



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

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
31 MARCH, 2011

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN	KHAN AZIZ SARFARAZ KHAN
CHIEF EXECUTIVE DIRECTORS	MR. ABBAS SARFARAZ KHAN BEGUM LAILA SARFARAZ MS. ZARMINE SARFARAZ MS. NAJDA SARFARAZ MS. MAHNAZ SAIGOL MR. ISKANDER M. KHAN MR. ABDUL QADAR KHATTAK MR. BABAR ALI KHAN

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

BANKERS

NATIONAL BANK OF PAKISTAN
HABIB BANK LIMITED
MCB BANK LIMITED
UNITED BANK LIMITED
ALLIED BANK LIMITED
THE BANK OF KHYBER
INNOVATIVE INVESTMENT BANK LIMITED
THE BANK OF PUNJAB
BANK ALFALAH LIMITED
FAYSAL BANK LIMITED

REGISTERED OFFICE

MARDAN (N.W.F.P.)
PHONES: (0937) 862051-862052
FAX: (0937) 862989

FACTORY

MARDAN

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
DIRECTORS' REVIEW REPORT

These half yearly financial statements 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 Listing Regulations of the Stock Exchanges of Pakistan. Enclosed financial statements are un-audited and have been reviewed by the external auditors as required by the Code of Corporate Governance.

OPERATIONAL PERFORMANCE

The sugarcane crushing season commenced on 01 November, 2010 and lasted till February 28, 2011. The Mills have crushed 133,655 tons (2010: 3,864 tons) sugarcane and produced 11,508.5 tons (2010: 50 tons) of sugar at an average recovery of 8.60 % (2010: 7.01 %). We face an adverse competition from the tax free commercial Gur operators for the procurement of sugarcane who have an edge over us, as despite the fact that the Government has imposed sales tax on the Gur trade, the sales tax authorities have failed to collect sales tax. This beside resulting in revenue loss of more than One Billion of Rupees to the exchequer is also responsible for sugar deficit in the Khyber Pakhtunkwa. We have made several representations to the Government to create a level playing ground by collecting sales tax on the commercial Gur sales, since Gur is not exempt from the levy of sales tax & excise duty.

SUGAR PRICE

The sugar prices as compared with the tax free Gur prices have remained low throughout the crushing season and the prevailing sugar price does not even cover the cost of sugarcane. However, sugar prices are expected to increase in the coming days.

SUGARBEET SEASON 2011

The timely periodical rains have increased the crop production as compared to last year. The sugarbeet slicing season commenced on May 25, 2011.

DISTILLERY

172,000 gallons of Industrial Alcohol were produced during the period ended 31st March, 2011. (2010: 2,129 gallons).

FINANCIAL PERFORMANCE

During this half year, the Company suffered a loss of Rs. 75.7 million (2010: profit of Rs. 63.2 million) due to higher sugarcane cost and low sugar prices.

CONSOLIDATED FINANCIAL RESULTS

Consolidated financial statements are annexed with these Quarterly accounts as required under Section 237 of the Companies Ordinance 1984.

AUDITORS REPORT

Reply to the Auditor's reservation:

Note No. 10.1:

The Securities and Exchange Commission of Pakistan, in exercise of its powers conferred under sections 282 E & F of the Companies Ordinance, 1984, has superseded the entire Board of Directors of IIBL and appointed an Administrator with effect from 28 January, 2010, who has filed a petition with the Lahore High Court for winding-up of IIBL. Presently the petition is pending adjudication. The management has written a letter to SECP in order to assess the approximate loss to provide in the accounts.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these half yearly financial statements are the same as those 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 staff at all levels.

Mardan:
27 May, 2011

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED
INTERIM FINANCIAL INFORMATION TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim balance sheet of **THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED** (the Company) as at 31 March, 2011 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half-year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

The figures of the condensed interim profit and loss account for the quarters ended 31 March, 2011 and 2010 have not been reviewed, as we are required to review only the cumulative figures for the half-year ended 31 March, 2011.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

Provision against deposits with a non-bank financial institution aggregating Rs.39 million has not been made in this condensed interim financial information as the matter is pending adjudication before the Court as fully detailed in note 10.1.

Qualified Conclusion

Based on our review, except for the matter referred to in the aforementioned paragraph and the extent to which this may affect the annexed condensed interim financial information, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half-year ended 31 March, 2011 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

LAHORE:
28 May, 2011

HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS
 Engagement Partner: Abdul Majeed Chaudhri

