



THE PREMIER SUGAR MILLS  
& DISTILLERY COMPANY LIMITED.  
MARDAN

CONDENSED INTERIM  
UNCONSOLIDATED FINANCIAL INFORMATION  
FOR THE NINE MONTHS PERIOD  
ENDED JUNE 30, 2017  
(UN-AUDITED)

## THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

### COMPANY INFORMATION

#### Board of Directors

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

#### Audit Committee

Mr. Samyra Rashid	Chairman
Mr. Aziz Sarfaraz Khan	Member
Ms. Najda Sarfaraz	Member
Ms. Zarmine Sarfaraz	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. Zahid Jamil & Co Chartered Accountants

#### Legal Advisor

Mr. Isaac Ali Qazi Advocate

#### Shares Registrar

M/s. Hameed Majeed Associates (Pvt.) Ltd.

H.M. House, 7-Bank Square, Lahore.

Phone No.: 042-37235081 Fax No.: 042-37235083

#### Bankers

Bank Al-Habib Limited	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

The Directors of The Premier Sugar Mills & Distillery Company Limited are pleased to present the un-audited condensed interim financial information of the Company for the nine months that ended on June 30, 2017 to the shareholders of the Company in compliance with Section 237 of the newly promulgated Companies Act, 2017 (the Act) and the listing regulations of the Pakistan Stock Exchange.

#### OPERATIONAL OPERATIONS

The sugarcane crushing season 2016-17 commenced on November 07, 2016 and continued till April 11, 2017. The mills have crushed 268,864.455 tons (2016: 178,273 tons) of sugarcane and have produced 25,003 tons (2016: 17,677 tons) of sugar at an average recovery of 9.32% (2016: 9.94%).

#### SUGAR PRICES

The country achieved the highest ever sugar production of around 7.0 million tons, this coupled with carry over stock created a surplus of 2.5 million tons over and above the domestic consumption. Despite this, the Ministry of Commerce opposed to allow the export of surplus sugar of 2.0 million tons without subsidy during high international prices from December 2016 to March 2017 to earn US\$ 1.12 Billion. As a result, the surplus stock pressurized the domestic market and at present, the sugar prices are lower than the cost of sugarcane.

#### FINANCIAL PERFORMANCE

The Company suffered loss of Rs. 48.007 million (2016: 121.343 million) during the past nine months, due to high cost of sugarcane as the Company have to compete with tax free Gur making to procure sugarcane.

#### CONSOLIDATED FINANCIAL RESULTS

Consolidated financial statements are annexed with this condensed interim financial information as required under section 228 of the Companies Act, 2017.

#### ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this 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:  
July 28, 2017

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET**  
**AS AT JUNE 30, 2017**

		Un-audited June 30, 2017 (Rupees in thousand)	Audited Sep. 30, 2016
<b>Assets</b>	<b>Note</b>		
<b>Non-current Assets</b>			
Property, plant and equipment	5	865,369	927,819
Investment property	6	28,939	29,795
Long term investments		170,006	170,006
Long term loan to Subsidiary Company	7	279,500	199,643
Security deposits		1,258	1,258
		<u>1,345,072</u>	<u>1,328,521</u>
<b>Current Assets</b>			
Stores and spares		100,474	110,326
Stock-in-trade		1,054,834	172,212
Current portion of long term loan to Subsidiary Company	7	0	79,857
Trade debts		21,579	28,855
Advances		57,815	50,715
Trade deposits and short term prepayments		3,327	1,213
Accrued profit on bank deposits		118	25
Other receivables		7,282	7,218
Sales tax refundable		93,675	27,000
Income tax refundable, advance income tax and tax deducted at source		33,884	19,936
Bank balances	8	52,243	55,387
		<u>1,425,231</u>	<u>552,744</u>
<b>Total Assets</b>		<u>2,770,303</u>	<u>1,881,265</u>
<b>Equity and Liabilities</b>			
<b>Share Capital and Reserves</b>			
Authorised capital		57,500	57,500
Issued, subscribed and paid-up capital		37,500	37,500
Reserves		900,001	900,001
Accumulated loss		(275,556)	(259,728)
<b>Shareholders' Equity</b>		<u>661,945</u>	<u>677,773</u>
<b>Surplus on revaluation of Property, plant and equipment</b>		501,572	526,126
<b>Non-current Liabilities</b>			
Long term finances		100,000	133,333
Liabilities against assets subject to finance lease		3,677	3,243
Staff retirement benefits - gratuity		13,663	14,148
		<u>117,340</u>	<u>150,724</u>
<b>Current Liabilities</b>			
Trade and other payables		174,244	50,149
Accrued mark-up		24,622	10,314
Short term borrowings		1,189,291	379,670
Current portion of long term finances		66,667	66,667
Current portion of liabilities against assets subject to finance lease		2,301	3,074
Taxation	10	32,321	16,768
		<u>1,489,446</u>	<u>526,642</u>
<b>Contingencies and Commitments</b>	9		
<b>Total Equity and Liabilities</b>		<u>2,770,303</u>	<u>1,881,265</u>

