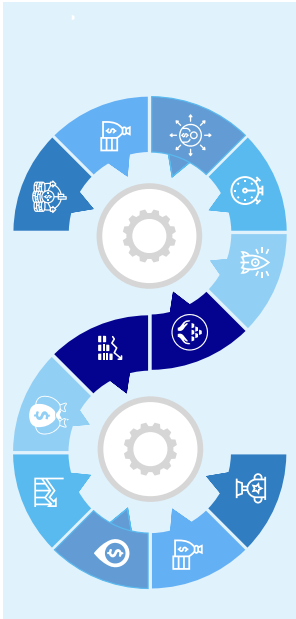


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Corporate Information

Board of Directors

Mr. Jamal Ahmed	Chief Executive
Mr. Muhammad Aamir Beg	Independent Director
Mr. Farhan Ilyas	Independent Director
Ms. Nazia Waheed	Independent Director
Mr. Ghias-ul-Hasan	CPL Nominee
Mr. Kamran Zahoor	CPL Nominee
Mr. Saif-ur-Rehman	CPL Nominee

Audit Committee

Mr. Farhan Ilyas	Chairman
Mr. Muhammad Aamir Beg	Member
Mr. Kamran Zahoor	Member

Human Resource and Remuneration Committee

Mr. Muhammad Aamir Beg	Chairman
Mr. Jamal Ahmed	Member
Mr. Ghias-ul-Hasan	Member

Chief Operating Officer	Ahsan Latif
Chief Financial Officer	Imran Ilyas
Company Secretary	Al-Yousuf
Head of Internal Audit	Syed Muhammad Usman Afzaal

Registered Address

125-B, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore, Pakistan. Phone No. 042 35213491 Fax No. 042 35213490 E-mail: secretary@jsml.com.pk	Mills Jauharabad, District Khushab, Pakistan. Phone No. 0454 720063-6 Fax No. 0454 720880
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Auditors

UHY Hassan Naeem & Co.
(Chartered Accountants)
193-A, Shah Jamal
Lahore, Pakistan.
Phone No. 042 35403550
Fax No. 042 35403599
E-mail: info@uhy-hnco.com

Share Registrar

Corplink (Pvt.) Limited
Wings Arcade, 1-K Commercial,
Model Town, Lahore, Pakistan.
Phone No. 042 35916714
Fax No. 042 35869037
E-mail: shares@corplink.com.pk

Legal Advisor

Siddiqui Bari Kasuri & Co.
Advocates & Corporate Legal Consultants
179/180-A Scotch Corner,
Upper Mall Lahore.
Phone No. 042-35758573-74
Fax No. 042-35758572

Bankers of the Company

Askari Bank Limited	JS Bank Limited	United Bank Limited
Soneri Bank Limited	Habib Metropolitan Bank Limited	Bank Alfalah Limited
National Bank of Pakistan	Samba Bank	Allied Bank Limited

Islamic Bankers of the Company

Albaraka Bank (Pakistan) Limited	MCB Islamic Bank Limited
Dubai Islamic Bank (Pakistan) Limited	Faysal Bank Limited

