



THE PREMIER SUGAR MILLS  
& DISTILLERY CO. LTD.,  
MARDAN

**QUARTERLY FINANCIAL STATEMENTS**  
**(UN-AUDITED)**  
AS ON 31 DECEMBER, 2012

## THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

### COMPANY INFORMATION

#### BOARD OF DIRECTORS

**CHAIRMAN** Khan Aziz Sarfaraz Khan

**CHIEF EXECUTIVE** Mr. Abbas Sarfaraz Khan

#### **DIRECTORS**

Begum Laila Sarfaraz

Ms. Zarmine Sarfaraz

Ms. Najda Sarfaraz

Ms. Mahnaz Saigol

Mr. Iskander M. Khan

Mr. Baber Ali Khan

Mr. Abdul Qadar Khattak

#### BOARD AUDIT COMMITTEE

Khan Aziz Sarfaraz Khan Chairman

Ms. Najda Sarfaraz Member

Mr. Baber Ali Khan Member

#### COMPANY SECRETARY

Mr. Mujahid Bashir

#### CHIEF FINANCIAL OFFICER

Mr. Rizwan Ullah Khan

#### AUDITORS

Messrs Hameed Chaudhri & Co.,

Chartered Accountants

#### COST AUDITORS

Messrs Munawar Associates,

Chartered Accountants.

#### TAX CONSULTANTS

Messrs Hameed Chaudhri & Co.,

Chartered Accountants

#### LEGAL ADVISORS

Mr. Qazi Muhammad Anwar Advocate

#### SHARES REGISTRAR

Messrs Hameed Majeed Associates,  
(PVT.) Limited, H.M House, 7-bank Square, Lahore

#### BANKERS

National Bank of Pakistan

Habib Bank Limited

MCB Bank Limited

United Bank Limited

Allied Bank Limited

The Bank of Khyber

PICIC Commercial Bank Limited

Innovative Investment Bank Limited

The Bank Of Punjab

Bank Alfalah Limited

Faysal Bank Limited

#### REGISTERED OFFICE

Mardan (Khyber Pakhtoonkhawa)

Phones: (0937) 862051-862052

Fax: (0937) 862989

#### FACTORY

Mardan

## THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

### DIRECTORS' REVIEW REPORT

The Directors of **The Premier Sugar Mills & Distillery Company Limited** are pleased to present the 1st quarterly financial statements for the period ended 31 December, 2012 to the shareholders of the Company in compliance with the Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Stock Exchanges in Pakistan.

#### OPERATIONAL PERFORMANCE

The sugarcane crushing season commenced on 12 November, 2012, we crushed 94,116 tons up to 21 January, 2013 of sugarcane and have produced 8,088 tons of sugar. The Provincial Government has increased the support price of sugarcane from Rs. 150/- to Rs.170 per 40kg. The Federal Government in order to address the surplus sugar production has approved export of 1.20 million ton and purchase of 500,000 tons through TCP as a buffer stock. Due to these corrective measures, the sugar prices are expected to improve in the days to come.

#### DISTILLERY

234,655 Gallons of Industrial Alcohol was produced upto 21 January, 2013.

#### CONSOLIDATED FINANCIAL RESULTS

Consolidated financial statements are annexed with these financial statements as required under section 237 of the Companies Ordinance, 1984.

#### ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these quarterly financial statements 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.

Mardan  
28 January, 2013

**THE PREMIER SUGAR MILLS &  
BALANCE SHEET AS AT**

	Note	<u>Unaudited</u>	<u>Audited</u>
		Dec.31, 2012	Sep.30 2012
Rupees in thousand			
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVE</b>			
Authorised capital 5,750,000 ordinary shares of Rs.10 each		<u>57,500</u>	<u>57,500</u>
Issued, subscribed and paid-up capital		37,500	37,500
Reserves		900,001	900,001
Accumulated loss		<u>(119,080)</u>	<u>(150,672)</u>
		818,421	786,829
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>			
		350,415	357,508
<b>NON-CURRENT LIABILITIES</b>			
Deferred taxation		13,297	4,569
Staff retirement benefits - gratuity		21,713	26,776
		35,010	31,345
<b>CURRENT LIABILITIES</b>			
Trade and other payables		242,028	189,630
Accrued mark-up on short term borrowings		16,275	26,975
Short term borrowings		530,000	815,754
Sales tax payable		24,665	0
Taxation	3	9,277	1,981
		822,245	1,034,340
<b>CONTINGENCIES AND COMMITMENTS</b>			
	4		
		<u>2,026,091</u>	<u>2,210,022</u>

