



CHASHMA SUGAR MILLS LIMITED

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

AS ON 31 DECEMBER, 2013

CHASHMA SUGAR MILLS LIMITED

COMPANY INFORMATION

Board of Directors

Mr. Aziz Sarfaraz Khan
Chairman / Chief Executive

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

Company Secretary

Mr. Mujahid Bashir

Chief Financial Officer

Mr. Rizwan Ullah Khan

Auditors

M/s. Hameed Chaudhri & Co., Chartered Accountants

Cost Auditors

M/s. Munawar Associates Chartered Accountants

Tax Consultants

M/s. Hameed Chaudhri & Co., Chartered Accountants

Legal Advisor

Mr. Tariq Mehmood Khokhar Barrister-at-Law, Advocate

Share Registrar

Hameed Majeed Associates (Pvt) Limited, Lahore

Bankers

Bank Al-Habib Limited
The Bank of Khyber
MCB Bank Limited
The Bank of Punjab
Bank Al-Falah Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
National Bank of Pakistan
Habib Bank Limited
Silk Bank Limited

CHASHMA SUGAR MILLS LIMITED

DIRECTORS' REVIEW REPORT

BRIEF REVIEW

The Directors of Chashma Sugar Mills Limited are pleased to present the 1st quarterly financial statements for the period ended 31 December, 2013 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 2013-14 commenced on 27 November, 2013, both mills have crushed 729,225 tons up to 23 January, 2014 of sugarcane and have produced 59,360 tons of sugar at an average recovery of 8.15 %. Unfortunately, this year, unprecedented drought and Pyrilla attack has hurt the sugarcane growth and damaged its sucrose contents, this coupled with the prolonged frost from mid-December 2013 to mid-January 2014 and the present rising temperature has resulted in the fermentation of the standing crop in the fields, this has further deteriorated the sugar contents in the sugarcane.

SUGAR PRICES

The sugar prices remained depressed due to the delay in the export of 500,000 tons of surplus production.

ETHANOL FUEL PLANT AT UNIT-II

The installation of Ethanol Fuel Plant of 125,000 liters per day is in final stages and it is expected to start operation soon.

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.

ON BEHALF OF THE BOARD



(AZIZ SARFARAZ KHAN)
CHIEF EXECUTIVE

Mardan:
28 January, 2014

CHASHMA SUGAR MILLS LIMITED

BALANCE SHEET AS AT 31 DECEMBER, 2013 (UN-AUDITED)

	Un-audited Dec 31, 2013	Audited Sep 30, 2012
Note (Rupees in thousand)		
Assets		
Non-current Assets		
Property, plant and equipment	5,154,871	5,010,389
Security deposits	4,004	4,004
	5,158,875	5,014,393
Current Assets		
Stores and spares	675,930	461,159
Stock-in-trade	1,659,317	1,318,668
Trade debts	332,580	319,517
Loans and advances	427,766	154,341
Prepayments and other receivables	88,622	88,166
Sales tax refundable	113,740	25,754
Income tax refundable, advance tax and tax deducted at source	104,362	76,829
Bank balances	24,649	27,124
	3,426,966	2,471,558
Total Assets	8,585,841	7,485,951
Equity and Liabilities		
Share Capital and Reserves		
Authorised capital		
50,000,000 (2012: 50,000,000) ordinary shares of Rs.10 each	500,000	500,000
Issued, subscribed and paid-up capital		
28,692,000 (2012: 28,692,000) ordinary shares of Rs.10 each	286,920	286,920
General reserve	327,000	327,000
Accumulated loss	(56,292)	(69,526)
Shareholders' Equity	557,628	544,394
Surplus on Revaluation of Property, Plant and Equipment	1,936,189	1,980,505
Non-current Liabilities		
Long term financing	1,578,931	911,845
Loans from related parties	437,000	437,000
Liabilities against assets subject to finance lease	20,553	8,970
Deferred taxation	890,297	913,125
	2,926,781	2,270,940
Current Liabilities		
Trade and other payables	2,150,174	275,689
Accrued mark-up	80,841	120,236
Short term borrowings	639,900	1,999,468
Current portion of non-current liabilities	207,234	225,575
Taxation	87,094	69,144
	3,165,243	2,690,112
TOTAL LIABILITIES	6,092,024	4,961,052
TOTAL EQUITY & LIABILITIES	8,585,841	7,485,951
Contingencies and Commitments		

