,643)
									330,282
									127,087

25. Date of authorisation for issue

These consolidated condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Holding Company on July 25, 2019.



Abbas Sarfaraz Khan
Chief Executive



Iskander M. Khan
Director



Rizwan Ullah Khan
Chief Financial Officer