National Tax Number

0225972-9

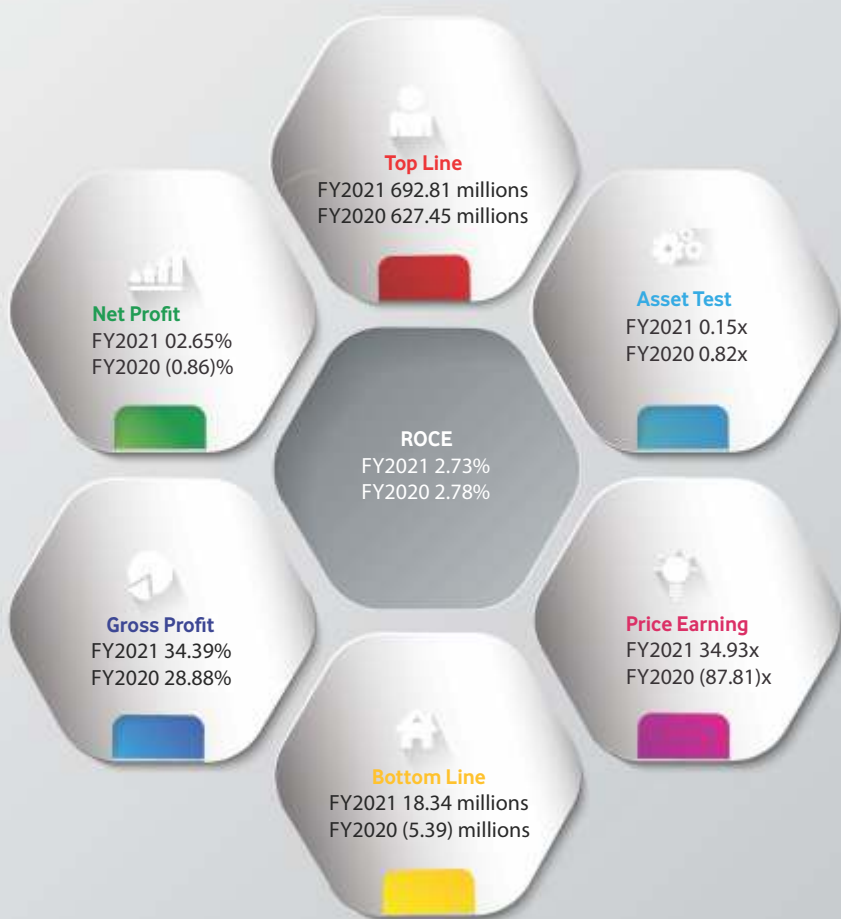
Sales Tax Registration Number

0409170300137

Company Website

www.jsml.com.pk

Financial Highlights



Directors' Report

For the six month period ended March 31, 2021

Dear Members, Assalam-O-Alaikum

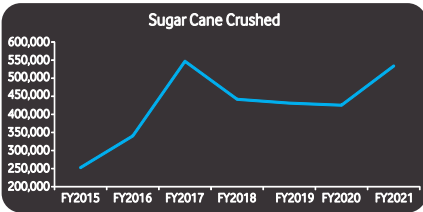
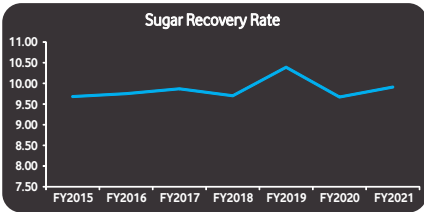
On behalf of the Board of Directors and myself, I am pleased to present before you the un-audited financial statements of the Company for the half year ended March 31, 2021 that has duly been reviewed by the external auditors.

Sector Overview

In crushing year 2020/21 an approximate thirteen (13) percent increase was witnessed in cultivated area of sugarcane resulting in an eleven (11) percent increase in sugar production over last year. Sugar production for this year remained close to 5.8 million tons, roughly equating historical demand for the year after incorporating annual increase in demand of sugar within the Country. Current year turned to be a challenging one as the Government had increased support price of sugarcane to Rs. 200 per maund (CY2019/20: 190 per maund) and had implemented strict administrative policies adversely affecting the procurement process of mills. Sugarcane price disparity among provinces coupled with intense competition between the millers to ensure availability of sugarcane for optimal crushing, led to an aggregate sugarcane procurement price hike of approximately forty-five (45) percent over the minimum support price. Higher cost of production, lack of high yield variety of sugarcane and inadequacy of working capital with majority players in the industry are the major hurdles and causes for increase in sugar prices in the market.

Operational Performance

Your Company had started crushing season 2020/21 on November 15, 2020 [CY2019/20: November 30, 2019]. The plant operated for 124 days in comparison to 104 days during last year, and total effective crushing hours utilization has increased to 76.4% [FY2019: 76.0%]. Despite the tough competition among surrounding mills, your Company through its sustained efforts of cane development, timely payments, financial support to growers and implementation of latest cane sowing techniques, has managed to crush twenty-five (25) percent more sugarcane than the corresponding period last year and producing twenty-nine (29) percent more sugar by effective utilization of available resource within an increase in recovery of 2.5 percent representing the management efficiency toward shareholder interest. Following operational results for the crushing season 2020/21 have been achieved as compared to the last year.



For Crushing Season ended as on		18-Mar-2021	12-Mar-2020
Season Start	Date	15 Nov 20	30 Nov 19
Working Days	Days	124	104
Sugar Cane Crushed	M. Tons	533,772	425,433
Sugar Produced	M. Tons	52,925	41,150
Sugar Recovery	Percentage	9.91%	9.67%
Molasses Produced	M. Tons	22,923	20,180
Molasses Recovery	Percentage	4.23%	4.74%

Management is pleased to disclose that once again Company has paid hundred percent (100%) of its cane liability within twenty-four (24) hours of closing the crushing season 2020/21, a fact that has been published in local newspapers and the same has been applied for endorsement by Cane Commissioner Office.

Financial Performance

The Company has posted top line of Rs. 692.8 Million (FY2020: 627.4 Million) mainly due to sale of by-products. Bottom line has shown significant improvement as compared to the last year. This is attributed mainly to optimized management of cash thus reducing financial charges, whereas due to better contribution margins of by-products i.e. molasses and bagasse gross profit margin for the reporting period has also increased in comparison to corresponding period last year. Sale price of sugar also has shown upward trend despite the Government intervention. The Company, in order to provide relief during the month of Ramzan, has also supplied sugar at a reduced rates as was notified by the Government.

The Company maintains a cordial relation with all its financial institutions and is current with financial commitments.

Auditors' Report

Auditors of the company are satisfied with the financial performance and its statements thereby authorized issuance of condensed interim financial statements to its members.

No Material changes and commitment affecting the financial position of your Company have occurred between the end of financial reporting period and the date of Director's Report.

