



CHASHMA SUGAR MILLS LIMITED

**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED
DECEMBER 31, 2016**

CHASHMA SUGAR MILLS LIMITED
COMPANY INFORMATION

Board of Directors

Mr. Aziz Sarfaraz Khan	Chief Executive
Mr. Abbas Sarfaraz Khan	Chairman
Begum Laila Sarfaraz	
Ms. Zarmine Sarfaraz	
Ms. Najda Sarfaraz	
Mr. Iskander M. Khan	
Mr. Baber Ali Khan	
Mr. Abdul Qadar Khattak	
Mr. Sher Ali Jafar Khan	

Audit Committee

Mr. Sher Ali Jafar Khan	Chairman
Mr. Iskander M. Khan	Member
Ms. Najda Sarfaraz	Member
Mr. Baber Ali Khan	Member
Mr. Mujahid Bashir	Secretary

Company Secretary

Mr. Mujahid Bashir

Chief Financial Officer

Mr. Rizwan Ullah Khan

Head of Internal Audit

Syed Naveed Ali

Auditors/Tax Consultants

M/s. ShineWing 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

M/s. 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	Habib Bank Limited

Registered Office

Nowshera Road, Mardan, KPK
Phone: 0937-862051-52 Fax: 0937-862989

CHASHMA SUGAR MILLS LIMITED
DIRECTORS' REVIEW REPORT

The Directors of Chashma Sugar Mills Limited are pleased to present the 1st quarterly condensed interim financial information for the period ended December 31, 2016 to the shareholders of the Company in compliance with Section 245 of the Companies Ordinance, 1984 and the listing regulations of the Pakistan Stock Exchange.

OPERATIONAL OPERATIONS

The sugarcane crushing season 2016-17 commenced on November 30, 2016, both the mills have crushed 979,247 tons up to January 22, 2017 of sugarcane and have produced 84,275 tons of sugar at an average recovery of 8.82%. The Provincial Government of Punjab and Khyber Pakhtunkhwa fixed sugarcane price @ Rs. 180/- per maund for the crashing season 2016-17.

SUGAR PRICES

We are expecting overall increase of 5%~10% in the sugarcane yield in the country resulting in increased sugar production. The GoP has allowed the export of 225,000 MT of sugar till March 31, 2017 at the international competitive rates without subsidy. We foresee consistent sugar prices.

ETHANOL FUEL PLANT AT UNIT-II

The Ethanol Fuel Plant produced 6,881 MT of Ethanol in the first Quarter ended December 31, 2016.

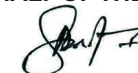
ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these quarterly condensed interim financial information 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:
January 26, 2017

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2016

	Un-audited Dec 31, 2016 (Rupees in thousand)	Audited Sep 30, 2016
Assets		
Non-current Assets		
Property, plant and equipment	8,036,927	8,169,406
Intangible assets	433	433
Security deposits	13,450	4,163
	8,050,810	8,174,002
Current Assets		
Stores and spares	315,627	295,498
Stock-in-trade	1,737,550	571,183
Trade debts	47,932	143,410
Loans and advances	397,683	280,408
Prepayments and other receivables	259,955	259,676
Tax refunds due from the Government	374,811	310,633
Bank balances	20,709	37,511
	3,154,267	1,898,319
Total Assets	11,205,077	10,072,321
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	725,114	696,075
Shareholders' Equity	1,339,034	1,309,995
Surplus on Revaluation of Property, Plant and Equipment	2,745,278	2,765,364
Non-current Liabilities		
Long term finances	2,083,091	2,237,608
Loans from related parties	437,000	312,143
Liabilities against assets subject to finance lease	39,760	31,600
Deferred taxation	760,095	789,159
	3,319,946	3,370,510
Current Liabilities		
Trade and other payables	946,500	809,603
Accrued mark-up	80,660	108,820
Short term borrowings	2,252,677	1,037,045
Current maturity of non-current liabilities	520,982	670,984
	3,800,819	2,626,452
TOTAL LIABILITIES	7,120,765	5,996,962
TOTAL EQUITY & LIABILITIES	11,205,077	10,072,321
Contingencies and Commitments		

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



CHIEF EXECUTIVE



DIRECTOR

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE FIRST QUARTER ENDED DECEMBER 31, 2016

