



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

**QUARTERLY ACCOUNTS**  
**(UN-AUDITED)**  
AS ON DECEMBER 31, 2010

## THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

### COMPANY INFORMATION

#### BOARD OF DIRECTORS

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

<b>BOARD AUDIT COMMITTEE</b>	KHAN AZIZ SARFARAZ KHAN	CHAIRMAN
	MS. NAJDA SARFARAZ	MEMBER
	MR. BABAR ALI KHAN	MEMBER

<b>COMPANY SECRETARY</b>	MR. MUJAHID BASHIR
<b>CHIEF FINANCIAL OFFICER</b>	MR. RIZWAN ULLAH KHAN
<b>AUDITORS</b>	MESSRS HAMEED CHAUDHRI & CO., CHARTERED ACCOUNTANTS

<b>COST AUDITORS</b>	MESSRS MUNAWAR ASSOCIATES, CHARTERED ACCOUNTANTS.
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<b>TAX CONSULTANTS</b>	MESSRS HAMEED CHAUDHRI & CO., CHARTERED ACCOUNTANTS
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<b>LEGAL ADVISORS</b>	MR. QAZI MUHAMMAD ANWAR	ADVOCATE
<b>BANKERS</b>	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	

<b>REGISTERED OFFICE</b>	MARDAN (N.W.F.P.) PHONES: (0937) 862051-862052 FAX: (0937) 862989
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<b>FACTORY</b>	MARDAN
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## THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

### DIRECTORS' REVIEW REPORT

The directors are pleased to present the 1st quarterly financial statements for the period ended on December 31, 2010 to the shareholders of the Company in compliance with the Section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi and Islamabad Stock Exchanges.

#### OPERATIONAL PERFORMANCE

The sugarcane crushing season 2010-11 commenced on 01 November, 2010, we crushed 46,628 tons up to December 31, 2010 (December 31, 2009; 3,864 tons) of sugarcane and have produced 3,335 tons (December 31, 2009 50 tons) of sugar at an average recovery of 7.95 % (December 31, 2009:7.10 %). The Gur rates are abnormally high due to undocumented trade with Afghanistan; we in order to compete with the Gur manufacturers have offered abnormally high prices to the Growers. We are competing with the commercial Gur operators for the procurement of sugarcane, however the tax free status of the commercial gur manufacturing places gur trade in an advantageous position compared to us as we have to pay multiple taxes i.e. sales tax, income tax, excise duty, withholding tax and road cess, this coupled with permission to export Gur to Afghanistan has diverted the sugarcane supplies from the mills, this will eventually result in the sugar deficit in the Khyber Pakhtunkhwa. We have made several representations to the Government to provide us level playing field by collecting sales tax on commercial Gur sales as Gur is not exempt from the levy of sales tax, but of no avail. The Government has shown no interest to tax Commercial Gur trade, we are exporting Gur by creating sugar shortage in the country at the cost of valuable foreign exchange that is spent to import bridge the deficit sugar.

#### DISTILLERY

62,500 Gallons of Industrial Alcohol was produced during the period ended 31 December, 2010.

#### CONSOLIDATED FINANCIAL RESULTS

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

#### ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these quarterly financial statements are the same as applied in the preparation of the preceding annual financial statements of the Company.

#### ACKNOWLEDGEMENT

The Directors appreciate the spirit of good work done by the Company's staff at all levels.

**Mardan;**  
**27 January, 2011**

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

	<u>Unaudited</u> Dec. 31, 2010	<u>Audited</u> Sep.30 2010
	Note ( Rupees in thousand )	
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVE</b>		
Authorised capital 5,750,000 ordinary shares of Rs.10 each	<u>57,500</u>	<u>57,500</u>
Issued, subscribed and paid-up capital	37,500	37,500
Reserves	900,001	900,001
Unappropriated profit	<u>142,700</u> 1,080,201	<u>141,750</u> 1,079,251
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>		
3	342,091	348,803
<b>NON-CURRENT LIABILITIES</b>		
Deferred taxation	193,699	186,967
Staff retirement benefits - gratuity	21,454	20,289
	215,153	207,256
<b>CURRENT LIABILITIES</b>		
Short term borrowings	67,395	0
Trade and other payables	121,608	31,413
Accrued mark-up on short term borrowings	565	2,180
Taxation	5,059	1,680
	194,627	35,273
<b>CONTINGENCIES AND COMMITMENTS</b>		
5		
	<u>1,832,072</u>	<u>1,670,583</u>

