

CHASHMA SUGAR MILLS LIMITED
COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN/CHIEF EXECUTIVE Khan Aziz Sarfaraz Khan

DIRECTORS

Begum Laila Sarfaraz
Abbas Sarfaraz Khan
Ms. Zarmine Sarfaraz
Ms. Najda Sarfaraz
Iskander M. Khan
Baber Ali Khan
Abdul Qadar Khattak

BOARD AUDIT COMMITTEE

Ms. Najda Sarfaraz
Iskander M. Khan
Baber Ali Khan

**COMPANY SECRETARY/
CHIEF FINANCIAL OFFICER**

Mujahid Bashir

AUDITORS

Messrs Hameed Chaudhri & Co.
Chartered Accountants

COST AUDITORS

Messrs Munawar Associates
Chartered Accountants

TAX CONSULTANTS

Messrs Hameed Chaudhri & Co.
Chartered Accountants

LEGAL ADVISORS

Tariq Mahmood Khokhar
Advocate

BANKERS

National Bank of Pakistan
Habib Bank Limited
MCB Bank Limited
The Bank of Khyber
Saudi Pak Commercial Bank Ltd.
Bank Al-Falah Limited
Bank AL-Habib Limited

REGISTERED OFFICE

Nowshera Road, Mardan

HEAD OFFICE

King's Arcade, 20-A, Markaz F-7,
Islamabad
Phone : 2650805-7
Fax : 2651285-6

FACTORY

Dera Ismail Khan
Phone : 750090, 750091
Fax : 750092

CHASHMA SUGAR MILLS LIMITED
DIRECTORS' REVIEW REPORT

The half yearly financial statements are being presented to the shareholders in accordance with the requirements of International Accounting Standard No. 34 "Interim Financial Reporting", under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Stock Exchanges of Pakistan. These 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 22 November, 2008 and continued till March 2, 2009. As expected, the volume of sugarcane crop was 30% lower as compared to last year i.e. crushing season 2007-08. We have crushed 1,050,806 tons (2008: 1,466,133 tons) sugarcane and produced 85,234 tons (2008: 111,330 tons) of sugar at an average recovery of 8.11 % (2008: 7.60 %). The cost of production during the period increased because of the high sugarcane prices, borrowing cost and the other related manufacturing expenses e.g. minimum wages, chemicals, spare parts and packing material. Contrary to this, sugar prices have remained below breakeven cost as the Trading Corporation of Pakistan instead of selling subsidized sugar to the masses in small quantities through Utility Stores and Cantonment Stores Department, sold sugar in bulk to the commercial traders.

The Company suffered losses during this period due to the increase in the cost of raw material and high financial charges.

EXPORT DUTY ON MOLASSES

The Government imposed 15% export duty on export of sugarcane molasses in spite of the fact that the Economic Coordination Committee (ECC) of the cabinet had twice rejected this levy on the grounds that it will substantially erode foreign exchange earnings and jeopardize payments by the mills to the sugarcane growers. However, the duty has been imposed to benefit few individuals who are engaged in the business of ethanol manufacturing, and the negative economic fall out of this decision has been ignored.

REPLY TO THE AUDITOR'S OBSERVATION

Note No.8.3

The Peshawar High Court (PHC) has dismissed our reference, we have filed an appeal before the Supreme Court of Pakistan on the grounds that the PHC decided the matter based on misconceived facts by ignoring the point of law.

Note No.12

The Company has sold the sugar to the Trading Corporation of Pakistan (Pvt.) Limited (TCP). The TCP has made payment as per terms and conditions of the tender and now we are only holding the sugar stock in our godown on TCP's behalf.

ACCOUNTING POLICIES

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

Mardan:
26 May, 2009

CHASHMA SUGAR MILLS 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 **CHASHMA SUGAR MILLS LIMITED** as at 31 March, 2009 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 "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended 31 March, 2009 and 2008 have not been reviewed, as we are required to review only the cumulative figures for the half-year ended 31 March, 2009.

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

- Provisions against disputed tax levies aggregating Rs.116,946 thousand have not been made in the books of account as detailed in note 8.3 to the interim financial information.
- The current period sales include Rs.1,261,127 thousand, which have been recognised on the basis of acceptance letters of Trading Corporation of Pakistan (Pvt.) Ltd. as fully detailed in note 12. However, the Company has not raised any sales tax invoice for these sales.

