



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

QUARTERLY FINANCIAL STATEMENTS
(UN-AUDITED)
AS ON 31 DECEMBER, 2014

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 Sarafaraz

Ms. Mehnaz Saigol

Mr. Iskander M. Khan

Mr. Baber Ali Khan

Mr. Abdul Qadar Khattak

Company Secretary

Mr. Mujahid Bashir

Chief Financial Officer

Mr. Rizwan Ullah Khan

Auditors

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

Cost Auditors

M/s. Munawar Associates Chartered Accountants

Tax Consultants

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

Legal Advisor

Mr. Isaac Ali Qazi Advocate

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

Faysal Bank Limited

Habib Bank Limited

National Bank of Pakistan

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

DIRECTORS' REVIEW REPORT

BRIEF REVIEW

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, 2014 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, 2014 and the Mills have crushed 65,423 tons up to 25 January, 2015 of sugarcane and have produced 5,365 tons of sugar, the Company suffered losses due to high cost of sugarcane.

DISTILLERY

Due to low prices of ethanol, the operation of distillery have been closed.

CONSOLIDATED FINANCIAL RESULTS

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

SUGAR PRICES

Due to excessive sugar production in the country the ex-factory prices have remained below the cost of production.

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.

ON BEHALF OF THE BOARD



(ABBAS SARFARAZ KHAN)
CHIEF EXECUTIVE

Mardan:
26 January, 2015

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

Note	<u>Unaudited</u>	<u>Audited</u>
	Dec.31, 2014	Sep.30 2014
	Rupees in thousand	
EQUITY AND LIABILITIES		
CAPITAL AND RESERVE		
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>(220,895)</u>	<u>(216,303)</u>
	716,606	721,198
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
	593,764	606,281
NON-CURRENT LIABILITIES		
Long term finances	200,000	200,000
Liabilities against assets subject to finance lease	3,933	4,405
Deferred Taxation	78,514	76,581
Staff retirement benefits - gratuity	9,563	9,175
	292,010	290,161
CURRENT LIABILITIES		
Trade and other payables	265,884	62,246
Accrued mark-up	13,094	17,380
Short term borrowings	530,000	405,971
Current portion of liabilities against assets subject to finance lease	1866	1852
Taxation	0	0
	810,844	487,449
CONTINGENCIES AND COMMITMENTS		
	<u>2,413,224</u>	<u>2,105,089</u>

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


CHIEF EXECUTIVE

**DISTILLERY COMPANY LIMITED
31 DECEMBER, 2014 (UN-AUDITED)**

Note	<u>Unaudited</u>	<u>Audited</u>
	Dec.31, 2014	Sep.30 2014
	Rupees in thousand	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	5 1,091,328	1,118,284
Investment Property	6 32,061	32,402
Investments	7 170,006	170,006
Long term loan to subsidiary Company	279,500	279,500
Security deposits	1,030	1,030
	<u>1,573,925</u>	<u>1,601,222</u>
CURRENT ASSETS		
Stores and spares	130,824	120,582
Stock-in-trade	511,315	176,694
Trade debts	1,436	33,846
Loans and advances	38,735	36,758
Trade deposits and short term prepayments	2,550	911
Accrued profit on bank deposits and loan to subsidiary company	20,782	16,447
Other receivables	12,686	14,989
Sales tax refundable	8,477	7,397
Income tax refundable, advance income tax and tax deducted at source	38,912	38,526
Bank balances	8 73,582	57,717
	839,299	503,867
	<u>2,413,224</u>	<u>2,105,089</u>


DIRECTOR

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
PROFIT AND LOSS ACCOUNT - (UNAUDITED)
FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2014

	1 Oct, 14 to 31 Dec, 2014	1 Oct, 13 to 31 Dec, 2013
	Rupees in thousand	
TURNOVER - Local	33,867	210,980
- Export	0	218,166
	33,867	429,146
Less: Sales Tax	2,538	16,311
SALES - net	31,329	412,835
COST OF SALES	20,506	411,483
GROSS PROFIT	10,823	1,352
ADMINISTRATIVE EXPENSES	14,948	12,872
DISTRIBUTION COST	241	5,948
	15,189	18,820
OPERATING LOSS	(4,366)	(17,468)
OTHER OPERATING INCOME	9,363	19,208
	4,997	1,740
OTHER OPERATING EXPENSES	0	0
FINANCE COST	20,173	10,855
	20,173	10,855
LOSS BEFORE TAXATION	(15,176)	(9,115)
PROVISION FOR TAXATION		
- Current	0	3,666
- Deferred	1,933	0
	1,933	3,666
LOSS AFTER TAXATION	(17,109)	(12,781)
OTHER COMPREHENSIVE INCOME	0	0
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(17,109)	(12,781)
	Rupees	
LOSS PER SHARE	(4.56)	(3.41)

