



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

**CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED  
DECEMBER 31, 2016**

**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. Baber Ali Khan	
Mr. Abdul Qadar Khattak	

**Audit Committee**

Mr. Samyra Rashid	Chairman
Mr. Aziz Sarfaraz Khan	Member
Ms. Najda Sarfaraz	Member
Mr. Baber Ali Khan	Member
Mr. Mujahid Bashir	Secretary

**Company Secretary**

Mr. Mujahid Bashir

**Chief Financial Officer**

Mr. Rizwan Ullah Khan

**Head of Internal Audit**

Syed Naveed Ali

**Auditors/Tax Consultants**

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

**Cost Auditors**

M/s. Munawar Associates 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	United Bank Limited
The Bank of Khyber	National Bank of Pakistan
MCB Bank Limited	Habib Bank Limited
The Bank of Punjab	Faysal Bank Limited
Allied Bank Limited	Bank Al-Falah Limited

**Registered Office**

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

**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 condensed interim financial information for the period ended December 31, 2016 to the shareholders of the Company in compliance with Section 245 of the Companies Ordinance, 1984 and the listing regulations of the Pakistan Stock Exchange.

**OPERATIONAL OPERATIONS**

The sugarcane crushing season 2016-17 commenced on November 07, 2016 and the mills have crushed 122,239.14 tons up to January 22, 2017 of sugarcane and have produced 10,290 tons of sugar at an average recovery of 8.79%. The Provincial Government of Khyber Pakhtunkhwa fixed sugarcane price @ Rs. 180/- per maund, however, due to the competition with the tax free commercial gur manufacturers offering higher price for sugarcane as they do not pay road cess, sales tax and income tax, the Company has to pay extra price of sugarcane.

**SUGAR PRICES**

We are expecting overall increase of 5%~10% in the sugarcane yield in the country resulting in increased sugar production. The GoP has allowed the export of 225,000 MT of sugar till March 31, 2017 at the international competitive rates without subsidy. We foresee consistent sugar prices.

**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 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**



**(ABBAS SARFARAZ KHAN)**  
CHIEF EXECUTIVE

Mardan:  
January 26, 2017

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

	Note	<u>Unaudited</u> Dec 31, 2016	<u>Audited</u> Sep 30, 2016
		Rupees in thousand	
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</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>(255,728)</u>	<u>(259,728)</u>
		681,773	677,773
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>			
		515,400	526,126
<b>NON-CURRENT LIABILITIES</b>			
Long term finances		133,333	133,333
Liabilities against assets subject to finance lease		2,670	3,243
Staff retirement benefits - gratuity		14,574	14,148
		150,577	150,724
<b>CURRENT LIABILITIES</b>			
Trade and other payables		135,835	50,149
Accrued mark-up		9,201	10,314
Short term borrowings		500,144	379,670
Current portion of:			
- long term finances		66,667	66,667
- liabilities against assets subject to finance lease		2,932	3,074
Taxation	3	20,608	16,768
		735,387	526,642
<b>CONTINGENCIES AND COMMITMENTS</b>			
	4	<u>2,083,137</u>	<u>1,881,265</u>

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

  
CHIEF EXECUTIVE

**DISTILLERY COMPANY LIMITED  
DECEMBER 31, 2016**

	Note	<u>Unaudited</u> Dec 31, 2016	<u>Audited</u> Sep 30, 2016
		Rupees in thousand	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	905,636	927,819
Investment Property	6	29,509	29,795
Investments	7	170,006	170,006
Long term loan to subsidiary		199,643	199,643
Security deposits		<u>1,258</u>	<u>1,258</u>
		1,306,052	1,328,521
<b>CURRENT ASSETS</b>			
Stores and spares		110,942	110,326
Stock-in-trade		387,874	172,212
Current portion of long term loan to subsidiary company		79,857	79,857
Trade debts		25,893	28,855
Loans and advances		69,793	50,715
Trade deposits and short term prepayments		3,760	1,213
Accrued profit on bank deposits and loan to subsidiary company		85	25
Other receivables		7,255	7,218
Advance sales tax		5,871	27,000
Income tax refundable, advance income tax and tax deducted at source		20,188	19,936
Bank balances	8	<u>65,567</u>	<u>55,387</u>
		777,085	552,744
		<u>2,083,137</u>	<u>1,881,265</u>