The annexed notes 1-12 form an integral part of this condensed interim unconsolidated financial information.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED**  
**PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE QUARTER AND NINE MONTHS PERIOD ENDED JUNE 30, 2017**

		Quarter Ended		Nine Months Ended	
	Note	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
		----- Rupees in thousand -----			
<b>Sales - local</b>		189,075	1,154,425	576,308	1,473,016
<b>Less: sales tax</b>		(20,075)	(85,731)	(55,972)	(109,402)
<b>Sales - net</b>		<u>169,000</u>	<u>1,068,694</u>	<u>520,336</u>	<u>1,363,614</u>
<b>Cost of sales</b>		(191,143)	(1,122,045)	(528,008)	(1,505,806)
<b>Gross loss</b>		<u>(22,143)</u>	<u>(53,351)</u>	<u>(7,672)</u>	<u>(142,192)</u>
<b>Distribution cost</b>		(588)	(11,703)	(3,952)	(18,422)
<b>Administrative expenses</b>		(11,968)	(27,318)	(43,141)	(44,719)
<b>Other operating expenses</b>		1,414	(670)	(2,584)	(49)
		<u>(11,142)</u>	<u>(39,691)</u>	<u>(49,677)</u>	<u>(63,190)</u>
		<u>(33,285)</u>	<u>(93,042)</u>	<u>(57,349)</u>	<u>(205,382)</u>
<b>Other income</b>		7,499	23,896	89,356	82,692
<b>(Loss) / Profit from operations</b>		<u>(25,786)</u>	<u>(69,146)</u>	<u>32,007</u>	<u>(122,690)</u>
<b>Finance cost</b>		(25,917)	(69,889)	(56,835)	(52,288)
<b>Loss before taxation</b>		<u>(51,703)</u>	<u>(139,035)</u>	<u>(24,828)</u>	<u>(174,978)</u>
<b>Taxation</b>					
- Current	10	(2,345)	(3,911)	(15,554)	(4,345)
- Deferred		0	20,730	(7,625)	57,980
		<u>(2,345)</u>	<u>16,819</u>	<u>(23,179)</u>	<u>53,635</u>
<b>Loss after taxation</b>		<u>(54,048)</u>	<u>(122,216)</u>	<u>(48,007)</u>	<u>(121,343)</u>
<b>Other Comprehensive Income</b>		0	0	0	0
<b>Total Comprehensive Loss for the Period</b>		<u>(54,048)</u>	<u>(122,216)</u>	<u>(48,007)</u>	<u>(121,343)</u>
		----- Rupees -----			
<b>Loss per Share</b>		<u>(14.41)</u>	<u>(32.59)</u>	<u>(12.80)</u>	<u>(32.36)</u>

The annexed notes 1-12 form an integral part of this condensed interim unconsolidated