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONDENSED INTERIM BALANCE SHEET AS AT 31 MARCH, 2011

	Un-audited 31 March, 2011	Audited 30 Sep., 2010		Un-audited 31 March, 2011	Audited 30 Sep., 2010
	Note (Rupees in thousand)			Note (Rupees in thousand)	
EQUITY AND LIABILITIES			ASSETS		
SHARE CAPITAL AND RESERVES			NON-CURRENT ASSETS		
Authorised capital	57,500	57,500	Property, plant and equipment	9 591,629	620,264
Issued, subscribed and paid-up capital	37,500	37,500	Investment property	38,033	39,002
Reserves	900,001	900,001	Investments	165,852	160,688
Unappropriated profit	75,707	141,750	Long term loan to a Subsidiary Company	322,500	322,500
	<u>1,013,208</u>	<u>1,079,251</u>	Deposits with a non-bank financial institution	10 15,600	15,600
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	335,379	348,803	Security deposits	522	502
				<u>1,134,136</u>	<u>1,158,556</u>
NON-CURRENT LIABILITIES			CURRENT ASSETS		
Deferred taxation	148,074	186,967	Stores and spares	86,195	83,694
Staff retirement benefits - gratuity	22,313	20,289	Stock-in-trade	11 601,162	120,797
	<u>170,387</u>	<u>207,256</u>	Trade debts - unsecured considered good	384	29,555
CURRENT LIABILITIES			Loans and advances	11,026	2,624
Trade and other payables	5 64,837	31,413	Trade deposits and short term prepayments	256	1,568
Accrued mark-up on short term borrowings	14,495	2,180	Accrued profit / mark-up on bank deposits and loan to a Subsidiary Company	229	13,100
Short term borrowings	6 584,851	0	Other receivables	792	239
Taxation	7 1,752	1,680	Sales tax refundable	9,621	1,857
	<u>665,935</u>	<u>35,273</u>	Income tax refundable, advance income tax and tax deducted at source	13,671	11,097
CONTINGENCIES AND COMMITMENTS	8		Short term investments	12 255,530	191,852
			Bank balances	71,907	55,644
				<u>1,050,773</u>	<u>512,027</u>
	<u>2,184,909</u>	<u>1,670,583</u>		<u>2,184,909</u>	<u>1,670,583</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 (UN-AUDITED)
FOR THE HALF-YEAR ENDED 31 MARCH, 2011

	Note	For the 2nd Quarter		Cumulative	
		Jan. - Mar. 2011	Jan. - Mar. 2010	Oct. - Mar. 2011	Oct. - Mar. 2010
----- Rupees in thousand -----					
TURNOVER		43,824	37,917	392,509	184,128
LESS: SALES TAX AND FEDERAL EXCISE DUTY		990	2,565	14,893	13,576
		42,834	35,352	377,616	170,552
COST OF SALES		168,372	55,592	517,331	207,948
GROSS LOSS		(125,538)	(20,240)	(139,715)	(37,396)
DISTRIBUTION COST		293	173	741	352
ADMINISTRATIVE EXPENSES		15,799	14,227	29,839	29,810
OTHER OPERATING EXPENSES		(322)	(374)	5	305
		15,770	14,026	30,585	30,467
		(141,308)	(34,266)	(170,300)	(67,863)
OTHER OPERATING INCOME	13	37,546	104,135	71,697	138,141
OPERATING (LOSS) / PROFIT		(103,762)	69,869	(98,603)	70,278
FINANCE COST		13,750	33	14,560	100
(LOSS) / PROFIT BEFORE TAXATION		(117,512)	69,836	(113,163)	70,178
TAXATION					
- Current	7	(1,932)	319	1,447	995
- Deferred		(45,625)	5,965	(38,893)	5,965
		(47,557)	6,284	(37,446)	6,960
(LOSS) / PROFIT AFTER TAXATION		(69,955)	63,552	(75,717)	63,218
OTHER COMPREHENSIVE INCOME		0	0	0	0
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD		(69,955)	63,552	(75,717)	63,218
----- Rupees -----					
(LOSS) / EARNINGS PER SHARE		(18.65)	16.95	(20.19)	16.86

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 (UN-AUDITED)
FOR THE HALF-YEAR ENDED 31 MARCH, 2011

	Half year ended	
	31 March, 2011	31 March, 2010
----- Rupees in thousand -----		
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / profit for the period - before taxation	(113,163)	70,178
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	28,814	32,257
Depreciation on investment property	969	1,161
Gain on sale of railway rolling stock and vehicles	0	(2)
Gain on sale of investment property	0	(43,058)
Mark-up on loan to a Subsidiary Company and profit / mark-up on bank deposits	(25,391)	(27,640)
Staff retirement benefits - gratuity (net)	2,024	2,915
Reversal of impairment loss on long term investments	(5,164)	(57,944)
Fair value gain on re-measurement of short term investments	(13,374)	(3,604)
Finance cost	14,560	100
CASH OUTFLOW FROM OPERATING ACTIVITIES		
- Before working capital changes	(110,725)	(25,637)
(Increase) / decrease in current assets:		
Stores and spares	(2,501)	(585)
Stock-in-trade	(480,365)	120,293
Trade debts	29,171	917
Loans and advances	(8,402)	(1,258)
Trade deposits and short term prepayments	1,312	1,033
Other receivables	(553)	(851)
Sales tax refundable	(7,764)	0
Increase / (decrease) in trade and other payables	33,132	(4,902)
	(435,970)	114,647
CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES - Before taxation	(546,695)	89,010
Income tax paid	(3,949)	(1,417)
NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES - After taxation	(550,644)	87,593
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(179)	(1,172)
Sale proceeds of railway rolling stock and vehicles	0	69
Sale proceeds of investment property	0	50,945
Security deposits	(20)	0
Mark-up on loan to a Subsidiary Company and profit / mark-up on bank deposits received	38,262	57,084
Short term investments - net	(50,304)	(219,515)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(12,241)	(112,589)
CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowings - net	584,851	0
Finance cost paid	(2,245)	(100)
Dividends paid	(3,458)	(1,048)
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	579,148	(1,148)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	16,263	(26,144)
CASH AND CASH EQUIVALENTS - At beginning of the period	32,244	96,740
DEPOSITS WITH A NON-BANK FINANCE INSTITUTION GROUPED UNDER CURRENT ASSETS DURING THE PERIOD	23,400	15,600
	55,644	112,340
CASH AND CASH EQUIVALENTS - At end of the period	71,907	86,196