Qualified Conclusion

Based on our review, except for the matters referred to in the aforementioned paragraphs 1 and 2 and the extent to which these may affect the annexed interim financial information, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half-year ended 31 March, 2009 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

LAHORE:
27 May, 2009

HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT 31 MARCH, 2009

| Note | Un-audited | Audited | Note | Un-audited | Audited | | |
|--|------------------|--------------------|---|---|--------------------|-----------|--------|
| | 31 March, 2009 | 30 September, 2008 | | 31 March, 2009 | 30 September, 2008 | | |
| Rupees in thousand | | Rupees in thousand | | Rupees in thousand | | | |
| EQUITY AND LIABILITIES | | | ASSETS | | | | |
| SHARE CAPITAL AND RESERVES | | | NON-CURRENT ASSETS | | | | |
| Authorised capital | 500,000 | 500,000 | Property, plant and equipment | 10 | 2,605,125 | 2,719,575 | |
| Issued, subscribed and paid-up capital | 286,920 | 286,920 | Intangible assets | | 590 | 787 | |
| General reserve | 327,000 | 327,000 | Security deposits | | 3,413 | 3,413 | |
| | | | | | 2,609,128 | 2,723,775 | |
| ACCUMULATED LOSS | (511,413) | (410,482) | CURRENT ASSETS | | | | |
| | 102,507 | 203,438 | Stores and spares | | 137,260 | 137,444 | |
| | | | Stock-in-trade | 11 | 1,657,431 | 1,438,063 | |
| SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT | 874,381 | 914,973 | Trade debts - unsecured - considered good | | 105,264 | 19,373 | |
| | | | Loans and advances | | 37,061 | 48,092 | |
| NON-CURRENT LIABILITIES | | | Deposits and prepayments | | 798 | 4,911 | |
| Term and demand finances | 6 | 906,666 | 928,333 | Income tax refundable | | 37,365 | 37,365 |
| Loans from Associated Companies | | 535,833 | 535,833 | Advance income tax and tax deducted at source | | 60,526 | 53,898 |
| | | 1,442,499 | 1,464,166 | Bank balances | | 65,553 | 46,318 |
| | | | | | 2,101,258 | 1,785,464 | |
| CURRENT LIABILITIES | | | | | | | |
| Current portion of: | | | | | | | |
| - term and demand finances | 6 | 144,583 | 170,833 | | | | |
| - loans from Associated Companies | | 16,667 | 16,667 | | | | |
| - liabilities against assets subject to finance lease | | 0 | 415 | | | | |
| Short term finances | | 1,367,665 | 1,411,256 | | | | |
| Trade and other payables | 7 | 564,137 | 197,431 | | | | |
| Accrued mark-up and interest | | 140,823 | 112,432 | | | | |
| Sales tax and federal excise duty payable | | 44,919 | 5,423 | | | | |
| Taxation | 8 | 12,205 | 12,205 | | | | |
| | | 2,290,999 | 1,926,662 | | | | |
| CONTINGENCIES AND COMMITMENTS | 9 | | | | | | |
| | | 4,710,386 | 4,509,239 | | 4,710,386 | 4,509,239 | |

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

The Chief Executive of the Company was out of country, hence the accounts signed by Directors.

CHIEF EXECUTIVE

DIRECTOR

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF-YEAR ENDED 31 MARCH, 2009 (UN-AUDITED)