For & Behalf of Board



Jamal Ahmed
Chief Executive

برائے کرٹنگ سیزن مختتمہ	18 مارچ 2021	18 مارچ 2020
سیزن کا آغاز	15 نومبر 20	30 نومبر 19
یوم کار	124	104
گنے کی کرٹنگ	533,772	425,433
چینی کی پیداوار	52,925	41,150
چینی کی ریکوری	9.91%	9.67%
مولاس کی پیداوار	22,923	20,180
مولاس کی ریکوری	4.23%	4.74%

مالیاتی کارکردگی

زیر جائزہ سہ ماہی میں کمپنی نے بنیادی طور پر بائی مصنوعات کی فروخت کی وجہ سے 692.8 ملین روپے (FY2020: 627.4 ملین روپے) کی بالائی لائن درج کی۔ جس کے نتیجے میں 32.82 فیصد مجموعی منافع (1Q FY2019/20: 20.54 ملین روپے) درج کیا۔ گزشتہ سال کے مقابلے میں لائن نے نمایاں بہتری دکھائی ہے۔ اس کی بنیادی وجہ نقد رقم کے بہتر انتظامات ہیں جس سے مالی چارجز کم ہوئے ہیں، جبکہ ضمنی مصنوعات کی بہتر شراکت اس کی بڑی وجہ ہے یعنی رپورٹنگ مدت کے لئے مولاس اور بیگاس کے مجموعی منافع مارجن میں بھی پچھلے سال کی اسی مدت کے مقابلہ میں اضافہ ہوا ہے۔ حکومتی مداخلت کے باوجود چینی کی قیمت فروخت میں بھی اضافہ کارجان دیکھا گیا ہے۔ کمپنی نے، رمضان کے مہینے میں ریلیف فراہم کرنے کے لئے، حکومت کے اعلان کے مطابق چینی کی کم قیمتوں پر فراہمی بھی کی ہے۔

کمپنی اپنے تمام بینکوں کے ساتھ خوشگوار تعلقات کو برقرار رکھتی ہے اور فی الحال اپنی مالی ذمہ داری پوری کر رہی ہے۔

آڈیٹرز کی رپورٹ

کمپنی کے آڈیٹرز مالی کارکردگی اور اس کے حسابات سے مطمئن ہیں بذریعہ ہذا اپنے ممبروں کو متحد عبوری مالی حسابات جاری کرنے کا اختیار دیا ہے۔

مالی رپورٹنگ مدت کے اختتام اور ڈائریکٹری رپورٹنگ تاریخ کے مابین کمپنی کی مالی حیثیت کو متاثر کرنے والے کوئی مادی تبدیلیاں اور وعدے نہیں کئے گئے ہیں۔

اعتراف

کمپنی کی انتظامیہ تمام مالیاتی اداروں، افراد، عملہ کے ارکان اور حصص داران کی مالی مدد اور تعاون پر ان کا شکریہ ادا کرتے ہیں جنہوں نے کمپنی کو اپنی مسلسل اعانت اور تعاون فراہم کیا ہے۔

منجانب بورڈ

Tamara Ahmed

جمال احمد

چیف ایگزیکٹو

ڈائریکٹرز کی جائزہ رپورٹ

جوہر آباد شوگر ملز لمیٹڈ (کمپنی) کے ڈائریکٹرز اور خود اپنی جانب سے، میں آپ کو 31 مارچ 2021 کو ختم ہونے والی ششماہی کے لئے کمپنی کے غیر نظر ثانی شدہ اور بیرونی آڈیٹرز کی طرف سے باقاعدہ جائزہ شدہ مالی حسابات پیش کرتے ہوئے خوش محسوس کرتا ہوں۔

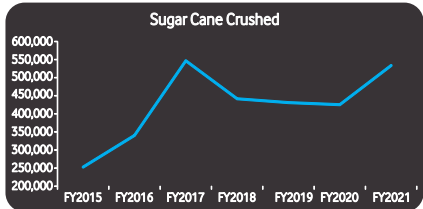
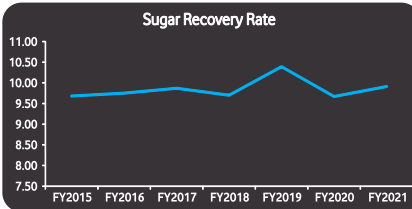
شعبہ وار جائزہ