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 HALF-YEAR ENDED 31 MARCH, 2011

Share capital	Reserves			Unappropriated profit	Total
	Capital	Revenue	Sub-total		
	Share redemption	General			

----- Rupees in thousand -----

Balance as at 01 October, 2009	37,500	1 900,000	900,001	67,759	1,005,260
Total comprehensive income for the period					
Profit after taxation for the half-year ended 31 March, 2010	0	0	0	63,218	63,218
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	14,839	14,839
Balance as at 31 March, 2010	37,500	1 900,000	900,001	145,816	1,083,317
Balance as at 01 October, 2010	37,500	1 900,000	900,001	141,750	1,079,251
Transactions with owners					
Final cash dividend for the year ended 30 September, 2010 at the rate of Re.1 per share	0	0	0	(3,750)	(3,750)
Total comprehensive income for the period					
Loss after taxation for the half-year ended 31 March, 2011	0	0	0	(75,717)	(75,717)
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	13,424	13,424
Balance as at 31 March, 2011	37,500	1 900,000	900,001	75,707	1,013,208

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 THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF-YEAR ENDED 31 MARCH, 2011

- 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 Registered Office are located at Mardan (Khyber Pakhtunkhwa) whereas the Head Office is situated at King's Arcade, 20-A, Markaz F-7, Islamabad.
- 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 financial statements of the Company as at and for the year ended 30 September, 2010.
- 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 audited annual financial statements of the Company for the preceding year ended 30 September, 2010.
- 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.

5. TRADE AND OTHER PAYABLES

These include due to creditors aggregating Rs.30.244 million (30 September, 2010: Rs.4.686 million) and due to related parties aggregating Rs.6.717 million (30 September, 2010: Rs.1.083 million).

6. SHORT TERM BORROWINGS - Secured

Cash finance facilities available from MCB Bank Ltd., Bank Al Habib Ltd. and The Bank of Khyber (BoK) aggregate Rs.700 million (30 September, 2010: cash finance facility available from BoK amounted Rs.100 million) and are secured against pledge of stock of refined sugar. These facilities, during the period, carried mark-up at the rates ranging from 15.07% to 15.46% per annum and are expiring on various dates by December, 2011.

7. TAXATION

The Company is not liable to pay minimum tax under section 113 of the Income Tax Ordinance, 2001 (the Ordinance) as it has incurred gross loss before set-off of depreciation and other inadmissible expenses under the Ordinance. Provision for the current period represents tax payable under sections 5 (Tax on Dividends) and 155 (Income from Property) of the Ordinance.

8. CONTINGENCIES AND COMMITMENTS

- No commitments were outstanding as at 31 March, 2011 and 30 September, 2010.
- There has been no significant change in the status of contingencies since the date of preceding published annual financial statements for the year ended 30 September, 2010.

9. PROPERTY, PLANT AND EQUIPMENT

	Un-audited Half-year ended 31 March, 2011 Rupees in thousand
Book value as at 30 September, 2010	620,264
Additions during the period - motor cycles	179
Depreciation charge for the period	(28,814)
Book value as at 31 March, 2011	591,629

9.1 The Company had availed its option of renewal of leasehold land agreement expired during the financial year ended 30 September, 2008. Buildings on leasehold land, however, were revalued during the financial year ended 30 September, 2009 and revaluation surplus on these assets aggregating Rs.116.886 million was incorporated in the books of account.

The Company, during the preceding financial year, has issued notices to all the legal Heirs / Successors of the Lessor for the appointment of Arbitrator under clause 6 of the lease agreement dated 09 July, 1947 entered into between the Lessor and the Company. The Heirs / Successors, however, have not appointed the second Arbitrator in terms of the lease agreement; accordingly, the Arbitrator appointed by the Company is the sole Arbitrator in terms of section 9(b) of the Arbitration Act, 1940.

10. DEPOSITS WITH A NON-BANK FINANCE INSTITUTION - Unsecured

These represent deposits lying with Innovative Investment Bank Limited (IIBL), Islamabad carrying profit at the rate of 5% per annum. The maturity dates of these deposits are as follows:

Date of maturity	Note	Amount of deposit
29 July, 2009	10.1	7,800
29 July, 2010	10.1	7,800
29 July, 2011		7,800
29 July, 2012		15,600
		<u>39,000</u>
Less: current portion grouped under current assets		23,400
		<u>15,600</u>

10.1 The realisability of these deposits is doubtful of recovery as two deposits aggregating Rs.15.600 million could not be encashed on their respective maturity dates; further, the Securities and Exchange Commission of Pakistan, in exercise of its powers conferred under sections 282 E & F of the Companies Ordinance, 1984, has superseded the entire Board of Directors of IIBL and appointed an Administrator with effect from 28 January, 2010, who has filed a petition with the Lahore High Court for winding-up of IIBL. The petition is pending adjudication. The management is making efforts to encash these deposits and is hopeful that these will be fully realised in the foreseeable future, hence no provision against these deposits has been made in this condensed interim financial information.