**DISTILLERY COMPANY LIMITED  
31 DECEMBER, 2012 (UN-AUDITED)**

	Note	<u>Unaudited</u>	<u>Audited</u>
		Dec.31, 2012	Sep.30 2012
Rupees in thousand			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	675,231	640,566
Investment Property	6	35,103	35,298
Investments	7	170,006	170,006
Long term loan to subsidiary Company		302,500	302,500
Security deposits		663	568
		<u>1,183,503</u>	<u>1,148,938</u>
<b>CURRENT ASSETS</b>			
Stores and spares		179,320	117,978
Stock-in-trade		389,119	614,293
Trade debts		84,046	108,951
Loans and advances		9,160	15,594
Trade deposits and short term prepayments		137	1,784
Accrued profit / mark-up on bank deposits and loan to subsidiary company		7,162	70
Other receivables		437	6,478
Sales tax refundable		0	8,594
Income tax refundable, advance income tax and tax deducted at source		40,079	38,593
Short term investments	8	0	65,749
Bank balances	9	133,128	83,000
		842,588	1,061,084
		<u>2,026,091</u>	<u>2,210,022</u>

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

CHIEF EXECUTIVE

DIRECTOR

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**PROFIT AND LOSS ACCOUNT - (UNAUDITED)**  
**FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2012**

	1 Oct, 12 to 31 Dec, 2012	1 Oct, 11 to 31 Dec, 2011
	<b>Rupees in thousand</b>	
TURNOVER - Local	780,661	616,532
- Export	6,438	13,140
	787,099	629,672
Less: Sales Tax / Federal excise duty	57,984	43,439
SALES - net	729,115	586,233
COST OF SALES	664,808	621,111
GROSS PROFIT / (LOSS)	64,307	(34,878)
ADMINISTRATIVE EXPENSES	20,996	16,989
DISTRIBUTION COST	2,015	6,028
	23,011	23,017
OPERATING PROFIT / (LOSS)	41,296	(57,895)
OTHER OPERATING INCOME	23,322	20,265
	64,618	(37,630)
OTHER OPERATING EXPENSES	2,133	122
FINANCE COST	21,962	27,452
	24,095	27,574
PROFIT / (LOSS) BEFORE TAXATION	40,523	(65,204)
PROVISION FOR TAXATION		
- Current	7,296	62
- Deferred	8,728	(25,683)
	16,024	(25,621)
PROFIT / (LOSS) AFTER TAXATION	24,499	(39,583)
OTHER COMPREHENSIVE INCOME	0	0
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	24,499	(39,583)
	<b>Rupees</b>	
EARNINGS / (LOSS) PER SHARE	6.53	(10.56)

- The annexed notes form an integral part of these financial statements.

- Appropriations have been reflected in the statement of changes in equity.

CHIEF EXECUTIVE

DIRECTOR

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**CASH FLOW STATEMENT - (UNAUDITED)**  
**FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2012**

	31-Dec., 2012	31-Dec., 2011
	<b>Rupees in thousand</b>	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) for the period - before taxation	40,523	(65,204)
Adjustments for:		
Depreciation on property, plant and equipment	14,690	15,696
Depreciation on investment property	410	442
Profit / mark-up on bank deposits and loan to Subsidiary Company	(9,145)	(12,519)
Staff retirement benefits-gratuity (Net)	(5,063)	1,083
Loss on disposal of Vehicle	0	120
Gain on remeasurement of short term investments to fair value	(804)	(3,422)
Finance cost	21,962	27,452
Profit / (Loss) before working capital changes	62,573	(36,352)
EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES (Increase) / decrease in current assets:		
Stores and spares	(61,342)	(13,921)
Stock-in-trade	225,174	123,074
Trade debtors	24,905	(51,889)
Loans and advances	6,434	4,894
Trade Deposits and short term prepayments	1,647	1,917
Other receivables	6,041	(69)
Sales tax - net	33,259	36,720
Short term investments	66,553	81,499
Increase in trade and other payables	52,398	218,690
	355,069	400,915
CASH GENERATED FROM OPERATIONS	417,642	364,563
Income Tax paid	(1,486)	(902)
Security deposits	(95)	(4,861)
NET CASH GENERATED FROM OPERATING ACTIVITIES	416,061	358,800
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(49,355)	(7,183)
Additions to investment property	(215)	0
Sale proceeds of vehicle	0	153
Profit / mark-up on bank deposits and loan to Subsidiary Company received	2,053	12,206
NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES	(47,517)	5,176
CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowings-net	(285,754)	(213,568)
Finance cost paid	(32,662)	(30,608)
NET CASH USED IN FINANCING ACTIVITIES	(318,416)	(244,176)
NET INCREASE IN CASH AND CASH EQUIVALENTS	50,128	119,800
CASH AND CASH EQUIVALENTS - At the beginning of the period	83,000	49,281
CASH AND CASH EQUIVALENTS - At the end of the period	133,128	169,081

