

Continued Excellence







Our Vision is to Create **Opportunities for the Future.**

Before bringing life to a vision we have to see it first and for that we need people who specialize in seeing the impossible. Here at JDW, we are proud of the visionary people we have who take up the responsibility of creating opportunities for the future, not only for our Company but for the whole community we operate in.

We believe life is about the betterment of the human condition; it's about social awareness, and random acts of kindness that weave the soul of humanity. Together, we all participate in weaving the social fabric; we should all therefore be patching the fabric when it develops holes. The change has begun, here at JDW, as we have started to unpack the challenges that encounter us, realizing that we each have a role that requires us to change and become more responsible for shaping our community and creating magic under JDW's vision. A vision in which everyone is benefited, be it our shareholders, the farmers or you.


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Other Information

Investor's Awareness

Corporate Information

Board of Directors

Mr. Jahangir Khan Tareen

Director / Chief Executive

Mukhdoom Syed Ahmed Mahmud

Director / Chairman

Mr. Raheel Masud

Mrs. Samira Mahmud

Mr. Ijaz Ahmed

Mr. Asim Nisar Bajwa

Mr. Qasim Hussain Safdar

Chief Operating Officer

Rana Nasim Ahmed

Group Director (Finance) & CFO

Mr. Muhammad Rafique

Company Secretary

Mr. Maqsood Ahmad Malhi

Audit Committee

Mr. Qasim Hussain Safdar

Chairman / Member

Mrs. Samira Mahmud

Member

Mr. Ijaz Ahmed

Member

HR & R Committee

Mr. Asim Nisar Bajwa

Chairman / Member

Mrs. Samira Mahmud

Member

Mr. Ijaz Ahmed

Member / Secretary

Nomination Committee

Mr. Jahangir Khan Tareen

Chairman / Member

Mr. Asim Nisar Bajwa

Member

Risk Management Committee

Mr. Jahangir Khan Tareen

Chairman / Member

Mr. Asim Nisar Bajwa

Member

Registrar

Corplink (Pvt.) Limited

Bankers

Conventional

The Bank of Punjab

National Bank of Pakistan

Askari Bank Limited

MCB Bank Limited

Faysal Bank Limited

Standard Chartered Bank (Pakistan) Limited

Soneri Bank Limited

Habib Bank Limited

Pak Brunei Investment Company Limited

United Bank Limited

Pak Oman Investment Company Limited

Allied Bank Limited

Habib Metropolitan Bank Limited

JS Bank Limited

Islamic

National Bank of Pakistan

BankIslami (Pakistan) Limited

Faysal Bank Limited

Bank Alfalah Limited

Askari Bank Limited

Dubai Islamic Bank Pakistan Limited

Meezan Bank Limited



Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants



Registered Office

17-Abid Majeed Road,
Lahore Cantonment, Lahore, Pakistan



Legal Advisor

Cornelius, Lane & Mufti



Web Presence

www.jdw-group.com



Mills

Unit-I

Mauza Shirin, Jamal Din Wali, District
Rahim Yar Khan.

Unit-II

Machi Goth, Sadiqabad, District
Rahim Yar Khan.

Unit-III

Mauza Luluwali, Near Village
Islamabad, District Ghotki.



Directors' Review

The Directors of the Company are pleased to present the Company's un-audited condensed interim financial statements for the quarter ended on 31 December 2019.

Financial results of the first quarter are never true representative of the overall yearly financial results that Company will ultimately achieve but can give just an idea of the trend. The key indicators of operating and financial results are summarized below:

- Gross turnover of the Company in the first quarter is substantially increased to 15.59 billion i.e. 67% increase as compared to corresponding period. The increase in gross turnover is mainly due to increase in average selling prices of sugar and molasses and sale of carryover sugar stocks. Resultantly gross profit ratio is also increased from 7% to 11% in the current period.
- Despite comparatively higher sugarcane cost, finance cost, sales tax and costs of various inputs, the Company still has managed to earn net profit after tax amounting to Rs. 139 million in the current period as compared to net loss after tax of Rs. 353 million in the same period last year. The earnings per share of the company is also improved to Rs. 2.32 from loss per share of Rs. 5.91.
- Finance cost of the Company has increased by Rs. 137 million due to higher mark-up rates & more utilization of working capital facilities caused by unsold carryover stocks, non-receipt of export subsidies and all times high receivables from CPPA-G on account of sale of electricity.
- The minimum notified support price of sugar cane for crushing season 2019-20 is revised in the provinces of Punjab and Sindh at Rs. 190 from 180 per 40 kg & at Rs. 192 from 182 per 40 kg respectively. However, actual prices at which sugarcane is being procured by the mills is much higher than the support prices. Growers this time are happy as they are getting better sugarcane prices and timely payments unlike crushing season 2018-19 when they were massively exploited by majority of the sugar mills by paying them much less than the notified prices of sugarcane.
- The Company is fulfilling its financial obligations on time and enjoying cordial relationship with all the financial institutions it's dealing with.
- As usual growers' payment has remained our top priority being one of the main keys of our success and we are trying our level best to make growers' payment on priority basis. We regularly provide financial and technical support to our growers. Due to these policies and preferential treatment to growers, the Company enjoys excellent relationship with them.
- The crushing season 2019-20 was started in the last week of November, 2019 and on group basis up to 26 January 2020, the Company has produced 366,885 tons of sugar with average sucrose recovery of 9.80%. Sucrose recovery being achieved this year is lower than the corresponding period and so is the case with crop size which is also approx. 15% less than last year. In view of these factors Company is expecting 10% to 15% reduction in its sugar production this time.

- The Federal Government in the Finance Act, 2019 has increased the sales tax rate on sugar from 8% to 17% and abolished further sales tax @ 3% on sugar sales to unregistered persons. Through Finance Act 2019, Government has also attached condition of provision of buyer's CNIC from 1st August, 2019, which was subsequently extended to 31 January 2020. Recently through another amendment in Section 73 of the sales tax act, the FBR has also bound the manufacturers to sell its goods to sales tax registered persons only, otherwise for sale to unregistered persons the input sales tax adjustment would be disallowed on prorated basis. This amendment has been made through Presidential Ordinance effective from 1st January, 2020. In order to facilitate sugar dealers/wholesalers, the FBR in the last budget has reduced rates of turnover tax from 1.5% to 0.25% and withholding income tax from 4.5% to 0.25%. This is a big relief provided by the FBR to dealers/wholesalers involved in sugar & cement trade keeping in view their being engaged in the business of "Volume trade with low margins". However, there are still few impediments in the income tax ordinance which are not allowing the dealers/wholesalers to become filers and get them registered in the sales tax. These issues have been discussed with FBR by dealers/wholesalers and hopefully these would also be resolved by FBR soon. Persons engaged in sugar trade are now willing to get themselves registered provided the remaining impediments are properly addressed and removed in one go. FBR is also doing good job to check sales tax evasion in the industry which will help to provide level playing field to fully compliant sugar mills in the country.
- The ex-factory sugar prices have improved compared to last period which to a certain extent are helping the industry to mitigate substantial increase in sugarcane cost, mark up rates, sales tax rate and input costs. The prices of molasses have also improved because of expected lower molasses production this time. In view of maintaining continued good performance we will focus more on reduction of our debt and sugarcane development in the vicinity of all our mills by introducing new varieties & working more on pest controls.

27 January 2020
Lahore

Chief Executive

Director

شرح %4.5 سے کم کر کے %0.25 کر دی۔ بڑے حجم میں کم منافع کے ساتھ کام کرنے والے چینی اور سینٹ کے ڈیلر اور ہول سیلز کیلئے یہ بلاشبہ ایک بہت بڑا ریلیف تھا۔ انکم ٹیکس آرڈیننس میں کچھ ایسی مشکلات ہیں جو ڈیلر اور ہول سیلز افراد کو فائل کرنے اور سیلز ٹیکس میں رجسٹر ہونے میں حائل ہیں۔ ڈیلروں اور ہول سیلز حضرات کی جانب سے ان معاملات پر ایف بی آر سے گفت و شنید ہوئی ہے، امید کی جاتی ہے کہ ایف بی آر کی جانب سے ان معاملات کو جلد ہی حل کر دیا جائے گا۔ چینی کے کاروبار سے منسلک افراد خود کو سیلز ٹیکس میں رجسٹر کروانے پر آمادہ ہیں بشرطیکہ ان کے تحفظات کو یکمشت دور کیا جائے۔ ایف بی آر نے شوگر انڈسٹری میں سیلز ٹیکس کی روک تھام کے موثر اقدامات کئے ہیں جس کی بدولت ٹیکس قوانین کی پاسداری کرنے والی شوگر ملوں کو منڈی میں برابر کے کاروباری مواقع میسر آئے۔

- گزشتہ سال کی نسبت اس بار ملوں پر چینی کی قیمتوں میں اضافہ ہوا جس کی وجہ سے بڑھتی ہوئی گنے کی قیمت، بلند شرح سود، سیلز ٹیکس کی شرح میں اضافہ اور دیگر اشیا کی بڑھتی ہوئی قیمتوں کے بڑھتے ہوئے دباؤ سے نپٹنا ممکن ہو سکا۔ راب کی متوقع طور پر کم پیداوار کی وجہ سے راب کی قیمت میں بھی اضافہ ہوا۔ اپنی بہتر کارکردگی کو تسلسل میں رکھنے کیلئے ہم اپنے قرضوں میں کمی اور اپنی ملوں کے گرد و نواح میں گنے کی بہتر کاشتکاری، بہتر اقسام اور فصلی کیڑوں کے قابو پر توجہ مرکوز کئے ہوئے ہیں۔

۲۷ جنوری ۲۰۲۰

لاہور

چیف ایگزیکٹو

ڈائریکٹر

ڈائریکٹرز کا جائزہ

ڈائریکٹرز انچوائس مسرت کے ساتھ کمپنی کی عبوری مالیاتی رپورٹ برائے مئی 31 2019 پیش کرتے ہیں۔

پہلی سہ ماہی کے مالیاتی نتائج کبھی بھی ادارے کے حتمی سالانہ نتائج کی نمائندگی نہیں کرتے، لیکن صرف کمپنی کے مالیاتی نتائج کا رجحان بتا سکتے ہیں۔ رواں سہ ماہی کے کمپنی کے آپریٹنگ اور مالیاتی نتائج مختصراً نیچے موجود ہیں:

