



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

**QUARTERLY FINANCIAL STATEMENTS  
(UN-AUDITED)  
AS ON 30 JUNE, 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. Babar Ali Khan

Mr. Abdul Qadar Khattak

**BOARD AUDIT COMMITTEE** Khan Aziz Sarfaraz Khan Chairman

Ms. Najda Sarfaraz Member

Mr. Babar 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

**WEBSITE** www.premiersugarmills.com

## THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

### DIRECTORS' REVIEW REPORT

The Interim financial statements for the nine months ended 30 June, 2012 are being presented to the shareholders in accordance with the requirements of the International Accounting Standard No. 34 "Interim Financial Reporting", under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi and Islamabad Stock Exchanges.

#### Sugarcane Season 2011-12

The sugarcane crushing season 2011-12 commenced on 20 November, 2011, and continued till 31 March, 2012. The Mills crushed 249,062 tons (2011: 133,655 tons) of sugarcane to produce 24,290 tons (2011: 11,509 tons) of sugar at an average recovery of 9.76 % (2011: 8.65 %).

#### Financial performance and Sugar prices

The Company suffered loss of Rs. 87.274 million because the prevailing sugar prices are lower than the cost of production.

#### Sugarbeet Season 2012

The sugarbeet slicing season started on 21 May, 2012 and lasted till 24 June, 2012. The Mills sliced 43,125 tons (2011: 50,509 tons) of sugar beet and produced 4,592.50 tons (2011: 4,466.70 tons) of sugar at an average recovery of 10.65 % (2011: 8.93 %).

#### Distillery

610,980 Gallons of Industrial Alcohol (2011: 172,000 Gallons) was produced during the period ended 30 June, 2012.

#### 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**  
**27 July, 2012**

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**CONDENSED INTERIM BALANCE SHEET AS AT 30 JUNE ,2012 (UN-AUDITED)**

		Un-audited 30 June, 2012 (Rupees in thousand)	Audited 30 Sep., 2011 (Rupees in thousand)
<b>Assets</b>			
<b>Non-current assets</b>	<b>NOTE</b>		
Property, Plant and equipment	4	634,290	673,845
Investment Property	5	35,740	37,066
Investments		170,006	170,006
long term loan to a Subsidiary Company		322,500	322,500
Security Deposits		518	517
		<u>1,163,054</u>	<u>1,203,934</u>
<b>Current assets</b>			
Stores and spares		98,970	104,531
Stock-in-trade		868,958	668,598
Trade debtors - unsecured - considered good		6,316	24,472
Income tax refundable, advance income tax and tax deducted at source		37,214	15,965
Loan and advances		15,916	10,945
Accrued profit on bank deposits		2	100
Trade deposits and short term prepayments		587	2,072
Other receivables		444	479
Sales tax refundable		0	18,540
Short term investments		63,969	178,416
Bank balances	6	142,984	49,281
		<u>1,235,360</u>	<u>1,073,399</u>
		<u>2,398,414</u>	<u>2,277,333</u>
<b>Equity and liabilities</b>			
<b>Capital and reserve</b>			
Authorised capital		57,500	57,500
Issued, subscribed and paid up capital		37,500	37,500
Reserves		900,001	900,001
Accumulated Loss		(86,243)	(22,504)
		851,258	915,000
Surplus on revaluation of Property , plant and equipment		365,352	388,883
<b>Non-current liabilities</b>			
Deferred taxation		31,132	91,360
Staff retirement benefits- gratuity		24,681	23,241
		55,813	114,601
<b>Current liabilities</b>			
Short term borrowings	7	728,982	797,126
Trade and other payables		373,746	31,118
Sales tax payable		1,196	0
Accrued mark-up on short term borrowings		19,448	30,267
Taxation	8	2,619	338
		1,125,991	858,849
Contingencies and commitments	9		
		<u>2,398,414</u>	<u>2,277,333</u>

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 PROFIT AND LOSS ACCOUNT**  
**FOR THE QUARTER AND NINE MONTHS ENDED 30 JUNE, 2012 (UN-AUDITED)**