کرشنک سال 2020/21 میں گنے کی کاشت کے رقبہ میں تقریباً تیرہ (13) فیصد اضافہ دیکھا گیا جس کے نتیجے میں چینی کی پیداوار گزشتہ سال سے گیارہ (11) فیصد زیادہ ہوئی ہے۔ ملک کے اندر چینی کی طلب میں سالانہ اضافے کو شامل کرنے کے بعد اس سال چینی کی پیداوار 5.80 ملین ٹن کے قریب رہی۔ رواں سال ایک مشکل ترین سال رہا کیونکہ حکومت نے گنے کی امدادی قیمت بڑھا کر 200 روپے فی من (CY2019/20: 190 فی من) کر دی اور سخت انتظامی پالیسیاں نافذ کیں جو ملز کی خریداری کے عمل کو بری طرح متاثر کرتی ہیں۔ صوبوں کے مابین گنے کی قیمت میں تفاوت اور ملز کے درمیان زیادہ سے زیادہ کرشنک کی فراہمی کو یقینی بنانے کے لئے سخت مسابقت کے ساتھ، گنے کی قیمت خرید میں کم سے کم امدادی قیمت سے تقریباً پینتالیس (45) فیصد کا اضافہ ہوا۔ پیداوار کی زیادہ لاگت، اعلیٰ پیداوار کے گنے کی اقسام کا فقدان اور صنعت میں اکثریتی حریفوں کے مقابلے و رنگت سرمایہ کی عدم فراہمی سب سے بڑی رکاوٹیں اور مارکیٹ میں چینی کی قیمتوں میں اضافے کے اسباب ہیں۔

آپریٹنگ کارکردگی

کمپنی نے کرشنک سیزن 2020/21، 15 نومبر 2020 (CY2019/20: 30 نومبر 2019) کو شروع کیا۔ پلانٹ گزشتہ سال کے دوران 104 دنوں تک چلانے کے موازنہ میں 124 دنوں تک چلایا گیا، اور کل موثر کرشنک اوقات کا استعمال 76.4% تک زیادہ [FY2019: 76.0%] ہوا۔ ارد گرد کی ملز کے مابین سخت مسابقت کے باوجود، آپ کی کمپنی گنے کی بہتری کے لئے مسلسل کوششوں، بروقت ادائیگیوں، کاشتکاروں کی مالی معاونت اور گنا اگانے کی جدید تکنیک کے نفاذ کے ذریعے گزشتہ سال کی اسی مدت سے پچیس (25) فیصد زیادہ گنا کرش کرنے اور حصص داران کے مفاد کے خاطر انتظامی کارکردگی کی نمائندگی کرتے ہوئے ریکوری میں 2.5 فیصد اضافہ کے ساتھ دستیاب ذرائع کے موثر استعمال کے ذریعے آنتیس (29) فیصد زیادہ چینی بنانے میں کامیاب رہی ہے۔

گزشتہ سال کے موازنہ میں کرشنک سیزن 2020/21 کے لئے مندرجہ ذیل آپریشنل نتائج حاصل کئے گئے ہیں:



انتظامیہ خوش سے یہ بیان کرتی ہے کہ کمپنی نے ایک بار پھر اپنے گنے کے سو فیصد (100%) واجبات کرشنک سیزن 2020/21 کے اختتام کے چوبیس (24) گھنٹوں کے اندر ادا کر دیئے ہیں، یہ حقیقت مقامی اخبارات میں بھی شائع ہوئی ہے اور اس بات کی کین کشنر آفس نے بھی توثیق کی ہے۔



Condensed Interim
Financial Statements

Independent Auditors' Review Report

To the members of Jauharabad Sugar Mills Limited
Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Jauharabad Sugar Mills Limited** ("the Company") as at March 31, 2021 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of interim Financial Information Performed by the Independent Auditor of the entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended March 31, 2021, have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's review report is Mr. Imran Iqbal.

On behalf of Board



UHY Hassan Naeem & Co.
Chartered Accountant

Lahore May 25, 2021

Condensed Interim Statement of Financial Position (Un-audited)

As at March 31, 2021

		Un-audited Mar 31 2021	Audited Sep 30 2020
	Note	Rupees in thousand	
Assets			
Non-current assets			
Property, plant and equipment	5	5,095,159	5,125,094
Intangible assets		144	173
Long term deposits		2,800	2,787
		5,098,103	5,128,054
Current assets			
Stores, spare parts and loose tools		87,249	91,673
Stock-in-trade		3,823,597	193,621
Loans and advances		99,812	69,598
Trade debts- unsecured considered good		24,264	1,346
Trade deposits and short term prepayments		8,577	3,103
Other receivables		22,220	31,341
Tax refunds due from the government		123,869	116,666
Short term investments		17,659	17,129
Cash and bank balances		274,045	223,834
		4,481,292	748,311
		9,579,395	5,876,365

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Lahore:
May 25, 2021


Jamal Ahmed
Chief Executive


Ghias Ul Hasan
Director


Imran Ilyas
Chief Financial Officer

Condensed Interim Statement of Financial Position (Un-audited)