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

CHIEF EXECUTIVE

**DISTILLERY COMPANY LIMITED  
31 DECEMBER, 2010 (UN-AUDITED)**

	<u>Unaudited</u> Dec. 31, 2010	<u>Audited</u> Sep.30 2010
	Note ( Rupees in thousand )	
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	6 605,703	620,264
Investment Property	7 38,518	39,002
Investments	8 163,925	160,688
Long term loan to subsidiary Company	322,500	322,500
Deposit with a non-bank finance institution	15,600	15,600
Security deposits	521	502
	<u>1,146,767</u>	<u>1,158,556</u>
<b>CURRENT ASSETS</b>		
Stores and spares	83,579	83,694
Stock-in-trade	115,606	120,797
Trade debts - unsecured -considered good	558	29,555
Loans and advances	6,172	2,624
Trade deposits and short term prepayments	1,572	1,568
Accrued profit / mark-up on bank deposits and loan to subsidiary company	162	13,100
Other receivables	243	239
Sales tax refundable	12	1,857
Income tax refundable, advance income tax and tax deducted at source	11,907	11,097
Short term investments	9 313,676	191,852
Bank balances	10 151,818	55,644
	685,305	512,027
	<u>1,832,072</u>	<u>1,670,583</u>

DIRECTOR

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**PROFIT AND LOSS ACCOUNT - (UNAUDITED)**  
**FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2010**

	1 Oct, 10 to 31 Dec, 2010	1 Oct, 09 to 31 Dec, 2009
	(Rupees in thousand)	
TURNOVER - Local	348,685	146,211
Less: Sales Tax / Federal excise duty	<u>13,903</u>	<u>10,771</u>
SALES - net	334,782	135,440
COST OF SALES	<u>348,959</u>	<u>152,356</u>
GROSS LOSS	(14,177)	(16,916)
ADMINISTRATIVE EXPENSES	<u>14,040</u>	<u>15,583</u>
DISTRIBUTION COST	<u>448</u>	<u>419</u>
	14,488	16,002
OPERATING LOSS	<u>(28,665)</u>	<u>(32,918)</u>
OTHER OPERATING INCOME	<u>34,151</u>	<u>34,006</u>
	5,486	1,088
OTHER OPERATING EXPENSES	<u>327</u>	<u>679</u>
FINANCE COST	<u>810</u>	<u>67</u>
	1,137	746
PROFIT BEFORE TAXATION	4,349	342
PROVISION FOR TAXATION		
- Current	<u>3379</u>	<u>676</u>
- Deferred	<u>6,732</u>	<u>0</u>
	10,111	676
LOSS AFTER TAXATION	(5,762)	(334)
OTHER COMPREHENSIVE INCOME	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(5,762)</u>	<u>(334)</u>
LOSS PER SHARE	<u>(1.54)</u>	<u>(0.09)</u>