	For the 3rd Quarter		Cumulative	
	April. -June. 2012	April. -June. 2011	Oct. - June, 2012	Oct. - June. 2011
	----- Rupees in thousand -----			
<b>TURNOVER - Local</b>	352,990	5,445	1,325,763	397,954
- Export	77,290	0	90,430	0
	<u>430,280</u>	<u>5,445</u>	<u>1,416,193</u>	<u>397,954</u>
<b>LESS: SALES TAX AND FEDERAL EXCISE DUTY</b>	15,353	849	93,754	15,742
	<u>414,927</u>	<u>4,596</u>	<u>1,322,439</u>	<u>382,212</u>
<b>COST OF SALES</b>	464,133	(26,024)	1,423,942	491,307
	<u>(49,206)</u>	<u>30,620</u>	<u>(101,503)</u>	<u>(109,095)</u>
<b>GROSS (LOSS) / PROFIT</b>	<u>(49,206)</u>	<u>30,620</u>	<u>(101,503)</u>	<u>(109,095)</u>
<b>ADMINISTRATIVE EXPENSES</b>	17,523	12,940	50,371	42,779
<b>DISTRIBUTION COST</b>	1,628	280	9,900	1,021
<b>OTHER OPERATING EXPENSES</b>	3	0	234	5
	<u>19,154</u>	<u>13,220</u>	<u>60,505</u>	<u>43,805</u>
	<u>(68,360)</u>	<u>17,400</u>	<u>(162,008)</u>	<u>(152,900)</u>
<b>OTHER OPERATING INCOME</b>	21,831	37,641	79,795	109,338
	<u>(46,529)</u>	<u>55,041</u>	<u>(82,213)</u>	<u>(43,562)</u>
<b>FINANCE COST</b>	21,077	23,666	62,939	38,226
<b>(LOSS) / PROFIT BEFORE TAXATION</b>	<u>(67,606)</u>	<u>31,375</u>	<u>(145,152)</u>	<u>(81,788)</u>
<b>TAXATION</b>				
Current	773	(1,375)	2,281	72
Prior years'	68	0	68	0
Deferred	(23,704)	8,036	(60,227)	(30,857)
	<u>(22,863)</u>	<u>6,661</u>	<u>(57,878)</u>	<u>(30,785)</u>
<b>(LOSS) / PROFIT AFTER TAXATION</b>	<u>(44,743)</u>	<u>24,714</u>	<u>(87,274)</u>	<u>(51,003)</u>
<b>OTHER COMPREHENSIVE INCOME</b>	0	0	0	0
<b>TOTAL COMPREHENSIVE / (LOSS) INCOME FOR THE PERIOD</b>	<u>(44,743)</u>	<u>24,714</u>	<u>(87,274)</u>	<u>(51,003)</u>
	----- Rupees -----			
<b>(LOSS) / EARNINGS PER SHARE</b>	<u>(11.93)</u>	<u>6.59</u>	<u>(23.27)</u>	<u>(13.60)</u>

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 CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 30 JUNE, 2012 (UN-AUDITED)**

	30 June, 2012	30 June, 2011
<b>Cash flow from operating activities</b>	<b>(Rupees in thousand)</b>	
Loss for the period - before taxation	(145,152)	(81,788)
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	47,144	43,222
Depreciation on investment property	1,326	1,452
Reversal of impairment loss on long term investments	0	(5,164)
Loss on disposal of vehicle	120	0
Uncollectible receivables balances written-off	114	0
Unclaimed payable balances written-back	(311)	0
Fair value gain on re-measurement of short term investments	(4,811)	0
Staff retirement benefits - gratuity (net)	1,440	2,427
Reversal of provision for workers' welfare fund	(581)	0
Accrued profit / mark-up on bank deposits and loan to a Subsidiary Company	(34,867)	(38,336)
Finance cost	62,939	38,226
<b>Loss before working capital changes</b>	<b>(72,639)</b>	<b>(39,961)</b>
<b>Effect on cash flow due to working capital changes</b>		
Decrease / (increase) in current assets		
Stores and spares	5,561	(795)
Stock-in-trade	(200,360)	(775,529)
Trade debts	18,042	28,626
Loan and advances	(4,971)	(4,960)
Trade deposits and short term prepayments	1,485	349
Other receivables	35	(5,956)
Sales tax- net	19,736	(11,022)
Increase in trade and other payables	343,541	124,789
	<b>183,069</b>	<b>(644,498)</b>
<b>Cash generated from / (used in) operating activities</b>	<b>110,430</b>	<b>(684,459)</b>
Taxes paid	(21,318)	(4,474)
Security Deposits	(1)	(15)
<b>Net cash generated from / (used in) operating activities</b>	<b>89,111</b>	<b>(688,948)</b>
<b>Cash flow from investing activities</b>		
Additions to property plant and equipment	(7,862)	(239)
Sale proceeds of a vehicle	153	0
Short term investments - net	119,259	(30,218)
Mark up on loan to a Subsidiary Company and profit / mark-up on bank deposits received	34,965	51,184
<b>Net cash generated from investing activities</b>	<b>146,515</b>	<b>20,727</b>
<b>Cash flow from financing activities</b>		
Short term borrowings - net	(68,144)	752,550
Dividend paid	(21)	(3,523)
Finance cost paid	(73,758)	(17,224)
<b>Net cash (used in) / generated from financing activities</b>	<b>(141,923)</b>	<b>731,803</b>
<b>Net Increase in cash and cash equivalents</b>	<b>93,703</b>	<b>63,582</b>
<b>Cash and cash equivalents - at the beginning of the period</b>	<b>49,281</b>	<b>55,644</b>
<b>Cash and cash equivalents - at the end of the period</b>	<b>142,984</b>	<b>119,226</b>