- کمپنی کی مجموعی فروخت اس سہ ماہی میں قابل ذکر طور پر بڑھ کر 15.59 ارب روپے ہو گئی جو کہ گزشتہ سال کی اسی سہ ماہی کے مقابلے میں 67% زیادہ ہے۔ مجموعی فروخت میں یہ بہتری بنیادی طور پر چینی اور راب کی اوسط قیمت فروخت میں اضافے اور چینی کے پہلے سے موجود ذخائر کی فروخت کی وجہ سے آئی۔ نتیجے کے طور پر اس دورانے میں خام منافع کی شرح 7% سے بڑھ کر 11% ہو گئی۔

- اس بار گئے کی نسبتاً زیادہ قیمت، مالیاتی اخراجات، سیلنگس اور دیگر مددات کی لاگت میں اضافہ کے باوجود حالیہ سہ ماہی میں کمپنی نے 139 ملین روپے کا منافع کمایا ہے جبکہ گزشتہ سال کے اسی دورانے میں کمپنی کو ٹیکس ادائیگی کے بعد 353 ملین روپے کا نقصان برداشت کرنا پڑا۔ فی حصص آمدن بھی 5.91 روپے فی حصہ نقصان سے بہتر ہو کر 2.32 روپے فی حصہ منافع میں آ گئی۔

- بڑھتی ہوئی شرح سود، غیر فروخت شدہ ذخائر کی بدولت سرمائے کی مزید ضروریات، ایکسیپورٹ سبسڈی کی عدم وصولی اور بجلی کی فروخت کی مد میں CPPA-G سے واجب الوصول رقم کی وجہ سے کمپنی کے مالیاتی اخراجات میں 137 ملین روپے کا اضافہ ہوا۔

- کرشنگ سیزن 2019-20 کیلئے گئے کی کم سے کم قیمت خرید کو صوبہ پنجاب اور صوبہ سندھ میں تبدیل کیا گیا۔ صوبہ پنجاب میں یہ قیمت 180 روپے فی من سے بڑھا کر 190 روپے فی من جبکہ صوبہ سندھ میں یہ قیمت 182 روپے فی من سے بڑھا کر 192 روپے فی من مقرر کر دی گئی۔ تاہم شوگر نے ملز نے مقرر کردہ قیمت سے زائد نرخوں پر گنے کی خریداری کی۔ گنے کے کاشتکار اس بار کافی خوش ہیں کیونکہ اس سال ان کو گزشتہ سال کے مقابلے میں نہ صرف اچھے دام ملے بلکہ ان کو ادائیگی بھی وقت پر کی جا رہی ہے۔ 2018-19 میں پیشتر شوگر ملز نے کسانوں کا استحصال کرتے ہوئے حکومت کے مقرر کردہ نرخوں سے نہایت کم قیمت پر گنے کی خریداری کی۔

- کمپنی نے مالیاتی اداروں سے اچھے تعلقات قائم کئے ہوئے ہیں جس کی بنیادی وجہ مالیاتی اداروں کے قرضوں کی بروقت ادائیگیاں ہیں۔

- اس کرشنگ سیزن میں بھی ہماری کمپنی کی بنیادی ترجیح گنے کی خریداری کی بروقت ادائیگیاں مقرر کردہ نرخوں پر ہے۔ کسانوں کو بروقت ادائیگیوں کے ساتھ امداد کی صورت میں مالیاتی قرضے، بیج زرعی آلات ادویات فراہم کی جاتی ہیں جو کمپنی کسانوں کے ساتھ خوشگوار تعلقات استوار رکھتے ہیں۔

- 2019-20 میں سیزن کا آغاز نومبر 2019 کے آخری ہفتے میں ہوا اور 26 جنوری 2020 تک گروپ کی سطح پر کمپنی کی مجموعی پیداوار 366,885 ٹن رہی جبکہ سکروڈ کی ریکوری کا تناسب 9.80% رہا۔ سکروڈ کی ریکوری گزشتہ سال کے اسی دورانے کی نسبت کم رہی جبکہ گنے کی فصل میں بھی یہی رجحان رہا اور گزشتہ سال کی نسبت اس میں تقریباً 15% کمی آئی۔ ان حقائق کے تناظر میں کمپنی کی مجموعی پیداوار میں 10% سے 15% کی کمی متوقع ہے۔

- وفاقی حکومت نے 2019 میں فنانس ایکٹ کے ذریعے چینی پریسلنگس کی شرح 8% سے بڑھا کر 17% کر دی اور سیلنگس میں غیر رجسٹرڈ شدہ افراد پر اضافی 3% سیلنگس ختم کر دیا۔ وفاقی حکومت نے 2019 فنانس ایکٹ کے تحت یکم اگست 2019 سے چینی کی خریداری پر قومی شناختی کارڈ کی نقل کی فراہمی کو لازم قرار دے دیا، بعد ازاں اس شرط کو 31 جنوری 2020 تک موخر کر دیا گیا۔ حال ہی میں سیلنگس ایکٹ کے سیکشن 73 میں ترمیم کے ذریعے ایف بی آر نے کارخانہ داروں کو اس بات کا پابند کر دیا ہے کہ وہ اپنی مصنوعات صرف سیلنگس رجسٹرڈ شدہ افراد کو ہی فروخت کریں، بصورت دیگر ان کو prorated Input سیلنگس ایڈجسٹمنٹ کی سہولت نہیں دی جائے گی۔ یہ ترمیم یکم جنوری 2020 کو صدارتی آرڈیننس کے ذریعے کی گئی۔ چینی کے ڈیلروں اور ہول سیلروں کو سہولت دینے کیلئے ایف بی آر نے کاروباری ٹیکس کی شرح 1.5% سے کم کر کے 0.25% مقرر کر دی جبکہ وہولڈنگ ٹیکس کی

Condensed Interim Unconsolidated
Financial Statements (Un-audited)

for the quarter ended 31 December 2019



Condensed Interim Unconsolidated **Statement of Financial Position (Un-audited)**
As at 31 December 2019

	Note	(Un-audited) 31-Dec-19 Rupees	(Audited) 30-Sep-19 Rupees
SHARE CAPITAL AND RESERVES			
Share capital	6	597,766,610	597,766,610
Share premium reserve		678,316,928	678,316,928
Accumulated profit		7,635,708,915	7,496,780,938
		8,911,792,453	8,772,864,476
NON-CURRENT LIABILITIES			
Long term finances - secured	7	4,220,866,996	4,962,121,804
Liabilities against assets subject to finance lease - secured	8	138,006,938	151,728,045
Deferred taxation		657,121,502	721,985,832
Retirement benefits		81,032,507	75,116,648
		5,097,027,943	5,910,952,329
CURRENT LIABILITIES			
Short term borrowings	9	12,220,964,389	16,513,317,010
Current portion of non-current liabilities		3,991,193,530	4,146,556,265
Trade and other payables		4,344,904,387	3,050,564,167
Advances from customers		10,328,715,597	9,091,672,650
Unclaimed dividend		31,620,357	31,620,357
Accrued profit / interest / mark-up		314,459,197	742,677,623
		31,231,857,457	33,576,408,072
CONTINGENCIES AND COMMITMENTS			
	10	45,240,677,853	48,260,224,877
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	21,831,190,408	21,958,943,693
Investment property		219,015,262	219,015,262
Intangibles		616,299,627	616,809,560
Long term investments	12	1,652,605,905	1,651,603,405
Long term deposits		56,519,077	50,913,227
		24,375,630,279	24,497,285,147
CURRENT ASSETS			
Biological assets	13	1,318,229,813	2,018,952,863
Stores, spare parts and loose tools		1,703,427,372	1,527,111,297
Stock-in-trade		10,086,684,258	11,505,748,375
Trade debts - unsecured considered good		6,320,108,032	7,254,991,500
Advances, deposits, prepayments and other receivables		817,144,819	844,332,030
Advance tax - net		401,062,781	519,761,421
Cash and bank balances	14	218,390,499	92,042,244
		20,865,047,574	23,762,939,730
		45,240,677,853	48,260,224,877

The annexed notes from 1 to 22 form an integral part of this condensed interim unconsolidated financial statements.

Condensed Interim Unconsolidated **Statement of Profit or Loss (Un-audited)**
For the quarter ended 31 December 2019

	Note	31-Dec-19 Rupees	31-Dec-18 Rupees
Gross sales		15,585,884,863	9,326,568,422
Sales tax and commission		(2,386,528,846)	(1,155,921,829)
Revenue from contracts with customers	15	13,199,356,017	8,170,646,593
Cost of revenue		(11,750,432,169)	(7,631,874,341)
Gross profit		1,448,923,848	538,772,252
Administrative expenses		(331,830,127)	(208,203,590)
Selling expenses		(8,952,628)	(6,917,014)
Other income	16	81,381,290	79,765,984
Other expenses		(50,485,417)	(191,188,656)
		(309,886,882)	(326,543,276)
Profit from operations		1,139,036,966	212,228,976
Finance cost		(877,539,637)	(740,144,867)
Profit / (loss) before taxation		261,497,329	(527,915,891)
Taxation		(122,569,352)	174,551,083
Profit / (loss) after taxation		138,927,977	(353,364,808)
Earnings / (loss) per share - basic and diluted		2.32	(5.91)

The annexed notes from 1 to 22 form an integral part of this condensed interim unconsolidated financial statements.

Lahore

Chief Financial Officer

Chief Executive

Director

Condensed Interim Unconsolidated **Statement of Comprehensive Income (Un-audited)**
For the quarter ended 31 December 2019

	31-Dec-19 Rupees	31-Dec-18 Rupees
Profit / (loss) after taxation for the quarter	138,927,977	(353,364,808)
Other comprehensive income for the quarter	–	–
Total comprehensive income / (loss) for the quarter	138,927,977	(353,364,808)

The annexed notes from 1 to 22 form an integral part of this condensed interim unconsolidated financial statements.