As at March 31, 2021

	Note	Un-audited Mar 31 2021 Rupees in thousand	Audited Sep 30 2020
Share Capital and Reserves			
Authorized share capital		700,000	700,000
Share capital		341,285	341,285
Capital reserves- share premium		372,403	372,403
Loan from sponsors		553,577	611,828
Revenue reserves- accumulated profits		489,025	481,288
Revaluation surplus on property, plant and equipment - net of tax	6	2,865,952	2,889,479
		4,622,242	4,696,283
Non-current liabilities			
Long term loans from banking companies - secured	7	72,762	147,933
Deferred taxation		375,042	354,304
		447,804	502,237
Current liabilities			
Current portion of - long term loans from banking companies - secured	7	92,162	74,183
Short term borrowings - secured	8	4,088,604	198,321
Trade and other payables		198,502	345,925
Unclaimed dividend		1,525	1,157
Accrued mark-up		62,952	3,054
Provision for taxation		65,604	55,205
		4,509,349	677,845
Contingencies and commitments	9	-	-
		9,579,395	5,876,365

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Lahore:
May 25, 2021



Jamal Ahmed
Chief Executive



Ghias Ul Hasan
Director



Imran Ilyas
Chief Financial Officer

Condensed Interim Statement of Profit or Loss (Un-audited)

For the six month period ended March 31, 2021


		Six month period ended March 31	2020	Three month period ended March 31	2020
	Note	2021	2020	2021	2020
Rupees in thousand					
Sales - net	10	692,811	627,447	534,024	270,428
Cost of sales	11	(454,564)	(446,233)	(347,897)	(162,560)
Gross profit		238,247	181,214	186,127	107,868
Operating expenses:					
Administrative expenses		(97,314)	(89,247)	(59,710)	(52,752)
Distribution cost		(4,296)	(6,385)	(2,151)	(3,838)
		(101,610)	(95,632)	(61,861)	(56,590)
Operating profits		136,637	85,582	124,266	51,278
Finance cost		(88,900)	(89,444)	(81,441)	(80,088)
Other income		1,737	2,497	2,028	1,594
Profit before taxation		49,474	(1,365)	44,853	(27,216)
Taxation	12	(31,136)	(4,023)	(33,547)	(1,572)
Profit after taxation		18,338	(5,388)	11,306	(28,788)
Earnings per share (Rupees)					
Basic & diluted		0.54	(0.16)	0.33	(0.84)

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Lahore:
May 25, 2021


Jamal Ahmed
Chief Executive


Ghias Ul Hasan
Director


Imran Ilyas
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the six month period ended March 31, 2021

	Six month period ended March 31		Three month period ended March 31	
	2021	2020	2021	2020
Profit after taxation	18,338	(5,388)	11,306	(28,788)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income/(loss) for the period	18,338	(5,388)	11,306	(28,788)

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Lahore:
May 25, 2021


Jamal Ahmed
Chief Executive


Ghias Ul Hasan
Director


Imran Ilyas
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited)

For the six month period ended March 31, 2021


	Six month period ended March 31	
	2021	2020
	Rupees in thousand	
Cash flow from operating activities		
Profit/(loss) before taxation	49,474	(1,365)
Adjustments for:		
Depreciation	68,023	55,232
Amortization	29	43
Exchange gain	-	(343)
Loss/(gain) on disposal of property, plant and equipment	134	(1,073)
Provision for WPPF	2,604	661
Finance cost	88,900	89,444
	159,690	143,964
Profit before working capital changes	209,164	142,599
Working capital changes		
(Increase)/decrease in current assets		
Stores, spare parts and loose tools	4,424	(7,016)
Stock in trade	(3,629,976)	(2,136,434)
Loans and advances	(30,214)	(196,510)
Trade debts- unsecured considered good	(22,918)	243,912
Trade deposits and short term prepayments	(5,474)	(3,429)
Other receivables	9,121	(18,663)
	(3,675,037)	(2,118,140)
(Decrease)/increase in current liabilities		
Trade and other payables	(150,027)	(253,656)
Cash used in operations	(3,615,900)	(2,229,197)
Finance cost paid	(29,002)	(43,109)
Taxes paid	(7,203)	(14,847)
Dividend paid	(33,760)	(34,038)
Net cash used in operating activities	(3,685,865)	(2,321,191)

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Lahore:
May 25, 2021


Jamal Ahmed
Chief Executive


Ghias Ul Hasan
Director


Imran Ilyas
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited)

For the six month period ended March 31, 2021

	Six month period ended March 31	
	2021	2020
	Rupees in thousand	
Cash flow from investing activities		
Addition to fixed assets	(38,257)	(156,237)
Long term deposits	(13)	-
Proceeds from sale of fixed assets	35	2,042
Net cash used in investing activities	(38,235)	(154,195)
Cash flow from financing activities		
Long term finances	(57,192)	(59,702)
Lease rentals paid	-	(139)
Loan from associates	(58,251)	(12,176)
Net cash used in financing activities	(115,443)	(72,017)
Net increase in cash and cash equivalents	(3,839,542)	(2,547,403)
Cash and cash equivalents at the beginning of the period	42,642	(350,070)
Cash and cash equivalents at the end of the period	(3,796,900)	(2,897,473)
Cash and cash equivalents comprise of following statement of financial position amounts:		
- Short term investments	17,659	16,552
- Cash and bank balances	274,045	87,452
- Short term borrowings	(4,088,604)	(3,001,477)
	(3,796,900)	(2,897,473)