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

11. STOCK-IN-TRADE

	Un-audited Half-year ended 31 March, 2011 (Rupees in thousand)	Audited Year ended 30 Sep., 2010
Sugar-in-process	10,644	13,487
Finished goods:		
- Sugar	561,015	104,426
- Spirit	29,503	2,884
	<u>590,518</u>	<u>107,310</u>
	<u>601,162</u>	<u>120,797</u>

11.1 Finished sugar includes inventory costing Rs. 706.725 million (30 September, 2010: Rs.163.714 million), which has been stated at net realisable value aggregating Rs.561.015 million (30 September, 2010: Rs.104.426 million). The amount charged to the profit and loss account in respect of inventory write down to net realisable value amounted Rs.145.710 million (30 September, 2010: Rs.59.288 million).

11.2 The period-end component of molasses used in distillery stock-in-hand and the actual molasses-in-hand aggregated 2,477.835 metric tonnes (30 September, 2010: 2,421.451 metric tonnes) valued at Rs. Nil.

12. SHORT TERM INVESTMENTS - At fair value through profit or loss

Atlas Money Market Fund - 33 Units (30 September, 2010: 31 Units)	16	15
Alfalsh GHP Cash Fund - 90,807 Units (30 September, 2010: 85,104 Units)	43,024	41,246
MCB Cash Management Optimizer - 1,088,527 Units (30 September, 2010: 1,450,102 Units)	105,116	142,334
Pakistan Cash Management Fund - 730,810 Units	35,000	0
Askari Sovereign Cash Fund - 602,408 Units	59,000	0
	<u>242,156</u>	<u>183,595</u>
Add: adjustment on re-measurement to fair value	13,374	8,257
	<u>255,530</u>	<u>191,852</u>

13. OTHER OPERATING INCOME

Income from financial assets:

Interest / profit on bank deposits / saving accounts and certificates	847	5,459
Mark-up on loan to a Subsidiary Company	24,544	22,182
Reversal of impairment loss on long term investments	5,164	57,944
Gain on redemption of short term investments	3,304	0
Fair value gain on re-measurement of short term investments	13,374	3,604
Dividend from Subsidiary Company	13,751	0

Income from other than financial assets:

Machinery lease rentals	0	900
Gain on sale of investment property	13.1	0
Rent	1,063	1,714
Sale of agricultural produce	9,635	0
Miscellaneous	15	3,280
	<u>71,697</u>	<u>138,141</u>

13.1 The Company, during the preceding financial year, had sold house # 2 located at street # 27, sector F-6/2, Islamabad measuring 622 square yards along with fittings, fixtures and installations thereon to Tennison International Ltd. (3rd Floor, Omer Hodge Building, Wickhams Lay I, P.O.Box # 362, Road Town, Tortola, British Virgin Islands) against consideration of Rs.50.945 million.

14. TRANSACTIONS WITH RELATED PARTIES

14.1 The Company has related party relationship with its Subsidiary and Associated Companies, employee benefit plans, its directors and key management personnel. Transactions with related parties are carried-out on arm's length basis. There were no transactions with key management personnel other than under the terms of employment. Aggregate transactions with Subsidiary and Associated Companies during the period were as follows:

	Un-audited Half-year ended 31 March, 2011	Audited Year ended 30 Sep., 2010
	(Rupees in thousand)	
Subsidiary Companies:		
- dividend received	13,751	0
- purchase of goods and services	8,385	959
- machinery lease rentals	0	1,206
- sale of goods and services	6	52
- mark-up earned on long term loan	24,544	22,182
Associated Companies:		
- dividend paid	372	0
- purchase of goods and services	9,625	0

14.2 Period-end loans and advances include due from The Frontier Sugar Mills & Distillery Ltd. (a Subsidiary Company) amounting Rs.2 thousand [30 September, 2010: Premier Board Mills Ltd. (an Associated Company) amounting Rs.5 thousand].

15. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue in the Board of Directors' meeting held on 27 May, 2011.

16. GENERAL

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

CHIEF EXECUTIVE

DIRECTOR

2011

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 MARCH, 2011

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

The Directors have pleasure in presenting the Director's Report on the consolidated financial results for the half year ended 31 March, 2011.

GENERAL REVIEW

The Premier Sugar Mills & Distillery Company Limited's subsidiary company, Chashma Sugar Mills Limited has earned a net profit of Rs. 207 million, whereas, The Frontier Sugar Mills & Distillery Limited due to the diversion of sugarcane towards tax free gur industry suffered a loss of Rs. 3 million for the half year ended 31 March, 2011.

REVIEW OF OPERATIONS

The Directors' 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 half year under review.

CURRENT SEASON 2010-2011

The total of 1,487,207.8 tons (2009-10 : 1,049,925 tons) of sugarcane was crushed by the Sugar Mills of the Group Companies during the current season, this represents an increase of 41.6% compared to last year. Production could not take place in The Frontier Sugar Mills & Distillery Limited as explained above. We competed with the tax free commercial Gur producers by offering high sugarcane prices to the Growers, due to this, we achieved reasonable production of sugar during the current season and are working to ensure even higher production next year.