Lahore

Chief Financial Officer

Chief Executive

Director

Condensed Interim Unconsolidated **Statement of Cash Flows (Un-audited)**
For the quarter ended 31 December 2019

	31-Dec-19 Rupees	31-Dec-18 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	261,497,329	(527,915,891)
Adjustments for non cash and other items:		
Finance cost	877,539,637	740,144,867
Depreciation	392,989,847	385,324,505
Sugarcane roots written off	89,983,890	–
Provision for doubtful advances	36,722,400	–
Staff retirement benefits	28,426,462	23,480,482
Workers' Profit Participation Fund	13,763,017	–
Amortization	509,932	509,932
Assets written off	37,604	33,092
Fair value loss on biological assets	–	198,575,755
Gain on disposal of operating fixed assets	(2,987,823)	(12,089,621)
	1,436,984,966	1,335,979,012
Operating profit before working capital changes	1,698,482,295	808,063,121
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(176,316,075)	(265,372,890)
Stock-in-trade	1,419,064,117	(27,002,942)
Biological assets	700,723,050	200,837,319
Advances, deposits, prepayments and other receivables	(3,566,515)	602,052,252
Trade debts - unsecured considered good	934,883,468	571,537,536
	2,874,788,045	1,082,051,275
Increase in current liabilities:		
Trade and other payables	1,275,998,505	4,175,075,961
Advances from customers	1,237,042,947	788,778,822
Cash generated from operations	7,086,311,792	6,853,969,179
Taxes paid	(68,735,037)	(55,323,014)
Staff retirement benefits paid	(20,313,859)	(18,349,299)
	(89,048,896)	(73,672,313)
Net cash generated from operations	6,997,262,896	6,780,296,866
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(330,443,815)	(299,806,339)
Long term deposits - net	(5,605,850)	(869,320)
Advances for future issuance of shares	(1,000,000)	–
Investment in associate	(2,500)	–
Long term advances	–	1,722,222
Proceeds from sale of operating fixed assets	4,810,582	17,068,241
Net cash used in investing activities	(332,241,583)	(281,885,196)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances - net	(923,708,512)	(830,364,442)
Short term borrowings - net	(3,529,954,065)	(5,168,467,903)
Finance cost paid	(1,297,130,867)	(720,550,884)
Lease rentals paid	(25,481,058)	(43,030,907)
Dividend paid	–	(97,206)
Net cash used in financing activities	(5,776,274,502)	(6,762,511,342)
Net increase / (decrease) in cash and cash equivalents	888,746,811	(264,099,672)
Cash and cash equivalents at beginning of the quarter	(3,539,932,772)	(4,584,079,813)
Cash and cash equivalents at end of the quarter	(2,651,185,961)	(4,848,179,485)
Cash and cash equivalents comprise of the following:		
- Cash and bank balances	218,390,499	190,907,695
- Running finances and morabaha finances	(2,869,576,460)	(5,039,087,180)
	(2,651,185,961)	(4,848,179,485)

The annexed notes from 1 to 22 form an integral part of this condensed interim unconsolidated financial statements.

Lahore

Chief Financial Officer

Chief Executive

Director

For the Quarter Ended 31 December 2019

Condensed Interim Unconsolidated **Statement of Changes in Equity (Un-audited)**
For the quarter ended 31 December 2019

	Share capital	Reserves					Total equity
		Capital		Revenue		Total reserves	
		Share premium	Accumulated profit	Rupees	Rupees		
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 October 2018	597,766,610	678,316,928	6,951,403,122	7,629,720,050	8,227,486,660		
Total comprehensive loss for the quarter	–	–	(353,364,808)	(353,364,808)	(353,364,808)		
Balance as at 31 December 2018	597,766,610	678,316,928	6,598,038,314	7,276,355,242	7,874,121,852		
Balance as at 01 October 2019	597,766,610	678,316,928	7,496,780,938	8,175,097,866	8,772,864,476		
Total comprehensive income for the quarter	–	–	138,927,977	138,927,977	138,927,977		
Balance as at 31 December 2019	597,766,610	678,316,928	7,635,708,915	8,314,025,843	8,911,792,453		

The annexed notes from 1 to 22 form an integral part of this condensed interim unconsolidated financial statements.

Lahore Chief Financial Officer Chief Executive Director

1 REPORTING ENTITY

JDW Sugar Mills Limited ("the Company") was incorporated in Pakistan on 31 May 1990 as a private limited company and was subsequently converted into a public limited company on 24 August 1991. Shares of the Company are listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 17-Abid Majeed Road, Lahore Cantonment, Lahore, Pakistan. The principal activity of the Company is production and sale of crystalline sugar, electricity and managing corporate farms. The production facilities of the Company are located at following geographical locations:

Unit-I	Mauza Shirin, Jamal Din Wali, District Rahim Yar Khan
Unit-II	Machi Goth, Sadiqabad, District Rahim Yar Khan
Unit-III	Mauza Luluwali, Near Village Islamabad, District Ghotki

2 BASIS OF PREPARATION

2.1 Basis of accounting

2.1.1 These condensed interim unconsolidated financial statements comprise the condensed interim unconsolidated statement of financial position of the Company as at 31 December 2019 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of cash flows and condensed interim unconsolidated statement of changes in equity together with the notes forming part thereof for the quarter ended 31 December 2019.

2.1.2 These condensed interim unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, "Interim Financial Reporting," issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34 or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.3 These condensed interim unconsolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements for the year ended 30 September 2019.

2.1.4 Comparative unconsolidated statement of financial position numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 September 2019, whereas comparative figures of unconsolidated statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity are stated from unaudited condensed interim financial statements of the Company for the quarter ended 31 December 2018.

2.1.5 These condensed interim unconsolidated financial statements are un-audited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.

Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)
For the quarter ended 31 December 2019

3 USE OF ESTIMATES AND JUDGMENTS

The preparation of the condensed interim unconsolidated financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed interim unconsolidated financial statements, the significant judgments made by the management in applying accounting policies and the key source of estimation uncertainty are the same as those applied in the preparation of audited unconsolidated financial statements for the year ended 30 September 2019.

4 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

- 4.1** The accounting policies and the methods of computation adopted in the preparation of the condensed interim unconsolidated financial statements are same as those applied in the preparation of the audited unconsolidated financial statements for the year ended 30 September 2019.
- 4.2** There were certain new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

5 SEASONALITY OF OPERATIONS

Due to seasonal nature of sugar segment, operating results of sugar and co-generation power are expected to fluctuate in the second half of the year. The sugarcane crushing season normally starts from November and lasts till April each year.

	(Un-audited) 31-Dec-19 Rupees	(Audited) 30-Sep-19 Rupees
6 SHARE CAPITAL		
6.1 Authorized share capital		
75,000,000 (30 September 2019: 75,000,000) ordinary shares of Rs. 10 each	750,000,000	750,000,000
25,000,000 (30 September 2019: 25,000,000) preference shares of Rs. 10 each	250,000,000	250,000,000
	<u>1,000,000,000</u>	<u>1,000,000,000</u>
6.2 Issued, subscribed and paid up share capital		
32,145,725 (30 September 2019: 32,145,725) ordinary shares of Rs. 10 each fully paid in cash	321,457,250	321,457,250
27,630,936 (30 September 2019: 27,630,936) voting bonus shares of Rs. 10 each fully paid	276,309,360	276,309,360
	<u>597,766,610</u>	<u>597,766,610</u>

	Note	(Un-audited) 31-Dec-19 Rupees	(Audited) 30-Sep-19 Rupees
7 LONG TERM FINANCES - SECURED			
Mark-up bearing finances from conventional banks	7.1	2,619,531,253	3,146,458,336
Islamic mode of financing	7.2	1,601,335,743	1,815,663,468
	7.3	4,220,866,996	4,962,121,804
7.1 Mark-up bearing finances from conventional banks			
Balance at beginning of the quarter / year		6,326,126,662	9,580,302,716
Finances received during the quarter / year		–	114,906
Repayments during the quarter / year		(694,307,870)	(3,254,290,960)
		5,631,818,792	6,326,126,662
Current portion presented under current liabilities		(3,012,287,539)	(3,179,668,326)
		2,619,531,253	3,146,458,336
7.2 Islamic mode of financing			
Balance at beginning of the quarter / year		2,709,682,703	3,206,160,271
Finances received during the quarter / year		–	250,000,000
Repayments during the quarter / year		(229,400,642)	(746,477,568)
		2,480,282,061	2,709,682,703
Current portion presented under current liabilities		(878,946,318)	(894,019,235)
		1,601,335,743	1,815,663,468

7.3 Long term finances are secured against ranking / joint parri passu charge over all present and future fixed assets including land, building and plant and machinery of the Company and personal guarantees of sponsor directors of the Company.

8 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - SECURED

During the quarter, the Company availed leases aggregating Rs. 32.58 million (30 September 2019: Rs. 119.96 million) and repaid principal amount of Rs. 19.21 million (30 September 2019: Rs. 145.32 million). Amounts due in next twelve months amounting to Rs. 99.95 million (30 September 2019: Rs. 72.87 million) are included in current portion presented under current liabilities. Lease rentals are payable on quarterly / monthly basis and include finance cost at the rate of six months KIBOR plus 100 bps per annum (30 September 2019: six months KIBOR plus 100 bps per annum) which has been used as the discounting factor. The Company has the option to purchase the assets upon completion of lease period and has the intention to exercise such option.