  
DIRECTOR

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**

FOR THE FIRST QUARTER ENDED DECEMBER 31, 2016

	31 Dec, 2016	31 Dec, 2015
	<b>Rupees in thousand</b>	
<b>TURNOVER</b>	<b>319,999</b>	<b>620,707</b>
Less: sales tax	<u>28,698</u>	<u>46,088</u>
<b>SALES - net</b>	<b>291,301</b>	<b>574,619</b>
<b>COST OF SALES</b>	<b>276,042</b>	<b>537,453</b>
<b>GROSS PROFIT</b>	<b>15,259</b>	<b>37,166</b>
<b>ADMINISTRATIVE EXPENSES</b>	<b>14,281</b>	<b>13,570</b>
<b>DISTRIBUTION COST</b>	<b>2,432</b>	<b>2,610</b>
	<u>16,713</u>	<u>16,180</u>
<b>OPERATING (LOSS) / PROFIT</b>	<b>(1,454)</b>	<b>20,986</b>
<b>OTHER OPERATING INCOME</b>	<b>9,904</b>	<b>9,216</b>
	<u>8,450</u>	<u>30,202</u>
<b>OTHER OPERATING EXPENSES</b>	<b>17</b>	<b>670</b>
<b>FINANCE COST</b>	<b>11,318</b>	<b>16,803</b>
	<u>11,335</u>	<u>17,473</u>
<b>(LOSS) / PROFIT BEFORE TAXATION</b>	<b>(2,885)</b>	<b>12,729</b>
<b>PROVISION FOR TAXATION</b>		
- Current	<u>3,841</u>	<u>3,911</u>
- Deferred	<u>0</u>	<u>(1,420)</u>
	<u>3,841</u>	<u>2,491</u>
<b>(LOSS) / PROFIT AFTER TAXATION</b>	<b>(6,726)</b>	<b>10,238</b>
<b>OTHER COMPREHENSIVE INCOME</b>	<b>0</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE (LOSS) / PROFIT FOR THE PERIOD</b>	<b>(6,726)</b>	<b>10,238</b>
	<b>Rupees</b>	
<b>(LOSS) / EARNING PER SHARE BASIC AND DILUTED</b>	<b>(1.79)</b>	<b>2.73</b>

- The annexed notes form an integral part of this condensed interim financial information.  
- Appropriations have been reflected in the statement of changes in equity.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**

FOR THE FIRST QUARTER ENDED DECEMBER 31, 2016

	31-Dec, 2016	31-Dec, 2015
	<b>Rupees in thousand</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit for the period - before taxation	(2,885)	12,729
Adjustments for:		
Depreciation on property, plant and equipment	21,443	23,615
Depreciation on investment property	286	311
Mark-up on loan to Subsidiary company and profit / mark-up on bank deposits	(5,373)	(5,864)
Staff retirement benefits-gratuity (Net)	426	478
Gain on sale of vehicle	(447)	0
Unclaimed payable balances written-back	(443)	0
Doubtful advance written-off	17	0
Dividend income	(574)	(383)
Finance cost	<u>11,318</u>	<u>16,016</u>
<b>Profit before working capital changes</b>	<b>23,768</b>	<b>46,902</b>
<b>EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES</b>		
Decrease / (Increase) in current assets:		
Stores and spares	(616)	588
Stock-in-trade	(215,662)	(40,239)
Trade debtors	2,962	(127,648)
Loans and advances	(19,095)	4,974
Trade Deposits and short term prepayments	(2,547)	(755)
Other receivables	(37)	(974)
Advance sales tax - net	21,129	3,788
Increase in trade and other payables	<u>86,128</u>	<u>7,992</u>
	<u>(127,738)</u>	<u>(152,274)</u>
<b>CASH USED IN OPERATIONS</b>	<b>(103,970)</b>	<b>(105,372)</b>
Income Tax paid	(252)	(278)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(104,222)</b>	<b>(105,650)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(208)	(4,473)
Sale proceeds of vehicle	1,395	0
Dividend received	574	383
Mark-up / profit received on loan to Subsidiary company and bank deposits	5,313	651
<b>NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>7,074</b>	<b>(3,439)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short term borrowings-net	<u>120,474</u>	<u>182,000</u>
Finance cost paid	(12,431)	(21,016)
Lease finances - net	<u>(715)</u>	<u>3,571</u>
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>107,328</b>	<b>164,555</b>
	<u>395,928</u>	<u>395,928</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>10,180</b>	<b>55,466</b>
<b>CASH AND CASH EQUIVALENTS - At the beginning of the period</b>	<b>55,387</b>	<b>56,014</b>
<b>CASH AND CASH EQUIVALENTS - At the end of the period</b>	<b>65,567</b>	<b>111,480</b>