REPLIES TO AUDITORS RESERVATIONS:

Reply to the Auditor's reservations on the interim financial statements of Frontier Sugar Mills & Distillery Limited:

1. The Auditors have raised doubts regarding the Frontier Sugar Mills & Distillery Limited ability to continue business as a going concern because of the diversion of sugarcane towards tax free lucrative Gur production. The Peshawar valley sugar industry is jointly facing this problem, as the Provincial Government has not taken measures to revive the sugar industry by creating a level playing field between gur and sugar trade that originates from

common raw material i.e. sugarcane. However the management is satisfied that after the completion of "Bai Zai irrigation scheme", the area under sugarcane would increase by more than 25,000 acres that would ensure regular supplies of sugarcane in the coming years.

2. Note No. 10.1:

The Securities and Exchange Commission of Pakistan, in exercise of its powers conferred under sections 282 E & F of the Companies Ordinance, 1984, has superseded the entire Board of Directors of IIBL and appointed an Administrator with effect from 28 January, 2010, who has filed a petition with the Lahore High Court for winding-up of IIBL. The petition is pending adjudication. The management has written a letter to the SECP requesting information about the approximate loss in this regard to provide in the accounts, at present there is provision against these deposits in this consolidated interim financial statements.

3. Note No. 11:

The value of the inventory held are above Rs.32.581 million as in the recent years the prices of stores and spares in our inventory has increased manifold because of Pak Rupee depreciation. However in order to address Auditors observation, the Directors have agreed to carry out an independent valuation of stores and spares inventory to incorporate in the forthcoming annual accounts.

CUSTOMERS' 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 appreciation to all the employees of the Group for their commitment and hard work.

Mardan:
27 May, 2011

CHIEF EXECUTIVE

DIRECTOR

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2011

	Un-audited 31 March, 2011	Audited 30 Sep., 2010		Un-audited 31 March, 2011	Audited 30 Sep., 2010
	Note (Rupees in thousand)			Note (Rupees in thousand)	
EQUITY AND LIABILITIES CAPITAL AND RESERVES					
Authorised capital	57,500	57,500			
Issued, subscribed and paid-up capital	37,500	37,500			
Reserves	1,021,060	1,016,600			
Unappropriated profit	266,403	230,500			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	1,324,963	1,284,600			
NON-CONTROLLING INTEREST	351,281	244,853			
	1,676,244	1,529,453			
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT					
	1,161,322	1,208,520			
NON-CURRENT LIABILITIES					
Long term finances	5 440,000	556,664			
Loans from Associated Companies	180,000	180,000			
Deferred liabilities: - deferred taxation - staff retirement benefits - gratuity	148,074 25,856	186,967 24,176			
	793,930	947,807			
CURRENT LIABILITIES					
Trade and other payables	1,581,342	347,078			
Accrued mark-up	125,872	80,200			
Short term borrowings	6 3,345,866	0			
Current portion of long term finances	5 233,331	233,334			
Dividends payable to non-controlling interest	3,909	3,068			
Sales tax and federal excise duty payable	68,290	24,583			
Taxation	102,146	65,344			
	5,460,756	753,607			
CONTINGENCIES AND COMMITMENTS					
	7				
	9,092,252	4,439,387		9,092,252	4,439,387
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	8 2,932,779	3,063,047			
Intangible assets	377	253			
Investment property	38,033	39,002			
Investments	9 63,184	54,475			
Deposits with a non-bank finance institution	10 31,200	31,200			
Security deposits	4,323	4,278			
	3,069,896	3,192,255			
CURRENT ASSETS					
Stores and spares	11 261,047	260,769			
Stock-in-trade	12 4,403,147	377,455			
Trade debts - unsecured considered good	352,439	109,089			
Loans and advances	57,021	57,882			
Trade deposits and short term prepayments	1,666	3,281			
Accrued profit / mark-up on bank deposits	1,202	1,067			
Other receivables	1,744	759			
Income tax refundable, advance income tax and tax deducted at source	75,234	41,889			
Short term investments	13 592,682	268,664			
Cash and bank balances	276,174	126,277			
	6,022,356	1,247,132			

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 (UN-AUDITED) FOR THE HALF-YEAR ENDED 31 MARCH, 2011

	For the 2nd Quarter		Cumulative	
	Jan. - Mar. 2011	Jan. - Mar. 2010	Oct. - Mar. 2011	Oct. - Mar. 2010
	----- Rupees in thousand -----			
SALES	2,811,450	1,493,175	4,220,027	2,761,391
LESS: SALES TAX AND FEDERAL EXCISE DUTY	116,400	78,319	176,902	148,562
	2,695,050	1,414,856	4,043,125	2,612,829
COST OF SALES	2,453,958	1,332,505	3,725,966	2,194,287
GROSS PROFIT	241,092	82,351	317,159	418,542
DISTRIBUTION COST	8,647	3,428	9,983	5,088
ADMINISTRATIVE EXPENSES	46,242	38,467	83,716	74,626
OTHER OPERATING EXPENSES	17,779	(356)	18,133	364
OTHER OPERATING INCOME	(22,946)	(27,056)	(51,060)	(64,310)
	49,722	14,483	60,772	15,768
PROFIT FROM OPERATIONS	191,370	67,868	256,387	402,774
FINANCE COST	112,296	65,478	148,113	134,165
	79,074	2,390	108,274	268,609
SHARE OF (LOSS) / PROFIT OF ASSOCIATED COMPANIES - Net	(538)	(8,832)	4,699	(2,575)
PROFIT / (LOSS) BEFORE TAXATION	78,536	(6,442)	112,973	266,034
TAXATION				
Group				
- Current (note 14)	24,665	7,222	38,177	13,212
- Deferred	(45,625)	5,965	(38,893)	5,965
	(20,960)	13,187	(716)	19,177
Associated Companies	201	(781)	1,681	729
	(20,759)	12,406	965	19,906
PROFIT / (LOSS) AFTER TAXATION	99,295	(18,848)	112,008	246,128
OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD				
Fair value gain / (loss) on available-for-sale investments	2,040	(332)	4,460	379
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	101,335	(19,180)	116,468	246,507
ATTRIBUTABLE TO:				
- Equity holders of the Parent	7,181	7,377	13,349	123,415
- Non-controlling interest	94,154	(26,557)	103,119	123,092
	101,335	(19,180)	116,468	246,507
	----- Rupees -----			
COMBINED EARNINGS PER SHARE	1.37	2.06	2.37	32.81