Notes to the Condensed Interim Unconsolidated **Financial Statements (Un-audited)**
For the quarter ended 31 December 2019

	Note	(Un-audited) 31-Dec-19 Rupees	(Audited) 30-Sep-19 Rupees
9 SHORT TERM BORROWINGS			
Mark-up based borrowings from conventional banks - secured			
Cash finances	9.1	3,092,603,000	7,607,729,625
Running finances	9.2	1,219,576,460	1,881,975,016
Inland bill discounting	9.3	1,133,600,000	1,190,858,115
Finance against trust receipts	9.4	342,979,364	263,354,254
		5,788,758,824	10,943,917,010
Islamic mode of financing			
Salam / Istisna finances	9.5	2,265,705,565	2,969,200,000
Morabaha finances	9.6	1,650,000,000	1,750,000,000
		3,915,705,565	4,719,200,000
Borrowings from related party - unsecured			
Deharki Sugar Mills (Private) Limited	9.7	2,516,500,000	850,200,000
		12,220,964,389	16,513,317,010

- 9.1** The Company has obtained these facilities from various banks and financial institutions. The mark-up rate applicable during the period ranges from one to three months KIBOR plus 20 to 100 bps per annum (30 September 2019: one to three months KIBOR plus 20 to 100 bps per annum).
- 9.2** The mark-up rate applicable during the period ranges from one to three months KIBOR plus 65 to 100 bps per annum (30 September 2019: one to three months KIBOR plus 50 to 100 bps per annum).
- 9.3** The mark-up rate applicable during the period ranges from one to three months KIBOR plus 50 to 100 bps per annum (30 September 2019: one to three months KIBOR plus 50 to 100 bps per annum).
- 9.4** The mark-up rate applicable during the period ranges from one to six months KIBOR plus 100 to 250 bps per annum (30 September 2019: three to six months KIBOR plus 90 to 250 bps per annum).
- 9.5** The mark-up rate applicable during the period ranges from one to nine months KIBOR plus 20 to 85 bps per annum (30 September 2019: three to nine months KIBOR plus 20 to 50 bps per annum).
- 9.6** The mark-up rate applicable during the period is three months KIBOR plus 75 to 100 bps per annum (30 September 2019: three to nine months KIBOR plus 50 to 100 bps per annum).
- 9.7** This represents interest bearing loan received from Deharki Sugar Mills (Private) Limited to meet working capital requirements at a quarterly average interest rate of 14.86% per annum (30 September 2019: 9.44% to 13.53% per annum).
- 9.8** The securities offered are the same as disclosed in the audited unconsolidated financial statements of the Company for the year ended 30 September 2019.

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There is no material change in contingencies from the preceding audited unconsolidated financial statements of the Company for the year ended 30 September 2019, except for the guarantees and commitments as disclosed below:

- 10.1.1** Guarantees issued by the banks on behalf of the Company in favor of various parties as at the reporting date amounts to Rs. 191 million (30 September 2019: Rs. 560 million).

	(Un-audited) 31-Dec-19 Rupees	(Audited) 30-Sep-19 Rupees
10.2 Commitments		
10.2.1 Letters of credit for import of machinery and its related components	75,124,815	235,071,327

- 10.2.2** The amount of future lease rentals on agricultural contract and the period in which payments will become due are as follows:

	(Un-audited) 31-Dec-19 Rupees	(Audited) 30-Sep-19 Rupees
Less than one year	382,582,912	239,114,320
Between one and five years	767,579,710	883,360,852
More than five years	2,385,000	4,173,750
	1,152,547,622	1,126,648,922

Note	(Un-audited) 31-Dec-19 Rupees	(Audited) 30-Sep-19 Rupees
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11 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	11.1	20,991,569,144	21,365,668,172
Capital work in progress	11.2	710,815,504	464,469,761
Stores, spare parts and loose tools held for capital expenditure		128,805,760	128,805,760
		21,831,190,408	21,958,943,693
11.1 Operating fixed assets			
Net book value at beginning of the quarter / year		21,365,668,172	21,133,041,009
Additions during the quarter / year		55,086,015	1,938,801,323
Disposals / adjustments during the quarter / year - net book value		(91,844,253)	(238,113,345)
Depreciation charged during the quarter / year		(337,340,790)	(1,468,060,815)
Net book value at end of the quarter / year		20,991,569,144	21,365,668,172

Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)
For the quarter ended 31 December 2019

	(Un-audited) 31-Dec-19 Rupees	(Audited) 30-Sep-19 Rupees
11.2 Capital work in progress		
Opening balance	464,469,761	752,229,377
Addition during the quarter / year	246,756,964	1,114,844,810
Transfers made during the quarter / year	(411,221)	(1,402,604,426)
Closing balance	710,815,504	464,469,761

	Note	(Un-audited) 31-Dec-19 Rupees	(Audited) 30-Sep-19 Rupees
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12 LONG TERM INVESTMENTS

Investment in subsidiary companies - unquoted	12.1	1,652,603,405	1,651,603,405
Investment in associated companies - unquoted	12.2	2,500	–
		1,652,605,905	1,651,603,405
12.1 Investment in subsidiary companies - unquoted			
Deharki Sugar Mills (Private) Limited (“DSML”)			
104,975,000 (30 September 2019: 104,975,000) fully paid shares of Rs. 10 each			
Equity held 100% (30 September 2019: 100%)		1,049,750,000	1,049,750,000
Faruki Pulp Mills Limited (“FPML”)			
310,892,638 (30 September 2019: 310,892,638) fully paid ordinary shares of Rs. 10 each			
Equity held 57.67% (30 September 2019: 57.67%)		3,154,426,383	3,154,426,383
Accumulated impairment allowance		(2,584,372,978)	(2,584,372,978)
		570,053,405	570,053,405
Sadiqabad Power (Private) Limited (“SPL”)			
1,000,100 (30 September 2019: 1,000,100) fully paid shares of Rs. 10 each			
Equity held 100% (30 September 2019: 100%)		10,001,000	10,001,000
Advances for future issuance of shares		6,349,000	5,349,000
		16,350,000	15,350,000
Ghotki Power (Private) Limited (“GPL”)			
1,000,100 (30 September 2019: 1,000,100) fully paid shares of Rs. 10 each			
Equity held 100% (30 September 2019: 100%)		10,001,000	10,001,000
Advances for future issuance of shares		6,449,000	6,449,000
		16,450,000	16,450,000
		1,652,603,405	1,651,603,405

	Note	(Un-audited) 31-Dec-19 Rupees	(Audited) 30-Sep-19 Rupees
12.2 Investment in associated companies - unquoted			
Khatai-II Hydro (Private) Limited ("KHL")			
250 (30 September 2019: nil)			
fully paid shares of Rs. 10 each			
Equity held 20% (30 September 2019: nil%)		2,500	—
JDW Power (Private) Limited ("JDWPL")			
9,000,000 (30 September 2019: 9,000,000)			
fully paid shares of Rs. 10 each			
Equity held 47.37% (30 September 2019: 47.37%)		90,000,000	90,000,000
Accumulated impairment allowance	12.2.1	(90,000,000)	(90,000,000)
		—	—
		2,500	—

12.2.1 On 11 July 2019 the shareholders of JDWPL through an extra ordinary general meeting passed a resolution for the winding up of JDWPL, subsequently management of the JDWPL has applied to Securities and Exchange Commission of Pakistan (SECP) for the approval of winding up.

13 BIOLOGICAL ASSETS

The fair value of biological assets as at 31 December 2019 is Rs. 1.32 billion (30 September 2019: Rs. 2.02 billion). In absence of active market for sugarcane and other crops, the fair value measurement for the standing crop has been categorized as Level 3 fair value based on the inputs to the valuation techniques used. Fair value has been determined on the basis of a discounted cash flow model. The valuation model considers the present value of net cash flows expected to be generated by the plantation. The cash flow projections include specific estimates for next period which mainly include crop's expected yield. The expected cash flows are discounted using a risk adjusted discount rate. The valuation technique and significant unobservable inputs include valued plantation, estimated yield per acre, estimated future sugarcane and risk-adjusted discount rate.

Notes to the Condensed Interim Unconsolidated **Financial Statements (Un-audited)**
For the quarter ended 31 December 2019

	Note	(Un-audited) 31-Dec-19 Rupees	(Audited) 30-Sep-19 Rupees
14 CASH AND BANK BALANCES			
Current accounts			
Balance with islamic banks		62,002,624	6,732,090
Balance with conventional banks		64,804,113	82,950,983
		126,806,737	89,683,073
Saving accounts			
Deposit with conventional banks	14.1	55,863	17,970
		126,862,600	89,701,043
Cash in hand		91,527,899	2,341,201
		218,390,499	92,042,244

14.1 The balances in saving accounts carry mark-up at 11.25% per annum (30 September 2019: 6.5% to 11.25% per annum).

15 REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue based on:

	Note	31-Dec-19 Rupees	31-Dec-18 Rupees
15.1 Segments			
Sugar			
Sugar	15.1.1	11,176,671,669	6,441,843,475
Molasses - by product		757,217,334	262,127,667
Bagasse - by product		153,412,458	158,230,151
Agri Inputs		1,629,759	915,300
		12,088,931,220	6,863,116,593
Co-Generation Power		572,452,567	1,131,097,979
Corporate Farms		537,972,230	176,432,021
		13,199,356,017	8,170,646,593

15.1.1 There was no sugar export during the period (31 Decemeber 2018: Rs. nil).

	31-Dec-19 Rupees	31-Dec-18 Rupees
15.2 Timing of revenue recognition		
Products transferred at a point in time	12,626,903,450	7,039,548,614
Products transferred over time	572,452,567	1,131,097,979
	13,199,356,017	8,170,646,593

16 OTHER INCOME

This mainly includes scrap sale of Rs. 17 million (31 December 2018: Rs. 23 million) and sale of mud of Rs. 45 million (31 December 2018: Rs. 40 million).