- 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, 2014

	31-Dec., 2014	31-Dec., 2013
	Rupees in thousand	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the period - before taxation	(15,176)	(9,115)
Adjustments for:		
Depreciation on property, plant and equipment	26,066	13,214
Depreciation on investment property	341	372
Mark-up on loan to Subsidiary company and profit / mark-up on bank deposits	(8,446)	(8,403)
Staff retirement benefits-gratuity (Net)	388	482
Gain on sale of vehicle	(35)	0
Finance cost	17,183	10,128
	20,321	6,678
EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES (Increase) / decrease in current assets:		
Stores and spares	(10,242)	(2,605)
Stock-in-trade	(334,621)	114,385
Trade debtors	32,410	(42,932)
Loans and advances	(1,977)	(18,046)
Trade Deposits and short term prepayments	(1,639)	68
Other receivables	2,303	5,799
Sales tax - net	(1,080)	(1,312)
Increase in trade and other payables	203,638	78,213
	(111,208)	133,570
CASH (USED IN) / GENERATED FROM OPERATIONS	(90,887)	140,248
Income Tax paid	(386)	(4,474)
Security deposits	0	(340)
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES	(91,273)	135,434
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(115)	(12,386)
Sale proceeds of vehicle	1,040	0
Mark-up / profit received on loan to Subsidiary company and bank deposits	4,111	280
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	5,036	(12,106)
CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowings-net	124,029	(120,489)
Finance cost paid	(21,469)	(13,798)
Lease finances - net	(458)	1,508
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	102,102	(132,779)
	395,928	395,928
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	15,865	(9,451)
CASH AND CASH EQUIVALENTS - At the beginning of the period	57,717	92,062
CASH AND CASH EQUIVALENTS - At the end of the period	73,582	82,611

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, 2014

	Share capital	Reserves			Accumulated Loss	TOTAL
		Capital Share redemption	Revenue General	Sub-total		
Balance as at September 30, 2013 - audited and re-stated	37,500	1	900,000	900,001	(164,983)	772,518
Total comprehensive loss for the quarter ended December 31, 2013	0	0	0	0	(12,781)	(12,781)
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation) - on account of incremental depreciation for the year	0	0	0	0	6,514	6,514
Balance as at December 31, 2013 - unaudited and re-stated	37,500	1	900,000	900,001	(171,250)	766,251
Balance as at September 30, 2014 - audited	37,500	1	900,000	900,001	(216,303)	721,198
Total comprehensive loss for the quarter ended December 31, 2014	0	0	0	0	(17,109)	(17,109)
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	12,517	12,517
Balance as at December 31, 2014	37,500	1	900,000	900,001	(220,895)	716,606

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, 2014

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, 2014.

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, 2014 was for Rs. 20.863 million (30 September, 2014: 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, 2014 and 30 September, 2014.

5. PROPERTY, PLANT & EQUIPMENT

	Un-audited 31 Dec., 2014	Audited 30 Sep., 2014
	Rupees in thousand	
Opening book value	1,118,284	573,857
Additions during the period / year	115	161,604
- Disposals	(1,005)	(58)
Depreciation charge for the period / year	(26,066)	(55,185)
Revaluation adjustment	0	438,066
Closing book value	<u>1,091,328</u>	<u>1,118,284</u>



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

**CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE 1ST QUARTER ENDED
31 DECEMBER, 2014**

	Un-audited 31 Dec., 2014	Audited 30 Sep., 2014
Rupees in thousand		
6. INVESTMENT PROPERTY		
Opening book value	32,402	33,889
Additions during the period / year	0	0
Depreciation charge for the period / year	(341)	(1,487)
Closing book value	32,061	32,402

7. INVESTMENTS

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

8. BANK BALANCES

The status of the matter, as detailed in note 16.5 to the Company's published financial statements for the year-ended 30 September, 2014, has remained unchanged during the current period.

9. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 26 January, 2015 by the Board of Directors of the Company.

10. 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).

11. 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 & DISTILLERY COMPANY LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER, 2014 (UN-AUDITED)