- 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, 2010**

	31-Dec., 2010	31-Dec., 2009
	(Rupees in thousand)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the period - before taxation	4,349	342
Adjustments for:		
Depreciation on property, plant and equipment	14,561	16,090
Depreciation on investment property	484	630
Interest on loans and bank deposits	(399)	(1,523)
Staff retirement benefits-gratuity (Net)	1,165	1,434
Unrealised loss on remeasurement of long term investments at fair value	(3,237)	(17,423)
Gain on remeasurement of short term investments to fair value	(7,824)	0
Finance cost	810	67
<b>CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES</b>		
- Before working capital changes	9,909	(383)
Decrease / (Increase) in current assets		
Stores and spares	115	1,971
Stock-in-trade	5,191	98,244
Trade debtors	28,997	983
Loans and advances	(3,548)	(603)
Deposits and prepayments	(4)	742
Other receivables	(4)	(496)
Sales tax refundable	1,845	0
Short term investments	(121,824)	0
Increase in trade and other payables	90,195	2,291
	963	103,132
<b>CASH INFLOW FROM OPERATING ACTIVITIES - Before taxation</b>	<u>10,872</u>	<u>102,749</u>
Taxes paid	(810)	(703)
Security Deposits	(19)	0
<b>CASH INFLOW FROM OPERATING ACTIVITIES - After taxation</b>	<u>10,043</u>	<u>102,046</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	0	(770)
Interest received on loans and bank deposits	21,161	(9,785)
<b>NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES</b>	<u>21,161</u>	<u>(10,555)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short term finances-net	67,395	0
Finance cost paid	(2,425)	(67)
<b>NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES</b>	<u>64,970</u>	<u>(67)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>96,174</u>	<u>91,424</u>
<b>CASH AND CASH EQUIVALENTS - At the beginning of the period</b>	<u>55,644</u>	<u>112,340</u>
<b>CASH AND CASH EQUIVALENTS - At the end of the period</b>	<u>151,818</u>	<u>203,764</u>

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, 2010**

	Share capital	Reserves			Accumulated Profit	TOTAL
		Capital Share redemption	Revenue General	Sub-total		
Balance as at 30 September, 2009	37,500	1	900,000	900,001	67,759	1,005,260
Profit for the year ended 30 September, 2010	0	0	0	0	38,527	38,527
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	35,464	35,464
<b>Balance as at 30 September, 2010</b>	<b>37,500</b>	<b>1</b>	<b>900,000</b>	<b>900,001</b>	<b>141,750</b>	<b>1,079,251</b>
Loss for the period ended 31 December, 2010	0	0	0	0	(5,762)	(5,762)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for current period	0	0	0	0	6,712	6,712
<b>Balance as at 31 December, 2010</b>	<b>37,500</b>	<b>1</b>	<b>900,000</b>	<b>900,001</b>	<b>142,700</b>	<b>1,080,201</b>

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

CHIEF EXECUTIVE

DIRECTOR

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS- (UNAUDITED)**  
**FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2010**

**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 (Khyber Pakhtoonkhwa).

**2. BASIS OF PREPARATION**

- a) These financial statements have been prepared in accordance with the requirements of International Accounting Standard 34 (Interim Financial Reporting) and are being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the 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, 2010.

**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 represents minimum tax u/s 113 of the Income Tax Ordinance, 2001.
- 4.2 The returns for Tax Years 2005 to 2010 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, 2010 was for Rs. 10 million (30 September, 2010: 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, 2010.

**6. PROPERTY, PLANT & EQUIPMENT**

	Un-audited 31 Dec., 2010 (Rupees in thousand)	Audited 30 Sep., 2010
Opening book value	620,264	688,890
Additions during the period / year		
- Furniture fittings and office equipment	0	1,338
- Disposals	0	(5,613)
Depreciation charge for the period / year	(14,561)	(64,351)
Closing book value	<u>605,703</u>	<u>620,264</u>

	Un-audited 31 Dec., 2010	Audited 30 Sep., 2010
(Rupees in thousand)		
7. INVESTMENT PROPERTY		
Opening book value	39,002	49,110
Disposals	0	(7,887)
Depreciation charge for the period / year	(484)	(2,221)
Closing book value	<u>38,518</u>	<u>39,002</u>

#### 8. INVESTMENTS

There has been no change in the investments portfolio of the Company during the current period except for the fact that impairment loss amounting Rs. 3.237 million of Chashma Sugar Mills Limited has been reversed in these accounts.

