



CHASHMA SUGAR MILLS LIMITED

**QUARTERLY FINANCIAL STATEMENTS
(UN-AUDITED)
AS ON 31 DECEMBER, 2015**

CHASHMA SUGAR MILLS LIMITED
COMPANY INFORMATION

Board of Directors

Khan Aziz Sarfaraz Khan
Chairman / Chief Executive
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
Mr. Sher Ali Jafar Khan

Company Secretary

Mr. Mujahid Bashir

Chief Financial Officer

Mr. Rizwan Ullah Khan

Head of Internal Audit

Syed Naveed Ali

Auditors/Tax Consultants

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

Cost Auditors

M/s. Munawar Associates
Chartered Accountants

Legal Advisor

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

Shares Registrar

Messers Hameed Majeed Associates (Pvt.) Limited,
H.M. House, 7-Bank Square, Lahore.
Phone No. : 042-37235081 Fax No. : 042-37235083

Bankers

Bank Al-Habib Limited	Faysal Bank Limited
The Bank of Khyber	National Bank of Pakistan
MCB Bank Limited	Soneri Bank Limited
The Bank of Punjab	Askari Bank Limited
Bank Al-Falah Limited	United Bank Limited
Dubai Islamic Bank (Pakistan) Limited	Meezan Bank Limited
Al-Baraka Bank (Pakistan) Limited	

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, 2015 to the shareholders of the Company in compliance with Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Stock Exchange in Pakistan.

OPERATIONAL PERFORMANCE

The sugarcane crushing season 2015-16 commenced on 14 December 2015, both the mills have crushed 749,291 tons up to 24 January, 2016 of sugarcane and have produced 65,765 tons of sugar. The Provincial Government of Punjab and Khyber Pakhtunkhwa fixed sugarcane price @ Rs. 180/- per maund. Sindh Government fixed Rs. 172/- per maund.

SUGAR PRICES

The GOP has allowed 500,000 tons of sugar to be exported by May 2016 with Rs. 13/- per Kg subsidy to partially compensate the high support price of sugarcane to sugar mills paying Rs. 180/- per maund for sugarcane procurement. We are hopeful that the sugar prices may remain firm in the local market.

ETHANOL FUEL PLANT AT UNIT-II

The Ethanol Fuel Plant produced 7,314 tons up to 31 December, 2015. The installation of Waste Water treatment plant is in progress.

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

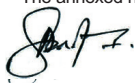
Mardan:
26 January, 2016

CHASHMA SUGAR MILLS LIMITED

BALANCE SHEET AS AT 31 DECEMBER, 2015 (UN-AUDITED)

	Un-audited Dec 31, 2015	Audited Sep 30, 2015
Assets		
Non-current Assets		
Property, plant and equipment	6,784,531	6,764,869
Intangible assets	297	983
Security deposits	4,158	4,158
	6,788,986	6,770,010
Current Assets		
Stores and spares	264,756	267,775
Stock-in-trade	2,405,215	2,044,696
Trade debts	84,349	341,109
Loans and advances	212,177	213,904
Prepayments and other receivables	261,672	282,100
Tax refunds due from the Government	202,170	265,502
Bank balances	81,384	79,943
	3,511,723	3,495,029
Total Assets	10,300,709	10,265,039
Equity and Liabilities		
Share Capital and Reserves		
Authorised capital		
50,000,000 (2015: 50,000,000) ordinary shares of Rs.10 each	500,000	500,000
Issued, subscribed and paid-up capital		
28,692,000 (2015: 28,692,000) ordinary shares of Rs.10 each	286,920	286,920
General reserve	327,000	327,000
Unappropriated profit	432,346	320,253
Shareholders' Equity	1,046,266	934,173
Surplus on Revaluation of Property, Plant and Equipment	1,650,250	1,687,232
Non-current Liabilities		
Long term finances	2,524,703	1,765,383
Loans from related parties	437,000	437,000
Liabilities against assets subject to finance lease	21,854	18,688
Deferred taxation	666,355	669,911
	3,649,912	2,890,982
Current Liabilities		
Trade and other payables	757,466	339,295
Accrued mark-up	128,910	183,281
Short term borrowings	2,564,433	3,816,799
Current maturity of non-current liabilities	503,472	413,277
	3,954,281	4,752,652
TOTAL LIABILITIES	7,604,193	7,643,634
TOTAL EQUITY & LIABILITIES	10,300,709	10,265,039
Contingencies and Commitments		