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
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF-YEAR ENDED 31 MARCH, 2011**

	Half-year ended	
	31 March, 2011	31 March, 2010
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period - before taxation	112,973	266,034
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	139,814	150,538
Depreciation on investment property	969	1,161
Amortisation of intangible assets	175	323
(Profit) / loss from Associated Companies -net	(4,699)	2,575
Profit / mark-up on bank deposits	(1,705)	(4,616)
Staff retirement benefits - gratuity (net)	1,680	2,686
Finance cost	148,113	134,165
Gain on sale of vehicles	(27)	(742)
Gain on sale of investment property	0	(43,058)
Gain on redemption of investments	(3,872)	0
Fair value gain on re-measurement of short term investments	(30,810)	(4,023)
CASH INFLOW FROM OPERATING ACTIVITIES - Before working capital changes	362,611	505,043
(Increase) / decrease in current assets:		
Stores and spares	(278)	5,574
Stock-in-trade	(4,025,692)	(2,806,841)
Trade debts	(243,350)	43,611
Loans and advances	861	(3,354)
Trade deposits and short term prepayments	1,615	26,720
Other receivables	(985)	(1,917)
Increase / (decrease) in current liabilities		
Trade and other payables	1,234,264	1,813,536
Sales tax and federal excise duty payable	43,707	(14,821)
	(2,989,858)	(937,492)
CASH OUTFLOW FROM OPERATING ACTIVITIES - Before taxation	(2,627,247)	(432,449)
Income tax paid	(34,720)	(13,269)
Security deposits	(45)	0
NET CASH OUTFLOW FROM OPERATING ACTIVITIES - After taxation	(2,662,012)	(445,718)
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(9,669)	(29,794)
Intangible assets acquired - computer software	(300)	0
Sale proceeds of vehicles	150	1,524
Sale proceeds of investment property	0	50,945
Short term investments - net	(289,336)	(267,515)
Profit / mark-up on bank deposits received	1,570	3,966
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(297,585)	(240,874)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term finances repaid	(116,667)	(81,669)
Short term borrowings - net	3,345,866	894,233
Dividend paid	(17,264)	0
Finance cost paid	(102,441)	(132,407)
NET CASH INFLOW FROM FINANCING ACTIVITIES	3,109,494	680,157
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	149,897	(6,435)
CASH AND CASH EQUIVALENTS - At beginning of the period	79,477	170,272
DEPOSITS WITH A NON-BANK FINANCE INSTITUTION GROUPED UNDER CURRENT ASSETS DURING THE PERIOD	46,800	31,200
	126,277	201,472
CASH AND CASH EQUIVALENTS - At end of the period	276,174	195,037

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 (UN-AUDITED)
FOR THE HALF-YEAR ENDED 31 MARCH, 2011**

	----- Attributable to equity holders of the Parent -----								
	Share capital	Reserves			Sub-total	Unappropriated profit	Total	Non-controlling interest	Total equity
		Share redemption	General	Fair value reserve on available-for-sale investments					
----- Rupees in thousand -----									
At 01 October, 2009	37,500	1	1,004,976	7,209	1,012,186	43,393	1,093,079	71,477	1,164,556
Share income									
of									
the half-year									
1 March, 2010	0	0	0	0	0	123,036	123,036	123,092	246,128
Share income									
of									
the half-year									
1 March, 2010	0	0	0	379	379	0	379	104	483
Share income									
of									
the half-year									
1 March, 2010	0	0	0	379	379	123,036	123,415	123,196	246,611
Share income									
of									
the half-year									
1 March, 2010	0	0	0	0	0	(316)	(316)	0	(316)
Share income									
of									
the half-year									
1 March, 2010	0	0	0	0	0	33,874	33,874	18,492	52,366
At 31 March, 2010	37,500	1	1,004,976	7,588	1,012,565	199,987	1,250,052	213,165	1,463,217
At 01 October, 2010	37,500	1	1,008,567	8,032	1,016,600	230,500	1,284,600	244,853	1,529,453
Share income									
of									
the half-year									
1 March, 2011	0	0	0	0	0	(3,750)	(3,750)	0	(3,750)
Share income									
of									
the half-year									
1 March, 2011	0	0	0	0	0	0	0	(14,355)	(14,355)
Share income									
of									
the half-year									
1 March, 2011	0	0	0	0	0	8,889	8,889	103,119	112,008
Share income									
of									
the half-year									
1 March, 2011	0	0	0	4,460	4,460	0	4,460	1,045	5,505
Share income									
of									
the half-year									
1 March, 2011	0	0	0	4,460	4,460	8,889	13,349	104,164	117,513
Share income									
of									
the half-year									
1 March, 2011	0	0	0	0	0	186	186	0	186
Share income									
of									
the half-year									
1 March, 2011	0	0	0	0	0	30,578	30,578	16,619	47,197
At 31 March, 2011	37,500	1	1,008,567	12,492	1,021,060	266,403	1,324,963	351,281	1,676,244