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Lahore:
May 25, 2021


Jamal Ahmed
Chief Executive


Ghias Ul Hasan
Director


Imran Ilyas
Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Un-audited)

For the six month period ended March 31, 2021

		Capital Reserves		Revenue Reserve		
	Share capital	Share premium	Revaluation surplus	Accumulated profits	Loan from sponsors	Total
	Rupees in thousand					
Balance as on October 01, 2019	341,285	372,403	1,301,433	274,136	610,677	2,899,934
Loss after taxation	-	-	-	(5,388)	-	(5,388)
Other comprehensive income/(loss) for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(5,388)	-	(5,388)
Incremental depreciation for the period (net of tax)	-	-	(13,205)	13,205	-	-
Transactions made during the period	-	-	-	-	(12,176)	(12,176)
Final dividend paid for the year ended Sep 30, 2019 (Re. 1 per share)	-	-	-	(34,128)	-	(34,128)
Balance as on March 31, 2020	341,285	372,403	1,288,228	247,825	598,501	2,848,242
Balance as on October 01, 2020	341,285	372,403	2,889,479	481,288	611,828	4,696,283
Profit after taxation	-	-	-	18,338	-	18,338
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	18,338	-	18,338
Transfer of incremental depreciation (net of tax)	-	-	(23,527)	23,527	-	-
Transactions made during the period	-	-	-	-	(58,251)	(58,251)
Final dividend paid for the year ended Sep 30, 2020 (Re. 1 per share)	-	-	-	(34,128)	-	(34,128)
Balance as on March 31, 2021	341,285	372,403	2,865,952	489,025	553,577	4,622,242

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Lahore:
May 25, 2021


Jamal Ahmed
Chief Executive


Ghias Ul Hasan
Director


Imran Ilyas
Chief Financial Officer

Notes to the Condensed Interim Financial Statements

For the six month period ended March 31, 2021

1 Reporting entity

Jauharabad Sugar Mills Limited "the Company" was incorporated in Pakistan in 1968 under the repealed Companies Act, 1913 (now Companies Act, 2017). The shares of the Company are listed on the Pakistan Stock Exchange. The registered office of the Company is situated at 125-B, Quaid-e-Azam Industrial Estate, Gate No. 4, Kot Lakhpat, Lahore.

The principal activity of the Company is manufacturing and sale of sugar and its by-products.

2 Basis of preparation

2.1 Statement of compliance

These condensed interim financial statements comprise the condensed interim statement of financial position of the company as at March 31, 2021 and the related condensed interim statement of comprehensive income, the condensed interim statement of cash flows and the condensed interim statement of changes in equity together with the notes forming part thereof.

These condensed interim 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) and Islamic Financial Accounting Standards ("IFAS") issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017;
- 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, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual audited financial statements as at and for the year ended September 30, 2020. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of September 30, 2020, whereas comparatives for condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity and related notes are extracted from condensed interim financial statements of the Company for the Six month period ended March 31, 2020.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except for the Company's freehold land, building and plant & machinery which are stated at revalued amount.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pak Rupees which is the functional and presentation currency of the Company.

Notes to the Condensed Interim Financial Statements

For the six month period ended March 31, 2021

2.4 Critical accounting estimates and judgments

Judgments and estimates made by management in the preparation of these condensed interim financial statements are the same as those applied to the preceding annual published financial statements of the Company for the year ended September 30, 2020.

2.5 Significant changes in current reporting period

In the light of ongoing COVID-19 pandemic, the Company has reviewed its exposure to business risks and has not identified any risks that could materially impact the financial performance or position of the Company as at March 31, 2021. Consequently, there is no material impact on the recognition and measurement of assets and liabilities.

3 Accounting policies and computation methods

- 3.1 The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of financial statements of the Company for the year ended September 30, 2020.
- 3.2 There were certain other 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.

Standards or interpretation	Effective date (beginning on or after)
Onerous Contracts Cost of Fulfilling a Contract (Amendments to IAS-37)	01 January 2022
Annual Improvements of IFRS Standards 2018-2020	01 January 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	01 January 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	01 January 2022
Reference to the Conceptual Framework (Amendments to IFRS 3)	01 January 2022
IFRS 17 Insurance Contracts	01 January 2023
Classification of Liabilities AS Current or non-current (Amendments to IAS 1)	01 January 2023
Amendments to IFRS 7	01 January 2023

4 Seasonality of operations

The Company is inter-alia, engaged in manufacturing of sugar for which the season begins in November / December. Therefore, majority of the expenses are incurred and production activities are undertaken in first half of the Company's financial year thus increasing volume of inventories and current liabilities at the end of the six months.

