



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

**QUARTERLY FINANCIAL STATEMENTS  
(UN-AUDITED)  
AS ON 30 JUNE, 2011**

## 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. ABDUL QADAR KHATTAK MR. BABAR ALI KHAN

<b>BOARD AUDIT COMMITTEE</b>	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

The Board of Directors is pleased to present a brief review of the operational and financial performance of the Company for the period ended on June 30, 2011.

#### Sugarcane season 2010-11

The sugarcane crushing season 2010-11 commenced on 01 November, 2010, and continued till 28 February, 2011. The Mills have crushed 133,655 tons (2009-10; 3,864 tons) of sugarcane and produced 11,508.5 tons (2009-10: 50 tons) of sugar at an average recovery of 8.65 % (2009-10: 7.01 %). The Factory faced adverse competition with tax free Gur making but competed with commercial Gur producers, by offering and paying extraordinary prices to procure sugarcane. The Government has shown no interest to tax Commercial Gur trade to generate revenue for the National Exchequer.

#### Sugarbeet season 2011

The sugarbeet season started on 25 May, 2011 and lasted till 09 June, 2011. The Mills sliced 50,509 tons (2010: 33,026 tons) of sugar beet and produced 4,466.7 tons (2010: 2,452 tons) of sugar at an average recovery of 8.93 % (2010: 7.60 %).

#### Distillery

172,000 Gallons of Industrial Alcohol (2010: 2,129 Gallons) was produced during the period ended 30 June, 2011.

#### Financial Performance

The Company suffered losses of Rs. 51.003 million due to high prices of sugarcane paid to the growers. However we are expecting improvement in sugar prices to absorb the losses during the last quarter of the current financial year.

#### 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:  
July 26, 2011

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**CONDENSED INTERIM BALANCE SHEET AS AT 30 JUNE ,2011 (UN-AUDITED)**

		Un-audited 30 June, 2011 (Rupees in thousand)	Audited 30 Sep., 2010
<b>Assets</b>			
Non-current assets	NOTE		
Property, Plant and equipment	4	577,281	620,264
Investment Property	5	37,550	39,002
Investments		165,852	160,688
long term loan to a Subsidiary Company		322,500	322,500
Deposit with a non-bank finance institution		15,600	15,600
Security Deposits		517	502
		<u>1,119,300</u>	<u>1,158,556</u>
<b>Current assets</b>			
Stores and spares		84,489	83,694
Stock-in-trade		896,326	120,797
Trade debtors - unsecured - considered good		929	29,555
Income tax refundable, advance income tax and tax deducted at source		15,571	11,097
Loan and advances		7,584	2,624
Accrued profit / mark-up on bank deposits and loan to a Subsidiary Company		252	13,100
Trade deposits and short term prepayments		1,219	1,568
Other receivables		6,195	239
Sales tax refundable		12,879	1,857
Short term investments		222,070	191,852
Bank balances	6	119,226	55,644
		<u>1,366,740</u>	<u>512,027</u>
		<u>2,486,040</u>	<u>1,670,583</u>
<b>Equity and liabilities</b>			
Capital and reserve			
Authorised capital		57,500	57,500
Issued, subscribed and paid up capital		37,500	37,500
Reserves		900,001	900,001
UNAPPROPRIATED PROFIT		107,134	141,750
		<u>1,044,635</u>	<u>1,079,251</u>
Surplus on revaluation of Property , plant and equipment		328,666	348,803
<b>Non-current liabilities</b>			
Deferred taxation		156,110	186,967
Staff retirement benefits- gratuity		22,716	20,289
		<u>178,826</u>	<u>207,256</u>
<b>Current liabilities</b>			
Short term borrowings	7	752,550	0
Trade and other payables		156,429	31,413
Accrued mark-up on short term borrowings		23,182	2,180
Taxation	8	1,752	1,680
		<u>933,913</u>	<u>35,273</u>
Contingencies and commitments	9		
		<u>2,486,040</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**  
**FOR THE QUARTER AND NINE MONTHS ENDED 30 JUNE, 2011 (UN-AUDITED)**