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED DECEMBER 31, 2016**

	Share capital	Reserves			Accumulated Loss	TOTAL
		Capital Share redemption	Revenue General	Sub-total		
Balance as at September 30, 2015 - audited	37,500	1	900,000	900,001	(149,666)	787,835
Total comprehensive income for the quarter ended December 31, 2015	0	0	0	0	10,238	10,238
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	11,334	11,334
<b>Balance as at December 31, 2015 - unaudited</b>	<b>37,500</b>	<b>1</b>	<b>900,000</b>	<b>900,001</b>	<b>(128,094)</b>	<b>809,407</b>
<b>Balance as at September 30, 2016 - audited</b>	<b>37,500</b>	<b>1</b>	<b>900,000</b>	<b>900,001</b>	<b>(259,728)</b>	<b>677,773</b>
<b>Total comprehensive loss for the quarter ended December 31, 2016</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(6,726)</b>	<b>(6,726)</b>
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	10,726	10,726
<b>Balance as at December 31, 2016 unaudited</b>	<b>37,500</b>	<b>1</b>	<b>900,000</b>	<b>900,001</b>	<b>(255,728)</b>	<b>681,773</b>

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM**  
**FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED DECEMBER 31, 2016**

**1. CORPORATE INFORMATION**

The Company was incorporated on 24 July, 1944 as a Public Company and its shares are quoted on Pakistan Stock Exchange. 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 Pakistan Stock Exchange Limited. These financial statements are un-audited.
- 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, 2016.

**3. TAXATION**

- 3.1** Provision for current taxation mainly represents minimum tax u/s 113 and tax on income from property u/s 15 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, 2016 was for Rs. 24.23 million (30 September, 2016: 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 were outstanding as at 31 December, 2016 and 30 September, 2016.

**5. PROPERTY, PLANT & EQUIPMENT**

	<b>Un-audited</b>	Audited
	<b>31 Dec.,</b>	30 Sep.,
	<b>2016</b>	2016
	<b>Rupees in thousand</b>	
Opening book value	<b>927,819</b>	1,015,338
Additions during the period / year	<b>208</b>	8,396
Disposals	<b>(948)</b>	(811)
Depreciation charge for the period / year	<b>(21,443)</b>	(95,104)
Closing book value	<b>905,636</b>	927,819

	Un-audited 31 Dec., 2016	Audited 30 Sep., 2016
	Rupees in thousand	
6. INVESTMENT PROPERTY		
Opening book value	29,795	31,041
Depreciation charge for the period / year	(286)	(1,246)
Closing book value	29,509	29,795

#### 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 15.5 to the Company's published financial statements for the year-ended 30 September, 2016, has remained unchanged during the current period.

#### 9. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on January 26, 2017 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 CO. LTD., MARDAN

**CONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED  
DECEMBER 31, 2016**

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**CONDENSED INTERIM CONSOLIDATED BALANCE SHEET**  
**AS AT DECEMBER 31, 2016**

	<u>Unaudited</u> December 31, 2016	<u>Audited</u> September 30, 2016
<b>Assets</b>		
<b>Non-current Assets</b>	<b>Rupees in thousand</b>	
Property, plant and equipment	9,035,925	9,190,992
Intangible assets	433	433
Investment property	29,509	29,795
Long term investments	113,023	111,717
Security deposits	14,800	5,513
	<u>9,193,690</u>	<u>9,338,450</u>
<b>Current Assets</b>		
Stores and spares	459,150	438,405
Stock-in-trade	2,125,424	743,395
Trade debts	73,825	172,265
Loans and advances	468,499	332,472
Trade deposits, short term prepayments and other receivables	271,132	268,119
Accrued profit / mark-up on bank deposits	59	25
Sales tax refundable	5,871	27,000
Income tax refunds due from the Government	397,236	333,411
Short term investments	8,856	9,727
Bank balances	131,586	134,376
	<u>3,941,638</u>	<u>2,459,195</u>
<b>TOTAL ASSETS</b>	<u>13,135,328</u>	<u>11,797,645</u>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Authorised capital	57,500	57,500
Issued, subscribed and paid-up capital	37,500	37,500
Reserves	1,027,791	1,026,369
Accumulated loss	289,316	270,635
<b>Equity Attributable to Equity Holders of the Parent Company</b>	1,354,607	1,334,504
<b>Non-Controlling Interest</b>	692,442	677,486
	<u>2,047,049</u>	<u>2,011,990</u>
<b>Surplus on Revaluation of Property, Plant and Equipment</b>	3,350,512	3,381,660
<b>Non-current Liabilities</b>		
Long term finances	2,216,424	2,370,941
Loans from Associated Companies	237,357	112,500
Liabilities against assets subject to finance lease	42,430	34,843
Deferred taxation	760,095	789,159
Staff retirement benefits - gratuity	16,796	16,319
	<u>3,273,102</u>	<u>3,323,762</u>
<b>Current Liabilities</b>		
Trade and other payables	1,085,558	861,525
Accrued mark-up	89,835	119,134
Short term borrowings	2,752,821	1,416,715
Current portion of non-current liabilities	510,724	660,868
Dividends payable to non-controlling interest	5,113	5,113
Taxation	20,614	16,878
	<u>4,464,665</u>	<u>3,080,233</u>
<b>Total liabilities</b>	<u>7,737,767</u>	<u>6,403,995</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>13,135,328</u>	<u>11,797,645</u>
<b>Contingencies and Commitments</b>		