17 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiary companies, associated companies, other related companies, directors of the Company and entities under common directorship, key management personnel and post employment benefit plans. Amount due from and due to related parties are shown under respective notes to this condensed interim unconsolidated financial statements. Other significant transactions and balances with related parties except those disclosed elsewhere are as follows:

Name of Company	Relationship	Nature of Transactions	31-Dec-19 Rupees	31-Dec-18 Rupees
i) Deharki Sugar Mills (Pvt.) Limited	Subsidiary Company (Equity held 100 percent)	Short term advances - net	1,666,300,000	1,168,058,000
		Markup expense on short term advances	46,370,768	18,061,518
		Sale of sugarcane	537,959,730	176,432,021
		Purchase of bagasse	83,844,920	234,299,682
		Reimbursement on use of Company's aircraft	3,988,712	2,723,679
		Sale of store, spare parts and loose tools	11,440,166	-
		Purchase of store, spare parts and loose tools	170,000	-
		Rent on Land acquired on lease	2,146,325	2,146,325
ii) Sadiqabad Power (Pvt.) Limited	Subsidiary Company (Equity held 100 percent)	Advances for future issuance of shares	1,000,000	-
iii) JDW Aviation (Pvt.) Limited	Associated Company (Due to common directorship)	Reimbursement of expenses	1,660,512	3,497,777
iv) Khatai-II Hydro (Pvt.) Limited	Associated Company (Equity held 20 percent)	Investment made	2,500	-
v) Post Employment Benefits Plan		Provident fund contribution	43,021,206	37,101,924
		Payment to recognised gratuity fund	1,000,000	276,813
vi) Key Management Personnel		Directors' remuneration and allowances	132,646,667	50,865,000
		Consultancy services	3,003,720	2,835,684

18 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2019 (Un-audited)						
Note	Carrying Amount			Fair Value		
	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees)					
On-Balance sheet financial instruments						
Financial assets measured at fair value						
Financial assets not measured at fair value						
		-	-	-	-	-
	Long term deposits	56,519,077	-	56,519,077	-	-
	Trade debts - unsecured considered good	6,320,108,032	-	6,320,108,032	-	-
	Advances, deposits and other receivables	29,285,104	-	29,285,104	-	-
	Cash and bank balances	218,390,499	-	218,390,499	-	-
18.1		6,624,302,712	-	6,624,302,712	-	-
Financial liabilities measured at fair value						
Financial liabilities not measured at fair value						
	Long term finances - secured	-	8,112,100,853	8,112,100,853	-	-
	Short term borrowing	-	12,220,964,389	12,220,964,389	-	-
	Liabilities against assets subject to finance lease - secured	-	237,966,611	237,966,611	-	-
	Accrued profit / interest / mark-up	-	314,459,197	314,459,197	-	-
	Trade and other payables	-	3,524,033,647	3,524,033,647	-	-
	Unclaimed dividend	-	31,620,357	31,620,357	-	-
18.1		-	24,441,145,054	24,441,145,054	-	-

30 September 2019 (Audited)

18.1 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of their fair values.

19 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the audited annual unconsolidated financial statements of the Company for the year ended 30 September 2019.

20 DATE OF AUTHORIZATION

These condensed interim unconsolidated financial statements have been approved by the Board of Directors of the Company and authorized for issue on 27 January 2020.

21 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework.

22 EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Company has re-profiled its long term finances after the Statement of Financial Position date and has availed a new syndicated loan of Rs. 7.35 billion and simultaneously settled long term and short term finances amounting to Rs. 6.49 billion.

Condensed Interim Consolidated **Financial Statements (Un-audited)**

for the quarter ended 31 December 2019



Directors' Review

on Condensed Interim Consolidated Financial Statements

The Directors are pleased to present the Condensed Interim Consolidated Financial Statements of JDW Sugar Mills Limited ("the Holding Company") and its Subsidiary Companies; Deharki Sugar Mills (Private) Limited, Faruki Pulp Mills Limited, Sadiqabad Power (Private) Limited and Ghotki Power (Private) Limited ("the Group") for the quarter ended 31 December 2019.

Deharki Sugar Mills (Private) Limited ("DSML") was incorporated as a Private Limited Company. The Principal activity of Subsidiary Company is production and sale of crystalline sugar. The Holding Company holds 100% shares of the Subsidiary Company.

Faruki Pulp Mills Limited ("FPML") was incorporated as a Public Limited Company, with the primary objective to manufacture and sale of paper pulp. The Subsidiary Company has been unable to commence its commercial operations till date. The Holding Company holds 57.67% shares of the Subsidiary Company.

Ghotki Power (Private) Limited ("GPL") was incorporated on 15 December 2016. The Subsidiary Company will be engaged in the production of electricity under the expansion program of the Holding Company's existing bagasse based Co-Generation Power plants. The Holding Company holds 100% shares of the Subsidiary Company.

Sadiqabad Power (Private) Limited ("SPL") was incorporated on 16 December 2016. The Subsidiary Company will be engaged in the production of electricity under the expansion program of the Holding Company's existing bagasse based Co-Generation Power plants. The Holding Company holds 100% shares of the Subsidiary Company.

It is being confirmed that to the best of our knowledge, these Condensed Interim Consolidated Financial Statements for the quarter ended 31 December 2019 give a true and fair view of the assets, liabilities, financial position and financial results of the Group and are in conformity with approved accounting standards as applicable in Pakistan.

FINANCIAL OVERVIEW

The consolidated financial results are as follows:

	31-Dec-19	31-Dec-18
	(Rs in million)	
Gross sales	17,543	11,905
Revenue from contract with customers	14,779	10,374
Profit from operations	1,398	260
Profit / (loss) before tax	432	(628)
Profit / (loss) after tax	277	(472)

Directors have given their detailed review report of affairs of the Holding Company as well as Subsidiary Companies in Directors' report to the shareholders of Holding Company.

ڈائریکٹر کا جائزہ

ڈائریکٹر خوشی کے ساتھ جے ڈی ڈبلیو شوگر ملز اور اسکے زیریں ادارے ڈہری شوگر ملز پرائیویٹ لمیٹڈ، فاروقی پلپ ملز لمیٹڈ، صادق آباد پاور پرائیویٹ لمیٹڈ، گھوگئی پاور پرائیویٹ لمیٹڈ کی پہلی سہ ماہی 31 دسمبر 2019 کی عبوری مالیاتی رپورٹ پیش کر رہے ہیں۔

ڈہری شوگر ملز پرائیویٹ لمیٹڈ کمپنی ایک پرائیویٹ لمیٹڈ کمپنی کے طور پر قائم کیا گیا تھا۔ اس ذیلی ادارے کا بنیادی کام گنے سے چینی بنانا اور بیچنا ہے۔ اس ذیلی کمپنی کے 100 فیصد حصص جے ڈی ڈبلیو کے پاس ہیں۔

فاروقی پلپ ملز لمیٹڈ کو پبلک لمیٹڈ کمپنی کے طور پر قائم کیا گیا تھا۔ اس ادارے کا بنیادی کام پیپر پلپ بنانا اور بیچنا ہے۔ کمپنی اب تک کاروباری سرگرمی شروع نہیں کر سکی ہے۔ اس ذیلی کمپنی کے 57.67 فیصد حصص جے ڈی ڈبلیو کے پاس ہیں۔

گھوگئی پاور پرائیویٹ لمیٹڈ کمپنی کو ایک پرائیویٹ لمیٹڈ کمپنی کے طور پر قائم کیا گیا تھا۔ اس ادارے کا بنیادی کام بجلی پیدا کرنا اور بیچنا ہوگا۔ اس ذیلی کمپنی کے 100 فیصد حصص جے ڈی ڈبلیو کے پاس ہیں۔

صادق آباد پاور پرائیویٹ لمیٹڈ کمپنی کو ایک پرائیویٹ لمیٹڈ کمپنی کے طور پر قائم کیا گیا تھا۔ اس ادارے کا بنیادی کام بجلی پیدا کرنا اور بیچنا ہوگا۔ اس ذیلی کمپنی کے 100 فیصد حصص جے ڈی ڈبلیو کے پاس ہیں۔

اہم اس بات کی تصدیق کرتے ہیں کہ ہماری بہترین معلومات کے مطابق یہ سہ ماہی رپورٹ برائے 31 دسمبر 2019 پاکستان میں منظور شدہ اکاؤنٹنگ سٹنڈرڈز کے مطابق ہے اور اپنے تمام اثاثوں، واجبات اور مالیاتی پوزیشن کی سچی اور منصفانہ تصویر پیش کر رہی ہے۔

سالانہ مالیاتی نتائج مندرجہ ذیل ہیں:

31 دسمبر 2019	31 دسمبر 2018	
ملین روپے		
17,543	11,905	مجموعی فروخت
14,779	10,374	خالص فروخت
1,398	260	کارکردگی منافع
432	(628)	قبل از ٹیکس منافع / خسارہ
277	(472)	بعد از ٹیکس منافع / خسارہ

ڈائریکٹر نے اس رپورٹ میں اپنے تمام شیئر ہولڈرز کو ہولڈنگ ادارے اور اسکی تمام ذیلی اداروں کی تفصیلی امور سے آگاہ کیا ہے۔

۲۷ جنوری ۲۰۲۰

ڈائریکٹر

چیف ایگزیکٹو

لاہور

Condensed Interim Consolidated **Statement of Financial Position (Un-audited)**
As at 31 December 2019

	Note	(Un-audited) 31-Dec-19 Rupees	(Audited) 30-Sep-19 Rupees
SHARE CAPITAL AND RESERVES			
Share capital	6	597,766,610	597,766,610
Share premium reserve		678,316,928	678,316,928
Accumulated profit		9,398,852,470	9,119,187,967
Equity attributable to owners of the Parent Company		10,674,936,008	10,395,271,505
Non-controlling interest		374,055,612	376,342,331
		11,048,991,620	10,771,613,836
NON-CURRENT LIABILITIES			
Long term finances - secured	7	5,545,866,996	6,468,371,804
Liabilities against assets subject to finance lease - secured	8	138,006,938	151,728,045
Deferred taxation		606,891,185	639,478,177
Retirement benefits		81,032,507	75,116,648
		6,371,797,626	7,334,694,674
CURRENT LIABILITIES			
Short term borrowings - secured	9	11,335,970,655	17,127,247,149
Current portion of non-current liabilities		4,736,193,530	4,901,556,265
Trade and other payables		5,073,036,941	3,552,525,494
Advances from customers		11,776,404,714	9,831,815,580
Unclaimed dividend		31,620,357	31,620,357
Accrued profit / interest / mark-up		356,804,189	812,977,488
		33,310,030,386	36,257,742,333
CONTINGENCIES AND COMMITMENTS			
	10	50,730,819,632	54,364,050,843
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	26,645,109,766	26,813,633,767
Investment property		219,015,262	219,015,262
Intangibles		616,335,436	616,848,589
Long term investments	12	–	–
Long term deposits		56,583,077	50,977,227
		27,537,043,541	27,700,474,845
CURRENT ASSETS			
Biological assets	13	1,318,229,812	2,018,952,863
Stores, spare parts and loose tools		2,002,191,178	1,783,653,439
Stock-in-trade		10,933,255,598	12,119,181,293
Trade debts - unsecured considered good		6,285,562,984	8,353,455,036
Advances, deposits, prepayments and other receivables		1,818,411,443	1,749,231,320
Advance tax - net		446,036,259	493,348,640
Cash and bank balances	14	390,088,817	145,753,407
		23,193,776,091	26,663,575,998
		50,730,819,632	54,364,050,843

The annexed notes from 1 to 23 form an integral part of this condensed interim consolidated financial statements.