	For the 3rd Quarter		Cumulative	
	April. -June. 2011	April. -June. 2010	Oct. - June, 2011	Oct. - June. 2010
	----- Rupees in thousand -----			
<b>TURNOVER</b>	5,445	23,411	397,954	207,539
<b>LESS: SALES TAX AND FEDERAL EXCISE DUTY</b>	849	2,416	15,742	15,992
	<u>4,596</u>	<u>20,995</u>	<u>382,212</u>	<u>191,547</u>
<b>COST OF SALES</b>	(26,024)	63,049	491,307	270,997
<b>GROSS PROFIT / (LOSS)</b>	30,620	(42,054)	(109,095)	(79,450)
<b>ADMINISTRATIVE EXPENSES</b>	12,940	20,386	42,779	50,196
<b>DISTRIBUTION COST</b>	280	209	1,021	561
<b>OTHER OPERATING EXPENSES</b>	0	329	5	634
	<u>13,220</u>	<u>20,924</u>	<u>43,805</u>	<u>51,391</u>
	17,400	(62,978)	(152,900)	(130,841)
<b>OTHER OPERATING INCOME</b>	37,641	13,210	109,338	151,351
	<u>55,041</u>	<u>(49,768)</u>	<u>(43,562)</u>	<u>20,510</u>
<b>FINANCE COST</b>	23,666	1,473	38,226	1,573
<b>PROFIT / (LOSS) BEFORE TAXATION</b>	31,375	(51,241)	(81,788)	18,937
<b>TAXATION</b>				
Current	(1,375)	4,889	72	5,884
Deferred	8,036	(8,235)	(30,857)	(2,270)
	<u>6,661</u>	<u>(3,346)</u>	<u>(30,785)</u>	<u>3,614</u>
<b>PROFIT / (LOSS) AFTER TAXATION</b>	24,714	(47,895)	(51,003)	15,323
<b>OTHER COMPREHENSIVE INCOME</b>	0	0	0	0
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>	24,714	(47,895)	(51,003)	15,323
	----- Rupees -----			
<b>EARNINGS / (LOSS) PER SHARE</b>	6.59	(12.77)	(13.60)	4.09

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

CHIEF EXECUTIVE

DIRECTOR

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 30 JUNE, 2011 (UN-AUDITED)**

	30 June, 2011	30 June, 2010
(Rupees in thousand)		
Cash flow from operating activities		
(Loss) / Profit for the period - before taxation	(81,788)	18,937
Adjustments for:		
Depreciation	44,674	50,016
Impairment loss against long term Investments at fair value	(5,164)	(45,585)
Staff retirement benefits - gratuity (net)	2,427	3,477
Gain on sale of machinery	0	(151)
Gain on sale of investment property	0	(43,058)
Accrued profit / mark-up on bank deposits and loan to a Subsidiary Company	(38,336)	(48,708)
Finance cost	38,226	1,573
Cash outflow from operating activities - before working capital changes	(39,961)	(63,499)
Decrease / (increase) in current assets		
Stores and spares	(795)	2,529
Stock-in-trade	(775,529)	21,123
Trade debts	28,626	1,048
Loan and advances	(4,960)	(10,640)
Trade deposits and prepayments	349	99
Other receivables	(5,956)	(1,257)
Sales tax refundable	(11,022)	0
Short term investments	(30,218)	0
Increase in trade and other payables	124,789	52,944
	(674,716)	65,846
Cash (outflow) / inflow from operating activities - before taxation	(714,677)	2,347
Taxes paid	(4,474)	(1,981)
Security Deposits	(15)	0
Net cash (outflow) / inflow from operating activities - after taxation	(719,166)	366
Cash flow from investing activities		
Additions to Property plant and Equipment	(239)	(1,338)
Sale proceeds of fixed assets & Investment Property	0	56,823
Profit on loan to a Subsidiary Company and mark-up on bank deposits received	51,184	69,061
Net cash inflow from investing activities	50,945	124,546
Cash flow from financing activities		
Short term finances - net	752,550	75,000
Dividend paid	(3,523)	0
Finance cost paid	(17,224)	(1,376)
Net cash inflow from financing activities	731,803	73,624
Net Increase in cash and cash equivalents	63,582	198,536
Cash and cash equivalents - at the beginning of the period	55,644	112,340
Cash and cash equivalents - at the end of the period	119,226	310,876