It 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 (UN-AUDITED)

FOR THE HALF-YEAR ENDED 31 MARCH, 2011

1. THE GROUP AND ITS OPERATIONS

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

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

1.2 Subsidiary Companies

(a) Chashma Sugar Mills Ltd. (CSM)

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

(ii) The Parent Company directly and indirectly controls / beneficially owns more than fifty percent of the CSM's paid-up capital and also has the power to elect and appoint more than fifty percent of its directors; accordingly, CSM has been treated a Subsidiary with effect from the preceding financial year.

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

(i) FSM was incorporated on 31 March, 1938 as a Public Company and its shares were quoted on all the Stock Exchanges of Pakistan; FSM, during the current period, has been delisted from the Stock Exchanges as detailed in note (iii) below. The principal activity of FSM was manufacturing and sale of white sugar. FSM's 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) De-listing of FSM

The Parent Company, the majority shareholder of FSM, has 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 30 January, 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 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 of FSM 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.

CHIEF EXECUTIVE

DIRECTOR

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, 2010.

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, 2010.

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. LONG TERM FINANCES - Secured

	Un-audited Half-year ended 31 March, 2011	Audited Year ended 30 September, 2010
Note	(Rupees in thousand)	
Bank Alfalah Ltd.		
- Term finance - I	33,331	49,998
- Term finance - II	140,000	160,000
	173,331	209,998
Bank Al-Habib Ltd.		
- Term finance - I	180,000	210,000
- Term finance - II	245,000	280,000
	425,000	490,000
Silkbank Ltd.		
- Term finance	75,000	90,000
	673,331	789,998
Less: current portion grouped under current liabilities	233,331	233,334
	440,000	556,664

6. SHORT TERM BORROWINGS

Cash finances - secured	6.1	3,280,859	0
Temporary bank overdrafts - unsecured	6.2	65,007	0
		3,345,866	0

6.1 Cash finance facilities available from various commercial banks under mark-up arrangements aggregate Rs.3.600 billion (30 September, 2010: Rs.1.650 billion). These facilities, during the period, carried mark-up at the rates ranging from 15.04% to 15.96% (30 September, 2010: 13.50% to 14.85%) per annum and are secured against pledge of stock-in-trade and hypothecation charge over current assets of the Group. These facilities are expiring on various dates by 31 December, 2011.

6.2 These have arisen due to issuance of cheques for amounts in excess of balance in the bank accounts.

7. CONTINGENCIES AND COMMITMENTS

7.1 There has been no significant change in the status of contingencies since the date of preceding published annual consolidated financial statements of the Group for the year ended 30 September, 2010 except that CSM, during the period, has filed a writ petition before the Peshawar High Court against selection of return of income relating to Tax Year 2009 for tax audit under section 177 of the Income Tax Ordinance, 2001. The petition is pending adjudication.

7.2 No commitments were outstanding as at 31 March, 2011 (30 September, 2010: commitments for irrevocable letter of credit were for Rs. 2.718 million).

8. PROPERTY, PLANT AND EQUIPMENT

	Un-audited 31 March, 2011	Audited 30 Sep., 2010
Note	(Rupees in thousand)	
Operating fixed assets - tangible	8.1 2,908,488	3,041,843
Capital work-in-progress	6,096	2,463
Stores held for capital expenditure	18,195	18,741
	<u>2,932,779</u>	<u>3,063,047</u>

8.1 Operating fixed assets - tangible

	Un-audited Half-year ended 31 March, 2011 Rupees in thousand
Opening book value	3,041,843
Additions during the period:	
- plant and machinery	2,257
- electric and gas equipment	1,637
- furniture, fittings and office equipment	2,491
- railway rolling stock and vehicles	197
	6,582
Book value of assets disposed-off during the period	(123)
Depreciation charge for the period	(139,814)
Closing book value	<u>2,908,488</u>

9. INVESTMENTS

Related parties	9.1 41,631	38,427
Others	9.2 21,553	16,048
	<u>63,184</u>	<u>54,475</u>

	Un-audited 31 March, 2011	Audited 30 Sep., 2010
Note	(Rupees in thousand)	
9.1 Investments in equity instruments of Associated Companies		
Balance at beginning of the period / year - cost	5,638	5,638
Add:		
- post acquisition profit brought forward	32,789	30,403
- share of profit of Associated Companies net-off effect of items directly credited in equity by the Associated Companies	4,885	1,889
- taxation	(1,681)	497
Balance at end of the period / year	<u>41,631</u>	<u>38,427</u>
9.2 Others (available-for-sale)		
Ibrahim Fibres Limited 438,250 ordinary shares of Rs.10 each	6,135	6,135
Add: adjustment arising from re-measurement to fair value	15,418	9,913
	<u>21,553</u>	<u>16,048</u>