Lahore

Chief Financial Officer

Chief Executive

Director

Condensed Interim Consolidated **Statement of Profit or Loss (Un-audited)**
For the quarter ended 31 December 2019

	Note	31-Dec-19 Rupees	31-Dec-18 Rupees
Gross sales		17,543,242,375	11,904,613,998
Sales tax and commission		(2,764,719,892)	(1,530,739,719)
Revenue from contracts with customers	15	14,778,522,483	10,373,874,279
Cost of revenue		(13,022,259,393)	(9,784,673,013)
Gross profit		1,756,263,090	589,201,266
Administrative expenses		(379,360,058)	(228,760,227)
Selling expenses		(10,758,685)	(8,283,433)
Other income	16	101,894,452	106,650,253
Other expenses		(69,726,473)	(198,575,755)
		(357,950,764)	(328,969,162)
Profit from operations		1,398,312,326	260,232,104
Finance cost		(965,974,727)	(888,499,618)
Share of loss from investment in associate		(329,044)	–
Profit / (loss) before taxation		432,008,555	(628,267,514)
Taxation		(154,630,771)	156,517,289
Profit / (loss) after taxation		277,377,784	(471,750,225)
Attributable to:			
Owners of the Parent Company		279,664,503	(471,216,417)
Non-controlling Interest		(2,286,719)	(533,808)
		277,377,784	(471,750,225)

The annexed notes from 1 to 23 form an integral part of this condensed interim consolidated financial statements.

Condensed Interim Consolidated **Statement Comprehensive Income (Un-audited)**
For the quarter ended 31 December 2019

	31-Dec-19 Rupees	31-Dec-18 Rupees
Profit / (loss) after taxation for the quarter	277,377,784	(471,750,225)
Other comprehensive income for the quarter	–	–
Total comprehensive income / (loss) for the quarter	277,377,784	(471,750,225)
Attributable to:		
Owners of the Parent Company	279,664,503	(471,216,417)
Non-controlling Interest	(2,286,719)	(533,808)
	277,377,784	(471,750,225)

The annexed notes from 1 to 23 form an integral part of this condensed interim consolidated financial statements.

Condensed Interim Consolidated **Statement of Cash Flows (Un-audited)**
For the quarter ended 31 December 2019

	31-Dec-19 Rupees	31-Dec-18 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	432,008,555	(628,267,514)
Adjustments for non cash and other items:		
Finance cost	965,974,727	888,499,618
Depreciation	440,639,659	436,171,628
Staff retirement benefits	97,560,930	26,137,039
Sugarcane roots written off	89,983,890	–
Provision for doubtful advances	36,722,400	–
Workers' Profit Participation Fund	23,238,231	–
Loss / (gain) on disposal of operating fixed assets	3,177,439	(12,089,621)
Workers' Welfare Fund	3,600,581	–
Amortization	513,152	514,738
Assets written off	37,604	33,092
Fair value loss on biological assets	–	198,575,755
	1,661,448,613	1,537,842,249
Operating profit before working capital changes	2,093,457,168	909,574,735
(Increase) / decrease in current assets:		
Biological assets	700,723,050	200,837,319
Stores, spare parts and loose tools	(218,537,740)	(333,276,006)
Stock-in-trade	1,185,925,694	853,607,661
Trade debts - unsecured considered good	2,067,892,052	375,862,790
Advances, deposits, prepayments and other receivables	(97,831,915)	715,061,565
	3,638,171,141	1,812,093,329
Increase in current liabilities:		
Trade and other payables	1,483,722,369	5,227,837,770
Advances from customers	1,947,458,194	761,354,211
Cash generated from operations	9,162,808,872	8,710,860,045
Taxes paid	(140,117,516)	(68,386,215)
Staff retirement benefits paid	(88,937,860)	(20,845,162)
	(229,055,376)	(89,231,377)
Net cash generated from operating activities	8,933,753,496	8,621,628,668
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(359,369,645)	(321,485,118)
Long term deposits - net	(5,605,850)	(869,320)
Proceeds from sale of operating fixed assets	18,832,591	17,068,241
Long term advances	–	1,722,222
Net cash used in investing activities	(346,142,904)	(303,563,975)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances - net	(1,114,958,512)	(865,364,442)
Short term borrowings - net	(4,943,484,729)	(6,751,976,025)
Finance cost paid	(1,411,559,120)	(898,257,426)
Lease rentals paid	(25,481,058)	(43,030,907)
Dividend paid	–	(97,206)
Net cash used in financing activities	(7,495,483,419)	(8,558,726,006)
Net increase / (decrease) in cash and cash equivalents	1,092,127,173	(240,661,313)
Cash and cash equivalents at beginning of the quarter	(4,321,614,816)	(5,450,963,816)
Cash and cash equivalents at end of the quarter	(3,229,487,643)	(5,691,625,129)
Cash and cash equivalents comprise of the following:		
- Cash and bank balances	390,088,817	251,764,602
- Running finances and morabaha finances	(3,619,576,460)	(5,943,389,731)
	(3,229,487,643)	(5,691,625,129)

The annexed notes from 1 to 23 form an integral part of this condensed interim consolidated financial statements.

Lahore

Chief Financial Officer

Chief Executive

Director

Condensed Interim Consolidated **Statement of Changes in Equity (Un-audited)**
For the quarter ended 31 December 2019

	Share capital	Reserves				Non-controlling interests	Total	Total equity
		Capital	Revenue		Sub Total			
		Share premium	Accumulated profit					
				Rupees				
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Balance as at 01 October 2018								
597,766,610	678,316,928	7,553,230,137	8,231,547,065	8,829,313,675	480,996,662	9,310,310,337		
Total comprehensive loss for the quarter								
-	-	(471,216,417)	(471,216,417)	(471,216,417)	(533,808)	(471,750,225)		
Balance as at 31 December 2018								
597,766,610	678,316,928	7,082,013,720	7,760,330,648	8,358,097,258	480,462,854	8,838,560,112		
Balance as at 01 October 2019								
597,766,610	678,316,928	9,119,187,967	9,797,504,895	10,395,271,505	376,342,331	10,771,613,836		
Total comprehensive income for the quarter								
-	-	279,664,503	279,664,503	279,664,503	(2,286,719)	277,377,784		
Balance as at 31 December 2019								
597,766,610	678,316,928	9,398,852,470	10,077,169,398	10,674,936,008	374,055,612	11,048,991,620		

The annexed notes from 1 to 23 form an integral part of this condensed interim consolidated financial statements.

Lahore

Chief Financial Officer

Chief Executive

Director

1 STATUS AND NATURE OF BUSINESS

The Group comprises of:

- JDW Sugar Mills Limited ("the Holding Company");
- Deharki Sugar Mills (Private) Limited - "DSML" ("the Subsidiary Company");
- Faruki Pulp Mills Limited - "FPML" ("the Subsidiary Company");
- Sadiqabad Power (Private) Limited - "SPL" ("the Subsidiary Company"); and
- Ghotki Power (Private) Limited - "GPL" ("the Subsidiary Company").

1.1 JDW Sugar Mills Limited ("the Holding Company") was incorporated in Pakistan on 31 May 1990 as a private limited company and was subsequently converted into a public limited company on 24 August 1991. Shares of the Holding Company are listed on the Pakistan Stock Exchange Limited. The registered office of the Holding Company is situated at 17 - Abid Majeed Road, Lahore Cantonment, Lahore, Pakistan. The principal activity of the Holding Company is production and sale of crystalline sugar, electricity and managing corporate farms.

1.2 Deharki Sugar Mills (Private) Limited ("the Subsidiary Company") was incorporated in Pakistan on 14 July 2010 as a private limited company. The registered office of the Subsidiary Company is situated at 17 - Abid Majeed Road, Lahore Cantonment, Lahore, Pakistan. The principal activity of the Subsidiary Company is manufacturing and sale of crystalline sugar. The Holding Company holds 100% shares of the Subsidiary Company.

1.3 Faruki Pulp Mills Limited ("the Subsidiary Company") was incorporated in Pakistan on 20 October 1991 as a public limited company. FPML will be engaged in the manufacturing and sale of paper pulp. The production facility is situated 20 km from Gujrat and the registered office is situated at 13-B, Block-K, Main Boulevard Gulberg II Lahore. The Holding Company holds 57.67% shares of the Subsidiary Company. The Subsidiary Company has been unable to commence its commercial operations till date. The trial runs conducted over the years, identified significant additional capital expenditure requirements to make the plant commercially viable.

1.4 Sadiqabad Power (Private) Limited ("the Subsidiary Company") was incorporated in Pakistan on 16 December 2016. The Subsidiary Company will be engaged in the generation of electricity under the expansion program of the Holding Company's existing bagasse based co-generation power plants. The registered office of the Subsidiary Company is situated at 17-Abid Majeed Road, Lahore Cantonment, Lahore, Pakistan. The Holding Company holds 100% shares of the Subsidiary Company.

1.5 Ghotki Power (Private) Limited ("the Subsidiary Company") was incorporated in Pakistan on 15 December 2016. The Subsidiary Company will be engaged in the generation of electricity under the expansion program of the Holding Company's existing bagasse based co-generation power plants. The registered office of the Subsidiary Company is situated at 17-Abid Majeed Road, Lahore Cantonment, Lahore, Pakistan. The Holding Company holds 100% shares of the Subsidiary Company.

2 BASIS OF PREPARATION

2.1 Basis of accounting

2.1.1 This condensed interim consolidated financial statements comprises the condensed interim consolidated statement of financial position of the Group as at 31 December 2019 and the related condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity together with the notes forming part thereof for the quarter ended 31 December 2019.

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited) For the quarter ended 31 December 2019

2.1.2 These condensed interim consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of:

- International Accounting Standard (IAS) 34, "Interim Financial Reporting," issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34 or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.3 This condensed interim consolidated financial statements does not include all of the information required for full annual audited consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements for the year ended 30 September 2019.