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

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

**CONDENSED INTERIM UNCONSOLIDATED  
CASH FLOW STATEMENT (UN-AUDITED)**

**FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2017**

	June 30, 2017	June 30, 2016
<b>Cash flow from operating activities</b>		
Loss for the period - before taxation	(24,828)	(174,978)
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	64,402	71,264
Depreciation on investment property	856	935
Gain on sale of fixed assets	(681)	(586)
Uncollectible receivable balances written-off	17	49
Unclaimed payable balances written-back	0	(89)
Mark-up on loan to Subsidiary Company and profit / mark-up on bank deposits	(16,227)	(17,118)
Staff retirement benefits - gratuity (net)	(485)	984
Dividends	(62,453)	(34,760)
Finance cost	56,835	52,288
<b>Profit / (Loss) before working capital changes</b>	<b>17,436</b>	<b>(102,011)</b>
<b>Effect on cash flow due to working capital changes</b> (Increase) / Decrease in current assets:		
Stores and spares	9,852	4,477
Stock-in-trade	(882,622)	368,269
Trade debts	7,276	(126,463)
Loans and advances	(7,117)	(6,696)
Trade deposits and short term prepayments	(2,114)	(1,306)
Other receivables	(64)	4,000
Sales tax -net	(66,675)	3,788
Increase / (Decrease) in trade and other payables	124,095	61,222
	<b>(817,369)</b>	<b>307,291</b>
<b>Cash (used in) / generated from operations</b>	<b>(799,933)</b>	<b>205,280</b>
Income tax paid	(13,949)	(5,116)
Security deposits	0	(228)
<b>Net cash (used in) / generated from operating activities</b>	<b>(813,882)</b>	<b>199,936</b>
<b>Cash flow from investing activities</b>		
Additions to property, plant and equipment	(3,511)	(6,842)
Sale proceeds of fixed assets	2,240	1,265
Mark-up on loan to a Subsidiary Company and profit / mark-up on bank deposits received	16,134	11,558
Dividends received	62,453	34,760
<b>Net cash generated from investing activities</b>	<b>77,316</b>	<b>40,741</b>
<b>Cash flow from financing activities</b>		
Short term borrowings - net	809,621	(177,983)
Long term finances repaid	(33,333)	0
Finance cost paid	(42,527)	(54,323)
Dividends paid	0	(7,500)
Lease finances - net	(339)	1,399
<b>Net cash generated from / (used in) financing activities</b>	<b>733,422</b>	<b>(238,407)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(3,144)</b>	<b>2,270</b>
<b>Cash and cash equivalents - at beginning of the period</b>	<b>55,387</b>	<b>56,014</b>
<b>Cash and cash equivalents - at end of the period</b>	<b>52,243</b>	<b>58,284</b>

The annexed notes 1-12 form an integral part of this condensed interim unconsolidated

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

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

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

**FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2017**

	Share capital	Reserves			Accumul- ated loss	Total
		Share redempt- ion	General	Sub- total		
----- Rupees in thousand -----						
Balance as at September 30, 2015	37,500	1	900,000	900,001	(149,666)	787,835
<b>Total comprehensive loss for the period</b>						
Loss after taxation for the nine months ended June 30, 2016	0	0	0	0	(121,343)	(121,343)
Cash dividend at the rate of Rs.2 per ordinary share for the year ended September 30, 2015	0	0	0	0	(7,500)	(7,500)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period -net of deferred taxation	0	0	0	0	34,003	34,003
Balance as at June 30, 2016	37,500	1	900,000	900,001	(244,506)	692,995
<b>Total comprehensive loss for the period</b>						
Loss for the period from 1st July to September 30, 2016	0	0	0	0	(28,450)	(28,450)
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	12,688	12,688
Other comprehensive income	0	0	0	0	540	540
Balance as at September 30, 2016	37,500	1	900,000	900,001	(259,728)	677,773
<b>Total comprehensive loss for the period</b>						
Loss after taxation for the nine months ended June 30, 2017	0	0	0	0	(48,007)	(48,007)
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	32,179	32,179
Balance as at June 30, 2017	37,500	1	900,000	900,001	(275,556)	661,945