#### 9. SHORT TERM INVESTMENTS

- At fair value through profit or loss

Atlas money market fund - 32 Units	16	15
Alfalah GHP Cash fund - 88,226 Units	43,024	41,246
MCB Cash management optimizer - 1,695,050 Units	168,812	142,334
Pakistan Cash management - 712,838 Units	35,000	0
Askari AMC limited Fund - 577,181 Units	59,000	0
	<u>305,852</u>	183,595
Add: Adjustment on re-measurement to fair value	7,824	8,257
	<u>313,676</u>	<u>191,852</u>

#### 10. BANK BALANCES

The status of the matter, as detailed in note 24.1 to 24.3 to the Company's published financial statements for the year-ended 30 September, 2010, has remained unchanged during the current period.

#### 11. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 27 January, 2011 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
- corresponding figures have been re-arranged wherever required.

CHIEF EXECUTIVE

DIRECTOR



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

**CONSOLIDATED CONDENSED INTERIM  
FINANCIAL STATEMENTS  
FOR THE 1ST QUARTER ENDED  
31 DECEMBER, 2010**

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

	<u>Unaudited</u> Dec.31 2010 Rupees in thousand	<u>Audited</u> Sep.30 2010 Rupees in thousand
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
Authorised capital 5,750,000 ordinary shares of Rs.10 each	<u>57,500</u>	<u>57,500</u>
Issued, subscribed and paid-up capital	37,500	37,500
Reserves	1,018,561	1,016,600
Unappropriated profit	<u>252,576</u>	230,500
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<u>1,308,637</u>	1,284,600
<b>NON-CONTROLLING INTEREST</b>	<u>254,277</u>	244,853
	<u>1,562,914</u>	1,529,453
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>	1,184,885	1,208,520
<b>NON-CURRENT LIABILITIES</b>		
Long term finances	489,997	556,664
Loans from Associated Companies	180,000	180,000
Deferred liabilities: - deferred taxation - staff retirement benefits - gratuity	193,699 25,976	186,967 24,176
	<u>889,672</u>	947,807
<b>CURRENT LIABILITIES</b>		
Trade and other payables	946,809	347,078
Accrued mark-up	73,128	80,200
Short term finances	244,521	0
Current portion of: - long term finances	233,334	233,334
Dividends payable to non-controlling interest	3,068	3,068
Sales tax and federal excise duty payable	18,476	24,583
Taxation	78,856	65,344
	<u>1,598,192</u>	753,607
<b>CONTINGENCIES AND COMMITMENTS</b>		
	<u>5,235,663</u>	<u>4,439,387</u>

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

**CHIEF EXECUTIVE**

**DISTILLERY COMPANY LIMITED  
AT 31 DECEMBER, 2010 (UN-AUDITED)**

	<u>Unaudited</u> Dec.31 2010 Rupees in thousand	<u>Audited</u> Sep.30 2010 Rupees in thousand
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	3,000,007	3,063,047
Intangible assets	281	253
Investment property	38,518	39,002
Investments	60,695	54,475
Deposits with a non-bank finance institution	31,200	31,200
Security deposits	4,297	4,278
	<u>3,134,998</u>	3,192,255
<b>CURRENT ASSETS</b>		
Stores and spares	286,365	260,769
Stock-in-trade	571,294	377,455
Trade debts - unsecured - considered good	249,206	109,089
Loans and advances	65,836	57,882
Trade deposits and short term prepayments	2,755	3,281
Accrued profit / mark-up on bank deposits	974	1,067
Other receivables	1,188	759
Income tax refundable, advance income tax and tax deducted at source	54,790	41,889
Short term investments	643,879	268,664
Bank balances	224,378	126,277
	<u>2,100,665</u>	1,247,132
	<u>5,235,663</u>	<u>4,439,387</u>

**DIRECTOR**

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)**  
**FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2010**