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

CHIEF EXECUTIVE

DIRECTOR

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 JUNE, 2012 (UN-AUDITED)**

	Reserves					
	Capital	Revenue		Sub-total		
	Share redemption	General	Unappropriated profit / (Accumulated Loss)			
Share capital	Rupees in thousand				Total	
Balance as at 30 September, 2010	37,500	1	900,000	900,001	141,750	1,079,251
<b>Transaction with owners</b>						
Final cash dividend paid at rate of Re. 1 per share	0	0	0	0	(3,750)	(3,750)
<b>Total comprehensive income for the period</b>						
Loss for the nine months ended 30 June, 2011	0	0	0	0	(51,003)	(51,003)
Incremental depreciation in respect of Surplus on Revaluation of Property, Plant & Equipment - net of deferred Taxation	0	0	0	0	20,137	20,137
Balance as at 30 June, 2011	37,500	1	900,000	900,001	107,134	1,044,635
<b>Total comprehensive loss for the period</b>						
Loss for the period from 1st July to 30 September, 2011	0	0	0	0	(141,563)	(141,563)
Incremental depreciation in respect of Surplus on Revaluation of Property, Plant & Equipment - net of deferred Taxation	0	0	0	0	11,928	11,928
Balance as at 30 September, 2011	37,500	1	900,000	900,001	(22,501)	915,000
<b>Total comprehensive loss for the period</b>						
Loss after taxation for the nine months ended 30 June, 2012	0	0	0	0	(87,274)	(87,274)
Incremental depreciation in respect of Surplus on Revaluation of Property, Plant & Equipment - net of deferred Taxation	0	0	0	0	23,532	23,532
<b>Balance as at 30 June, 2012</b>	<b>37,500</b>	<b>1</b>	<b>900,000</b>	<b>900,001</b>	<b>(86,243)</b>	<b>851,258</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 CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE PERIOD ENDED 30 JUNE, 2012 (UN-AUDITED)**

**1. CORPORATE INFORMATION**

The Premier Sugar Mills & Distillery Company Limited (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.

**2. BASIS OF PREPARATION**

This condensed interim financial information is un-audited; it has been prepared and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984 and International Accounting Standard (IAS) 34 (Interim Financial Reporting). The figures for the nine months ended 30 June, 2012 have, however, been prepared as required by the Code of Corporate Governance. This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the annual published financial statements of the Company for the year ended 30 September, 2011.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation of balances adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the annual published financial statements of the Company for the year ended 30 September, 2011.

Amendments to certain existing standards and new interpretations on approved accounting standards effective during the current period were not relevant to the Company's operations and did not have any impact on the accounting policies of the Company.

**30 June, 30 September**  
**2012 2011**  
**( Rupees in thousand )**

**4. PROPERTY, PLANT AND EQUIPMENT**

Opening book value	<b>673,845</b>	620,264
Additions during the period / year	<b>7,862</b>	246
Disposals during the period / year	<b>(273)</b>	0
Depreciation charge for the period / year	<b>47,144</b>	57,657
Elimination of depreciation against gross carrying amount	<b>0</b>	110,992
Closing book value	<u><b>634,290</b></u>	<u>673,845</u>

**5. INVESTMENT PROPERTY**

Opening book value	<b>37,066</b>	39,002
Depreciation charge for the period / year	<b>1,326</b>	1,936
Closing book value	<u><b>35,740</b></u>	<u>37,066</u>

**6. CASH AND BANK BALANCES**

The status of the matter, as detailed in note 26.3 the Company's published financial statements for the year-ended 30 September, 2011 has remained unchanged during the current period.