The annexed notes 1-12 form an integral part of this condensed interim unconsolidated

  
**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 NINE MONTHS PERIOD ENDED JUNE 30, 2017**

**1. Legal status and operations**

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

**2. Basis of preparation**

This condensed interim financial information is unaudited and is being submitted to the members in accordance with section 237 of the Companies Act, 2017 (the Act). It has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Act. In case where requirements differ, the provisions of or directives issued under the Act have been followed. 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 financial statements of the Company for the year ended September 30, 2016.

This condensed interim financial information is presented in Pak Rupee, which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.

**3. Significant Accounting Policies**

The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended September 30, 2016.

**4. Accounting Estimates, Judgments and Financial Risk Management**

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

Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended September 30, 2016.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended September 30, 2016.

	Un-audited June 30, 2017	Audited Sep. 30, 2016
	(Rupees in thousand)	
<b>5. Property, Plant and Equipment</b>		
Operating fixed assets	865,333	927,819
Capital work-in-progress - advances	36	0
	<b>865,369</b>	<b>927,819</b>
<b>5.1 Operating fixed assets - tangible</b>		
Book value at the beginning of the period / year	927,819	1,015,338
Additions during the period / year :		
- plant and machinery	0	1,500
- furniture, fittings & office equipment	783	1,780
- vehicles	2,692	5,116
	3,475	8,396
Book value of assets disposed-off during the period / year	(1,559)	(811)
Depreciation charge for the period / year	(64,402)	(95,104)
Book value at the end of the period / year	<b>865,333</b>	<b>927,819</b>
<b>6. Investment property</b>		
Opening book value	29,795	31,041
Depreciation charge for the period / year	856	1,246
Closing book value	<b>28,939</b>	29,795
<b>7. Long term loan to Subsidiary Company - Secured</b>		
Balance at period / year-end	279,500	279,500
Less: current portion grouped under current assets	0	79,857
	<b>279,500</b>	199,643
<b>7.1</b>		
The Company and Chasmha Sugar Mills Ltd., during the period on February 09, 2017, have entered into a loan agreement whereby the Company has revised the repayment schedule. As per the revised terms, the loan tenure is 3.5 years with grace period of 3 years; the principal balance of loan is repayable in 7 equal installments commencing February, 2020. The loan carries mark-up at the rate of 1-month KIBOR+1.25% but not less than the borrowing cost rate of the Company. The loan is secured against a promissory note of Rs. 374 million.		
<b>8. Bank balances</b>		
<b>8.1</b>		
Period-end bank balances include deposits aggregating Rs.39 million lying with Innovative Investment Bank Ltd. (IIBL), Islamabad carrying profit at the rate of 5% per annum. The maturity dates of these deposits fell between July 29, 2009 to July 29, 2012.		

**8.2** The realisability of these deposits aggregating Rs.39 million is doubtful of recovery as these could not be encashed on their respective maturity dates; further, period-end balance confirmation certificate from IIBL was also not received. The Securities and Exchange Commission of Pakistan (SECP), in exercise of its powers conferred under sections 282 E & F of the Companies Ordinance, 1984, had superseded the entire Board of Directors of IIBL and appointed an Administrator with effect from January 28, 2010. SECP had also instituted winding-up proceedings against IIBL in the Lahore High Court, Lahore (LHC). SECP had sought liquidation on a number of counts including violation of the Scheme of Amalgamation approved by SECP under which IIBL took over all the rights / liabilities of Crescent Standard Investment Bank Ltd.

The Company has sizeable investment in IIBL by virtue of which it is entitled to be heard. The Company, therefore, has filed a petition before the LHC under Civil Procedure Code 1908 to be made party in the winding-up proceedings.

