



# **CHASHMA SUGAR MILLS LIMITED**

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

## CHASHMA SUGAR MILLS LIMITED

### COMPANY INFORMATION

#### BOARD OF DIRECTORS

**CHAIRMAN/CHIEF EXECUTIVE** Khan Aziz Sarfaraz Khan

#### **DIRECTORS**

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

#### BOARD AUDIT COMMITTEE

Ms. Najda Sarfaraz  
Mr. Iskander M. Khan  
Mr. Baber Ali Khan

#### COMPANY SECRETARY/ CHIEF FINANCIAL OFFICER

Mr. 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

Mr. Tariq Mahmood Khokhar  
*Barrister-at-Law, Advocate*

#### BANKERS

National Bank of Pakistan  
Habib Bank Limited  
MCB Bank Limited  
The Bank of Khyber  
Bank Al-Falah Limited  
Bank AL-Habib Limited  
Silk Bank Limited

#### REGISTERED OFFICE

Nowshera Road, Mardan

#### HEAD OFFICE

King's Arcade, 20-A, Markaz F-7,  
Islamabad  
Phone: 051-2650805-7  
Fax : 051-2651285-6

#### FACTORY

Dera Ismail Khan  
Phone: 0966-750090, 750091  
Fax : 0966-750092

## CHASHMA SUGAR MILLS LIMITED

### DIRECTORS' REVIEW REPORT

The quarterly financial statements are being presented to the shareholders of the Company in compliance with the Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Stock Exchanges in Pakistan.

### OPERATIONAL PERFORMANCE

The sugarcane crushing season commenced on December 02, 2009 and both mills have crushed 557,729 tons of sugarcane and have produced 42,585 tons of sugar at an average recovery of 7.94% up to January 24, 2010. The Government fixed support price at Rs. 100 /40 kg., but due to shortage of sugarcane and collusion of the growers, we have to pay Rs. 170 to Rs. 200 /40kg. therefore, the cost of sugar production increased massively. The sugarcane crop is almost same as that of last year, however, the middleman is purchasing the sugarcane at the illegal weighbridges and supplying to the surrounding area factories. A severe competition between the mills for the sugarcane procurement would further increase in the cost of sugar production. This year, the entire world is facing sugar shortage and the sugar rates in the international market are at their highest level of last 29 years.

### 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.

Mardan  
26 January, 2010

## CHASHMA SUGAR MILLS LIMITED

BALANCE SHEET AS AT 31 DECEMBER, 2009

	Un-audited 31 Dec, 2009	Audited 30 September, 2009
Assets	Note	(Rupees in thousand)
<b>Non-current assets</b>		
Property, plant and equipment	2,457,468	2,515,056
Intangible assets	878	900
Deposits	<u>3,683</u>	<u>3,683</u>
	<u>2,462,029</u>	<u>2,519,639</u>
<b>Current assets</b>		
Stores and spares	<u>164,958</u>	141,017
Stock-in-trade	901,807	701,368
Trade debts - unsecured - considered good	33,252	54,007
Loans and advances	54,116	41,276
Deposits and prepayments	3,213	27,161
Income tax refundable	21,845	21,845
Advance income tax and tax deducted at source	9,464	8,178
Bank balances	<u>40,940</u>	<u>20,971</u>
	<u>1,229,595</u>	<u>1,015,823</u>
	<u>3,691,624</u>	<u>3,535,462</u>
<b>Equity and liabilities</b>		
<b>Share capital and reserves</b>		
Authorised capital	<u>500,000</u>	500,000
Issued, subscribed and paid-up capital	<u>286,920</u>	286,920
General reserve	327,000	327,000
Accumulated loss	<u>(266,634)</u>	<u>(547,208)</u>
<b>Shareholders' equity</b>	<u>347,286</u>	66,712
<b>Surplus on revaluation of property, plant &amp; equipment</b>	815,523	833,789
<b>Non-current liabilities</b>		
Term and demand finances	<u>738,332</u>	789,999
Loans from Associated Companies	<u>439,687</u>	439,687
	<u>1,178,019</u>	1,229,686
<b>Current liabilities</b>		
Current portion of:		
- long term finances	<u>198,333</u>	198,333
-loan from Associated	<u>62,813</u>	62,813
Short term finances	383,763	700,913
Trade and other payables	567,989	251,285
Accrued mark-up and interest	90,864	142,909
Sales tax and excise duty payable	21,808	29,110
Taxation	<u>25,226</u>	<u>19,912</u>
	<u>1,350,796</u>	1,405,275
<b>Contingencies and commitments</b>		
	<u>3,691,624</u>	<u>3,535,462</u>

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

CHIEF EXECUTIVE

DIRECTOR

## CHASHMA SUGAR MILLS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE 1ST QUARTER ENDED ON 31 DECEMBER, 2009 (UN-AUDITED)