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

CHIEF EXECUTIVE

DIRECTOR

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 JUNE, 2011 (UN-AUDITED)**

	Share capital	Reserves			Unappropriated profit / (Accumulated Loss)	Total
		Capital	Revenue	Sub-total		
----- Rupees in thousand -----						
Balance as at 30 September, 2009	37,500	1	900,000	900,001	67,759	1,005,260
<b>Total comprehensive income for the period</b>						
Profit for the nine months ended 30 June, 2010	0	0	0	0	15,323	15,323
Incremental depreciation in respect of Surplus on Revaluation of Property, Plant & Equipment - net of deferred Taxation	0	0	0	0	22,257	22,257
Balance as at 30 June, 2010	37,500	1	900,000	900,001	105,339	1,042,840
<b>Total comprehensive income for the period</b>						
Profit for the Period from 1st July to 30 September, 2010	0	0	0	0	23,204	23,204
Incremental depreciation in respect of Surplus on Revaluation of Property, Plant & Equipment - net of deferred Taxation	0	0	0	0	13,207	13,207
Balance as at 30 September, 2010	37,500	1	900,000	900,001	141,750	1,079,251
<b>Total comprehensive income for the period</b>						
Loss after taxation for the nine months ended 30 June, 2011	0	0	0	0	(51,003)	(51,003)
<b>Transaction with owners</b>						
Final cash dividend paid at rate of Re. 1 per share	0	0	0	0	(3,750)	(3,750)
Incremental depreciation in respect of Surplus on Revaluation of Property, Plant & Equipment - net of deferred Taxation	0	0	0	0	20,137	20,137
<b>Balance as at 30 June, 2011</b>	<b>37,500</b>	<b>1</b>	<b>900,000</b>	<b>900,001</b>	<b>107,134</b>	<b>1,044,635</b>

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

CHIEF EXECUTIVE

DIRECTOR

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE PERIOD ENDED 30 JUNE, 2011 (UN-AUDITED)**

**1. CORPORATE INFORMATION**

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

**2. BASIS OF PREPARATION**

This condensed interim financial information is un-audited; it has been prepared and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984 and International Accounting Standard (IAS) 34 (Interim Financial Reporting). The figures for the nine months ended 30 June, 2011 have, however, been prepared as required by the Code of Corporate Governance. This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the annual published financial statements of the Company for the year ended 30 September, 2010.

**3. SIGNIFICANT ACCOUNTING POLICIES**

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

**4. PROPERTY, PLANT AND EQUIPMENT**

	30 June, 2011	30 September 2010
	( Rupees in thousand )	
Opening book value	620,264	688,890
Additions in property, plant and equipment during the period / year	239	1,338
Disposals during the period / year	0	(5,613)
Depreciation charge for the period / year	43,222	64,351
Closing book value	<u>577,281</u>	<u>620,264</u>

**5. INVESTMENT PROPERTY**

Opening book value	39,002	49,110
Disposals during the year	0	(7,887)
Depreciation charge for the period / year	1,452	2,221
Closing book value	<u>37,550</u>	<u>39,002</u>

**6. CASH AND BANK BALANCES**

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

**7. SHORT TERM BORROWINGS - Secured**

Cash and running finance facility available from commercial banks under mark-up arrangement aggregate Rs. 800 million (30 September, 2010 : NIL). The facility during the period, carried mark-up at the rates ranging from 15.27% to 15.52%.

**8. TAXATION**

**8.1** The status of pending tax cases has not changed since the date of preceding published annual financial statements for the year ended 30 September, 2010.

**8.2** 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 section 155 (Income from Property) of the

**9. CONTINGENCIES AND COMMITMENTS**

**9.1** Guarantee given by a bank on behalf of the Company outstanding as at 30 June, 2011 amounts to Rs. 45 million (30 September, 2010: Rs. 10 million).

**9.2** No commitments were outstanding as at 30 June 2011 and 30 September, 2010.

**9.3** 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.

**10. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in its meeting held on 26 July, 2011.

**11. SEGMENT REPORTING**

Operating results of the Distillery have not been separately disclosed in these financial statements as these do not meet the minimum thresholds prescribed by IAS 14 (Segment Reporting).