| | Note | For the 2nd Quarter | | Cumulative | |
|-----------------------------------|------|---------------------|------------------|------------------|------------------|
| | | Jan. - Mar. | Jan. - Mar. | Oct. - Mar. | Oct. - Mar. |
| | | 2009 | 2008 | 2009 | 2008 |
| ----- Rupees in thousand ----- | | | | | |
| TURNOVER | | | | | |
| - LOCAL | | 1,006,748 | 656,026 | 2,730,750 | 1,088,528 |
| - EXPORT | | 0 | 493,202 | 0 | 546,787 |
| | | <u>1,006,748</u> | <u>1,149,228</u> | <u>2,730,750</u> | <u>1,635,315</u> |
| LESS: | | | | | |
| SALES TAX AND FEDERAL EXCISE DUTY | | 124,075 | 88,815 | 173,762 | 149,173 |
| COMMISSION | | 1,836 | 1,759 | 2,656 | 2,953 |
| | | <u>125,911</u> | <u>90,574</u> | <u>176,418</u> | <u>152,126</u> |
| SALES - Net | 12 | 880,837 | 1,058,654 | 2,554,332 | 1,483,189 |
| COST OF SALES | | 787,866 | 1,193,958 | 2,422,502 | 1,597,364 |
| GROSS PROFIT / (LOSS) | | <u>92,971</u> | <u>(135,304)</u> | <u>131,830</u> | <u>(114,175)</u> |
| ADMINISTRATIVE EXPENSES | | 19,288 | 19,835 | 37,508 | 31,438 |
| DISTRIBUTION COST | | 4,586 | 6,517 | 6,668 | 8,494 |
| OTHER OPERATING EXPENSES | | 1,422 | 23 | 4,197 | 53 |
| | | <u>25,296</u> | <u>26,375</u> | <u>48,373</u> | <u>39,985</u> |
| | | <u>67,675</u> | <u>(161,679)</u> | <u>83,457</u> | <u>(154,160)</u> |
| OTHER OPERATING INCOME | 13 | 2,283 | 5,207 | 10,022 | 5,481 |
| OPERATING PROFIT / (LOSS) | | <u>69,958</u> | <u>(156,472)</u> | <u>93,479</u> | <u>(148,679)</u> |
| FINANCE COST | 14 | 114,462 | 72,881 | 235,002 | 154,812 |
| LOSS BEFORE TAXATION | | <u>(44,504)</u> | <u>(229,353)</u> | <u>(141,523)</u> | <u>(303,491)</u> |
| TAXATION - Current | | 0 | 5,593 | 0 | 7,455 |
| LOSS AFTER TAXATION | | <u>(44,504)</u> | <u>(234,946)</u> | <u>(141,523)</u> | <u>(310,946)</u> |
| ----- Rupees ----- | | | | | |
| LOSS PER SHARE | | <u>(1.55)</u> | <u>(12.28)</u> | <u>(4.93)</u> | <u>(16.26)</u> |

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

The Chief Executive of the Company was out of country, hence the accounts signed by Directors.

CHIEF EXECUTIVE

DIRECTOR

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 MARCH, 2009 (UN-AUDITED)

| | Half-year ended 31 March, 2009 | Half-year ended 31 March, 2008 |
|---|--------------------------------|--------------------------------|
| (Rupees in thousand) | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Loss for the period - before taxation | (141,523) | (303,491) |
| Adjustments for non-cash charges and other items: | | |
| Depreciation | 128,401 | 91,654 |
| Amortisation of intangible assets | 197 | 275 |
| Profit on deposit accounts - net | 0 | (594) |
| Finance cost | 232,429 | 154,076 |
| CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES | | |
| - Before working capital changes | 219,504 | (58,080) |
| (Increase) / decrease in current assets: | | |
| Stores and spares | 184 | (5,041) |
| Stock-in-trade | (219,368) | (635,145) |
| Trade debts | (85,891) | 26,170 |
| Loans and advances | 11,031 | (116,431) |
| Deposits and prepayments | 4,113 | 328 |
| Increase / (decrease) in current liabilities: | | |
| Trade and other payables | 366,706 | 1,547,569 |
| Sales tax and federal excise duty payable | 39,496 | (6,983) |
| | <u>116,271</u> | <u>810,467</u> |
| CASH INFLOW FROM OPERATING ACTIVITIES - Before taxation | <u>335,775</u> | <u>752,387</u> |
| Taxes paid | (6,628) | (9,513) |
| NET CASH INFLOW FROM OPERATING ACTIVITIES - After taxation | <u>329,147</u> | <u>742,874</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Property, plant and equipment acquired | (13,951) | (72,947) |
| Profit on deposit accounts | 0 | 624 |
| NET CASH OUTFLOW FROM INVESTING ACTIVITIES | <u>(13,951)</u> | <u>(72,323)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Term and demand finances repaid | (47,917) | (112,917) |
| Lease finances - net | (415) | (1,640) |
| Short term finances - net | (18,637) | (415,431) |
| Finance cost paid | (204,038) | (171,111) |
| Dividend paid | 0 | (4) |
| NET CASH OUTFLOW FROM FINANCING ACTIVITIES | <u>(271,007)</u> | <u>(701,103)</u> |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | <u>44,189</u> | <u>(30,552)</u> |
| CASH AND CASH EQUIVALENTS - At the beginning of the period | <u>20,705</u> | <u>25,280</u> |
| CASH AND CASH EQUIVALENTS - At the end of the period | <u>64,894</u> | <u>(5,272)</u> |
| CASH AND CASH EQUIVALENTS COMPRISED OF: | | |
| Bank balances | 65,553 | 31,441 |
| Temporary bank overdrafts | (659) | (36,713) |
| | <u>64,894</u> | <u>(5,272)</u> |