10. DEPOSITS WITH A NON-BANK FINANCE INSTITUTION - Unsecured

These represent deposits lying with Innovative Investment Bank Limited (IIBL), Islamabad carrying profit at the rate of 5% per annum. The maturity dates of these deposits are as follows:

Date of maturity	Un-audited 31 March, 2011 Amount of deposit Rupees in thousand
29 July, 2009	10.1 15,600
29 July, 2010	10.1 15,600
29 July, 2011	15,600
29 July, 2012	31,200
	<u>78,000</u>
Less: current portion grouped under current assets	46,800
	<u>31,200</u>

10.1 The realisability of these deposits is doubtful of recovery as deposits aggregating Rs.31.200 million could not be encashed on their respective maturity dates; further, the Securities and Exchange Commission of Pakistan, in exercise of its powers conferred under sections 282 E & F of the Companies Ordinance, 1984, has superseded the entire Board of Directors of IIBL and appointed an Administrator with effect from 28 January, 2010, who has filed a petition with the Lahore High Court for winding-up of IIBL. The petition is pending adjudication. The management is making efforts to encash these deposits and is hopeful that these will be fully realised in the foreseeable future, hence no provision against these deposits has been made in this condensed interim financial information.

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

11. STORES AND SPARES

FSM has not carried-out manufacturing operations during the current period as well as prior years and in the absence of an exercise to identify obsolete / damaged stores and spares inventory, carrying values of the period-end stores and spares inventory valuing Rs.32.581 million have not been adjusted for any potential impairment loss.

12. STOCK-IN-TRADE

	Un-audited 31 March, 2011	Audited 30 Sep., 2010
	Note	(Rupees in thousand)
Sugar-in-process	19,173	22,340
Finished goods:		
- Sugar	12.1 4,354,471	352,231
- Spirit	29,503	2,884
	4,383,974	355,115
	<u>4,403,147</u>	<u>377,455</u>

12.1 Finished sugar includes the Parent Company's inventory costing Rs. 706.725 million (30 September, 2010: Rs.163.714 million), which has been stated at its net realisable value aggregating Rs.561.015 million (30 September, 2010: Rs.104.426 million). The amount charged to the profit and loss account in respect of inventory write down to net realisable value amounted Rs.145.710 million (30 September, 2010: Rs.59.288 million).

12.2 The period-end component of molasses used in distillery stock-in-hand and the actual molasses-in-hand aggregated 2,477.835 metric tonnes (30 September, 2010: 2,421.451 metric tonnes) valued at Rs. Nil.

13. SHORT TERM INVESTMENTS - At fair value through profit or loss

Atlas Money Market Fund - 33 Units (30 September, 2010: 31 Units)	16	15
Alfalah GHP Cash Fund - 90,807 Units (30 September, 2010: 85,104 Units)	43,024	41,246
MCB Cash Management Optimizer - 1,576,566 Units (30 September, 2010: 1,939,311 Units)	152,201	190,540
ABL Cash Fund - 6,847,568 Units (30 September, 2010: 2,003,208 Units)	65,041	20,000
UBL Liquidity Plus Fund - Nil Units (30 September, 2010: 63,974 Units)	0	6,400
UBL Savings Income Fund (Class B) - 450,000 Units	45,000	0
UBL Savings Income Fund (Class C) - 876 Units	90	0
Pakistan Cash Management Fund - 1,983,262 Units	95,000	0
Askari Sovereign Cash Fund - 1,650,376 Units	161,500	0
	<u>561,872</u>	<u>258,201</u>
Add: adjustment arising from re-measurement to fair value	30,810	10,463
	<u>592,682</u>	<u>268,664</u>

14. TAXATION

Provision for the current period represents tax payable under sections 5 (Tax on Dividends), 113 (Minimum Tax on Income) and 155 (Income from Property) of the Income Tax Ordinance, 2001.

15. TRANSACTIONS WITH RELATED PARTIES

	Un-audited Half-year ended	
	31 March, 2011	31 March, 2010
	(Rupees in thousand)	
15.1 Aggregate transactions with Associated Companies during the period were as follows:		
- purchase of goods and services	59,739	33,696
- mark-up expensed	12,891	12,380
- dividend paid	5,733	0
15.2 Loans and advances as at 30 September, 2010 included due from Premier Board Mills Limited (an Associated Company) amounting Rs.5 thousand.		
15.3 Period-end trade and other payables include due to an Associated Company amounting Rs.18.114 million (30 September, 2010: due to Associated Companies aggregated Rs.2.390 million).		
15.4 (a) Mark-up on loans obtained from related parties, during the period, was charged at the rates ranging from 13.92% to 15.46% (2010: 13.64% to 14.04%) per annum.		
(b) No return was charged on other balances of the Associated Companies as these have arisen due to normal trade dealings.		

16. DATE OF AUTHORISATION FOR ISSUE

This condensed interim consolidated financial information was authorised for issue on 27 May, 2011 by the board of directors of the Parent Company.

17. GENERAL

- As CSM has been treated a Subsidiary with effect from the preceding financial year, corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison.
- Figures in this condensed interim consolidated financial information have been rounded-off to the nearest thousand Rupees except stated otherwise.

CHIEF EXECUTIVE

DIRECTOR