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS**  
**ACCOUNT (UNAUDITED)**

**FOR THE QUARTER ENDED DECEMBER 31, 2016**

	<b>Quarter ended</b>	
	December 31, 2016	December 31, 2015
	<b>-----Rupees in thousand-----</b>	
<b>Sales - Net</b>	2,151,405	2,173,065
<b>Cost of Sales</b>	1,925,722	1,844,563
<b>Gross Profit</b>	225,683	328,502
<b>Distribution Cost</b>	58,266	39,550
<b>Administrative Expenses</b>	92,251	75,752
<b>Other Expenses</b>	10,044	728
	<u>160,561</u>	<u>116,030</u>
	65,122	212,472
<b>Other Income</b>	11,276	5,850
<b>Profit from Operations</b>	76,398	218,322
<b>Finance Cost</b>	99,009	137,359
	<u>(22,611)</u>	<u>80,963</u>
<b>Share of (Loss) / Profit from Associated Companies</b>	(365)	141
<b>(Loss) / Profit before Taxation</b>	<u>(22,976)</u>	<u>81,104</u>
<b>Taxation</b>		
Group		
- Current	3,848	3,911
- Deferred	(2,283)	(4,977)
	<u>1,565</u>	<u>(1,066)</u>
Associated Companies	16	3
	<u>1,581</u>	<u>(1,063)</u>
<b>(Loss) / Profit after Taxation</b>	<u>(24,557)</u>	<u>82,167</u>
<b>Other Comprehensive Income / (Loss)</b>		
Fair value gain / (loss) on available-for-sale investments	1,724	(7,079)
Share of other comprehensive (loss) / income from Associated Companies	3	(9)
<b>Total Comprehensive (Loss) / Income Attributable to:</b>	<u>(22,830)</u>	<u>75,079</u>
- Equity holders of the Parent Company	(14,279)	39,322
- Non-controlling interest	(8,551)	35,757
	<u>(22,830)</u>	<u>75,079</u>
	<b>----- Rupees -----</b>	
<b>Combined (loss) / earning per share - basic and diluted</b>	<u>(4.27)</u>	<u>12.38</u>

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**CONDENSED INTERIM CONSOLIDATED CASH FLOW**  
**STATEMENT (UNAUDITED)**