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

CHIEF EXECUTIVE

DIRECTOR

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 MARCH, 2009 (UN-AUDITED)

| | Share capital | General reserve | Accumulated loss | Total |
|---|----------------|-----------------|------------------|----------------|
| ----- Rupees in thousand ----- | | | | |
| Balance as at 30 September, 2007 | 191,280 | 327,000 | (390,048) | 128,232 |
| Loss for the half-year ended 31 March, 2008 | 0 | 0 | (310,946) | (310,946) |
| Balance as at 31 March, 2008 | 191,280 | 327,000 | (700,994) | (182,714) |
| Nominal value of ordinary right shares issued | 95,640 | 0 | 0 | 95,640 |
| Profit for the half-year ended 30 September, 2008 | 0 | 0 | 247,783 | 247,783 |
| Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the half-year ended 30 September, 2008 | 0 | 0 | 42,729 | 42,729 |
| Balance as at 30 September, 2008 | 286,920 | 327,000 | (410,482) | 203,438 |
| Loss for the half-year ended 31 March, 2009 | 0 | 0 | (141,523) | (141,523) |
| Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the half-year ended 31 March, 2009 | 0 | 0 | 40,592 | 40,592 |
| Balance as at 31 March, 2009 | 286,920 | 327,000 | (511,413) | 102,507 |

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

CHIEF EXECUTIVE

DIRECTOR

CHASHMA SUGAR MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF-YEAR ENDED 31 MARCH, 2009 (UN-AUDITED)

1. Chashma Sugar Mills Limited (the Company) was incorporated on 05 May, 1988 as a Public Company and it commenced commercial production from 01 October, 1992. The Company is principally engaged in manufacture and sale of white sugar. Its shares are quoted on all the Stock Exchanges in Pakistan. The Head Office of the Company is situated at King's Arcade, 20-A Markaz F-7, Islamabad and the Mills are located at Dera Ismail Khan.
2. This condensed interim financial information is un-audited and is being submitted to the members as required by section 245 of the Companies Ordinance, 1984. The condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard 34 (Interim Financial Reporting) and has been reviewed by the external Auditors as required by the Code of Corporate Governance.
3. The condensed interim financial information does not include all the information required for full financial statements and should be read in conjunction with the preceding published annual financial statements of the Company for the year ended 30 September, 2008.
4. The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding published annual financial statements of the Company for the year ended 30 September, 2008.
5. The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by the management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statements as at and for the year ended 30 September, 2008.

6. TERM AND DEMAND FINANCES - Secured

| | Un-audited 31 March, 2009 | Audited 30 September, 2008 |
|---|---------------------------------|----------------------------------|
| (Rupees in thousand) | | |
| Bank Alfalah Ltd. | | |
| - Term finance - I | 99,999 | 116,666 |
| - Term finance - II | 200,000 | 200,000 |
| | 299,999 | 316,666 |
| MCB Bank Ltd. | | |
| - Demand finance | 31,250 | 62,500 |
| Bank Al-Habib Ltd. | | |
| - Term finance - I | 270,000 | 270,000 |
| - Term finance - II | 315,000 | 315,000 |
| | 585,000 | 585,000 |
| Saudi Pak Commercial Bank Ltd. | | |
| - Term finance | 135,000 | 135,000 |
| | 1,051,249 | 1,099,166 |
| Less: current portion grouped under current liabilities | 144,583 | 170,833 |
| | 906,666 | 928,333 |