**7. SHORT TERM BORROWINGS - Secured**

Cash and running finance facility available from commercial banks under mark-up arrangement aggregate to Rs. 1.0 billion (30 September, 2011 : Rs. 950 million). The facilities during the period, carried mark-up at the rates ranging from 13.15% to 13.88% (30 September, 2011 : 15.07% to 15.54%).

**8. TAXATION**

**8.1** The status of pending tax cases has not changed since the date of preceding published annual financial statements for the year ended 30 September, 2011.

**8.2** Provision for minimum tax payable under section 113 of the Income Tax Ordinance, 2001 (the Ordinance) has not been made during the current period as the Company has incurred gross loss before set-off of depreciation and other inadmissible expenses under the Ordinance. Provision made during the period mainly represents tax payable on dividend income and export sales under section 5 and 154 of the Ordinance respectively.

**9. CONTINGENCIES AND COMMITMENTS**

**9.1** Guarantee given to Sui Northern Gas Pipelines Ltd. by a commercial bank on behalf of the Company outstanding as at 30 June, 2012 amounts to Rs. 45 million (30 September, 2011: Rs. 10 million). The guarantee is valid upto 30 November, 2012.

**9.2** The Bank of Khyber, on behalf of the Company, has issued guarantees aggregating Rs. 29.297 million in favour of Trading Corporation of Pakistan (Pvt.) Ltd. to ensure due performance of the contracts for supply of 12,700 metric tons of sugar. These guarantees will expire on various dates by 13 February, 2013 and are secured against 100% margin deposits.

**9.3** There has been no significant change in the status of contingencies and commitments since the date of preceding published annual financial statements for the year ended 30 September, 2011.

**10. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in its meeting held on 27 July, 2012.

**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. CORRESPONDING FIGURES**

- Corresponding figures have been rearranged and reclassified, wherever necessary, for the purposes of comparison; however, no material rearrangements / reclassifications have been made in these financial statements.

**13. GENERAL**

- Figures in the condensed interim financial information have been rounded-off to the nearest thousand Rupees except stated otherwise.

**CHIEF EXECUTIVE**

**DIRECTOR**

**CONDENSED INTERIM CONSOLIDATED  
QUARTERLY FINANCIAL STATEMENTS  
(UN-AUDITED)  
AS ON 30 JUNE, 2012**

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**DIRECTORS' REVIEW REPORT ON**  
**CONSOLIDATED INTERIM FINANCIAL RESULTS**

The directors are pleased to present the nine months consolidated financial statements for the period ended on 30 June, 2012 to the shareholders of the Company.

**General Review**

The Premier Sugar Mills & Distillery Company Limited's subsidiary company, Chashma Sugar Mills Limited has suffered net loss of Rs. 136.573 million due to low sugar prices and The Frontier Sugar Mills & Distillery Limited suffered loss of Rs. 4.882 million due to the diversion of sugarcane towards tax free gur industry.

**Review of Operations**

The Director's Review Reports on the respective financial statements of the Holding Company and the Subsidiary Companies fully cover all the important events that took place during the period under review.

**Current Season 2011-12**

The total of 1,445,264 tons (2011; 1,487,207 tons) of sugarcane was crushed by the Sugar Mills of the Group Companies during the current season. The Frontier Sugar Mills & Distillery Limited could not operate and remained closed during the season due to non availability of sugarcane.

**Customer's Support and Staff Relations**

We thank our valued customers for their continued feedback and recognize the roll they play in the success of the Group. We would also like to extend our appreciations to all the employees of the Group for their commitment and hard work.

**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 Group Companies.

Mardan  
27 July, 2012

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**CONDENSED INTERIM CONSOLIDATED BALANCE SHEET**  
**AS AT 30 JUNE ,2012 (UN-AUDITED)**

