



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

QUARTERLY ACCOUNTS
(UN-AUDITED)
AS ON DECEMBER 31, 2009

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.
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TAX CONSULTANTS	MESSRS HAMEED CHAUDHRI & CO., CHARTERED ACCOUNTANTS
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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 PICIC COMMERCIAL BANK LIMITED 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
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FACTORY	MARDAN
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THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

DIRECTORS' REVIEW REPORT

Sugarcane Control Board meeting held under the chairmanship of Provincial Cane Commissioner and it was unanimously decided that the role of middleman will be discouraged to ensure reasonable prices for sugarcane. In this regard, the Provincial cane commissioner issued various directions to DCO Mardan and finally vide letter no. 32652-56/S-52 dated 21/12/2009 directed the DCO Mardan as below:

“ it is pointed out that the purchase and sale of sugarcane by any person who is not holder of valid license under section 17 of the Sugar Factories Control Act 1950 in the manner prescribed in rules 11 and 12 of the Sugar Factories Control Rules 1950 is illegal”.

Despite the above self explanatory directions from the Provincial Cane Commissioner, the local administration made no efforts to eliminate the politically influential middleman mafia. The factory during first week of November issued indents for the purchase of sugarcane to start the crushing on November 11, 2009. Uptill December 7, 2009, Growers supplied only 3,864 tons of sugarcane. Mills crushed this minimal quantity and suffered heavy losses due to uneconomical operation and inversion of sugar. On December 16, 2009, the management had to perforce close down the mills due to the non-availability of sugarcane. The Gur prices are very high due to its unbridled export of Gur to Afghanistan and due to this, the commercial gur manufacturer through middlemen are procuring entire sugarcane crop. Despite GOP's commitment to Supreme Court of Pakistan, to-date export of gur is not banned.

**Mardan;
26 January, 2010**

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

	<u>Unaudited</u>	<u>Audited</u>
	Dec. 31, 2009	Sep.30 2009
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
CAPITAL AND RESERVE		
Authorised capital 5,750,000 ordinary shares of Rs.10 each	<u>57,500</u>	<u>57,500</u>
Issued, subscribed and paid-up capital	37,500	37,500
Reserves	900,001	900,001
Accumulated Loss	<u>76,291</u>	<u>67,759</u>
	<u>1,013,792</u>	<u>1,005,260</u>
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
3	375,400	384,267
NON-CURRENT LIABILITIES		
Deferred taxation	206,123	206,123
Staff retirement benefits - gratuity	18,908	17,474
	<u>225,031</u>	<u>223,597</u>
CURRENT LIABILITIES		
Trade and other payables	45,295	43,004
Taxation	15,479	14,803
	<u>60,774</u>	<u>57,807</u>
CONTINGENCIES AND COMMITMENTS		
5		
	<u>1,674,997</u>	<u>1,670,931</u>

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

CHIEF EXECUTIVE

**DISTILLERY COMPANY LIMITED
31 DECEMBER, 2009 (UN-AUDITED)**

	<u>Unaudited</u>	<u>Audited</u>
	Dec. 31, 2009	Sep.30 2009
Note	(Rupees in thousand)	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	6	673,569
Investment Property	7	48,480
Long term investments	8	116,975
Long term loan to associatd Company		282,187
Deposit with a non-bank finance institution		23,400
Security deposits		497
	<u>1,145,108</u>	<u>1,143,636</u>
CURRENT ASSETS		
Stores and spares	76,886	78,857
Stock-in-trade	111,293	209,537
Trade debtors	456	1,439
Loans and advances	55,169	54,566
Deposits and prepayments	651	1,393
Accrued interest	56,608	45,300
Other receivables	606	110
Income tax refundable, advance income tax and tax deducted at source	24,456	23,753
Bank balances	9	203,764
	<u>529,889</u>	<u>527,295</u>
	<u>1,674,997</u>	<u>1,670,931</u>