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



CHIEF EXECUTIVE



DIRECTOR

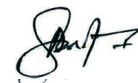
CHASHMA SUGAR MILLS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE IST QUARTER ENDED 31 DECEMBER, 2015 (UN-AUDITED)

	Oct. - Dec. 2015	Oct. - Dec. 2014
(Rupees in thousand)		
Turnover		
Local	1,436,037	924,285
Export	273,043	16,416
	1,709,080	940,701
Less : Sales Tax and Federal Excise Duty		
	108,472	4,598
Sales - net	1,600,608	936,103
Cost of Sales	1,308,143	748,150
Gross Profit	292,465	187,953
Distribution Cost	36,940	4,614
Administrative Expenses	59,705	43,893
Other Expenses	58	18
Other Income	(2,053)	(13,034)
	94,650	35,491
Profit from Operations	197,815	152,462
Finance Cost	126,261	72,830
Profit before Taxation	71,554	79,632
Taxation - Deferred	(3,557)	7,365
Profit after Taxation	75,111	72,267
Other Comprehensive Income	0	0
Total Comprehensive Income	75,111	72,267
----- Rupees -----		
Earnings per Share	2.62	2.52

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, 2015 (UN-AUDITED)

	Dec 31, 2015	Dec 31, 2014
Cash flow from operating activities	(Rupees in thousand)	
Profit for the year - before taxation	71,554	79,632
Adjustments for non-cash charges and other items:		
Depreciation	124,808	88,483
Amortisation of intangible assets	686	29
Finance cost	124,423	72,190
Profit before working capital changes	321,471	240,334
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Stores and spares	3,019	(117,433)
Stock-in-trade	(360,519)	(972,630)
Trade debts	256,760	102,289
Loans and advances	1,727	(3,858)
Prepayments and other receivables	20,428	53
Sales tax refundable - net	70,905	(32,553)
Increase in trade and other payables	418,171	792,344
	410,491	(231,788)
Cash generated from operations	731,962	8,546
Income tax paid	(7,572)	(4,826)
Net cash generated from operating activities	724,390	3,720
Cash flow from investing activities		
Purchase of property, plant and equipment	(144,470)	(171,023)
Cash flow from financing activities		
Long term finances - net	848,095	376,671
Lease finances - net	4,586	(594)
Short term borrowings - net	(1,252,366)	(137,266)
Finance cost paid	(178,794)	(136,768)
Net cash (used in) / generated from financing activities	(578,479)	102,043
Net increase / (decrease) in cash and cash equivalents	1,441	(65,260)
Cash and cash equivalents - at beginning of the period	79,943	122,290
Cash and cash equivalents - at end of the period	81,384	57,030

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, 2015 (UN-AUDITED)

	Share capital	General reserve	(Accumulated loss) / unappropriated profit	Total
----- Rupees in thousand -----				
Balance as at September 30, 2014	286,920	327,000	(18,206)	595,714
Total comprehensive income for the quarter ended December 31, 2014	0	0	72,267	72,267
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period -net of deferred taxation	0	0	40,486	40,486
Balance as at December 31, 2014	286,920	327,000	94,547	708,467
Balance as at September 30, 2015	286,920	327,000	320,253	934,173
Total comprehensive income for the quarter ended December 31, 2015	0	0	75,111	75,111
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period -net of deferred taxation	0	0	36,982	36,982
Balance as at December 31, 2015	286,920	327,000	432,346	1,046,266.00

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, 2015 (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

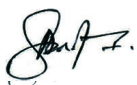
There is no change in taxation matters since the date of preceding published annual financial statements of the Company. Provision for current taxation mainly represents minimum tax u/s 113 and tax on export proceeds u/s 154 of the Income Tax Ordinance, 2001. The required provision for the current year has been fully adjusted against current and preceding years' tax credits for investment in plant & machinery available under section 65B of the Ordinance.

4. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 26 January, 2016 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