



**CHASHMA SUGAR MILLS LIMITED**

**QUARTERLY FINANCIAL STATEMENTS  
(UN-AUDITED)**

**AS ON 31 DECEMBER, 2012**

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

*SHARES REGISTRAR* Messrs Hameed Majeed Associates, (PVT.) Limited,  
H.M House 7-Bank Square, Lahore.

*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  
The Bank of Punjab  
Faysal 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 (Khyber Pakhtoonkhawa)  
Phone: 0966-750090, 750091  
Fax: 0966-750092

## CHASHMA SUGAR MILLS LIMITED

### DIRECTORS' REVIEW REPORT

The Directors of **Chashma Sugar Mills Limited** are pleased to present the 1st quarterly financial statements for the period ended 31 December, 2012 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 30 November, 2012, both mills have crushed 554,823 tons up to 20 January, 2013 of sugarcane and have produced 45,227 tons of sugar at an average recovery of 8.21%. The Provincial Government has increased the support price of sugarcane from Rs. 150/- to Rs.170 per 40kg. The Federal Government in order to address the surplus sugar production has approved export of 1.20 million ton and purchase of 500,000 tons through TCP as a buffer stock. Due to these corrective measures, the sugar prices are expected to improve in the days to come.

#### 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  
28 January, 2013

## CHASHMA SUGAR MILLS LIMITED

### BALANCE SHEET AS AT 31 DECEMBER, 2012 (UN-AUDITED)

		Un-audited 31 Dec, 2012	Audited 30 Sept., 2012
Assets	Note	Rupees in thousand	
<b>Non-current assets</b>			
Property, plant and equipment		3,214,181	3,167,379
Intangible assets		75	100
Security deposits		3,934	3,934
		<b>3,218,190</b>	<b>3,171,413</b>
<b>Current assets</b>			
Stores and spares		163,678	177,166
Stock-in-trade		2,172,114	1,347,663
Trade debts		486,399	681,660
Loans and advances		131,728	124,788
Prepayments and other receivables		6,402	3,321
Investments		206,387	202,154
Income tax refundable, advance tax and tax deducted at source		63,629	58,605
Bank balances		50,009	68,673
		<b>3,280,346</b>	<b>2,664,030</b>
		<b>6,498,536</b>	<b>5,835,443</b>
<b>Equity and liabilities</b>			
<b>Share capital and reserves</b>			
Authorised capital		500,000	500,000
Issued, subscribed and paid-up capital		286,920	286,920
General reserve		327,000	327,000
Accumulated loss		(117,647)	(188,853)
<b>Shareholders' equity</b>		<b>496,273</b>	<b>425,067</b>
<b>Surplus on revaluation of property, plant &amp; equipment</b>		<b>951,135</b>	<b>972,397</b>
<b>Non-current liabilities</b>			
Long term financing		504,080	544,578
Loans from related parties		417,188	439,687
Liabilities against assets subject to finance lease		8,299	9,304
Deferred Taxation		446,494	457,943
		<b>1,376,061</b>	<b>1,451,512</b>
<b>Current liabilities</b>			
Trade and other payables		1,626,985	819,694
Accrued mark-up		73,520	98,838
Short term borrowings		1,617,272	1,710,005
Current portion of non-current liabilities		316,682	323,453
Sales tax and federal excise duty payable		3,460	3,789
Taxation	3	37,148	30,688
		<b>3,675,067</b>	<b>2,986,467</b>
<b>Contingencies and commitments</b>		<b>6,498,536</b>	<b>5,835,443</b>

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

CHIEF EXECUTIVE

DIRECTOR

## CHASHMA SUGAR MILLS LIMITED

### PROFIT AND LOSS ACCOUNT

#### FOR THE IST QUARTER ENDED 31 DECEMBER, 2012 (UN-AUDITED)

	Oct. - Dec. 2012	Oct. - Dec. 2011
	Rupees in thousand	
<b>Turnover - Local</b>	659,385	3,019,185
<b>- Export</b>	333,506	0
	<b>992,891</b>	<b>3,019,185</b>
<b>Less:</b>		
<b>Sales tax and federal excise duty</b>	45,432	224,716
	<b>947,459</b>	<b>2,794,469</b>
<b>Cost of sales</b>	772,520	2,864,271
<b>Gross Profit / (Loss)</b>	<b>174,939</b>	<b>(69,802)</b>
<b>Administrative expenses</b>	41,117	26,903
<b>Distribution cost</b>	11,736	6,486
<b>Other operating expenses</b>	6,419	26
	<b>59,272</b>	<b>33,415</b>
	<b>115,667</b>	<b>(103,217)</b>
<b>Other operating income</b>	5,969	3,512
	<b>121,636</b>	<b>(99,705)</b>
<b>Finance cost</b>	76,681	90,168
<b>Profit / (Loss) before taxation</b>	<b>44,955</b>	<b>(189,873)</b>
<b>Taxation:</b>		
- current	6,460	0
- deferred	(11,449)	(32,724)
	<b>(4,989)</b>	<b>(32,724)</b>
<b>Profit / (Loss) after taxation</b>	<b>49,944</b>	<b>(157,149)</b>
<b>OTHER COMPREHENSIVE INCOME</b>	<b>0</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>	<b>49,944</b>	<b>(157,149)</b>
	<b>Rupees</b>	
<b>Earnings / (Loss) per share</b>	<b>1.74</b>	<b>(5.48)</b>