DIRECTOR

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
PROFIT AND LOSS ACCOUNT - (UNAUDITED)
FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2009

	1 Oct, 09 to 31 Dec, 2009	1 Oct, 08 to 31 Dec, 2008
	(Rupees in thousand)	
Turnover - Local	146,211	146,346
Less: Sales Tax/Commission	11,011	19,058
SALES - net	135,200	127,288
COST OF SALES	152,356	104,846
GROSS (LOSS)/ PROFIT	(17,156)	22,442
ADMINISTRATIVE EXPENSES	15,583	7,882
DISTRIBUTION COST	179	370
	15,762	8,252
OPERATING (LOSS)/ PROFIT	(32,918)	14,190
OTHER OPERATING INCOME	34,006	18,064
	1,088	32,254
OTHER OPERATING EXPENSES	679	38,253
FINANCE COST	67	4,422
	746	42,675
PROFIT /(LOSS) BEFORE TAXATION	342	(10,421)
PROVISION FOR TAXATION	676	0
LOSS AFTER TAXATION	(334)	(10,421)
LOSS PER SHARE	(0.09)	(2.78)

- The annexed notes form an integral part of these financial statements.
- Appropriations have been reflected in the statement of changes in equity.

CHIEF EXECUTIVE

DIRECTOR

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CASH FLOW STATEMENT - (UNAUDITED)
FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2009

	31-Dec., 2009	31-Dec., 2008
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit /(Loss) for the period - before taxation	342	(10,421)
Adjustments for:		
Depreciation on property, plant and equipment	16,090	17,363
Depreciation on investment property	630	687
Interest on loans and bank deposits	(1,523)	(1,094)
Staff retirement benefits-gratuity (Net)	1,434	(3,239)
Unrealised loss on remeasurement of long term investments at fair value	(17,423)	37,977
Finance cost	67	4,422
CASH (OUTFLOW)/ INFLOW FROM OPERATING ACTIVITIES	(383)	45,695
- Before working capital changes		
Decrease / (Increase) in current assets		
Stores and spares	1,971	(8,216)
Stock-in-trade	98,244	(128,877)
Trade debtors	983	(10,869)
Loans and advances	(603)	53
Deposits and prepayments	742	(128)
Other receivables	(496)	925
Increase in trade and other payables	2,291	33,355
	103,132	(113,757)
CASH INFLOW /(OUT FLOW) FROM OPERATING ACTIVITIES - Before taxation	102,749	(68,062)
Taxes paid	(703)	(1,317)
CASH INFLOW /(OUT FLOW) FROM OPERATING ACTIVITIES - After taxation	102,046	(69,379)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(770)	(1,194)
Interest received on loans and bank deposits	(9,785)	(13,188)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(10,555)	(14,382)
CASH FLOW FROM FINANCING ACTIVITIES		
Short term finances-net	0	30,436
Finance cost paid	(67)	(5,787)
NET CASH (OUTFLOW) /INFLOW FROM FINANCING ACTIVITIES	(67)	24,649
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	91,424	(59,112)
CASH AND CASH EQUIVALENTS - At the beginning of the period	112,340	106,042
CASH AND CASH EQUIVALENTS - At the end of the period	203,764	46,930

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

CHIEF EXECUTIVE

DIRECTOR

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY- (UNAUDITED)
FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2009

	Share capital	Reserves			Accumulated loss	31 December 2009 Total
		Capital Share redemption	Revenue General	Sub-total		
Balance as at 30 September, 2008	37,500	1	900,000	900,001	(15,427)	922,074
Profit for the year ended 30 September, 2008	0	0	0	0	55,205	55,205
Interim cash dividend @Rs.3 /share	0	0	0	0	(11,250)	(11,250)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for current year -net of deferred taxation	0	0	0	0	39,231	39,231
Balance as at 30 September, 2009	37,500	1	900,000	900,001	67,759	1,005,260
Loss for the period ended 31 December, 2009	0	0	0	0	(334)	(334)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for current period	0	0	0	0	8,866	8,866
Balance as at 31 December, 2009	37,500	1	900,000	900,001	76,291	1,013,792

