



First Quarter Report December 31, 2021

FY2022 | **GROWTH & PROGRESSION** ►

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Corporate Information

Board of Directors

Mr. Syed Anwar Hussain Shahid
Mr. Farhan Ilyas
Mr. Muhammad Aamir Beg
Ms. Faiza Iftikhar
Mr. Ghias-ul-Hasan
Mr. Kamran Zahoor
Mr. Saif-ur-Rehman

Chief Executive
Independent Director
Independent Director
Independent Director
CPL Nominee
CPL Nominee
CPL Nominee

Audit Committee

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

Chairman
Member
Member

Human Resource Committee

Mr. Muhammad Aamir Beg
Mr. Syed Anwar Hussain Shahid
Mr. Ghias-ul-Hasan

Chairman
Member
Member

Chief Financial Officer

Mr. Imran Ilyas

Company Secretary

Mr. Al-Yousuf

Head of Internal Audit

Mr. Syed Muhammad Usman Afzaal

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

Registered Address

125-B, Quaid-e-Azam Industrial Estate
Kot Lakhpat, Lahore, Punjab, Pakistan
Phone No. 042 35213491
Fax No. 042 35213490
E-mail: secretary@jsml.com.pk

Mills

Jauharabad, District Khushab, Punjab, Pakistan
Phone No. 0454 720063-6, Fax No. 0454 720880

Bankers of the Company

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

Islamic Bankers of the Company

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

National Tax Number

0225972-9

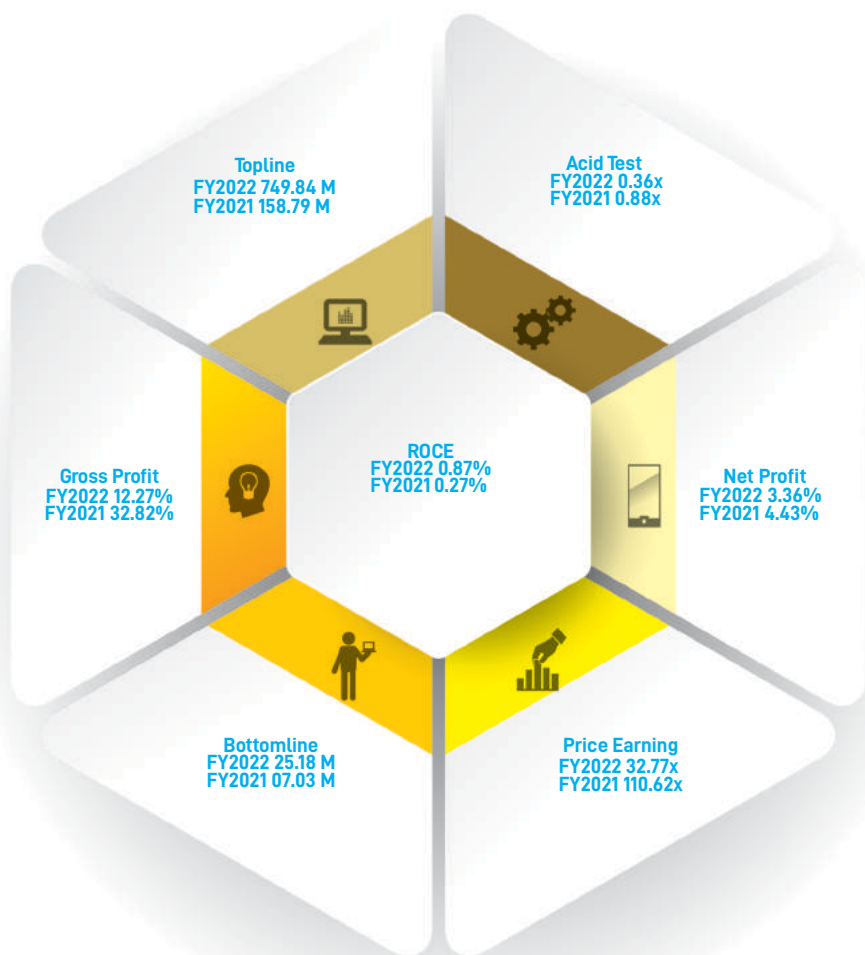
Sales Tax Registration Number

0409170300137

Company Website

www.jsml.com.pk

Financial Highlights



Directors' Report

For the quarter ended December 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 first quarter ended December 31, 2021.