	<u>Unaudited</u> 30 June 2012 Rupees in thousand	<u>Audited</u> 30 Sep. 2011	<u>Unaudited</u> 30 June 2012 Rupees in thousand	<u>Audited</u> 30 Sep. 2011 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	1,022,596	1,017,378		
Unappropriated profit	<u>30,760</u>	<u>138,714</u>		
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<u>1,090,856</u>	<u>1,193,592</u>		
<b>NON-CONTROLLING INTEREST</b>	<u>265,799</u>	<u>318,924</u>		
	<u>1,356,655</u>	<u>1,512,516</u>		
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>	<u>1,457,069</u>	<u>1,552,682</u>		
<b>NON-CURRENT LIABILITIES</b>				
Long term financing	518,282	340,000		
Loans from Associated Companies	180,000	180,000		
Liabilities against assets subject to finance lease	10,323	6,207		
Deferred liabilities: - deferred taxation	501,795	600,184		
- staff retirement benefits - gratuity	28,084	26,700		
	<u>1,238,484</u>	<u>1,153,091</u>		
<b>CURRENT LIABILITIES</b>				
Trade and other payables	986,218	300,397		
Accrued mark-up	99,242	155,715		
Short term borrowings	2,594,882	2,702,226		
Current portion of: - long term financing	231,250	246,664		
- liabilities against assets subject to finance lease	3,619	1,702		
Dividends payable to non-controlling interest	3,489	3,490		
Sales tax and federal excise duty payable	609	0		
Taxation	109,061	79,932		
	<u>4,028,370</u>	<u>3,490,126</u>		
<b>CONTINGENCIES AND COMMITMENTS</b>	<u>8,080,578</u>	<u>7,708,415</u>	<u>8,080,578</u>	<u>7,708,415</u>

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 PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED 30 JUNE, 2012 (UN-AUDITED)**

	<u>For the 3rd Quarter</u>		<u>Cumulative</u>	
	<u>April - June</u>	<u>April - June</u>	<u>Oct. - June,</u>	<u>Oct. - June,</u>
	2012	2011	2012	2011
	-----Rupees in thousand-----			
<b>Turnover</b> - local	694,817	1,171,651	6,859,908	5,391,678
- export	90,430	0	90,430	0
	<u>785,247</u>	<u>1,171,651</u>	<u>6,950,338</u>	<u>5,391,678</u>
<b>Less: Sales Tax and Federal Excise Duty</b>	39,797	80,092	489,788	256,994
	<u>745,450</u>	<u>1,091,559</u>	<u>6,460,550</u>	<u>5,134,684</u>
<b>Cost of Sales</b>	819,689	1,055,059	6,417,224	4,781,025
	<u>(74,239)</u>	<u>36,500</u>	<u>43,326</u>	<u>353,659</u>
<b>Gross (Loss) / Profit</b>	2,449	2,216	23,340	12,199
<b>Distribution Cost</b>	45,500	40,189	149,773	123,905
<b>Administrative Expenses</b>	916	1,975	1,894	20,107
<b>Other Operating Expenses</b>	48,865	44,380	175,007	156,211
	<u>(123,104)</u>	<u>(7,880)</u>	<u>(131,681)</u>	<u>197,448</u>
<b>Other Operating Income</b>	25,590	1,146	81,808	96,251
<b>(Loss) / Profit from Operations</b>	<u>(97,514)</u>	<u>(6,734)</u>	<u>(49,873)</u>	<u>293,699</u>
<b>Finance Cost</b>	102,283	137,754	261,668	310,411
	<u>(199,797)</u>	<u>(144,488)</u>	<u>(311,541)</u>	<u>(16,712)</u>
<b>Share of Profit from Associated Companies - Net</b>	89	521	837	5,220
<b>Loss before Taxation</b>	<u>(199,708)</u>	<u>(143,967)</u>	<u>(310,704)</u>	<u>(11,492)</u>
<b>TAXATION</b>				
Group				
- current	(21,226)	9,420	29,260	47,597
- prior years'	68	0	68	(4,726)
- deferred	<u>(36,424)</u>	<u>8,036</u>	<u>(98,388)</u>	<u>(30,857)</u>
	<u>(57,582)</u>	<u>17,456</u>	<u>(69,060)</u>	<u>12,014</u>
Associated Companies	4	(201)	1,360	1,480
	<u>(57,578)</u>	<u>17,255</u>	<u>(67,700)</u>	<u>13,494</u>
<b>Loss after Taxation</b>	<u>(142,130)</u>	<u>(161,222)</u>	<u>(243,004)</u>	<u>(24,986)</u>
<b>Other Comprehensive Income / (Loss) for the Period</b>				
Fair value gain on available-for-sale investment	3,936	1,045	6,326	5,505
Share from Associated Companies	(11)	0	21	0
<b>Total Comprehensive Loss for the Period</b>	<u>(138,205)</u>	<u>(160,177)</u>	<u>(236,657)</u>	<u>(19,481)</u>
<b>Attributable to:</b>				
- Equity holders of the parent	(82,944)	(97,327)	(161,110)	(59,750)
- Non-controlling interest	<u>(55,261)</u>	<u>(62,850)</u>	<u>(75,547)</u>	<u>40,269</u>
	<u>(138,205)</u>	<u>(160,177)</u>	<u>(236,657)</u>	<u>(19,481)</u>
	----- Rupees -----			
<b>Combined Loss Per Share</b>	<u>(23.17)</u>	<u>(26.23)</u>	<u>(44.66)</u>	<u>(17.40)</u>