Notes to the Condensed Interim Financial Statements

For the six month period ended March 31, 2021

	Note	Un-audited Mar 31 2021 Rupees in thousand	Audited Sep 30 2020
5 Property, plant and equipment			
Property, plant and equipment	5.1	4,587,102	4,630,504
Capital work-in-progress	5.2	508,057	494,590
		5,095,159	5,125,094
5.1 Property, plant and equipment			
Balance at beginning of the period		4,630,504	2,829,629
Add: Revaluation surplus		-	1,770,199
Add: Additions during the period		24,790	142,667
Less: Book value of operating assets disposed - off during the period		(169)	(1,018)
		4,655,125	4,741,477
Depreciation charged during the period		(68,023)	(110,973)
Disposal		-	-
		4,587,102	4,630,504
5.2 Capital work-in-progress includes mark-up capitalized amounting to Rs. Nil (September 30, 2020 : Rs. 25.16 million).			
6 Revaluation surplus on property, plant and equipment - net of tax			
Land		2,054,688	2,054,688
Building		136,815	136,815
Plant and machinery		1,350,551	1,350,551
		3,542,054	3,542,054
Less: Accumulated incremental depreciation		(342,599)	(309,463)
		3,199,455	3,232,591
Less: Deferred tax liability			
Opening balance		343,112	200,326
Deferred tax liability on addition in revaluation surplus		-	154,202
Incremental depreciation for the period		(9,609)	(11,416)
		333,503	343,112
		2,865,952	2,889,479
7 Long term loans from banking companies - secured			
Soneri bank limited	7.1	-	60,405
Al Baraka bank (Pakistan) limited	7.2	95,585	95,585
Faysal bank limited	7.3	69,339	66,126
		164,924	222,116
Less: Current portion		(92,162)	(74,183)
		72,762	147,933

Notes to the Condensed Interim Financial Statements

For the six month period ended March 31, 2021

7.1 Soneri Bank Limited - Term Finance

This included long term loan against sanctioned term finance facility of Rs. 200 million obtained from Soneri Bank Limited to finance procurement/installation of 15+5MW second hand power plant in terms of arrangement auxiliary equipment, completion of erection and civil work and interconnecting fees.

Total estimated cost of project is Rs. 500 million out of which 30% incurred from equity resources and rest of Rs. 350 million arranged from bank's borrowing i.e. Rs. 200 million from Soneri Bank Limited and Rs. 150 million from Al Baraka Bank (Pakistan) Limited. (Refer to note 7.2)

Principal repayment

The said loan has been repaid.

Rate of return

It carried mark-up at the rate of three months KIBOR plus 275 bps per annum and mark-up was payable on quarterly basis.

Security

This loan was secured by way of Soneri Bank charge amounting to Rs. 267 million over fixed assets of the Company (land, building, plant and machinery including but not limited to sugar mill and power plant) duly registered with SECP. The facility also secured against charge of Rs. 267 million on receivables of the Company specifically generated from power outlay 15+5 MW power plant. Further corporate guarantee of Cane Processing (Private) Limited (Holding Company) and personal guarantees of the directors/sponsors of the Company.

7.2 Al Baraka Bank (Pakistan) Limited - Diminishing Musharaka - II

This represents long term loan against sanctioned limit of Rs. 150 million obtained to finance procurement/installation of 15+5MW second hand power plant.

Principal repayment

The loan is to be repaid in 12 quarterly instalments after installation of power plant commencing from March 2019 and ending in December 2022.

Rate of return

It carries profit at the rate of matching KIBOR plus 300 bps per annum and profit is payable on quarterly basis.

Security

This loan is secured by way of bank's exclusive charge over Diminishing Musharaka assets amounting to Rs.150 million including power plant and allied parts, accessories, erections, civil construction etc. registered with SECP. Further corporate guarantee of Cane Processing (Private) Limited (Holding Company) and personal guarantees of the directors/sponsors of the Company.

7.3 Faysal Bank Limited - Mark-up bearing finance from conventional bank

This represents long term loan obtained from SBP through Faysal Bank under Islamic refinance scheme against sanctioned limit of Rs. 110 million for payment of wages & salaries to the workers and employees of company via SBP IH&SMEFD circular no 07 of 2020.

Notes to the Condensed Interim Financial Statements

For the six month period ended March 31, 2021

Principal repayment

The loan is to be repaid in quarterly instalments starting from March 2021 within 2.5 years including 6 month of grace period.

Rate of return

It carries profit at the rate of matching SBP base rate plus 300 bps per annum and applicable rental is payable without any grace period.

Security

This loan is secured by charge over all fixed assets (present and future) of the Company and corporate guarantee of Cane Processing (Private) Limited (Holding Company) and personal guarantees of the directors/sponsors of the Company.

8 Short term borrowings - secured	Sanction limit (Rupees in '000')	Note	Un-audited Mar 31 2021	Audited Sep 30 2020
Mark-up based borrowings from Conventional Banks				
Running finance	250,000	8.1	239,246	198,321
Cash finance	2,000,000	8.1	2,000,000	-
	2,250,000		2,239,246	198,321
Islamic mode of financing				
Murabaha finance	500,000	8.2	499,948	-
Bai Salam / Istisna	1,350,000	8.2	1,349,410	-
	1,850,000		1,849,948	-
	4,100,000		4,088,604	198,321

- 8.1 These facilities have been obtained from various conventional banks to meet working capital requirements and are secured by charge over current and future assets (fixed and current) of the Company, pledge of sugar stock, lien over import documents and personal guarantees of sponsors and corporate guarantee of Cane Processing (Private) Limited (Holding Company).