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

CHIEF EXECUTIVE

DIRECTOR

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY- (UNAUDITED)**  
**FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2012**

	Share capital	Reserves			Accumulated Loss	TOTAL
		Capital Share redemption	Revenue			
			General	Sub-total		
Balance as at 30 September, 2011	37,500	1	900,000	900,001	(22,501)	915,000
<b>Total comprehensive loss for the year</b>	0	0	0	0	(159,546)	(159,546)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for current year -net of deferred taxation	0	0	0	0	31,375	31,375
<b>Balance as at 30 September, 2012</b>	<b>37,500</b>	<b>1</b>	<b>900,000</b>	<b>900,001</b>	<b>(150,672)</b>	<b>786,829</b>
<b>Total comprehensive income for the period</b>	0	0	0	0	24,499	24,499
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for current period -net of deferred taxation	0	0	0	0	7,093	7,093
<b>Balance as at 31 December, 2012</b>	<b>37,500</b>	<b>1</b>	<b>900,000</b>	<b>900,001</b>	<b>(119,080)</b>	<b>818,421</b>

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

CHIEF EXECUTIVE

DIRECTOR

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS- (UNAUDITED)**  
**FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2012**

**1. CORPORATE INFORMATION**

The Company was incorporated on 24 July, 1944 as a Public Company and its shares are quoted on Islamabad and Karachi Stock Exchanges. The Company is principally engaged in manufacture and sale of white sugar and spirit. The Company's Mills and its Registered Office are located at Mardan (Khyber Pakhtoonkhwa).

**2. BASIS OF PREPARATION**

- a) These financial statements have been prepared in accordance with the requirements of International Accounting Standard 34 (Interim Financial Reporting) and are being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Islamabad and Karachi Stock Exchanges. These financial statements are unaudited.
- b) The accounting policies adopted for the preparation of these financial information are the same as those applied in preparation of the preceding published annual financial statements of the Company for the year ended 30 September, 2012.

**3. TAXATION**

- 3.1** Provision for current taxation mainly represents minimum tax u/s 113 of the Income Tax Ordinance, 2001.
- 3.2** There has been no change in taxation matters since the date of preceding published annual financial statements of the Company.

**4. CONTINGENCIES AND COMMITMENTS**

- 4.1** Guarantee given to Sui Northern Gas Pipelines Ltd. By banks on behalf of the Company outstanding as at 31 December, 2012 was for Rs. 10 million (30 September, 2012: Rs. 10 million).
- 4.2** There has been no significant change in other contingencies since the date of preceding published annual financial statements of the Company.
- 4.3** No commitments against irrevocable letters of credit were outstanding as at 31 December, 2012 and 30 September, 2012.

**5. PROPERTY, PLANT & EQUIPMENT**

	Un-audited 31 Dec., 2012	Audited 30 Sep., 2012
	<b>Rupees in thousand</b>	
Opening book value	640,566	673,845
Additions during the period / year	5,789	8,460
- Disposals	0	(273)
Depreciation charge for the period / year	(14,690)	(62,897)
Capital work-in-progress	43,566	21,431
Closing book value	<u>675,231</u>	<u>640,566</u>



**THE PREMIER SUGAR MILLS  
& DISTILLERY CO. LTD.,  
MARDAN**

**CONSOLIDATED CONDENSED INTERIM  
FINANCIAL STATEMENTS  
FOR THE 1ST QUARTER ENDED  
31 DECEMBER, 2012**

	<b>Un-audited</b>	Audited
	<b>31 Dec.,</b>	<b>30 Sep.,</b>
	<b>2012</b>	<b>2012</b>
	<b>Rupees in thousand</b>	
<b>6. INVESTMENT PROPERTY</b>		
Opening book value	35,298	37,066
Additions during the period / year	215	0
Depreciation charge for the period / year	<u>(410)</u>	<u>(1,768)</u>
Closing book value	<u><u>35,103</u></u>	<u><u>35,298</u></u>

**7. INVESTMENTS**

There has been no change in the investments portfolio of the Company during the current period.