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

CHIEF EXECUTIVE

DIRECTOR

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS- (UNAUDITED)
FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2009

1. CORPORATE INFORMATION

The Company was incorporated on 24 July, 1944 as a Public Company and its shares are quoted on Islamabad and Karachi Stock Exchanges. The Company is principally engaged in manufacture and sale of white sugar and spirit. The Company's Mills and its Registered Office are located at Mardan (N.W.F.P).

2. BASIS OF PREPARATION

(a) These financial statements have been prepared in accordance with the requirements of International Accounting Standard 34 (Interim Financial Reporting) and are being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Islamabad and Karachi Stock Exchanges. These financial statements are un-audited.

(b) The accounting policies adopted for the preparation of these financial information are the same as those applied in preparation of the preceding published annual financial statements of the Company for the year ended 30 September, 2009.

3. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

The Company had revalued its buildings on freehold land, buildings and roads on leasehold land and plant & machinery on 30th September, 2008. The revaluation exercise had been carried out by M / S Hasib Associates (Pvt.) Ltd. The aggregated net surplus on the revaluation amounting Rs. 544.516 million was credited to this account to comply with the requirements of Section 235 of the Companies Ordinance, 1984.

4. TAXATION

4.1 Provision for taxation is considered adequate to discharge the expected liability.

4.2 The returns for Tax Years 2004 to 2009 have been filed after complying with all the provisions of the Income Tax Ordinance, 2001 (the Ordinance). Accordingly, the declared returns are deemed to be assessment orders under the law subject to selection of audit or pointing out of deficiency by the Commissioner.

4.3 There has been no change in other taxation matters since the date of preceding published annual financial statement of the Company.

5. CONTINGENCIES AND COMMITMENTS

- 5.1 Guarantee given to Sui Northern Gas Pipelines Ltd. By banks on behalf of the Company outstanding as at 31 December, 2009 was for Rs. 10 million (30 September, 2009: Rs. 10 million).
- 5.2 There has been no significant change in other contingencies since the date of preceding published annual financial statements of the Company.
- 5.3 No commitments against irrevocable letters of credit were outstanding as at 31 December, 2009.

6. PROPERTY, PLANT & EQUIPMENT

	Un-audited 31 Dec., 2009 (Rupee in thousand)	Audited 30 Sep., 2009
Opening book value	688,890	204,408
Additions during the period / year - owned		
- Furniture fittings and office equipment	769	10,339
- Addition Revaluation	0	544,484
Depreciation charge for the period / year	(16,090)	(70,341)
Closing book value	<u>110,512</u>	<u>688,890</u>

7. INVESTMENT PROPERTY

Opening book value	49,110	51,856
Depreciation charge for the period / year	(630)	(2,746)
Closing book value	<u>48,480</u>	<u>49,110</u>

8. LONG TERM INVESTMENTS

There has been no change in the investments portfolio of the Company during the current period except for the impairment gain amounting Rs. 17,423 thousand.

9. CASH AND BANK BALANCES

The status of the matter, as detailed in note 25.1 to 25.3 to the Company's published financial statements for the year-ended 30 September, 2009, has remained unchanged during the current period.

10. OTHER OPERATING INCOME

Income for the current period mainly includes profit on bank saving deposit accounts and interest on loan to Chashma Sugar Mills Limited.

11. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 26 January, 2010 by the Board of Directors of Company.

12. 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).

13. GENERAL

Figures:

- in the financial statements have been rounded-off to the nearest Thousand Rupees except stated otherwise and
- and corresponding figures have been neither re-arranged nor classified.

CHIEF EXECUTIVE

DIRECTOR