These facilities carry mark-up at the rates ranging from 1 month KIBOR + 2.00% to 3 months KIBOR + 2.50% per annum payable quarterly.

The aggregate available short term funded facilities amounts to Rs. 2.25 billion (2020: Rs. 2.25 billion).

- 8.2 These facilities have been obtained from various Islamic banks to meet working capital requirements and are secured by charge over current and future assets (fixed and current) of the Company, pledge of sugar stock, pledge of share of company, lien over import documents, and personal guarantees of sponsors and corporate guarantee of Cane Processing (Private) Limited (Holding Company).

These facilities carry mark-up at the rates ranging from matching KIBOR + 2.25% to matching KIBOR + 2.75% per annum.

The aggregate available short term funded facilities amount to Rs.1.85 billion (2020: Rs. 1.15 billion).

Notes to the Condensed Interim Financial Statements

For the six month period ended March 31, 2021

9 Contingencies and commitments

9.1 Contingencies

There is no material change in contingencies from the preceding period's audited financial statements of the Company for the year ended 30 September 2020.

9.2 Commitments

Commitments in respect of irrevocable letter of credits for stores and spares at the period end is Rs. 33.40 million (September 30, 2020: Rs. 46.92 million).

10 Sales - net	Un-audited Six month period ended March 31		Un-audited Three month period ended March	
	2021	2020	2021	2020
	Rupees in thousand			
Local	773,262	695,570	587,241	285,605
Less:				
Sales tax	(80,029)	(67,766)	(53,000)	(14,820)
Commission	(422)	(357)	(217)	(357)
	692,811	627,447	534,024	270,428
11 Cost of sales				
Raw material cane purchased and consumed	3,789,649	2,327,031	3,049,189	1,681,690
Salaries, wages and other benefits	81,851	72,049	50,665	42,288
Chemicals, fuel, lubes and packing material	65,630	53,843	55,163	38,143
Manufacturing expenses	80,719	75,574	50,081	35,399
Depreciation	66,663	54,127	33,626	27,580
Amortization	28	42	14	21
	4,084,540	2,582,666	3,238,738	1,825,121
Opening Work in Process	3,810	2,674	49,055	25,193
Closing Work in Process	(3,847)	(3,413)	(3,847)	(3,413)
Cost of goods manufactured	4,084,503	2,581,927	3,283,946	1,846,901
Opening stock of finished goods	189,811	387,328	883,701	838,681
	4,274,314	2,969,255	4,167,647	2,685,582
Closing stock of finished goods	(3,819,750)	(2,523,022)	(3,819,750)	(2,523,022)
Cost of sales	454,564	446,233	347,897	162,560

12 Taxation

Provision for taxation for the period has been calculated as per the requirements of Section 113 of Income Tax Ordinance, 2001.

13 Financial risk management

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

Notes to the Condensed Interim Financial Statements

For the six month period ended March 31, 2021

The interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at September 30, 2020.

14 Transactions with related parties

The related parties comprise directors of the Company, key employees, provident fund trust, associated undertakings and holding company. Details of transactions with related parties, other than those which have been specially disclosed elsewhere in these financial statements are as follows:

Party Name	Relationship	Sanction limit 'Rupees in thousand'	Un-audited Dec 31 2020 Rupees in thousand	Audited Sep 30 2020
Employees benefit- Provident Fund Trust	Employee benefit Fund	-Provident fund contribution paid	1,862	1,415
Shahida Mazhar	Immediate family member of sponsor	-Loan received during the period -Loan repaid during the period	- 111,750	- -
Ahsan Latif	Chief Operating Officer	-Loan received during the period -Loan repaid during the period	150,000 150,000	- -
Loan from sponsors				
Cane Processing (Pvt.) Limited	Holding Company	-Loan received during the period -Loan repaid during the period -Dividend paid	- 5,501 21,726	- 176 21,726
Ghazala Amjad	Chief Executive Officer of holding Company (Cane Processing (Private) Limited)	-Loan received during the period -Loan repaid during the period -Dividend paid	366,000 418,750 3,176	- 12,000 3,176

15 Date of authorization

These un-audited condensed interim financial statements were authorized for issue on May 25, 2021 by the Board of Directors of the Company.

16 General


16.1 Figures of previous period have been re-arranged and reclassified wherever necessary for the purposes of comparison.

16.2 Figures have been rounded off to the nearest thousand Rupees.

Lahore:
May 25, 2021


Jamal Ahmed
Chief Executive


Ghias Ul Hasan
Director


Imran Ilyas
Chief Financial Officer