	Oct. - Dec. 2009	Oct. - Dec. 2008
	Rupees in thousands	
<b>Sales - net</b>	1,062,773	1,673,495
<b>Cost of sales</b>	<u>707,712</u>	<u>1,634,636</u>
<b>Gross Profit</b>	<u>355,061</u>	<u>38,859</u>
<b>Administrative expenses</b>	<u>18,992</u>	18,220
<b>Distribution cost</b>	<u>1,481</u>	2,082
<b>Other operating expenses</b>	<u>41</u>	<u>2,775</u>
	<u>20,514</u>	<u>23,077</u>
	<u>334,547</u>	<u>15,782</u>
<b>Other operating income</b>	<u>1,694</u>	7,739
	<u>336,241</u>	<u>23,521</u>
<b>Finance cost</b>	<u>68,619</u>	120,540
<b>Profit / (Loss) - before taxation</b>	<u>267,622</u>	<u>(97,019)</u>
<b>Taxation:</b>		
- current	5,314	0
<b>Profit / (Loss) - after taxation</b>	<u>262,308</u>	<u>(97,019)</u>
	<b>Rupees</b>	
<b>Earnings / (Loss) per share</b>	<u>9.14</u>	<u>(3.38)</u>

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

CHIEF EXECUTIVE

DIRECTOR

## CHASHMA SUGAR MILLS LIMITED

### CASH FLOW STATEMENT

FOR THE 1ST QUARTER ENDED ON 31 DECEMBER, 2009 (UN-AUDITED)

	31 Dec, 2009	31 Dec, 2008
<b>(Rupees in thousand)</b>		
<b>Cash flow from operating activities</b>		
Profit /(Loss) for the period - before taxation	267,622	(97,018)
Adjustments for non-cash charges and other items:		
Depreciation	58,028	39,128
Amortisation on intangible assets	23	115
Profit on bank deposits - net	(1,694)	(7,739)
Gain on sale of Vehicles	(717)	0
Finance cost	68,619	120,539
<b>Cash inflow from operating activities</b>	<b>391,881</b>	<b>55,025</b>
- before working capital changes		
(Increase) / decrease in current assets:		
Stores and spares	(23,941)	(4,970)
Stock-in-trade	(200,439)	646,669
Trade debts	20,755	(254,094)
Loans and advances	(12,840)	(33,016)
Deposits and prepayments	23,948	72
Increase / (decrease) in current liabilities:		
Trade and other payables	316,704	529,400
Sales tax and excise duty payable	(7,302)	19,902
	<b>116,885</b>	<b>903,963</b>
<b>Cash inflow from operating activities - before taxation</b>	<b>508,766</b>	<b>958,988</b>
Taxes paid	(1,286)	(1,136)
<b>Net cash inflow from operating activities - after taxation</b>	<b>507,480</b>	<b>957,852</b>
<b>Cash flow from investing activities</b>		
Property, plant and equipment acquired	(1,178)	(3,272)
Sale proceeds of vehicles	1,454	0
Intangible Assets	0	(200)
Profit on bank deposits	1,694	1,328
<b>Net cash inflow /(outflow) from investing activities</b>	<b>1,970</b>	<b>(2,144)</b>
<b>Cash flow from financing activities</b>		
Long term finances	(51,667)	(16,667)
Lease finances - net	0	(204)
Short term finances - net	(317,150)	(359,625)
Finance cost paid	(120,664)	(45,312)
<b>Net cash outflow from financing activities</b>	<b>(489,481)</b>	<b>(421,808)</b>
<b>Net increase in cash and cash equivalents</b>	<b>19,969</b>	<b>533,900</b>
<b>Cash and cash equivalents - at the beginning of the period</b>	<b>20,971</b>	<b>46,318</b>
<b>Cash and cash equivalents - at the end of the period</b>	<b>40,940</b>	<b>580,218</b>

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

CHIEF EXECUTIVE

DIRECTOR

## CHASHMA SUGAR MILLS LIMITED

### STATEMENT OF CHANGES IN EQUITY

FOR THE 1ST QUARTER ENDED ON 31 DECEMBER, 2009 (UN-AUDITED)

	Share capital	General reserve	Accumulated loss	Total
----- Rupees in thousand -----				
Balance as at 30 September, 2008	286,920	327,000	(410,482)	203,438
Loss for the year ended 30 September, 2008	0	0	(217,910)	(217,910)
Transfer from surplus on revaluation	0	0	81,184	81,184
Balance as at 30 September, 2009	286,920	327,000	(547,208)	66,712
Profit for the period ended 31 December, 2009	0	0	262,308	262,308
Transfer from surplus on revaluation	0	0	18,266	18,266
Balance as at 31 December, 2009	286,920	327,000	(266,634)	347,286

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

CHIEF EXECUTIVE

DIRECTOR

# **CHASHMA SUGAR MILLS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

FOR THE 1ST QUARTER ENDED ON 31 DECEMBER, 2009 (UN-AUDITED)

### **1. COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS**

These accounts are prepared in accordance with International Accounting Standard No.34 "Interim Financial Reporting" wherever applicable and are being presented to the shareholders in compliance with section 245 of the Companies Ordinance, 1984.

### **2. ACCOUNTING POLICIES**

The accounting policies adopted are the same as applied in the preparation of the preceding annual published accounts of the Company.

### **3. TAXATION**

The status of pending tax cases as stated in notes 15.1 and 15.8 published in annual financial statements for the year ended 30 September, 2009 has not changed yet.

### **4. DATE OF AUTHORISATION FOR ISSUE**

This financial information was authorised for issue by the Board of Directors of the Company in its meeting held on 26 January, 2010.

### **5. GENERAL**

- Figures in the financial statements 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