	<u>Unaudited</u> December 31, 2014	<u>Audited</u> September 30, 2014
Assets		
Non-current Assets		
Property, plant and equipment	7,639,689	7,584,238
Intangible assets	204	233
Investment property	32,061	32,402
Long term investments	93,793	82,115
Security deposits	5,250	5,250
	<u>7,770,997</u>	<u>7,704,238</u>
Current Assets		
Stores and spares	575,227	447,552
Stock-in-trade	3,187,134	1,879,883
Trade debts	77,003	211,702
Loans and advances	226,885	222,044
Trade deposits, short term prepayments and other receivables	167,445	168,330
Accrued profit / mark-up on bank deposits	135	50
Income tax refundable, advance income tax and tax deducted at source	152,465	147,199
Sales tax refundable - net	234,315	200,657
Short term investments	28,086	27,487
Bank balances	199,726	246,643
	<u>4,848,421</u>	<u>3,551,547</u>
TOTAL ASSETS	<u>12,619,418</u>	<u>11,255,785</u>
Equity and Liabilities		
Equity		
Authorised capital	57,500	57,500
Issued, subscribed and paid-up capital	37,500	37,500
Reserves	1,035,880	1,026,560
Accumulated loss	(6,225)	(56,318)
Equity Attributable to Equity Holders of the Parent Company	<u>1,067,155</u>	<u>1,007,742</u>
Non-Controlling Interest	<u>383,417</u>	<u>325,462</u>
	<u>1,450,572</u>	<u>1,333,204</u>
Surplus on Revaluation of Property, Plant and Equipment	<u>2,497,093</u>	<u>2,526,224</u>
Non-current Liabilities		
Long term finances	2,601,871	2,227,408
Loans from Associated Companies	157,500	157,500
Liabilities against assets subject to finance lease	20,578	21,459
Deferred taxation	803,916	818,791
Staff retirement benefits - gratuity	11,796	11,496
	<u>3,595,661</u>	<u>3,236,654</u>
Current Liabilities		
Trade and other payables	1,421,081	426,082
Advances against sale of land	36,581	30,881
Accrued mark-up	132,239	205,351
Short term borrowings	3,323,457	3,336,694
Current portion of non-current liabilities	158,886	156,849
Dividends payable to non-controlling interest	3,848	3,846
	<u>5,076,092</u>	<u>4,159,703</u>
Total liabilities	<u>8,671,753</u>	<u>7,396,357</u>
TOTAL EQUITY AND LIABILITIES	<u>12,619,418</u>	<u>11,255,785</u>
Contingencies and Commitments		

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


CHIEF EXECUTIVE


DIRECTOR

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2014

	Quarter ended	
	December 31, 2014	December 31, 2013
-----Rupees in thousand-----		
Sales - Net	967,432	2,267,685
Cost of Sales	769,920	2,193,363
Gross Profit	197,512	74,322
Distribution Cost	4,855	25,242
Administrative Expenses	61,416	58,594
Other Expenses	18	18
	<u>66,289</u>	<u>83,854</u>
	131,223	(9,532)
Other Income	15,216	19,749
Profit from Operations	146,439	10,217
Finance Cost	84,753	57,573
	61,686	(47,356)
Share of (Loss) / Profit from Associated Companies	(166)	135
Profit / (Loss) before Taxation	61,520	(47,221)
Taxation		
Group		
- Current	-	21,697
- Deferred	9,298	(22,828)
	9,298	(1,131)
Associated Companies	4	3
	9,302	(1,128)
Profit / (Loss) after Taxation	52,218	(46,093)
Other Comprehensive Income / (Loss)		
Fair value gain on available-for-sale investments	11,298	9,301
Share of other comprehensive (loss) / income from Associated Companies	(5)	3
Total Comprehensive Income / (Loss)	<u>63,511</u>	<u>(36,789)</u>
Attributable to:		
- Equity holders of the Parent Company	25,863	(22,454)
- Non-controlling interest	37,648	(14,335)
	<u>63,511</u>	<u>(36,789)</u>
Combined Earning / (Loss) per Share	<u>3.89</u>	<u>(8.47)</u>
	----- Rupees -----	

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


CHIEF EXECUTIVE


DIRECTOR

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED CASH FLOW STATEMENT - UNAUDITED
FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2014

	Quarter ended	
	December 31, 2014	December 31, 2013
	-----Rupees in thousand-----	
Cash flow from operating activities		
Profit / (loss) for the year - before taxation	61,520	(47,221)
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	115,035	111,176
Depreciation on investment property	341	372
Amortisation of intangible assets	29	0
Loss / (profit) from Associated Companies - net	166	(135)
Interest / profit on bank deposits and saving accounts	(667)	(542)
Staff retirement benefits - gratuity (net)	300	537
Gain on disposal of operating fixed assets	(35)	(83)
Gain on re-measurement of short term investments to fair value	(598)	(448)
Gain on sale of investment in shares	0	(133)
Dividend income	0	(811)
Finance cost	81,123	57,573
Profit before working capital changes	257,214	120,285
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Stores and spares	(127,675)	(217,376)
Stock-in-trade	(1,307,251)	(226,264)
Trade debts	134,699	(55,995)
Loans and advances	(4,841)	(289,297)
Trade deposits, short term prepayments and other receivables	885	5,594
Sales tax refundable - net	(33,658)	(90,156)
Increase in current liabilities		
Trade and other payables	994,999	1,951,441
Advances against sale of land	5,700	0
	(337,142)	1,077,947
Cash (used in) / generated from operations	(79,928)	1,198,232
Income tax paid	(5,266)	(32,100)
Security deposits	0	(340)
Net cash (used in) / generated from operating activities	(85,194)	1,165,792
Cash flow from investing activities		
Additions to property, plant and equipment	(171,491)	(254,910)
Sale proceeds of operating fixed assets	1,040	352
Interest / profit on bank deposits and saving accounts	582	263
Short term investments - net	0	1,999
Dividend received	0	811
Net cash used in investing activities	(169,869)	(251,485)
Cash flow from financing activities		
Long term finances - net	376,671	649,081
Lease finances - net	(1,052)	12,755
Short term borrowings - net	(13,237)	(1,480,057)
Finance cost paid	(154,238)	(108,483)
Dividend paid	2	0
Net cash generated from (used in) financing activities	208,146	(926,704)
Net decrease in cash and cash equivalents	(46,917)	(12,397)
Cash and cash equivalents - at beginning of the period	246,643	159,548
Cash and cash equivalents - at end of the period	199,726	147,151