The Company has not accrued profit on these deposits during the current period as well as preceding financial years.

**8.3** There has been no change in the status of matter as reported in note 15.5 to the audited financial statements of the Company for the year ended September 30, 2016.

#### **9. Contingencies and commitments**

**9.1** There has been no significant change in the status of contingencies as reported in the audited financial statements of the Company for the year ended September 30, 2016.

**9.2** Guarantees given to Sui Northern Gas Pipelines Ltd. by a commercial bank on behalf of the Company outstanding as at June 30, 2017 were for Rs.10 million (September 30, 2016: Rs.10 million). These guarantees are valid upto May 26, 2018.

#### **10. Taxation**

Provision for the current period represents tax due under sections 5 (Tax on dividends), 15 (Income from property) and 113 C (Alternative corporate tax) of the Income Tax Ordinance, 2001.

#### **11. Date of Authorisation for Issue**

This condensed interim financial information was approved and authorised for issue by the Board of Directors of the Company on July 28, 2017.

#### **12. Corresponding Figures**

**12.1** In order to comply with the requirements of IAS 34 'Interim financial reporting', the condensed interim balance sheet has been compared with the balances of annual audited financial statements of the preceding financial year, whereas, the condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; however, no significant re-classifications / re-statements have been made to this condensed interim financial information.

**12.2** Figures in this condensed interim financial information has been rounded-off to the nearest thousand Rupees.

## **CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2017 (UN-AUDITED)**



**CHIEF EXECUTIVE**



**DIRECTOR**

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

The Board of Directors are pleased to present the condensed interim consolidated financial information for the nine months ended June 30, 2017 to the shareholders of the Company.

**GENERAL REVIEW**

The Premier Sugar Mills & Distillery Company Limited's subsidiary company, Chashma Sugar Mills Limited has earned profit after tax of Rs. 185.637 Million and The Frontier Sugar Mills & Distillery Limited suffered loss after tax of Rs. 6.304 million during the nine months that ended June 30, 2017.

**REVIEW OF OPERATIONS**

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

**CURRENT SEASON 2016-17**

The total of 2,493,358.455 tons (2016: 1,867,906 tons) of sugarcane was crushed by the sugar mills of the Group Companies during the current season.

**CUSTOMER'S SUPPORT AND STAFF RELATIONS**

We thank our valued customers for their continued feedback and recognize the role 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.

ON BEHALF OF THE BOARD



**(ABBAS SARFARAZ KHAN)**  
**CHIEF EXECUTIVE**

**Mardan:**  
**July 28, 2017**

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**CONDENSED INTERIM CONSOLIDATED BALANCE SHEET**  
**AS AT JUNE 30, 2017 (UNAUDITED)**