**8. SHORT TERM INVESTMENTS**

- At fair value through profit or loss

MCB Cash management optimizer - NIL Units	0	3,982
Pakistan Cash management - NIL Units	0	288
Askari sovereign cash Fund - NIL Units	<u>0</u>	<u>54,887</u>
	0	59,157
Add: Adjustment on re-measurement to fair value	<u>0</u>	<u>6,592</u>
	<u><u>0</u></u>	<u><u>65,749</u></u>

**9. BANK BALANCES**

The status of the matter, as detailed in note 26.5 to the Company's published financial statements for the year-ended 30 September, 2012, has remained unchanged during the current period.

**10. DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on 28 January, 2013 by the Board of Directors of the Company.

**11. SEGMENT REPORTING**

Operating results of the Distillery have not been separately disclosed in these financial statements as these do not meet the minimum thresholds prescribed by IAS 14 (Segment Reporting).

**12. GENERAL**

Figures:

- in the financial statements have been rounded-off to the nearest Thousand Rupees except stated otherwise and
- corresponding figures have been re-arranged wherever required.

CHIEF EXECUTIVE

DIRECTOR

**THE PREMIER SUGAR MILLS &  
CONSOLIDATED BALANCE SHEET AS**

	<u>Unaudited</u> Dec.31 2012	<u>Audited</u> Sep.30 2012
	Rupees in thousand	
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
Authorised capital 5,750,000 ordinary shares of Rs.10 each	57,500	57,500
Issued, subscribed and paid-up capital	37,500	37,500
Reserves	1,021,771	1,022,291
Unappropriated profit / (Accumulated loss)	1,800	(67,444)
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	1,061,071	992,347
<b>NON-CONTROLLING INTEREST</b>	277,687	242,360
	<u>1,338,758</u>	<u>1,234,707</u>
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>	1,396,481	1,425,199
<b>NON-CURRENT LIABILITIES</b>		
Long term finances	504,080	544,578
Loans from Associated Companies	135,001	157,500
Liabilities against assets subject to finance lease	8,299	9,304
Deferred liabilities: - deferred taxation - staff retirement benefits - gratuity	459,791	462,512
	25,140	30,148
	<u>1,132,311</u>	<u>1,204,042</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	1,867,608	1,006,555
Accrued mark-up	82,889	125,813
Short term borrowings	2,147,272	2,525,759
Current portion of non-current liabilities	296,369	303,140
Dividends payable to non-controlling interest	3,850	3,855
Sales tax and federal excise duty payable	28,125	0
Taxation	46,425	32,800
	<u>4,472,538</u>	<u>3,997,922</u>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	<u>8,340,088</u>	<u>7,861,870</u>

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

**CHIEF EXECUTIVE**

**DISTILLERY COMPANY LIMITED  
AT 31 DECEMBER, 2012 (UN-AUDITED)**

	<u>Unaudited</u> Dec.31 2012	<u>Audited</u> Sep.30 2012
	Rupees in thousand	
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	3,991,203	3,909,986
Intangible assets	75	100
Investment property	35,103	35,298
Investments	72,595	70,275
Security deposits	4,689	4,594
	<u>4,103,665</u>	<u>4,020,253</u>
<b>CURRENT ASSETS</b>		
Stores and spares	375,579	327,725
Stock-in-trade	2,561,233	1,961,956
Trade debts	570,445	790,611
Loans and advances	141,097	140,032
Trade deposits and short term prepayments	6,754	4,643
Accrued profit / mark-up on bank deposits	1,229	1,043
Other receivables	1,165	12,472
Income tax refundable, advance income tax and tax deducted at source	109,100	102,709
Short term investments	246,449	308,298
Bank balances	223,372	192,128
	<u>4,236,423</u>	<u>3,841,617</u>
	<u>8,340,088</u>	<u>7,861,870</u>

**DIRECTOR**

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)**  
**FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2012**