**12. CORRESPONDING FIGURES**

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

**13. GENERAL**

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

**CHIEF EXECUTIVE**

**DIRECTOR**

**CONDENSED INTERIM CONSOLIDATED  
QUARTERLY FINANCIAL STATEMENTS  
(UN-AUDITED)  
AS ON 30 JUNE, 2011**

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

The directors have pleasure to present the quarterly consolidated financial statements for the period ended on June 30, 2011 to the shareholders of the Company.

**REVIEW OF OPERATIONS**

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

**CURRENT SUGAR CANE SEASON 2010-11**

This year sugar mill crushed 1,487,208 tons (2009-10: 1,049,925 tons) i.e. an increase of 41.6 % as compared to last year. The Frontier Sugar Mills & Distillery Limited could not operate due to the diversion of sugarcane towards tax free gur industry.

**SUGARBEET SEASON 2011**

The sugarbeet season started on 25 May, 2011 and lasted till 09 June, 2011. The Mills sliced 50,509 tons (2010: 33,026 tons) of sugar beet and produced 4,466.7 tons (2010: 2,452 tons) of sugar at an average recovery of 8.93 % (2010: 7.60 %).

**CUSTOMER'S SUPPORT AND STAFF RELATIONS**

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

**ACCOUNTING POLICIES**

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

Mardan:  
26, July 2011

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**CONDENSED INTERIM CONSOLIDATED BALANCE SHEET**  
**AS AT 30 JUNE ,2011 (UN-AUDITED)**

	Un-audited 30 June, 2011	Audited 30 Sep., 2010	Un-audited 30 June, 2011	Audited 30 Sep., 2010
	Note (Rupees in thousand)		Note (Rupees in thousand)	
<b>EQUITY AND LIABILITIES</b>				
<b>SHARE CAPITAL AND RESERVES</b>				
Authorised capital	57,500	57,500		
Issued, subscribed and paid-up capital	37,500	37,500		
Reserves	1,021,060	1,016,600		
Unappropriated profit	203,644	230,500		
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>1,262,204</b>	<b>1,284,600</b>		
<b>NON-CONTROLLING INTEREST</b>	<b>286,167</b>	<b>244,853</b>		
	<b>1,548,371</b>	<b>1,529,453</b>		
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>	<b>1,137,722</b>	<b>1,208,520</b>		
<b>NON-CURRENT LIABILITIES</b>				
Long term finances	390,000	556,664		
Loans from Associated Companies	180,000	180,000		
Deferred liabilities: - deferred taxation - staff retirement benefits - gratuity	156,110 25,979	186,967 24,176		
	<b>752,089</b>	<b>947,807</b>		
<b>CURRENT LIABILITIES</b>				
Trade and other payables	892,305	347,078		
Accrued mark-up	188,087	80,200		
Short term borrowings	3,593,625	0		
Current portion of long term finances	216,664	233,334		
Dividends payable to non-controlling interest	3,698	3,068		
Sales tax and federal excise duty payable	1,771	24,583		
Taxation	112,941	65,344		
	<b>5,009,091</b>	<b>753,607</b>		
<b>CONTINGENCIES AND COMMITMENTS</b>				
	<b>8,447,273</b>	<b>4,439,387</b>		
			<b>299,546</b>	<b>260,769</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment			2,884,962	3,063,047
Intangible assets			288	253
Investment property			37,550	39,002
Investments			63,764	54,475
Deposits with a non-bank finance institution			31,200	31,200
Security deposits			4,318	4,278
			<b>3,022,082</b>	<b>3,192,255</b>
<b>CURRENT ASSETS</b>				
Stores and spares			299,546	260,769
Stock-in-trade			3,704,418	377,455
Trade debts - unsecured considered good			584,200	109,089
Loans and advances			69,157	57,882
Trade deposits and short term prepayments			2,961	3,281
Accrued profit / mark-up on bank deposits			1,226	1,067
Other receivables			6,925	759
Sales tax refundable			12,879	0
Income tax refundable, advance income tax and tax deducted at source			93,745	41,889
Short term investments			444,507	268,664
Cash and bank balances			205,627	126,277
			<b>5,425,191</b>	<b>1,247,132</b>

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

CHIEF EXECUTIVE

DIRECTOR

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED 30 JUNE, 2011 (UN-AUDITED)**