2.1.4 Comparative consolidated statement of financial position numbers are extracted from the annual audited consolidated financial statements of the Group for the year ended 30 September 2019, whereas comparative figures of statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity are stated from unaudited condensed interim financial statements of the Group for the quarter ended 31 December 2018.

2.1.5 This condensed interim consolidated financial statements are un-audited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.

3 USE OF ESTIMATES AND JUDGMENTS

The preparation of the condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed interim consolidated financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of audited consolidated financial statements for the year ended 30 September 2019.

4 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

4.1 The accounting policies and the methods of computation adopted in the preparation of the condensed interim consolidated financial statements are same as those applied in the preparation of the audited consolidated financial statements for the year ended 30 September 2019.

4.2 There were certain new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Group's operations and are, therefore, not disclosed.

5 SEASONALITY OF OPERATIONS

Due to seasonal nature of sugar segment, operating results of sugar and co-generation power are expected to fluctuate in the second half of the year.

The sugarcane crushing season normally starts from November and lasts till April each year.

		(Un-audited) 31-Dec-19 Rupees	(Audited) 30-Sep-19 Rupees
6 SHARE CAPITAL			
6.1 Authorized capital			
75,000,000 (30 September 2019: 75,000,000) ordinary shares of Rs. 10 each		750,000,000	750,000,000
25,000,000 (30 September 2019: 25,000,000) preference shares of Rs. 10 each		250,000,000	250,000,000
		<u>1,000,000,000</u>	<u>1,000,000,000</u>
6.2 Issued, subscribed and paid-up capital			
32,145,725 (30 September 2019: 32,145,725) ordinary shares of Rs. 10 each fully paid in cash		321,457,250	321,457,250
27,630,936 (30 September 2019: 27,630,936) voting bonus shares of Rs. 10 each fully paid		276,309,360	276,309,360
		<u>597,766,610</u>	<u>597,766,610</u>
	Note	(Un-audited) 31-Dec-19 Rupees	(Audited) 30-Sep-19 Rupees
7 LONG TERM FINANCES - SECURED			
Mark-up bearing finances from conventional banks	7.1	2,694,531,253	3,246,458,336
Islamic mode of financing	7.2	2,851,335,743	3,221,913,468
	7.3	<u>5,545,866,996</u>	<u>6,468,371,804</u>
7.1 Mark-up bearing finances from conventional banks			
Balance at beginning of the quarter / year		6,556,126,662	9,950,302,716
Finances received during the quarter / year		–	114,906
Repayments during the quarter / year		(729,307,870)	(3,394,290,960)
		<u>5,826,818,792</u>	<u>6,556,126,662</u>
Current portion presented under current liabilities		<u>(3,132,287,539)</u>	<u>(3,309,668,326)</u>
		<u>2,694,531,253</u>	<u>3,246,458,336</u>

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)
For the quarter ended 31 December 2019

	(Un-audited) 31-Dec-19 Rupees	(Audited) 30-Sep-19 Rupees
7.2 Islamic mode of financing		
Balance at beginning of the quarter / year	4,740,932,703	5,706,160,271
Finances received during the quarter / year	–	250,000,000
Repayments during the quarter / year	(385,650,642)	(1,215,227,568)
	4,355,282,061	4,740,932,703
Current portion presented under current liabilities	(1,503,946,318)	(1,519,019,235)
	2,851,335,743	3,221,913,468

- 7.3** Long term finances are secured against ranking / joint parri passu charge over all present and future fixed assets including land, building and plant and machinery of the Group and personal guarantees of sponsor directors of the Group.

8 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - SECURED

During the quarter, the Holding Company availed leases aggregating Rs. 32.58 million (30 September 2019: Rs. 119.96 million) and repaid principal amount of Rs. 19.21 million (30 September 2019: Rs. 145.32 million). Amounts due in next twelve months amounting to Rs. 99.95 million (30 September 2019: Rs. 72.87 million) are included in current portion presented under current liabilities. Lease rentals are payable on quarterly / monthly basis and include finance cost at the rate of six months KIBOR plus 100 bps per annum (30 September 2019: six months KIBOR plus 100 bps per annum) which has been used as the discounting factor. The Holding Company has the option to purchase the assets upon completion of lease period and has the intention to exercise such option.

	Note	(Un-audited) 31-Dec-19 Rupees	(Audited) 30-Sep-19 Rupees
9 SHORT TERM BORROWINGS - SECURED			
Mark-up based borrowings from conventional banks			
Cash finances	9.1	3,292,603,000	8,197,873,997
Running finances	9.2	1,119,576,460	1,967,368,223
Inland bill discounting	9.3	1,133,600,000	1,190,858,115
Finance against trust receipts	9.4	374,485,630	301,946,814
		5,920,265,090	11,658,047,149
Islamic mode of financing			
Salam / Istisna finances	9.5	2,915,705,565	2,969,200,000
Morabaha finances	9.6	2,500,000,000	2,500,000,000
		5,415,705,565	5,469,200,000
		11,335,970,655	17,127,247,149

- 9.1** The Group has obtained these facilities from various banks and financial institutions. The mark-up rate applicable during the period ranges from one to three months KIBOR plus 20 to 100 bps per annum (30 September 2019: one to three months KIBOR plus 20 to 100 bps per annum).

- 9.2** The mark-up rate applicable during the period ranges from one to three months KIBOR plus 65 to 100 bps per annum (30 September 2019: one to three months KIBOR plus 50 to 100 bps per annum).

- 9.3** The mark-up rate applicable during the period ranges from one to three months KIBOR plus 50 to 100 bps per annum (30 September 2019: one to three months KIBOR plus 50 to 100 bps per annum).
- 9.4** The mark-up rate applicable during the period ranges from one to six months KIBOR plus 100 to 250 bps per annum (30 September 2019: three to six months KIBOR plus 90 to 250 bps per annum).
- 9.5** The mark-up rate applicable during the period ranges from one to nine months KIBOR plus 20 to 85 bps per annum (30 September 2019: three to nine months KIBOR plus 20 to 50 bps per annum).
- 9.6** The mark-up rate applicable during the period is three months KIBOR plus 75 to 100 bps per annum (30 September 2019: three to nine months KIBOR plus 50 to 100 bps per annum).
- 9.7** The securities offered are the same as disclosed in the audited consolidated financial statements of the Group for the year ended 30 September 2019.

10 CONTINGENCIES AND COMMITMENTS

- 10.1** There is no material change in contingencies from the preceding audited consolidated financial statements of the Group for the year ended 30 September 2019, except for the guarantees and commitments as disclosed below:
- 10.1.1** Guarantees issued by the banks on behalf of the Holding Company and Subsidiaries Companies ("SPL" & "GPL") in favor of various parties as at the reporting date amounts to Rs. 221 million (30 September 2019: Rs. 599 million)
- 10.1.2** Guarantees issued by the United Bank Limited on behalf of the Subsidiary Company "DSML" in favor of various finance facilities as at reporting date amounts to Rs. 7.50 million (30 September 2019: Rs. 99.84 million).

	(Un-audited) 31-Dec-19 Rupees	(Audited) 30-Sep-19 Rupees
10.2 Commitments		
10.2.1 Letters of credit for import of machinery and its related components		
Holding Company - JDWSML	75,124,815	235,071,327
Subsidiary Company - DSML	3,994,428	18,078,746

- 10.2.2** The amount of future lease rentals on agricultural contract and the period in which payments will become due are as follows:

	(Un-audited) 31-Dec-19 Rupees	(Audited) 30-Sep-19 Rupees
Less than one year	376,859,378	235,537,112
Between one and five years	728,445,193	869,767,460
More than five years	4,173,750	4,173,750
	<u>1,109,478,321</u>	<u>1,109,478,322</u>

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)
For the quarter ended 31 December 2019

	Note	(Un-audited) 31-Dec-19 Rupees	(Audited) 30-Sep-19 Rupees
11 PROPERTY PLANT AND EQUIPMENT			
Operating fixed assets	11.1	24,958,680,879	25,376,430,407
Capital work in progress	11.2	1,539,632,493	1,290,406,966
Stores, spare parts and loose tools held for capital expenditure		146,796,394	146,796,394
		<u>26,645,109,766</u>	<u>26,813,633,767</u>
11.1 Operating fixed assets			
Net book value as at beginning of the quarter / year		25,376,430,407	25,311,720,470
Additions during the quarter / year		60,944,793	2,008,033,668
Disposals / adjustments during the quarter / year - net book value		(91,844,252)	(238,113,344)
Depreciation charged during the quarter / year		(386,850,069)	(1,671,636,162)
Impairment loss charged during the quarter / year		—	(33,574,225)
Net book value at end of the quarter / year		<u>24,958,680,879</u>	<u>25,376,430,407</u>
11.2 Capital work in progress			
Opening balance		1,290,406,966	1,781,975,765
Addition during the quarter / year		270,187,137	1,190,912,461
Transfers made during the quarter / year		(20,961,610)	(1,492,742,289)
		<u>1,539,632,493</u>	<u>1,480,145,937</u>
Less: Impairment allowance for the quarter / year		—	(189,738,971)
Closing balance		<u>1,539,632,493</u>	<u>1,290,406,966</u>
	Note	(Un-audited) 31-Dec-19 Rupees	(Audited) 30-Sep-19 Rupees

12 LONG TERM INVESTMENTS

Investment in associates - stated as per equity accounts			
Unquoted associates			
12.1 Kathai-II Hydro (Private) Limited - ("KHL")			
Opening balance		—	—
Investment made during the period	12.1.1	2,500	—
Less: Share of loss recognised up to carrying value of investment		(2,500)	—
		<u>—</u>	<u>—</u>

12.1.1 Holding Company holds 20% interest in the equity of Kathai-II Hydro (Private) Limited "KHL", an unquoted associated company. The cost of investment is Rs. 2,500 represented by 250 shares of Rs. 10 each.