	Note	Un-audited June 30, 2017 (Rupees in thousand)	Audited Sep 30, 2016
<b>Assets</b>			
<b>Non-current Assets</b>			
Property, plant and equipment		8,748,560	9,190,992
Intangible assets		108	433
Investment property		28,939	29,795
Long term investments		113,758	111,717
Security deposits		14,936	5,513
		<b>8,906,301</b>	<b>9,338,450</b>
<b>Current Assets</b>			
Stores and spares		393,380	438,405
Stock-in-trade		4,623,787	743,395
Trade debts		136,132	172,265
Loans and advances		322,546	332,472
Trade deposits, short term prepayments and other receivables		269,162	268,119
Accrued profit on bank deposits		118	25
Sales tax refundable / Advance sales tax		94,216	27,000
Income tax refundable, advance income tax and tax deducted at source		572,464	333,411
Short term investments		8,046	9,727
Bank balances		158,697	134,376
		<b>6,578,548</b>	<b>2,459,195</b>
		<b>15,484,849</b>	<b>11,797,645</b>
<b>TOTAL ASSETS</b>			
<b>Equity and Liabilities</b>			
<b>Share Capital and Reserves</b>			
Authorised capital		57,500	57,500
Issued, subscribed and paid-up capital		37,500	37,500
Reserves		1,028,678	1,026,369
Unappropriated profit / (accumulated loss)		342,612	270,635
		<b>1,408,790</b>	<b>1,334,504</b>
<b>Equity Attributable to Equity Holders of the Parent Company</b>			
<b>Non-controlling Interest</b>			
		775,628	677,486
		<b>2,184,418</b>	<b>2,011,990</b>
<b>Surplus on Revaluation of Property, Plant and Equipment</b>			
		3,242,509	3,381,660
<b>Non-current Liabilities</b>			
Long term finances		1,835,904	2,370,941
Loans from Associated Companies		109,325	112,500
Liabilities against assets subject to finance lease		45,808	34,843
Deferred taxation		743,193	789,159
Staff retirement benefits - gratuity		15,987	16,319
		<b>2,750,217</b>	<b>3,323,762</b>
<b>Current Liabilities</b>			
Trade and other payables		1,161,201	861,525
Accrued mark-up		152,649	119,134
Short term borrowings		5,187,277	1,416,715
Current portion of non-current liabilities		699,460	660,868
Dividends payable to non-controlling interest		15,563	5,113
Current portion of liabilities against assets subject to finance lease		2,301	0
Taxation		89,254	16,878
		<b>7,307,705</b>	<b>3,080,233</b>
<b>Contingencies and Commitments</b>			
	7		
		<b>15,484,849</b>	<b>11,797,645</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			

The annexed notes 1-9 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 (UN-AUDITED)**

**FOR THE QUARTER AND NINE MONTHS PERIOD ENDED JUNE 30, 2017**

	Quarter Ended		Nine Months Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	----- Rupees in thousand -----			
Sales (local and export)	4,784,972	5,743,172	10,133,683	12,948,179
Less: Sales Tax	(445,570)	(396,392)	(939,474)	(900,739)
Sales - net	4,339,402	5,346,780	9,194,209	12,047,440
Cost of sales	(3,955,598)	(5,056,491)	(8,228,816)	(11,145,739)
Gross profit	383,804	290,289	965,393	901,701
Distribution cost	(48,093)	(71,445)	(144,624)	(210,631)
Administrative expenses	(99,234)	(106,826)	(293,161)	(269,155)
Other income	2,280	15,724	22,966	40,601
Other expenses	(4,119)	(5,423)	(23,069)	(12,623)
Profit from operations	234,638	122,319	527,505	449,893
Finance cost	(177,709)	(138,068)	(417,408)	(435,917)
	56,929	(15,749)	110,097	13,976
Share of Profit / (Loss) from Associated Companies	(545)	302	(998)	67
Profit / (loss) before taxation	56,384	(15,447)	109,099	14,043
Taxation				
Group				
- Current	(73,449)	(44,768)	(60,223)	(54,295)
- Deferred	8,182	36,713	11,559	83,977
	(65,267)	(8,055)	(48,664)	29,682
Associated Companies	(23)	5	(54)	(13)
	(65,290)	(8,050)	(48,718)	29,669
Profit / (loss) after Taxation	(8,906)	(23,497)	60,381	43,712
Other Comprehensive Income / (Loss)				
Fair value (loss) / gain on available-for-sale investments	(4,199)	2,365	2,799	(1,590)
Share of other comprehensive income / (loss) from Associated Companies	7	24	13	5
Total Comprehensive (Loss) / Income	(13,098)	(21,108)	63,193	42,127
Attributable to:				
- Equity holders of the Parent Company	(57,687)	(92,849)	(29,067)	(61,415)
- Non-controlling interest	44,589	71,741	92,260	103,542
	(13,098)	(21,108)	63,193	42,127
	----- Rupees -----			
Combined (Loss) / Earnings per Share	(14.27)	(25.40)	(8.50)	(15.95)

The annexed notes 1-9 form an integral part of this condensed interim consolidated financial information.