	For the 3rd Quarter		Cumulative	
	April - June 2011	April - June 2010	Oct. - June 2011	Oct. - June 2010
	----- Rupees in thousand -----			
<b>SALES</b>	<b>1,171,651</b>	<b>2,915,017</b>	<b>5,391,678</b>	<b>5,676,408</b>
<b>LESS: SALES TAX AND FEDERAL EXCISE DUTY</b>	<b>80,092</b>	<b>140,538</b>	<b>256,994</b>	<b>289,100</b>
	<b>1,091,559</b>	<b>2,774,479</b>	<b>5,134,684</b>	<b>5,387,308</b>
<b>COST OF SALES</b>	<b>1,055,059</b>	<b>2,677,027</b>	<b>4,781,025</b>	<b>4,871,314</b>
<b>GROSS PROFIT</b>	<b>36,500</b>	<b>97,452</b>	<b>353,659</b>	<b>515,994</b>
<b>DISTRIBUTION COST</b>	<b>2,216</b>	<b>7,807</b>	<b>12,199</b>	<b>12,895</b>
<b>ADMINISTRATIVE EXPENSES</b>	<b>40,189</b>	<b>42,163</b>	<b>123,905</b>	<b>116,789</b>
<b>OTHER OPERATING EXPENSES</b>	<b>1,975</b>	<b>346</b>	<b>20,107</b>	<b>710</b>
<b>OTHER OPERATING INCOME</b>	<b>(1,146)</b>	<b>(17,238)</b>	<b>(96,251)</b>	<b>(81,548)</b>
	<b>43,234</b>	<b>33,078</b>	<b>59,960</b>	<b>48,846</b>
<b>(LOSS) / PROFIT FROM OPERATIONS</b>	<b>(6,734)</b>	<b>64,374</b>	<b>293,699</b>	<b>467,148</b>
<b>FINANCE COST</b>	<b>137,754</b>	<b>76,272</b>	<b>310,411</b>	<b>210,437</b>
	<b>(144,488)</b>	<b>(11,898)</b>	<b>(16,712)</b>	<b>256,711</b>
<b>SHARE OF PROFIT OF ASSOCIATED COMPANIES - Net</b>	<b>521</b>	<b>4,439</b>	<b>5,220</b>	<b>1,864</b>
<b>(LOSS) / PROFIT BEFORE TAXATION</b>	<b>(143,967)</b>	<b>(7,459)</b>	<b>(11,492)</b>	<b>258,575</b>
<b>TAXATION</b>				
Group				
- Current	9,420	18,618	47,597	31,830
- Prior years'			(4,726)	0
- Deferred	8,036	(8,235)	(30,857)	(2,270)
	<b>17,456</b>	<b>10,383</b>	<b>12,014</b>	<b>29,560</b>
Associated Companies	(201)	(1,226)	1,480	(497)
	<b>17,255</b>	<b>9,157</b>	<b>13,494</b>	<b>29,063</b>
<b>(LOSS) / PROFIT AFTER TAXATION</b>	<b>(161,222)</b>	<b>(16,616)</b>	<b>(24,986)</b>	<b>229,512</b>
<b>OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>				
Fair value gain / (loss) on available-for-sale investments	1,045	(20)	5,505	359
	<b>(160,177)</b>	<b>(16,636)</b>	<b>(19,481)</b>	<b>229,871</b>
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD</b>	<b>(160,177)</b>	<b>(16,636)</b>	<b>(19,481)</b>	<b>229,871</b>
<b>ATTRIBUTABLE TO:</b>				
- Equity holders of the Parent	(183,165)	(52,813)	(59,750)	70,602
- Non-controlling interest	(82,823)	36,177	40,269	159,269
	<b>(160,177)</b>	<b>(16,636)</b>	<b>(19,481)</b>	<b>229,871</b>
			----- Rupees -----	
<b>COMBINED / (LOSS) / EARNING PER SHARE</b>	<b>(49.12)</b>	<b>(14.08)</b>	<b>(17.40)</b>	<b>18.73</b>

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

CHIEF EXECUTIVE

DIRECTOR

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 30 JUNE, 2011 (UN-AUDITED)**