**FOR THE FIRST QUARTER ENDED DECEMBER 31, 2016**

	<b>Quarter ended</b>	
	December 31, 2016	December 31, 2015
	-----Rupees in thousand-----	
<b>Cash flow from operating activities</b>		
Profit / (loss) for the year - before taxation	(22,976)	81,104
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	201,985	148,510
Depreciation on investment property	286	311
Amortization of intangible assets	-	686
Loss / (profit) from Associated Companies - net	365	(141)
Interest / profit on bank deposits and saving accounts	(130)	(276)
Staff retirement benefits - gratuity (net)	477	571
Gain on disposal of operating fixed assets	(4,646)	-
Gain on re-measurement of short term investments to fair value	(129)	(170)
Unclaimed payable balances written-back	(443)	-
Doubtful advance written-off	17	-
Dividend income	(574)	(383)
Finance cost	99,009	137,359
<b>Profit before working capital changes</b>	<b>273,241</b>	<b>367,571</b>
<b>Effect on cash flow due to working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Stores and spares	(20,745)	3,607
Stock-in-trade	(1,382,029)	(400,758)
Trade debts	98,440	129,112
Loans and advances	(136,044)	8,442
Trade deposits, short term prepayments and other receivables	(3,013)	18,547
Sales tax refundable - net	21,129	74,702
<b>Increase in current liabilities</b>		
Trade and other payables	224,476	425,393
	(1,197,786)	259,045
<b>Cash (used in) / generated from operations</b>	<b>(924,545)</b>	<b>626,616</b>
Income tax paid	(63,937)	(3,852)
Security deposits	(9,287)	-
<b>Net cash (used in) / generated from operating activities</b>	<b>(997,769)</b>	<b>622,764</b>
<b>Cash flow from investing activities</b>		
Additions to property, plant and equipment	(51,952)	(148,943)
Sale proceeds of operating fixed assets	9,680	-
Interest / profit on bank deposits and saving accounts	96	220
Short term investments - net	1,000	(20,000)
Dividend received	574	383
<b>Net cash used in investing activities</b>	<b>(40,602)</b>	<b>(168,340)</b>
<b>Cash flow from financing activities</b>		
Long term finances - net	(154,517)	759,320
Loans from Associated Companies	124,857	-
Lease finances - net	(142,557)	96,932
Short term borrowings - net	1,336,106	(1,070,366)
Finance cost paid	(128,308)	(201,886)
Dividend paid	-	-
<b>Net cash generated from (used in) financing activities</b>	<b>1,035,581</b>	<b>(416,000)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(2,790)</b>	<b>38,424</b>
<b>Cash and cash equivalents - at beginning of the period</b>	<b>134,376</b>	<b>199,424</b>
<b>Cash and cash equivalents - at end of the period</b>	<b>131,586</b>	<b>237,848</b>

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES**  
**IN EQUITY (UNAUDITED)**

**FOR THE FIRST QUARTER ENDED DECEMBER 31, 2016**

	----- Attributable to equity holders of the Parent -----								
	Share capital	Reserves			Sub-total	Accumulated loss	Total	Non-controlling interest	Total equity
		Share redemption	General	Revenue					
			Fair value reserve on available-for-sale investments						
	----- Rupees in thousand -----								
Balance as at September 30, 2015 - audited	37,500	1	1,010,537	15,506	1,026,044	191,746	1,255,290	493,098	1,748,388
Total comprehensive income / (loss) for the period ended December 31, 2015									
Profit after taxation	0	0	0	0	0	45,170	45,170	36,997	82,167
Other comprehensive income / (loss)	0	0	0	(5,839)	(5,839)	(9)	(5,848)	(1,240)	(7,088)
	0	0	0	(5,839)	(5,839)	45,161	39,322	35,757	75,079
Effect of items directly credited in equity by Associated Companies	0	0	0	0	0	246	246	0	246
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	30,035	30,035	18,549	48,584
<b>Balance as at December 31, 2015 - unaudited</b>	<b>37,500</b>	<b>1</b>	<b>1,010,537</b>	<b>9,667</b>	<b>1,020,205</b>	<b>267,188</b>	<b>1,324,893</b>	<b>547,404</b>	<b>1,872,297</b>
Balance as at September 30, 2016 - audited	37,500	1	1,010,537	15,831	1,026,369	270,635	1,334,504	677,486	2,011,990
Total comprehensive income / (loss) for the period ended December 31, 2016									
Profit after taxation	0	0	0	0	0	(15,704)	(15,704)	(8,853)	(24,557)
Other comprehensive income / (loss)	0	0	0	1,422	1,422	3	1,425	302	1,727
	0	0	0	1,422	1,422	(15,701)	(14,279)	(8,551)	(22,830)
Effect of items directly credited in equity by Associated Companies	0	0	0	0	0	(40)	(40)	0	(40)
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	34,422	34,422	23,507	57,929
<b>Balance as at December 31, 2016</b>	<b>37,500</b>	<b>1</b>	<b>1,010,537</b>	<b>17,253</b>	<b>1,027,791</b>	<b>289,316</b>	<b>1,354,607</b>	<b>692,442</b>	<b>2,047,049</b>

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**



## THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

### SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE FIRST QUARTER ENDED DECEMBER 31, 2016

#### 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 Pakistan Stock Exchange. 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, 2016.

#### 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, 2016.

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

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, 2016.

#### 6. DATE OF AUTHORISATION FOR ISSUE

This condensed interim consolidated financial information was authorised for issue on January 26, 2017 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 statements.

  
CHIEF EXECUTIVE

  
DIRECTOR