7. TRADE AND OTHER PAYABLES

| | Un-audited 31 March, 2009 | Audited 30 September, 2008 |
|---|---------------------------------|----------------------------------|
| | (Rupees in thousand) | |
| | Note | |
| Due to related parties (Associated Companies) | 15.2 | 54,996 |
| | | 47,335 |
| Creditors | | 390,643 |
| | | 86,747 |
| Accrued expenses | | 27,744 |
| | | 17,285 |
| Retention money | | 5,323 |
| | | 15,737 |
| Security deposits - interest free repayable on demand | | 907 |
| | | 897 |
| Advance payments | | 80,991 |
| | | 25,611 |
| Income tax deducted at source | | 967 |
| | | 1,245 |
| Unclaimed dividends | | 2,496 |
| | | 2,496 |
| Due to employees | | 70 |
| | | 78 |
| | | <u>564,137</u> |
| | | <u>197,431</u> |

8. TAXATION

The following significant developments took place in the Company's taxation status since the date of preceding published audited financial statements of the Company for the year ended 30 September, 2008 (the financial statements):

- 8.1** As detailed in note 15.2 to the financial statements, the Peshawar High Court, Peshawar (PHC) vide its order dated 04 December, 2008, has dismissed the Reference filed by the Company and ordered that the judgment of Income Tax Appellate Tribunal (ITAT) be given effect under the relevant provisions of law.
- 8.2** The PHC, vide its judgment announced on 02 December, 2008, has decided both the questions of law (as detailed in note 15.3 to the financial statements) against the Company and upheld the judgment of ITAT. The Company, against the judgment of PHC, is contemplating to file an appeal before the Supreme Court of Pakistan (SCP).
- 8.3 (a)** As detailed in note 15.4(a) to the financial statements, the PHC, vide its judgment announced on 12 December, 2008, has dismissed the Reference and the points of law formulated therein have been answered in the negative and against the Company. The Company, against the judgment of PHC, is contemplating to file an appeal before the SCP.
- (b)** As detailed in note 15.4(a) and 15.4(b) to the financial statements, provisions against disputed tax levies aggregating Rs.116,946 thousand have not been made in the books of account as an appeal against these levies is pending adjudication before the Commissioner of Income Tax (Appeals) or the Company is contemplating to file an appeal before the SCP.
- 8.4** Deferred taxation has not been recognised in this condensed interim financial information due to uncertainty about the availability of taxable profits in the foreseeable future. Available unused tax losses aggregated Rs.1.262 billion approximately as at 31 March, 2009.

9. CONTINGENCIES AND COMMITMENTS

- 9.1** Bank Alfalah Ltd., during the current period on behalf of the Company, has issued a performance guarantee amounting Rs.66 million to Trading Corporation of Pakistan (Pvt.) Ltd.; the bank guarantee is valid upto 15 January, 2010.
- 9.2** No commitments were outstanding as at 31 March, 2009 and 30 September, 2008.
- 9.3** There has been no significant change in the status of contingencies as reported in the preceding published annual financial statements of the Company for the year ended 30 September, 2008.
- 9.4** Also refer contents of taxation notes.

10. PROPERTY, PLANT AND EQUIPMENT

| | Un-audited 31 March, 2009 | Audited 30 September, 2008 |
|-------------------------------------|---------------------------------|----------------------------------|
| | (Rupees in thousand) | |
| | Note | |
| Operating fixed assets - tangible | 10.1 | 2,574,054 |
| | | 2,697,927 |
| Capital work-in-progress | | 11,632 |
| | | 1,840 |
| Stores held for capital expenditure | | 19,439 |
| | | 19,808 |
| | | <u>2,605,125</u> |
| | | <u>2,719,575</u> |

