



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)
Non-current assets		
Property, plant and equipment	2,457,468	2,515,056
Intangible assets	878	900
Deposits	3,683	3,683
	<u>2,462,029</u>	<u>2,519,639</u>
Current assets		
Stores and spares	164,958	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	40,940	20,971
	<u>1,229,595</u>	<u>1,015,823</u>
	<u>3,691,624</u>	<u>3,535,462</u>
Equity and liabilities		
Share capital and reserves		
Authorised capital	500,000	500,000
Issued, subscribed and paid-up capital	286,920	286,920
General reserve	327,000	327,000
Accumulated loss	(266,634)	(547,208)
Shareholders' equity	<u>347,286</u>	<u>66,712</u>
Surplus on revaluation of property, plant & equipment	815,523	833,789
Non-current liabilities		
Term and demand finances	738,332	789,999
Loans from Associated Companies	439,687	439,687
	<u>1,178,019</u>	<u>1,229,686</u>
Current liabilities		
Current portion of:		
- long term finances	198,333	198,333
-loan from Associated	62,813	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	25,226	19,912
	<u>1,350,796</u>	<u>1,405,275</u>
Contingencies and commitments		
	<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	
Sales - net	1,062,773	1,673,495
Cost of sales	707,712	1,634,636
Gross Profit	<u>355,061</u>	<u>38,859</u>
Administrative expenses	18,992	18,220
Distribution cost	1,481	2,082
Other operating expenses	41	2,775
	<u>20,514</u>	<u>23,077</u>
	<u>334,547</u>	<u>15,782</u>
Other operating income	1,694	7,739
	<u>336,241</u>	<u>23,521</u>
Finance cost	68,619	120,540
Profit / (Loss) - before taxation	<u>267,622</u>	<u>(97,019)</u>
Taxation:		
- current	5,314	0
Profit / (Loss) - after taxation	<u>262,308</u>	<u>(97,019)</u>
	Rupees	
Earnings / (Loss) per share	<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
(Rupees in thousand)		
Cash flow from operating activities		
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
Cash inflow from operating activities	391,881	55,025
- 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
	116,885	903,963
Cash inflow from operating activities - before taxation	508,766	958,988
Taxes paid	(1,286)	(1,136)
Net cash inflow from operating activities - after taxation	507,480	957,852
Cash flow from investing activities		
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
Net cash inflow /(outflow) from investing activities	1,970	(2,144)
Cash flow from financing activities		
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)
Net cash outflow from financing activities	(489,481)	(421,808)
Net increase in cash and cash equivalents	19,969	533,900
Cash and cash equivalents - at the beginning of the period	20,971	46,318
Cash and cash equivalents - at the end of the period	40,940	580,218

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