	<u>Oct. - Dec.</u> 2010	<u>Oct. - Dec.</u> 2009
	<b>Rupees in thousand</b>	
SALES - Net	1,347,108	1,197,973
COST OF SALES	1,272,008	861,782
GROSS PROFIT / (LOSS)	75,100	336,191
DISTRIBUTION COST	1,336	1,660
ADMINISTRATIVE EXPENSES	37,474	36,159
OTHER OPERATING EXPENSES	354	720
	39,164	38,539
	35,936	297,652
OTHER OPERATING INCOME	28,114	37,254
OPERATING PROFIT / (LOSS)	64,050	334,906
FINANCE COST	35,817	68,687
	28,233	266,219
PROFIT FROM ASSOCIATED COMPANIES - Net	5,237	6,257
PROFIT / (LOSS) BEFORE TAXATION	33,470	272,476
TAXATION		
Group		
- current	13,512	5,990
- deferred	6,732	0
	20,244	5,990
Associated Companies	1,480	1,510
	21,724	7,500
PROFIT AFTER TAXATION	11,746	264,976
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		
Fair value gain on available-for-sale investment	2,420	711
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	14,166	265,687
ATTRIBUTABLE TO:		
- Equity holders of the parent	5,201	97,546
- Non-controlling interest	8,965	168,141
	14,166	265,687
	----- Rupees-----	
EARNINGS PER SHARE	3.13	70.85

- 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**  
**CONSOLIDATED CASH FLOW STATEMENT - UNAUDITED**  
**FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2010**

	<u>Oct. - Dec.</u> 2010	<u>Oct. - Dec.</u> 2009
	<b>Rupees in thousand</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the period - before taxation	33,470	272,476
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	69,993	74,944
Depreciation on investment property	484	630
Amortisation of intangible assets	72	23
Profit / (Loss) from Associated Companies -net	(5,237)	6,257
Interest / profit on bank deposits / saving accounts and certificates	(583)	(4,771)
Staff retirement benefits - gratuity (net)	1,850	1,260
Gain on sale of vehicles	0	(717)
Gain on re-measurement of short term investments to fair value	(15,988)	0
Dividend income	(876)	0
Agriculture Income	(9,385)	0
Finance cost	35,507	68,687
<b>CASH INFLOW FROM OPERATING ACTIVITIES - Before working capital changes</b>	109,307	418,789
<b>(Increase) / decrease in current assets</b>		
Stores and spares	(25,596)	(21,970)
Stock-in-trade	(193,839)	(168,336)
Trade debts	(140,117)	21,738
Loans and advances	(7,954)	(12,908)
Trade deposits and short term prepayments	526	24,655
Other receivables	(429)	362
Short term investments	(375,215)	0
<b>Increase / (decrease) in current liabilities:</b>		
Trade and other payables	600,067	319,851
Sales tax and federal excise duty payable	(6,107)	(7,302)
	(148,664)	156,090
<b>CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES - Before taxation</b>	(39,357)	574,879
Income tax paid	(13,081)	(2,543)
<b>CASH / (OUTFLOW) INFLOW FROM OPERATING ACTIVITIES - After taxation</b>	(52,438)	572,336
Security deposits	(19)	0
<b>NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES</b>	(52,457)	572,336
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(1,769)	(1,948)
Sale proceeds of vehicles	0	1,454
Intangible assets acquired	(100)	0
Interest / profit on bank deposits / saving accounts and certificates received	676	13,033
Dividends received	876	0
<b>NET CASH (OUTFLOW) / INFLOW FROM INVESTING ACTIVITIES</b>	(317)	12,539
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term finances repaid	(66,667)	(51,667)
Short term finances - net	244,521	(317,150)
Finance cost paid	(42,579)	(120,732)
<b>NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES</b>	135,275	(489,549)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	82,501	95,326
<b>CASH AND CASH EQUIVALENTS - At beginning of the year</b>	126,277	201,472
<b>DEPOSITS WITH A NON-BANK FINANCE INSTITUTION GROUPED UNDER CURRENT ASSETS DURING THE YEAR</b>	15,600	15,600
	141,877	217,072
<b>CASH AND CASH EQUIVALENTS - At end of the year</b>	224,378	312,398