10.1 Operating fixed assets - tangible

| | Un-audited Half-year ended 31 March, 2009 | Audited Year ended 30 September, 2008 |
|---|--|--|
| | (Rupees in thousand) | |
| Opening book value | 2,697,927 | 1,850,560 |
| Additions during the period / year: | | |
| - buildings and roads | 0 | 65,323 |
| - plant and machinery | 825 | 39,578 |
| - electric installations | 335 | 9,740 |
| - office equipment | 855 | 1,986 |
| - furniture and fixtures | 609 | 690 |
| - vehicles | 1,904 | 0 |
| | 4,528 | 117,317 |
| Book value of assets disposed-off during the year | 0 | (131) |
| Surplus arisen on revaluation carried-out during the year | 0 | 957,702 |
| Depreciation charge for the period / year | (128,401) | (227,521) |
| | <u>2,574,054</u> | <u>2,697,927</u> |
| Closing book value | | |

| | Un-audited 31 March, 2009 (Rupees in thousand) | Audited 30 September, 2008 |
|---------------------------|---|----------------------------------|
| 11. STOCK-IN-TRADE | | |
| Finished goods | 1,625,198 | 1,433,444 |
| Sugar-in-process | 32,233 | 4,619 |
| | 1,657,431 | 1,438,063 |

12. SALES-Net

Sales for the current half-year ended 31 March, 2009 (the period) include sales valuing Rs.1,261,127 thousand, which have been recognised on the basis of acceptance letters of Trading Corporation of Pakistan (Pvt.) Ltd. contravening the requirements of IAS-18 (Revenue) and the Company's adopted accounting policy. The accounting treatment adopted by the Company has increased sales for the period by Rs.1,261,127 thousand and decreased loss for the period by Rs.145,964 thousand.

13. OTHER OPERATING INCOME

Income for the current period includes profit on bank deposits aggregating Rs.9,349 thousand (2008: Rs.594 thousand).

| | Cumulative | |
|-----------------------------------|---|---------------------|
| | Oct. - Mar. 2009 (Rupees in thousand) | Oct. - Mar. 2008 |
| 14. FINANCE COST | | |
| Mark-up on: | | |
| - term and demand finances | 90,650 | 72,630 |
| - loans from Associated Companies | 42,640 | 0 |
| - short term finances | 99,121 | 81,255 |
| Lease finance charges | 18 | 191 |
| Bank charges | 2,573 | 736 |
| | 235,002 | 154,812 |

15. TRANSACTIONS WITH RELATED PARTIES

| | Un-audited Half-year ended | |
|---|---|-------------------|
| | 31 March, 2009 (Rupees in thousand) | 31 March, 2008 |
| 15.1 Aggregate transactions with Associated Companies during the period were as follows: | | |
| - purchase of goods and services | 38,631 | 36,093 |
| - machinery lease rentals | 1,206 | 900 |
| - sale of goods | 1,824 | 271 |
| - mark-up expensed | 42,640 | 0 |

| | Un-audited Half-year ended 31 March, 2009 (Rupees in thousand) | Audited Year ended 30 September, 2008 |
|---|--|--|
| 15.2 Period / year-end loans and advances include due from the following Associated Companies: | | |
| The Frontier Sugar Mills & Distillery Ltd. | 952 | 979 |
| Syntronics Ltd. | 0 | 120 |
| Azlak Enterprises (Pvt.) Ltd. | 276 | 0 |
| | 1,228 | 1,099 |

Period / year-end trade and other payables include due to the following Associated Companies:

| | | |
|---|---------------|---------------|
| The Premier Sugar Mills & Distillery Co. Ltd. | 9,527 | 10,249 |
| Syntron Ltd. | 44,921 | 36,321 |
| Phipson & Co. Pakistan (Pvt.) Ltd. | 431 | 190 |
| Azlak Enterprises (Pvt.) Ltd. | 0 | 575 |
| Syntronics Ltd. | 117 | 0 |
| | 54,996 | 47,335 |

15.3 (a) Mark-up on loans obtained from Associated Companies, during the period, was charged at the rates ranging from 12.39% to 16.50% per annum.

(b) No return was charged on other balances of Associated Companies as these have arisen due to normal trade dealings.

16. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue in the Board of Directors' meeting held on 26 May, 2009.

17. GENERAL

- Figures in the condensed interim financial information have been rounded-off to the nearest thousand Rupees except stated otherwise.
- Corresponding figures have neither been re-arranged nor re-classified.

CHIEF EXECUTIVE

DIRECTOR