	<u>Oct. - Dec.</u> 2012	<u>Oct. - Dec.</u> 2011
	<b>Rupees in thousand</b>	
<b>SALES - Net</b>	<b>1,676,574</b>	3,378,198
<b>COST OF SALES</b>	<b>1,439,134</b>	3,484,519
<b>GROSS PROFIT / (LOSS)</b>	<b>237,440</b>	(106,321)
<b>DISTRIBUTION COST</b>	<b>13,751</b>	12,514
<b>ADMINISTRATIVE EXPENSES</b>	<b>63,836</b>	45,684
<b>OTHER OPERATING EXPENSES</b>	<b>8,552</b>	148
	<b>86,139</b>	58,346
	<b>151,301</b>	(164,667)
<b>OTHER OPERATING INCOME</b>	<b>22,605</b>	14,091
<b>OPERATING PROFIT / (LOSS)</b>	<b>173,906</b>	(150,576)
<b>FINANCE COST</b>	<b>89,738</b>	105,290
	<b>84,168</b>	(255,866)
<b>PROFIT / (LOSS) FROM ASSOCIATED COMPANIES - Net</b>	<b>4,534</b>	(553)
<b>PROFIT / (LOSS) BEFORE TAXATION</b>	<b>88,702</b>	(256,419)
<b>TAXATION</b>		
Group		
- current	13,877	194
- deferred	(2,721)	(58,407)
	<b>11,156</b>	(58,213)
Associated Companies	1,637	8
	<b>12,793</b>	(58,205)
<b>PROFIT / (LOSS) AFTER TAXATION</b>	<b>75,909</b>	(198,214)
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>		
Fair value loss on available-for-sale investment	(630)	(2,576)
Share of other comprehensive loss from Associated companies	(1)	0
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>	<b>75,278</b>	(200,790)
<b>ATTRIBUTABLE TO:</b>		
- Equity holders of the parent	50,652	(121,556)
- Non-controlling interest	24,626	(79,234)
	<b>75,278</b>	(200,790)
	<b>----- Rupees-----</b>	
<b>EARNING / (LOSS) PER SHARE</b>	<b>13.65</b>	(31.85)

- The annexed notes form an integral part of these financial statements.  
- Appropriations have been reflected in the statement of changes in equity.

**CHIEF EXECUTIVE**

**DIRECTOR**

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT - UNAUDITED**  
**FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2012**

	<u>Oct. - Dec.</u> 2012	<u>Oct. - Dec.</u> 2011
	<b>Rupees in thousand</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>88,702</b>	(256,419)
Profit / (loss) for the period - before taxation		
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	80,476	87,843
Depreciation on investment property	410	442
Amortisation of intangible assets	25	25
(Profit) / Loss from Associated Companies -net	(4,534)	553
Interest / profit on bank deposits / saving accounts and certificates	(780)	(668)
Staff retirement benefits - gratuity (net)	(5,008)	1,091
(Gain) / loss on disposal of vehicle	(183)	120
Gain on re-measurement of short term investments to fair value	(4,249)	(6,034)
Gain on redemption of short term investments	(1,828)	(1,045)
Dividend income	(1,339)	(1,315)
Finance cost	89,738	105,290
<b>PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>241,430</b>	(70,117)
<b>Effect on cash flow due to working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Stores and spares	(47,854)	(41,478)
Stock-in-trade	(599,277)	1,477,632
Trade debts	220,166	(636,177)
Loans and advances	(1,065)	3,132
Trade deposits and short term prepayments	(2,111)	3,096
Other receivables	11,307	3,269
<b>Increase in current liabilities:</b>		
Trade and other payables	861,054	1,680,297
Sales tax and federal excise duty payable	28,125	152,712
	<b>470,345</b>	2,642,483
<b>CASH GENERATED FROM OPERATIONS</b>	<b>711,775</b>	2,572,366
Taxes paid	(6,643)	(23,421)
Security deposits	(95)	(4,861)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>705,037</b>	2,544,084
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(161,695)	(8,382)
Sale proceeds of vehicle	185	153
Addition to Investment property	(215)	0
Interest / profit on bank deposits / saving accounts and certificates received	594	354
Short term investments - net	67,926	(563,019)
Dividends received	1,339	1,315
	<b>(91,866)</b>	(569,579)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term finances - net	(69,873)	103,336
Lease finance - net	(900)	1,481
Short term finances - net	(378,487)	(1,615,785)
Dividend paid	(5)	0
Finance cost paid	(132,662)	(145,070)
	<b>(581,927)</b>	(1,656,038)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>31,244</b>	318,467
<b>CASH AND CASH EQUIVALENTS - At beginning of the period</b>	<b>192,128</b>	153,669
<b>CASH AND CASH EQUIVALENTS - At end of the period</b>	<b>223,372</b>	472,136