  
CHIEF EXECUTIVE

  
DIRECTOR

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

**FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2017**

	June 30, 2017	June 30, 2016
	(Rupees in thousand)	
<b>Cash flow from operating activities</b>		
Profit for the period - before taxation	109,099	14,043
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	612,856	447,811
Depreciation on investment property	856	935
Amortisation of intangible assets	325	412
Loss / (profit) from Associated Companies - net	998	(67)
Profit on bank deposits and saving accounts	(630)	(614)
Staff retirement benefits - gratuity (net)	(332)	1,060
Un-claimed payable balances written-back	0	(89)
Gain on sale of operating fixed assets -net	(4,871)	(1,640)
Gain on redemption of short term investments	(42)	0
Gain on re-measurement of short term investments to fair value	(277)	(484)
Uncollectible receivable balances written-off	17	49
Dividend income	(62,453)	(34,760)
Finance cost	417,408	435,917
<b>Profit before working capital changes</b>	1,072,954	862,573
<b>Effect on cash flow due to working capital changes</b>		
<b>Decrease / (increase) in current assets</b>		
Stores and spares	45,025	(11,950)
Stock-in-trade	(3,880,392)	1,651,599
Trade debts	36,116	(590,357)
Loans and advances	9,926	(16,631)
Trade deposits, short term prepayments and other receivables	(1,043)	25,752
Sales tax refundable-net	(67,216)	114,498
<b>Increase / (Decrease) in current liabilities</b>		
Trade and other payables	299,676	563,415
Advances against sale of land	0	0
	(3,557,908)	1,736,326
<b>Cash (used in) / generated from operations</b>	(2,484,954)	2,598,899
Income tax paid	(226,900)	(250,256)
Security deposits	(9,423)	(233)
<b>Net cash (used in) / generated from operating activities</b>	(2,721,277)	2,348,410
<b>Cash flow from investing activities</b>		
Additions to property, plant and equipment	(176,770)	(341,221)
Sale proceeds of operating fixed assets	13,510	5,654
Intangible assets acquired	0	0
Short term investments -net	2,000	(19,000)
Dividends received	62,453	34,760
Profit on bank deposits and saving accounts received	537	509
<b>Net cash used in investing activities</b>	(98,270)	(319,298)
<b>Cash flow from financing activities</b>		
Long term finances - net	(499,620)	696,796
Lease finances - net	10,965	12,391
Short term borrowings - net	3,770,562	(2,234,859)
Finance cost paid	(383,893)	(479,079)
Dividend paid	(54,146)	(34,328)
<b>Net cash generated from / (used in) financing activities</b>	2,843,868	(2,039,079)
<b>Net increase / (decrease) in cash and cash equivalents</b>	24,321	(9,967)
<b>Cash and cash equivalents - at beginning of the period</b>	134,376	199,424
<b>Cash and cash equivalents - at end of the period</b>	158,697	189,457

The annexed notes 1-9 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 (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2017**