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, 2014

	----- Attributable to equity holders of the Parent -----							Non-controlling interest	Total equity
	Share capital	Reserves			Sub-total	Accumulated loss	Total		
		Share redemption	General	Fair value reserve on available-for-sale investments					
	----- Rupees in thousand -----								
Balance as at September 30, 2013									
as restated	37,500	1	1,010,537	10,870	1,021,408	(25,952)	1,032,956	300,344	1,333,300
Total comprehensive income / (loss) for the period ended December 31, 2013									
Loss after taxation	0	0	0	0	0	(30,129)	(30,129)	(15,964)	(46,093)
Other comprehensive income	0	0	0	7,673	7,673	3	7,676	1,629	9,305
	0	0	0	7,673	7,673	(30,126)	(22,453)	(14,335)	(36,788)
Effect of items directly credited in equity by Associated Companies	0	0	0	0	0	567	567	0	567
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	0	28,932	28,932	22,229	51,161
Balance as at December 31, 2013	37,500	1	1,010,537	18,543	1,029,081	(26,579)	1,040,002	308,238	1,348,240
Balance as at September 30, 2014	37,500	1	1,010,537	16,022	1,026,560	(56,318)	1,007,742	325,462	1,333,204
Total comprehensive income / (loss) for the period ended December 31, 2014									
Profit after taxation	0	0	0	0	0	16,548	16,548	35,670	52,218
Other comprehensive income / (loss)	0	0	0	9,320	9,320	(5)	9,315	1,978	11,293
	0	0	0	9,320	9,320	16,543	25,863	37,648	63,511
Effect of items directly credited in equity by Associated Companies	0	0	0	0	0	556	556	0	556
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	0	32,994	32,994	20,307	53,301
Balance as at December 31, 2014	37,500	1	1,010,537	25,342	1,035,880	(6,225)	1,067,155	383,417	1,450,572

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, 2014

1. THE GROUP AND ITS OPERATIONS

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

The Parent Company was incorporated on July 24, 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 financial year ended September 30, 2010.

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

(i) FSM was incorporated on March 31, 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 (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 has been suffering losses over the years and during the current and prior periods had not carried-out manufacturing operations due to non-availability of raw materials.

(iii) De-listing of FSM

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 had passed a special resolution for de-listing from the Stock Exchanges at the annual general meeting held on January 30, 2010. The shareholders had 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 June 10, 2010.

The purchase agent of the Parent 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 PREPERATION

This condensed interim consolidated financial information has been presented in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and is being submitted to the members in accordance with the requirements of section 245 of the Companies Ordinance, 1984. This condensed interim consolidated financial information does not include all of the information required for annual consolidated financial statements and, therefore, should be read in conjunction with the annual consolidated financial statements of the Company as at and for the year ended September 30, 2014.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of annual consolidated financial statements of the Company for the year ended September 30, 2014.

4. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT BECAME EFFECTIVE DURING THE PERIOD

Certain standards, interpretations and amendments to approved accounting standards are effective for accounting periods beginning on October 01, 2014 but are considered not to be relevant or to have significant effect on the Group's operations and are, therefore, not detailed in this condensed interim consolidated financial information.

5. TAXATION

There has been no significant change in the status of taxation matters as reported in the preceding published consolidated financial statements of the Group for the year ended September 30, 2014.

6. DATE OF AUTHORISATION FOR ISSUE

This condensed interim consolidated financial information was authorised for issue on January 26, 2015 by the Board of Directors of the Parent Company.

7. GENERAL

All financial information presented in Pakistan Rupees has been rounded to the nearest thousand unless otherwise stated and corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison. However, no material re-arrangements and re-classifications have been made in these consolidated financial


CHIEF EXECUTIVE


DIRECTOR