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, 2013 (UN-AUDITED)

	Oct. - Dec. 2013	Oct. - Dec. 2012
(Rupees in thousand)		
Turnover		
Local	670,211	659,385
Export	1,192,765	333,506
	1,862,976	992,891
Less : Sales Tax and Federal Excise Duty	8,126	45,432
Sales - net	1,854,850	947,459
Cost of Sales	1,780,413	772,520
Gross / Profit	74,437	174,939
Distribution Cost	19,294	41,117
Administrative Expenses	43,471	11,736
Other Expenses	18	6,419
Other Income	(6,949)	(5,969)
	55,834	53,303
Profit from Operations	18,603	121,636
Finance Cost	54,563	76,681
(Loss) / Profit before Taxation	(35,960)	44,955
Taxation		
Current	17,950	6,460
Deferred	(22,828)	(11,449)
	(4,878)	(4,989)
(Loss) / Profit after Taxation	(31,082)	49,944
Other Comprehensive Income	0	0
Total Comprehensive (Loss) / Income	(31,082)	49,944
----- Rupees -----		
(Loss) / Earnings per Share	(1.08)	1.74

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


CHIEF EXECUTIVE


DIRECTOR

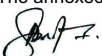
CHASHMA SUGAR MILLS LIMITED

CASH FLOW STATEMENT

FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2013 (UN-AUDITED)

	Dec 31, 2013	Dec 31, 2012
(Rupees in thousand)		
Cash flow from operating activities		
(Loss) / profit for the year - before taxation	(35,960)	44,955
Adjustments for non-cash charges and other items:		
Depreciation	97,422	65,185
Amortisation of intangible assets	0	25
Fair value gain on re-measurement of investments	0	(2,708)
Gain on redemption of investments	0	(1,698)
Gain on disposal of operating fixed assets	(83)	(183)
Finance cost	52,510	75,911
Profit before working capital changes	113,889	181,487
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Stores and spares	(214,771)	13,488
Stock-in-trade	(340,649)	(824,451)
Trade debts	(13,063)	195,261
Loans and advances	(273,425)	(6,940)
Prepayments and other receivables	(456)	(3,081)
Sales tax - net	(87,986)	(329)
(Decrease) / increase in trade and other payables	1,874,486	807,295
	944,136	181,243
Cash generated from operations	1,058,025	362,730
Income tax paid	(27,533)	(5,023)
Net cash generated from operating activities	1,030,492	357,707
Cash flow from investing activities		
Purchase of property, plant and equipment	(242,173)	(111,987)
Sale proceeds of vehicle	352	185
Investments made	0	173
Net cash used in investing activities	(241,821)	(111,629)
Cash flow from financing activities		
Long term finances - net	645,865	(69,873)
Lease finances - net	14,463	(901)
Short term borrowings - net	(1,359,568)	(92,733)
Dividend paid	(1)	(5)
Finance cost paid	(91,905)	(101,230)
Net cash generated from / (used in) financing activities	(791,146)	(264,742)
Net (decrease) / increase in cash and cash equivalents	(2,475)	(18,664)
Cash and cash equivalents - at beginning of the period	27,124	68,673
Cash and cash equivalents - at end of the period	24,649	50,009

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, 2013 (UN-AUDITED)

	Share capital	General reserve	Accumulated loss	Total
----- Rupees in thousand -----				
Balance as at September 30, 2012	286,920	327,000	(188,853)	425,067
Total comprehensive income for the year ended September 30, 2013	0	0	32,972	32,972
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the year -net of deferred taxation	0	0	86,355	86,355
Balance as at September 30, 2013	286,920	327,000	(69,526)	544,394
Total comprehensive loss for the quarter ended December 31, 2013	0	0	(31,082)	(31,082)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the year -net of deferred taxation	0	0	44,316	44,316
Balance as at December 31, 2013	286,920	327,000	(56,292)	557,628

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


CHIEF EXECUTIVE


DIRECTOR

CHASHMA SUGAR MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 1ST QUARTER ENDED 31 DECEMBER, 2013 (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 January 28, 2014 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