Operational Performance

During CY2021/22, the Company started its prevailing crushing season on 18th November, 2021 in compliance with notification of the Government of Punjab [CY2020/21: 15th November, 2020] and has operated for forty-four days [CY2020/21: forty-seven days] till the end of reporting period. The Company has crushed 69.08 percent more sugarcane in comparison to corresponding period last year, resulting in 75.12 percent higher production of 20,031 tons [1Q FY2020/21: 11,439 tons] of white refined sugar. Initial recovery, remained at 9.236 percent [1Q FY2020/21: 9.315 percent], a 0.85 percent decrease, which is expected to improve in later part of crushing season. This year sugarcane price hike is anticipated due to several factors including an increase in sugarcane support price of Rs. 225 per maund [CY2020/21: Rs. 200 per maund] as notified by the Government of Punjab, the price disparity among provinces, involvement of middleman and stiff competition between the millers. The Company through its sustained efforts of cane development, timely payments, financial support to growers and implementation of latest cane sowing and harvesting techniques, will ensure smooth and efficient of sugarcane throughout crushing season.

Financial Performance

The Company has posted top line of Rs 749.84 million [1Q FY2020/21: Rs. 158.79 million] mainly due to sale of 8,842.500 tons [1Q FY2020/21: Nil] white refined sugar. Despite increase in cost of production and depressed sale prices of white refined sugar, Bottom Line with 258 percent increase has posted a profit of Rs. 25.175 million [1Q FY2020/21: Rs. 7.032 million]. The Company is current with its financial commitments and maintains a cordial relation with all its financial institutions on its penal.

Acknowledgement

The management of the Company would like to thank all the financial institutions, individuals, staff members and shareholders who have been associated with the Company for their continued support and cooperation.

For & Behalf of Board



Syed Anwar Hussain Shahid
Chief Executive

ڈائریکٹرز کی جائزہ رپورٹ

محترم اراکین، اسلام و علیکم

بورڈ آف ڈائریکٹرز کی جانب سے، میں 31 دسمبر 2021 کو ختم ہونے والی پہلی سہ ماہی کے لئے کمپنی کے غیر نظر ثانی شدہ سہ ماہی مالی حسابات پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

آپریٹنگ کارکردگی

اس کرشنگ سیزن CY2021/22 کے دوران، کمپنی نے حکومت پنجاب کے نوٹیفکیشن کی تعمیل میں موجودہ کرشنگ سیزن 18 نومبر 2021 (CY2020/21: 15 نومبر 2020) کو شروع کیا اور زیر جائزہ مدت کے اختتام تک چوالیس دنوں (CY2020/21: سینتالیس دنوں) تک آپریٹ کیا۔ کمپنی نے گزشتہ سال کی اسی مدت کے مقابلے میں 69.08 فیصد زیادہ گنا کرش کیا، جس کے نتیجے میں 20,031 ٹن (1Q FY2020/21: 11,439 ٹن) سفید ریفا سنڈ چینی بنائی، جو گزشتہ سال کی پیداوار سے 75.12 فیصد زیادہ ہے۔ بنیادی ریکوری، 9.236 فیصد (1Q FY2020/21: 9.315 فیصد) رہی، 0.85 فیصد کمی، جو کہ کرشنگ سیزن کے باقی حصہ میں بہتر ہونے کی توقع ہے۔ اس سال حکومت پنجاب کی طرف سے گنے کی امدادی قیمت میں 225 روپے فی 40 کلوگرام (CY2020/21: 200 روپے فی 40 کلوگرام) تک اضافہ، صوبوں میں قیمتوں کا فرق، ٹرل مین کی مداخلت اور علاقائی ملوں کے درمیان سخت مقابلہ سمیت کئی عناصر کے باعث گنے کی قیمت مزید بڑھنے کی توقعات ہیں۔ کمپنی گنے کی بہتری، بروقت ادائیگیوں، کاشتکاروں کی مالی امداد اور گنے کی جدید یوائی اور کٹائی کی ٹیکنیکس کے نفاذ کی اپنی برقرار کوششوں کے ذریعے پورے کرشنگ سیزن میں گنے کی ہمواری اور کارگر فراہمی کو یقینی بنائے گی۔

مالیاتی کارکردگی

زیر جائزہ سہ ماہی میں کمپنی نے بنیادی طور پر 8,842.500 ٹن (1Q FY2020/21: Nil) سفید ریفا سنڈ چینی کی فروخت کے باعث 749.84 ملین روپے (1Q FY2020/21: 158.79 ملین روپے) کی بالائی لائن درج کرائی۔ پیداواری لاگت میں اضافہ اور سفید ریفا سنڈ چینی کی کم فروخت قیمتوں کے باوجود، 258 فیصد اضافہ کے ساتھ زیریں لائن نے 25.175 ملین روپے (1Q FY2020/21: 7.032 ملین روپے) کا منافع درج کرایا ہے۔ کمپنی فی الحال اپنی مالی ذمہ داری پوری کر رہی ہے اور اپنے پینل پر تمام بینکوں کے ساتھ اچھے ورکنگ تعلقات کو برقرار رکھتی ہے۔