	----- Attributable to equity holders of the Parent Company -----					(Accumulated Loss) / Unappropriated Profit	Total	Non-controlling interest	Total equity
	Share capital	Share redemption	Reserves		Sub-total				
			Capital	Revenue					
		General	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	189,573	1,253,117	493,098	1,746,215
<b>Total comprehensive (loss) / income</b>									
Loss for the period ended June 30, 2016	0	0	0	0	0	(60,108)	(60,108)	103,820	43,712
Other comprehensive income / (loss)	0	0	0	(1,312)	(1,312)	5	(1,307)	(278)	(1,585)
	0	0	0	(1,312)	(1,312)	(60,103)	(61,415)	103,542	42,127
Effect of items directly credited in equity by Associated Companies	0	0	0	0	0	(230)	(230)	0	(230)
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	90,126	90,126	55,651	145,777
Cash dividend at the rate of Rs.2 per ordinary share paid by Parent for the year ended September 30, 2015	0	0	0	0	0	(7,500)	(7,500)	0	(7,500)
Cash dividend at the rate of Rs.2.5 per ordinary share paid by CSM other than to the Parent company for the year ended September 30, 2015	0	0	0	0	0	0	0	(35,887)	(35,887)
<b>Balance as at June 30, 2016</b>	<b>37,500</b>	<b>1</b>	<b>1,010,537</b>	<b>14,194</b>	<b>1,024,732</b>	<b>211,866</b>	<b>1,274,098</b>	<b>616,404</b>	<b>1,890,502</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
<b>Total comprehensive (Loss) / Income</b>									
Loss for the period ended June 30, 2017	0	0	0	0	0	(31,389)	(31,389)	91,770	60,381
Other comprehensive income / (loss)	0	0	0	2,309	2,309	13	2,322	490	2,812
	0	0	0	2,309	2,309	(31,376)	(29,067)	92,260	63,193
Effect of items directly credited in equity by Associated Companies	0	0	0	0	0	281	281	0	281
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the half year -net of deferred tax	0	0	0	0	0	103,072	103,072	70,478	173,550
Cash dividend at the rate of Rs.4.5 per ordinary share paid by CSM other than to the Parent company for the year ended September 30, 2016	0	0	0	0	0	0	0	(64,596)	(64,596)
<b>Balance as at June 30, 2017</b>	<b>37,500</b>	<b>1</b>	<b>1,010,537</b>	<b>18,140</b>	<b>1,028,678</b>	<b>342,612</b>	<b>1,408,790</b>	<b>775,628</b>	<b>2,184,418</b>

The annexed notes 1-9 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 NINE MONTHS PERIOD ENDED JUNE 30, 2017**

**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 Ltd. 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 May 05, 1988 as a Public Company and it commenced commercial production from October 01, 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 period and prior years had not carried-out manufacturing operations due to non-availability of raw materials.
- (iii) **Delisting 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 PREPARATION

This condensed interim consolidated financial information is unaudited and is being submitted to the members in accordance with section 237 of the Companies Act, 2017 (the Act). It has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Act. In case where requirements differ, the provisions of or directives issued under the Act have been followed. This condensed interim consolidated financial information does not include all the information required for annual consolidated financial statements and, therefore, should be read in conjunction with the annual consolidated financial statements for the year ended September 30, 2016.

This condensed interim consolidated financial information is presented in Pak Rupees, which is also the Group's functional currency and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in 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 Group as at and for the year ended September 30, 2016.

## 4. ACCOUNTING ESTIMATES AND JUDGEMENT

The preparation of condensed interim consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended September 30, 2016.

## 5. CHANGES IN ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on or after October 01, 2016, but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not disclosed in this condensed interim consolidated financial information.

## 6. TAXATION

### The Parent Company

Provision for the current period represents tax due under sections 5 (Tax on dividends), 15 (Income from property) and 113 C (Alternative corporate tax) of the Income Tax Ordinance, 2001.

### CSM

There has been no significant change in the status of taxation matters as reported in note 32 to the preceding published financial statements of the Company for the year ended September 30, 2016.

The Company, for the current period, is mainly liable to pay tax due under sections 113 (minimum tax on turnover) and 154 (tax on export proceeds) of the Tax Ordinance.

### FSM

There has been no significant change in the status of taxation matters as reported in note 29.16 to the consolidated financial statements of the Group for the year ended September 30, 2016.

## 7. CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of matters as reported in the preceding consolidated financial statements for the year ended September 30, 2016.

## 8. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorised for issue on July 28, 2017 by the Board of Directors of the Parent Company.

## 9. CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34 'Interim financial reporting', the condensed interim balance sheet has been compared with the balances of annual audited financial statements of the Group for the year ended September 30, 2016, whereas, the condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; however, no significant re-classifications / re-statements have been made to this condensed interim financial information.

  
CHIEF EXECUTIVE

  
DIRECTOR