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

CHIEF EXECUTIVE

DIRECTOR

## CHASHMA SUGAR MILLS LIMITED

### CASH FLOW STATEMENT

FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2012 (UN-AUDITED)

	31 Dec, 2012	31 Dec, 2011
<b>Rupees in thousand</b>		
<b>Cash flow from operating activities</b>		
Profit / (Loss) for the period - before taxation	44,955	(189,873)
Adjustments for non-cash charges and other items:		
Depreciation	65,185	71,479
Amortisation on intangible assets	25	25
Profit on bank deposits - net	0	(476)
Gain on redemption of investments	(1,698)	(653)
Fair value gain on re-measurement of investments	(2,708)	(1,692)
Gain on disposal of vehicle	(183)	0
Finance cost	75,911	89,203
<b>Profit / (Loss) before working capital changes</b>	<b>181,487</b>	<b>(31,987)</b>
<b>Effect on cash flow due to working capital changes</b>		
Decrease / (Increase) in current assets:		
Stores and spares	13,488	(27,557)
Stock-in-trade	(824,451)	1,354,558
Trade debts	195,261	(584,288)
Loans and advances	(6,940)	(17,194)
Prepayments and other receivables	(3,081)	1,595
Increase / (decrease) in current liabilities:		
Trade and other payables	807,295	1,476,593
Sales tax and federal excise duty payable	(329)	118,860
	<b>181,243</b>	<b>2,322,567</b>
<b>Cash generated from operations</b>	<b>362,730</b>	<b>2,290,580</b>
Taxes paid	(5,023)	(22,376)
<b>Net Cash generated from operations</b>	<b>357,707</b>	<b>2,268,204</b>
<b>Cash flow from investing activities</b>		
Purchase of Property, plant and equipment	(111,987)	(848)
Sale proceeds of vehicle	185	0
Investments made	173	(646,620)
Profit on bank deposits received	0	476
<b>Net cash used in investing activities</b>	<b>(111,629)</b>	<b>(646,992)</b>
<b>Cash flow from financing activities</b>		
Long term finances - net	(69,873)	103,336
Lease finances - net	(901)	1,482
Short term borrowings - net	(92,733)	(1,402,217)
Dividend paid	(5)	0
Finance cost paid	(101,230)	(125,827)
<b>Net cash used in financing activities</b>	<b>(264,742)</b>	<b>(1,423,226)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(18,664)</b>	<b>197,986</b>
<b>Cash and cash equivalents - at the beginning of the period</b>	<b>68,673</b>	<b>65,127</b>
<b>Cash and cash equivalents - at the end of the period</b>	<b>50,009</b>	<b>263,113</b>

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

CHIEF EXECUTIVE

DIRECTOR

## CHASHMA SUGAR MILLS LIMITED

### STATEMENT OF CHANGES IN EQUITY

FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2012 (UN-AUDITED)

	Share capital	General reserve	Accumulated loss	Total
----- Rupees in thousand -----				
Balance as at 30 September, 2011	286,920	327,000	(35,687)	578,233
<b>Total Comprehensive loss for the year</b>	0	0	(218,971)	(218,971)
<b>Transaction with owners:</b>				
Final cash dividend for the year ended 30 September, 2011 at the rate of Re. 1 per share			(28,692)	(28,692)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the year	0	0	94,497	94,497
Balance as at 30 September, 2012	286,920	327,000	(188,853)	425,067
<b>Total Comprehensive income for the period</b>	0	0	49,944	49,944
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period	0	0	21,262	21,262
Balance as at 31 December, 2012	286,920	327,000	(117,647)	496,273

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 31 DECEMBER, 2012 (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 financial statements of the Company.

### **3. TAXATION**

There is no change in taxation matters since the date of preceding published annual financial statements of the Company. Provision for current taxation mainly represents minimum tax u/s 113 of the Income Tax Ordinance, 2001.

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

These financial statements were authorised for issue on 28 January, 2013 by the Board of Directors of the Company.

### **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