	Dec 31, 2016 (Rupees in thousand)	Dec 31, 2015
Turnover		
Local	1,611,391	1,436,037
Export	418,872	273,043
	2,030,263	1,709,080
Less : Sales tax and federal Excise duty	167,183	108,472
Sales - net	1,863,080	1,600,608
Cost of sales	1,651,678	1,308,143
Gross profit	211,402	292,465
Distribution cost	55,834	36,940
Administrative expenses	75,574	59,705
Other expenses	10,027	58
Other income	(2,873)	(2,053)
	138,562	94,650
Profit from operations	72,840	197,815
Finance cost	92,951	126,261
(Loss) / profit before taxation	(20,111)	71,554
Taxation	(2,283)	(3,557)
(Loss) / profit after taxation	(17,828)	75,111
Other comprehensive income	0	0
Total comprehensive (loss) / income	(17,828)	75,111
----- Rupees -----		
(Loss) / earnings per share - basic and diluted	(0.62)	2.62

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



CHIEF EXECUTIVE



DIRECTOR

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2016

	Dec 31, 2016	Dec 31, 2015
Cash flow from operating activities	(Rupees in thousand)	
(Loss) / profit for the year - before taxation	(20,111)	71,554
Adjustments for non-cash charges and other items:		
Depreciation	180,509	124,808
Amortisation of intangible assets	0	686
Gain on sale of operating fixed assets	(586)	0
Finance cost	92,155	124,423
Profit before working capital changes	251,967	321,471
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Stores and spares	(20,129)	3,019
Stock-in-trade	(1,166,367)	(360,519)
Trade debts	95,478	256,760
Loans and advances	(117,275)	1,727
Prepayments and other receivables	(279)	20,428
Advance sales tax and sales tax refundable - net	(58,374)	70,905
Increase in trade and other payables	136,897	418,171
	(1,130,049)	410,491
Cash (used in) / generated from operations	(878,082)	731,962
Income tax paid	(5,804)	(7,572)
Security deposits	(9,287)	0
Net cash (used in) / generated from operating activities	(893,173)	724,390
Cash flow from investing activities		
Purchase of property, plant and equipment	(51,744)	(144,470)
Sale proceeds of operating fixed assets	4,300	0
Net cash used in investing activities	(47,444)	(144,470)
Cash flow from financing activities		
Long term finances - net	(182,798)	848,095
Lease finances - availed	11,296	4,586
Short term borrowings - net	1,215,632	(1,252,366)
Finance cost paid	(120,315)	(178,794)
Net cash generated from / (used in) financing activities	923,815	(578,479)
Net (decrease) / increase in cash and cash equivalents	(16,802)	1,441
Cash and cash equivalents - at beginning of the period	37,511	79,943
Cash and cash equivalents - at end of the period	20,709	81,384

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



CHIEF EXECUTIVE



DIRECTOR

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2016

	Share capital	General reserve	Unappropriat ed profit / (accumulated loss)	Total
----- Rupees in thousand -----				
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
Balance as at September 30, 2016	286,920	327,000	696,075	1,309,995
Total comprehensive loss for the quarter ended December 31, 2016	0	0	(17,828)	(17,828)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period -net of deferred taxation	0	0	46,867	46,867
Balance as at December 31, 2016	286,920	327,000	725,114	1,339,034

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



CHIEF EXECUTIVE



DIRECTOR

CHASHMA SUGAR MILLS LIMITED

SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE FIRST QUARTER ENDED DECEMBER 31, 2016

1. LEGAL STATUS AND NATURE OF BUSINESS

Chashma Sugar Mills Limited (the Company) was incorporated on May 05, 1988 as a Public Company and it commenced commercial production from October 01, 1992. The Company is principally engaged in manufacture and sale of white sugar and spirit. The Company's shares are quoted on Pakistan Stock Exchange (formerly Karachi Stock Exchange in which Lahore and Islamabad Stock Exchanges have been merged). The Head Office of the Company is situated at King's Arcade, 20-A, Markaz F-7, Islamabad and the Mills are located at Dera Ismail Khan. The Company is a Subsidiary of The Premier Sugar Mills & Distillery Company Ltd.

2. BASIS OF PREPARATION

This condensed interim financial information of the Company for the first quarter ended December 31, 2016 has been prepared in accordance with the requirements of International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information is unaudited and is being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984. This condensed interim financial information do not include all of the information required for annual financial statements, and should be read in conjunction with the annual financial statements of the Company for the year ended September 30, 2016. Comparative condensed interim balance sheet is extracted from annual financial statements as of September 30, 2016, whereas comparative condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from un-audited condensed interim financial information for the first quarter ended December 31, 2015.

3. ACCOUNTING POLICIES

The accounting policies, related judgments, estimates and assumptions adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Company for the year ended September 30, 2016.

4. 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.

5. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on January 26, 2017 by the Board of Directors of the Company.

6. 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