- 12.2** Holding Company holds 47.37% interest in the equity of JDW Power (Private) Limited "JDWPL", an unquoted associated company. The cost of investment is Rs. 90 million represented by 9 million shares of Rs. 10 each. The carrying value of the investment is Rs. nil (30 September 2019: Rs. nil) due to accumulated impairment allowance of Rs. 90 million charged in year ended 30 September 2012. On 11 July 2019 the shareholders of JDWPL through an extra ordinary general meeting passed a resolution for the winding up of JDWPL, subsequently management of the JDWPL has applied to Securities and Exchange Commission of Pakistan (SECP) for the approval of winding up.

13 BIOLOGICAL ASSETS

The fair value of biological assets as at 31 December 2019 is Rs. 1.32 billion (30 September 2019: Rs. 2.02 billion). In absence of active market for sugarcane and other crops, the fair value measurement for the standing crop has been categorized as Level 3 fair value based on the inputs to the valuation techniques used. Fair value has been determined on the basis of a discounted cash flow model. The valuation model considers the present value of net cash flows expected to be generated by the plantation. The cash flow projections include specific estimates for next period which mainly include crop's expected yield. The expected cash flows are discounted using a risk adjusted discount rate. The valuation technique and significant unobservable inputs include valued plantation, estimated yield per acre, estimated future sugarcane and risk-adjusted discount rate.

	Note	(Un-audited) 31-Dec-19 Rupees	(Audited) 30-Sep-19 Rupees
14 CASH AND BANK BALANCES			
Current accounts			
Balance with islamic banks		76,184,746	8,516,993
Balance with conventional banks		146,473,051	97,637,233
		222,657,797	106,154,226
Saving accounts			
Deposit with conventional banks	14.1	48,080,270	35,879,654
		270,738,067	142,033,880
Cash in hand		119,350,750	3,719,527
		390,088,817	145,753,407

- 14.1** The balances in saving accounts carry mark-up at 11.25% per annum (30 September 2019: 5.5% to 11.25% per annum).

15 REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue based on:

	Note	31-Dec-19 Rupees	31-Dec-18 Rupees
15.1 Segments			
Sugar			
Sugar	15.1.1	13,042,984,733	8,654,986,251
Molasses - by product		958,549,834	334,115,830
Bagasse - by product		202,511,940	252,605,919
Agri Inputs		2,010,909	1,068,300
		14,206,057,416	9,242,776,300
Co-Generation Power		572,452,567	1,131,097,979
Corporate Farms		12,500	—
		14,778,522,483	10,373,874,279

15.1.1 There was no sugar export during the period (31 December 2018: Rs. nil).

	31-Dec-19 Rupees	31-Dec-18 Rupees
15.2 Timing of revenue recognition		
Products transferred at a point in time	14,206,069,916	9,242,776,300
Products transferred over time	572,452,567	1,131,097,979
	14,778,522,483	10,373,874,279

16 OTHER INCOME

This mainly includes scrap sale of Rs. 17 million (31 December 2018: Rs. 36 million) and sale of mud of Rs. 51 million (31 December 2018: Rs. 55 million).

17 BUSINESS SEGMENTS INFORMATION

17.1 The Group's reportable segments are as follows:

Reportable Segment	Operations
Sugar	Production and sale of crystalline sugar and other related joint and by-products.
Co-Generation Power	Generation and sale of electricity to Central Power Purchasing Agency (Guarantee) Limited.
Corporate Farms	Managing corporate farms for cultivation of sugarcane and small quantity of other crops.
Others	Project under construction for manufacture / generation and sale of wood pulp and electricity.

17.2 Information regarding the Group's reportable segments is presented below:

	Sugar		Co-Generation segment		Corporate Farms segment		Others		Inter Segment Reconciliation		Total	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
17.2.1 Segment revenues & results												
Net external revenues	14,206,057,416	9,242,776,300	572,452,567	1,131,097,979	12,500	-	-	-	-	-	14,778,522,483	10,373,874,279
Inter-segment revenues	355,761,338	561,255,131	349,402,181	222,414,146	1,471,065,237	682,330,946	-	-	(2,176,228,756)	(1,466,000,223)	-	-
Reportable segment revenue	14,561,818,754	9,804,031,431	921,854,748	1,353,512,125	1,471,077,737	682,330,946	-	-	(2,176,228,756)	(1,466,000,223)	14,778,522,483	10,373,874,279
Segment profit / (loss) before tax	466,302,240	(648,094,480)	54,449,006	347,319,558	(102,825,428)	(326,163,649)	(5,917,263)	(1,328,943)	-	-	432,008,555	(628,267,514)

17.2.2 Inter-segment sales and purchases

Inter-segment sales and purchases have been eliminated from total figures.

17.2.3 Basis of inter-segment pricing

Inter-segment pricing is determined on an arm's length basis.

17.2.4 Segment assets & liabilities

	Sugar		Co-Generation segment		Corporate Farms segment		Others		Inter Segment Reconciliation		Total	
	(Un-audited) 31-Dec-19	(Audited) 30-Sep-19	(Un-audited) 31-Dec-19	(Audited) 30-Sep-19	(Un-audited) 31-Dec-19	(Audited) 30-Sep-19	(Un-audited) 31-Dec-19	(Audited) 30-Sep-19	(Un-audited) 31-Dec-19	(Audited) 30-Sep-19	(Un-audited) 31-Dec-19	(Audited) 30-Sep-19
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Total assets for reportable segment	36,078,571,980	41,274,326,729	10,357,780,007	11,050,282,413	5,578,229,738	7,280,763,144	892,466,663	899,326,242	(2,176,228,756)	(6,140,647,685)	50,730,819,632	54,384,050,843
Total liabilities for reportable segment	38,791,142,469	44,569,143,460	2,433,458,887	4,464,060,765	389,437,650	639,589,333	38,019,752	40,291,114	(2,176,228,756)	(6,140,647,685)	39,681,828,012	43,592,437,007

17.3 Reconciliation of reportable segment profit or loss

Total profit / (loss) before tax for reportable segments	432,008,555	(628,267,514)
Unallocated corporate (expense) / income	(154,630,771)	156,517,289
Profit / (loss) after taxation	277,377,784	(471,750,225)

18 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value:

31 December 2019 (Un-audited)						
Note	Carrying Amount			Fair Value		
	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees)					
On-Balance sheet financial instruments						
Financial assets measured at fair value						
Financial assets not measured at fair value						
	56,583,077	-	56,583,077	-	-	-
	6,285,562,984	-	6,285,562,984	-	-	-
	666,352,924	-	666,352,924	-	-	-
	390,088,817	-	390,088,817	-	-	-
18.1	7,398,587,802	-	7,398,587,802	-	-	-
Financial liabilities measured at fair value						
Financial liabilities not measured at fair value						
	-	-	-	-	-	-
	-	10,182,100,853	10,182,100,853	-	-	-
	-	11,335,970,655	11,335,970,655	-	-	-
	-	237,966,611	237,966,611	-	-	-
	-	356,804,189	356,804,189	-	-	-
	-	3,940,540,539	3,940,540,539	-	-	-
	-	31,620,357	31,620,357	-	-	-
18.1	-	26,085,003,204	26,085,003,204	-	-	-

Fair value measurement of financial instruments

30 September 2019 (Audited)

	Carrying Amount		Fair Value			
	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees)					
Note						
On-Balance sheet financial instruments						
Financial assets measured at fair value	-	-	-	-	-	-
Financial assets not measured at fair value						
Long term deposits	50,977,227	-	50,977,227	-	-	-
Trade debts - unsecured considered good	8,353,455,036	-	8,353,455,036	-	-	-
Advances, deposits and other receivables	1,527,673,509	-	1,527,673,509	-	-	-
Cash and bank balances	145,753,407	-	145,753,407	-	-	-
18.1	10,077,859,179	-	10,077,859,179	-	-	-
Financial liabilities measured at fair value						
Financial liabilities not measured at fair value	-	-	-	-	-	-
Long term finances - secured	-	11,297,059,365	11,297,059,365	-	-	-
Short term borrowings - secured	-	17,127,247,149	17,127,247,149	-	-	-
Liabilities against assets subject to finance lease - secured	-	224,596,749	224,596,749	-	-	-
Accrued profit / interest / mark-up	-	812,977,488	812,977,488	-	-	-
Trade and other payables	-	2,572,904,003	2,572,904,003	-	-	-
Unclaimed dividend	-	31,620,357	31,620,357	-	-	-
18.1	-	32,066,405,111	32,066,405,111	-	-	-

18.1 The Group has not disclosed the fair values of these financial assets and liabilities as these are for short term or repriced over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

Notes to the Condensed Interim Consolidated **Financial Statements (Un-audited)**
For the quarter ended 31 December 2019

19 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, other related companies, directors of the Group and entities under common directorship, key management personnel and post employment benefit plans. Amounts due from and due to related parties are shown under respective notes to these consolidated financial statements. Other significant transactions with related parties except those disclosed elsewhere are as follows:

Name of Company	Relationship	Nature of Transactions	31-Dec-19 Rupees	31-Dec-18 Rupees
JDW Aviation (Pvt.) Limited	Associated Company (Due to common directorship)	Reimbursement of expenses	1,660,512	3,497,777
Khatai-II Hydro (Pvt.) Limited	Associated Company (Equity held 20 percent)	Investment made	2,500	–
Post Employment Contribution Plan		Provident fund contribution	50,441,612	43,422,898
		Payment to recognized gratuity fund	1,000,000	276,813
Key Management Personnel		Directors' remuneration and allowances	132,646,667	50,865,000
		Consultancy services	3,003,720	2,835,684

20 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim consolidated financial statements does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's audited annual financial statements as at 30 September 2019.

There have been no changes in the risk management policies since the year end.

21 DATE OF AUTHORIZATION

This condensed interim consolidated financial statements has been approved by the Board of Directors and authorized for issue on 27 January 2020.

22 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework.

23 EVENTS AFTER STATEMENT OF FINANCIAL POSITION DATE

The Group has re-profiled its long term finances after the Statement of Financial Position date and has availed a new syndicated loan of Rs. 9 billion and simultaneously settled long term and short term finances amounting to Rs. 8.04 billion.

Other
Information



INVESTOR'S AWARENESS

In pursuance of SRO 924(1)/2015 dated 09 September 2015 issued by the Securities and Exchange Commission of Pakistan (SECP), the following informational message has been reproduced to educate investors:

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