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 CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 30 JUNE, 2012 (UN-AUDITED)**

	30 June, 2012	30 June, 2011
	Rupees in thousand	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(310,704)</b>	<b>(11,492)</b>
Loss for the period - before taxation		
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets & investment property	265,935	211,460
Amortisation of intangible assets	75	265
Profit from Associated Companies -net	(837)	(5,220)
Profit / mark-up on bank deposits	(5,145)	(2,481)
Staff retirement benefits - gratuity (net)	1,034	1,803
Unclaimed payable balances written-back	(535)	0
Gain on sale of vehicles	(428)	(27)
Uncollectible receivable balances written-off	738	0
Gain on re-measurement of short term investments to fair value	(22,914)	(36,785)
Gain on redemption of short term investments	(24,377)	(11,302)
Dividend income	(1,315)	0
Finance cost	261,668	310,411
<b>Profit before working capital changes</b>	<b>163,195</b>	<b>456,632</b>
<b>Effect on cash flow due to working capital changes</b>		
<b>(Increase) / decrease in current assets:</b>		
Stores and spares	(76,115)	(38,777)
Stock-in-trade	(288,684)	(3,326,963)
Trade debts	20,905	(475,111)
Loans and advances	(13,921)	(11,275)
Trade deposits and short term prepayments	1,826	320
Other receivables	(5,748)	(6,166)
<b>Increase / (decrease) in current liabilities:</b>		
Trade and other payables	686,133	544,996
Sales tax and federal excise duty - net	609	(35,691)
	325,005	(3,348,667)
<b>Cash generated from / (used in) operations</b>	<b>488,200</b>	<b>(2,892,035)</b>
Income taxes paid	(94,901)	(47,130)
Security deposits	(1)	(40)
<b>Net cash generated from / (used in) operating activities</b>	<b>393,298</b>	<b>(2,939,205)</b>
<b>Cash flow from investing activities</b>		
Additions to property, plant and equipment	(142,762)	(31,816)
Sale proceeds of vehicles	1,053	150
Intangible assets acquired	0	(300)
Profit / mark-up on bank deposits received	5,242	2,322
Short term investments - net	95,897	(127,756)
Dividends received	1,315	0
<b>Net cash used in investing activities</b>	<b>(39,255)</b>	<b>(157,400)</b>
<b>Cash flow from financing activities</b>		
Long term finances -net	162,868	(183,334)
Lease finance - net	6,033	0
Short term finances - net	(107,344)	3,593,625
Dividend paid	(13,805)	(31,812)
Finance cost paid	(318,141)	(202,524)
<b>Net cash (used in) / generated from financing activities</b>	<b>(270,389)</b>	<b>3,175,955</b>
<b>Net increase in cash and cash equivalents</b>	<b>83,654</b>	<b>79,350</b>
<b>Cash and cash equivalents - At beginning of the period / year</b>	<b>153,669</b>	<b>79,477</b>
<b>Deposits with a non-bank finance institutions grouped under current asset during the period</b>	<b>0</b>	<b>46,800</b>
	153,669	126,277
<b>CASH AND CASH EQUIVALENTS - At end of the period / year</b>	<b>237,323</b>	<b>205,627</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**  
**FOR THE PERIOD ENDED 30 JUNE, 2012 (UN-AUDITED)**