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

**CHIEF EXECUTIVE**

**DIRECTOR**



**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2010**

	----- Attributable to equity holders of the Parent -----							Non-controlling interest	Total equity
	Share capital	Reserves			Sub-total	Unappropriated profit	Total		
		Share redemption	General	Fair value reserve on available-for-sale investments					
----- Rupees in thousand -----									
Balance as at 30 September, 2009	37,500	1	1,004,976	7,209	1,012,186	43,393	1,093,079	71,477	1,164,556
Profit for the year ended 30 September, 2010	0	0	0	0	0	83,119	83,119	177,080	260,199
Other comprehensive Income for the year ended 30 September, 2010	0	0	0	575	575	0	575	135	710
Adjustment due to further acquisition in FSM	0	0	3,591	248	3,839	(6,889)	(3,050)	(3,839)	(6,889)
Effect of items directly credited in equity by Associated Companies	0	0	0	0	0	25	25	0	25
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the year -net of deferred taxation	0	0	0	0	0	110,852	110,852	0	110,852
<b>Balance as at 30 September, 2010</b>	<b>37,500</b>	<b>1</b>	<b>1,008,567</b>	<b>8,032</b>	<b>1,016,600</b>	<b>230,500</b>	<b>1,284,600</b>	<b>244,853</b>	<b>1,529,453</b>
Profit for the period ended 31 December, 2010	0	0	0	0	0	2,781	2,781	8,965	11,746
Other comprehensive income / (loss) for the period ended 31 December, 2010	0	0	0	1,961	1,961	(4,383)	(2,422)	459	(1,963)
Effect of items directly credited in equity by Associated Companies	0	0	0	0	0	44	44	0	44
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the year -net of deferred taxation	0	0	0	0	0	23,634	23,634	0	23,634
<b>Balance as at 31 December, 2010</b>	<b>37,500</b>	<b>1</b>	<b>1,008,567</b>	<b>9,993</b>	<b>1,018,561</b>	<b>252,576</b>	<b>1,308,637</b>	<b>254,277</b>	<b>1,562,914</b>

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

CHIEF EXECUTIVE

DIRECTOR

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (UNAUDITED)**  
**FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2010**

**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, as at 30 September, 2010, was complying with the relevant requirements for delisting from the Stock Exchanges as detailed in note (iii). The principal activity of FSM is manufacturing and sale of white sugar and its Mills and Registered Office are located at Takht-i-Bhai, Mardan (Khyber Pakhtunkhwa).

**(ii)**

FSM had been suffering losses over the years and during the current period and prior years had not carried-out manufacturing operations due to non-availability of raw materials.

**(iii)**

The Parent Company, the majority shareholder of FSM, had decided to purchase all the ordinary and preference shares of FSM held by Others. The shareholders of FSM passed a special resolution for de-listing from the Stock Exchanges at the annual general meeting held on 30 January, 2010. The shareholders also passed a special resolution for purchase of 263,134 ordinary shares at a price of Rs.190.20 per share and 26,970 preference shares at a price of Rs.18.60 per share by the Parent Company in the extra ordinary general meeting held on 10 June, 2010.

The purchase agent of the Parent Company (Invest Capital Investment Bank Ltd.) has completed the buying of 36,209 ordinary shares and 150 preference shares within the initial period of 60 days and after the submission of an undertaking to the Stock Exchanges to purchase the remaining shares upto 26 August, 2011, FSM has been de-listed from all the Stock Exchanges with effect from 25 October, 2010.

**2. BASIS OF PREPARATION**

These consolidated financial statements have been prepared in accordance with the requirements of Section 237 and 245 of the Companies Ordinance, 1984.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of these financial information are the same as those applied in preparation of the preceding published annual consolidated financial statements of the Company for the year ended 30 September, 2010.

**4. OPERATING SEGMENTS**

These consolidated financial statements have been prepared on the basis of single reportable segment.

**5. DATE OF AUTHORIZATION FOR ISSUE**

These consolidated financial statements were authorised for issue on 27 January, 2011 by the board of directors of the Parent Company.

**6. CORRESPONDING FIGURES**

Figures in the financial statements have been rounded-off to the nearest Thousand Rupees except stated otherwise and corresponding figures have been re-arranged wherever necessary.

**CHIEF EXECUTIVE**

**DIRECTOR**