	<b>Half-year ended</b>	
	30 June,	30 June,
	2011	2010
	<b>(Rupees in thousand)</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit for the period - before taxation	(11,492)	258,575
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets & investment property	211,460	228,640
Amortisation of intangible assets	265	485
(Profit) / loss from Associated Companies -net	(5,220)	1,864
Profit / mark-up on bank deposits	(2,481)	(20,934)
Staff retirement benefits - gratuity (net)	1,803	5,549
Finance cost	310,411	210,437
Gain on sale of vehicles	(27)	(740)
Gain on sale of investment property	0	(43,058)
Gain on redemption of investments	(11,302)	0
Fair value gain on re-measurement of short term investments	(36,785)	(1,589)
<b>CASH INFLOW FROM OPERATING ACTIVITIES - Before working capital changes</b>	<b>456,632</b>	<b>639,229</b>
<b>(Increase) / decrease in current assets:</b>		
Stores and spares	(38,777)	577
Stock-in-trade	(3,326,963)	(299,359)
Trade debts	(475,111)	17,360
Loans and advances	(11,275)	(31,097)
Trade deposits and short term prepayments	320	25,445
Sales tax refundable	(12,879)	0
Other receivables	(6,166)	(1,531)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	544,996	586,542
Sales tax and federal excise duty payable	(22,812)	4,011
	<b>(3,348,667)</b>	<b>301,948</b>
<b>CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES - Before taxation</b>	<b>(2,892,035)</b>	<b>941,177</b>
Income tax paid	(47,130)	(15,787)
Security deposits	(40)	0
<b>NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES - After taxation</b>	<b>(2,939,205)</b>	<b>925,390</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(31,816)	(46,221)
Intangible assets acquired	(300)	0
Sale proceeds of vehicles	150	1,455
Sale proceeds of investment property	0	56,551
Short term investments - net	(127,756)	(48,378)
Profit / mark-up on bank deposits received	2,322	19,797
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>	<b>(157,400)</b>	<b>(16,796)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term finances repaid	(183,334)	(168,334)
Short term borrowings - net	3,593,625	(232,513)
Dividend paid	(31,812)	(32,442)
Finance cost paid	(202,524)	(202,734)
<b>NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>3,175,955</b>	<b>(636,023)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>79,350</b>	<b>272,571</b>
<b>CASH AND CASH EQUIVALENTS - At beginning of the period</b>	<b>79,477</b>	<b>117,235</b>
<b>DEPOSITS WITH A NON-BANK FINANCE INSTITUTION GROUPED UNDER CURRENT ASSETS DURING THE PERIOD</b>	<b>46,800</b>	<b>15,600</b>
	<b>126,277</b>	<b>132,835</b>
<b>CASH AND CASH EQUIVALENTS - At end of the period</b>	<b>205,627</b>	<b>405,406</b>

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

CHIEF EXECUTIVE

DIRECTOR

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 JUNE, 2011 (UN-AUDITED)**

	----- 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								
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
Balance as at 30 September, 2010	37,500	1	1,008,567	8,032	1,016,600	230,500	1,284,600	244,853	1,529,453
(Loss) / Profit for the period ended 30 June, 2011	0	0	0	0	0	(65,255)	(65,255)	40,269	(24,986)
Other comprehensive income for the period ended 30 June, 2011	0	0	0	4,460	4,460	0	4,460	1,045	5,505
Effect of items directly credited in equity by Associated Companies	0	0	0	0	0	44	44	0	44
Cash dividend paid @ Re.1 per share	0	0	0	0	0	(32,442)	(32,442)	0	(32,442)
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	70,797	70,797	0	70,797
Balance as at 30 June, 2011	37,500	1	1,008,567	12,492	1,021,060	203,644	1,262,204	286,167	1,548,371

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

CHIEF EXECUTIVE

DIRECTOR



**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM**  
**CONSOLIDATED FINANCIAL INFORMATION**  
**FOR THE PERIOD ENDED 30 JUNE, 2011 (UN-AUDITED)**

**1. THE GROUP AND ITS OPERATIONS**

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

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

**1.2 Subsidiary Companies**

**(a) Chashma Sugar Mills Ltd. (CSM)**

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

(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.

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. 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.

**6. CONTINGENCIES AND COMMITMENTS**

6.1 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.

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

**7. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim consolidated financial information was authorised for issue on 26 July, 2011 by the board of directors of the Parent Company.

**8. 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**