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

**CHIEF EXECUTIVE**

**DIRECTOR**



**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2012**

	----- Attributable to equity holders of the Parent -----							Non-controlling interest	Total equity
	Share capital	Reserves			Sub-total	Unappropriated profit	Total		
		Share redemption	General	Fair value reserve on available-for-sale investment					
Rupees in thousand									
Balance as at 30 September, 2011	37,500	1	1,010,537	6,840	1,017,378	138,714	1,193,592	318,924	1,512,516
Total comprehensive income / (loss) for the year ended 30 September, 2012	0	0	0	0	0	(285,775)	(285,775)	(110,811)	(396,586)
Loss after taxation	0	0	0	0	0	(285,775)	(285,775)	(110,811)	(396,586)
Other comprehensive income	0	0	0	4,913	4,913	44	4,957	1,043	6,000
	0	0	0	4,913	4,913	(285,731)	(280,818)	(109,768)	(390,586)
Transactions with owners:									
Final cash dividend for the year ended 30 September, 2011 at the rate of Re.1 per share	0	0	0	0	0	0	0	(14,355)	(14,355)
Indirect share of Parent Company in dividend paid by CSM to Azlak Enterprises (Pvt.) Ltd.	0	0	0	0	0	(586)	(586)	0	(586)
Effect of items directly credited in equity by Associated Companies	0	0	0	0	0	235	235	0	235
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the year - net of deferred taxation	0	0	0	0	0	79,924	79,924	47,559	127,483
Balance as at 30 September, 2012	37,500	1	1,010,537	11,753	1,022,291	(67,444)	992,347	242,360	1,234,707
Total comprehensive income for the period ended 31 December, 2012	0	0	0	0	0	51,173	51,173	24,736	75,909
Profit after taxation	0	0	0	0	0	51,173	51,173	24,736	75,909
Other comprehensive loss	0	0	0	(520)	(520)	(1)	(521)	(110)	(631)
	0	0	0	(520)	(520)	51,172	50,652	24,626	75,278
Effect of items directly credited in equity by Associated Companies	0	0	0	0	0	55	55	0	55
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the year - net of deferred taxation	0	0	0	0	0	18,017	18,017	10,701	28,718
Balance as at 31 December, 2012	37,500	1	1,010,537	11,233	1,021,771	1,800	1,061,071	277,687	1,338,758

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

CHIEF EXECUTIVE

DIRECTOR

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (UNAUDITED)**  
**FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2012**

**1. THE GROUP AND ITS OPERATIONS**

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

The Parent Company was incorporated on 24 July, 1944 as a Public Company and its shares are quoted on Islamabad and Karachi Stock Exchanges. The Parent Company is principally engaged in manufacture and sale of white sugar and spirit. The Parent 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)**

- (i) CSM was incorporated on 05 May, 1988 as a Public Company and it commenced commercial production from 01 October, 1992. CSM is principally engaged in manufacture and sale of white sugar. Its shares are quoted on all the Stock Exchanges of Pakistan. The Head Office of CSM is situated at King's Arcade, 20-A, Markaz F-7, Islamabad and the Mills are located at Dera Ismail Khan.
- (ii) The Parent Company directly and indirectly controls / beneficially owns more than fifty percent of the 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 preceding financial year.

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

- (i) FSM was incorporated on 31 March, 1938 as a Public Company and its shares were quoted on all the Stock Exchanges of Pakistan; FSM, as at 30 September, 2010, was complying with the relevant requirements for delisting from the Stock Exchanges as detailed in note (iii). 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).
- (ii) FSM had 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.
- (iii) The Parent 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 passed a special resolution for de-listing from the Stock Exchanges at the annual general meeting held on 30 January, 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 Parent Company in the extra ordinary general meeting held on 10 June, 2010.

The purchase agent of the Parent Company (Invest Capital Investment Bank Ltd.) has 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 26 August, 2011, FSM has been de-listed from all the Stock Exchanges with effect from 25 October, 2010.

**2. BASIS OF PREPARATION**

These consolidated financial statements have been prepared in accordance with the requirements of Section 237 and 245 of the Companies Ordinance, 1984.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of these financial information are the same as those applied in preparation of the preceding published annual consolidated financial statements of the Company for the year ended 30 September, 2012.

**4. OPERATING SEGMENTS**

These consolidated financial statements have been prepared on the basis of single reportable segment.

**5. DATE OF AUTHORIZATION FOR ISSUE**

These consolidated financial statements were authorised for issue on 28 January, 2013 by the Board of Directors of the Parent Company.

**6. CORRESPONDING FIGURES**

Figures in the financial statements have been rounded-off to the nearest Thousand Rupees except stated otherwise and corresponding figures have been re-arranged wherever necessary.

**CHIEF EXECUTIVE**

**DIRECTOR**