Share capital	----- Attributable to equity holders of the Parent -----						Non-controlling interest	Total equity	
	Capital		Reserves		Unappropriated profit / (accumulated Loss)	Total			
	Share redemption	General	Fair value reserve on available-for-sale investments	Sub-total					
----- Rupees in thousand -----									
<b>Balance as at 30 September, 2010</b>	37,500	1	1,008,567	8,032	1,016,600	230,500	1,284,600	244,853	1,529,453
<b>Transactions with owners:</b>									
Final cash dividend for the year ended 30 September, 2010 at the rate of Re.1 per share	0	0	0	0	0	(32,442)	(32,442)	0	(32,442)
<b>Total comprehensive income for the period ended 30 June, 2011</b>									
- loss for the period	0	0	0	0	0	(65,255)	(65,255)	40,269	(24,986)
- other comprehensive income	0	0	0	4,460	4,460	0	4,460	1,045	5,505
	0	0	0	4,460	4,460	(65,255)	(60,795)	41,314	(19,481)
<b>Effect of items directly credited in equity by Associated Companies</b>	0	0	0	0	0	44	44	0	44
<b>Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period -net of deferred taxation</b>	0	0	0	0	0	70,797	70,797	0	70,797
<b>Balance as at 30 June, 2011</b>	<b>37,500</b>	<b>1</b>	<b>1,008,567</b>	<b>12,492</b>	<b>1,021,060</b>	<b>203,644</b>	<b>1,262,204</b>	<b>286,167</b>	<b>1,548,371</b>
<b>Balance as at 30 September, 2011</b>	37,500	1	1,010,537	6,840	1,017,378	138,714	1,193,592	318,924	1,512,516
<b>Transactions with owners:</b>									
Final cash dividend for the year ended 30 September, 2011 at the rate of Re.1 per share paid by a Subsidiary Company	0	0	0	0	0	0	0	(14,355)	(14,355)
<b>Total comprehensive income for the period ended 30 June, 2012</b>									
- loss for the period	0	0	0	0	0	(167,457)	(167,457)	(75,547)	(243,004)
- other comprehensive income	0	0	0	5,218	5,218	21	5,239	1,108	6,347
	0	0	0	5,218	5,218	(167,436)	(162,218)	(74,439)	(236,657)
<b>Indirect share of Parent Company in dividend paid by CSM to Azlak Enterprises (Pvt.) Ltd.</b>	0	0	0	0	0	(586)	(586)	0	(586)
<b>Effect of items directly credited in equity by Associated Companies</b>	0	0	0	0	0	125	125	0	125
<b>Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period -net of deferred taxation</b>	0	0	0	0	0	59,943	59,943	35,669	95,612
<b>Balance as at 30 June, 2012</b>	<b>37,500</b>	<b>1</b>	<b>1,010,537</b>	<b>12,058</b>	<b>1,022,596</b>	<b>30,760</b>	<b>1,090,856</b>	<b>265,799</b>	<b>1,356,655</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**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM**  
**CONSOLIDATED FINANCIAL INFORMATION**  
**FOR THE PERIOD ENDED 30 JUNE, 2012 (UN-AUDITED)**

**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.

**(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) 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 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. The purchase agent during, the proceeding year ended 30 September, 2011, had further purchased 19,884 ordinary shares and 20,014 preference shares.

2. This condensed interim 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 shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984. This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Company as at and for the year ended 30 September, 2011.

3. 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 audited annual consolidated financial statements of the Company for the preceding year ended 30 September, 2011.

4. Amendments to certain existing standards and new interpretation on approved accounting standards effective during the current period were not relevant to the Group's operations and did not have any impact on the accounting policies of the Group.

**5. TAXATION**

Provision for the current period represents tax payable under sections 5 (Tax on Dividends), 113 (Minimum Tax on Income) and 154 (Exports) of the Income Tax Ordinance, 2001.

**6. CONTINGENCIES AND COMMITMENTS**

6.1 There has been no significant change in the status of contingencies and commitments as reported in the audited consolidated financial statements of the Group for the year ended 30 September, 2011.

6.2 The Bank of Khyber (BoK), on behalf of the Group, has issued guarantees aggregating Rs.87.891 million in favour of Trading Corporation of Pakistan (Pvt.) Ltd. to ensure due performance of the contracts for supply of 38,100 metric tons of sugar. These guarantees will expire on various dates by February, 2013.

6.3 Guarantee given to Sui Northern Gas Pipelines Ltd. by a commercial bank on behalf of the Parent Company outstanding as at 31 March, 2012 was for Rs.45 million (30 September, 2011: Rs.10 million). The guarantee is valid upto 30 November, 2012.

**7. DATE OF AUTHORIZATION FOR ISSUE**

These consolidated financial statements were authorised for issue on 27 July, 2012 by the Board of Directors of the Parent Company.

**8. 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