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۔

منجانباً، بورڈ آف ڈائریکٹرز



سید انوار حسین شاہد
چیف ایگزیکٹو

Condensed Interim Statement of Financial Position (Un-audited)

As at December 31, 2021

	Note	Un-audited Dec 31 2021 Rupees in thousand	Audited Sep 30 2021
Assets			
Non-current assets			
Property, plant and equipment	5	5,167,002	5,122,358
Intangible assets		106	116
Long term deposits		2,800	2,800
		<u>5,169,908</u>	<u>5,125,274</u>
Current assets			
Stores, spare parts and loose tools		83,864	95,465
Stock-in-trade		998,582	93,461
Loans and advances		169,494	214,564
Trade debts- unsecured considered good		894	573
Trade deposits and short term prepayments		11,247	8,697
Other receivables		22,221	22,221
Tax refunds due from the government		86,656	86,147
Short term investments		17,561	17,687
Cash and bank balances		181,848	68,442
		<u>1,572,367</u>	<u>607,258</u>
		<u>6,742,275</u>	<u>5,732,532</u>

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

Lahore:
January 27, 2022



Syed Anwar Hussain
Chief Executive



Ghias-ul-Hasan
Director



Imran Ilyas
Chief Financial Officer

Condensed Interim Statement of Financial Position (Un-audited)

As at December 31, 2021

	Note	Un-audited Dec 31 2021 Rupees in thousand	Audited Sep 30 2021
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
Revenue reserves:			
Accumulated profits		630,801	594,462
Loan from sponsors		610,097	610,097
Revaluation surplus on property, plant and equipment	6	2,832,763	2,843,928
Total equity		4,787,349	4,762,175
Non-current liabilities			
Long term loans from banking companies - secured	7	-	20,748
Liability against assets subject to finance lease		5,871	-
Deferred taxation		359,567	365,212
		365,438	385,960
Current liabilities			
Trade and other payables		387,843	232,535
Unclaimed dividend		1,510	1,510
<i>Current portion of:</i>			
- Long term loans from banking companies - secured	7	92,752	94,886
- Liability against assets subject to finance lease		1,187	-
Accrued mark-up		8,251	3,681
Short term borrowings - secured	8	1,025,078	190,166
Provision for taxation		72,867	61,619
		1,589,488	584,397
Contingencies and commitments	9	-	-
		6,742,275	5,732,532

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

Lahore:
January 27, 2022



Syed Anwar Hussain
Chief Executive



Ghias-ul-Hasan
Director



Imran Ilyas
Chief Financial Officer

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

For the quarter ended December 31, 2021

	Note	Un-audited Dec 31 2021 Rupees in thousand	Un-audited Dec 31 2020
Sales - net	10	749,842	158,787
Cost of sales	11	(657,825)	(106,667)
Gross profit		92,017	52,120
Operating expenses:			
Administrative expenses		43,318	37,604
Distribution cost		3,617	2,145
		46,935	39,749
Operating profits		45,082	12,371
Finance cost		(13,074)	(7,459)
Other income		(145)	(291)
Profit before taxation		31,863	4,621
Taxation	12	(6,688)	2,411
Profit after taxation		25,175	7,032
Earnings per share (rupees)			
Basic & diluted		0.74	0.21

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

Lahore:
January 27, 2022



Syed Anwar Hussain
Chief Executive



Ghias-ul-Hasan
Director



Imran Ilyas
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the quarter ended December 31, 2021

	Un-audited Dec 31 2021 Rupees in thousand	Un-audited Dec 31 2020
Profit after taxation	25,175	7,032
Other comprehensive income for the period		
Items that will not be reclassified subsequently to profit and loss account:		
Gain on revaluation of land, building, plant & machinery - net of tax	-	-
Total comprehensive income for the period	25,175	7,032

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

Lahore:
January 27, 2022



Syed Anwar Hussain
Chief Executive



Ghias-ul-Hasan
Director



Imran Ilyas
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited)

For the quarter ended December 31, 2021

	Un-audited Dec 31 2021	Un-audited Dec 31 2020
	Rupees in thousand	
Cash flow from operating activities		
Profit before taxation	31,863	4,621
Adjustments for:		
Depreciation	33,732	33,711
Amortization	10	14
Loss/(gain) on disposal of property, plant and equipment	-	129
Provision for WPPF	1,155	1,155
Government grant	(1,085)	-
Finance cost	13,074	7,459
	46,886	42,468
Profit before working capital changes	78,749	47,089
Working capital changes		
Stores, spare parts and loose tools	11,601	6,004
Stock in trade	(905,121)	(739,136)
Loans and advances	45,070	(111,449)
Trade debts - unsecured considered good	(321)	432
Trade deposits and short term prepayments	(2,550)	(5,936)
Other receivables	-	9,121
Trade and other payables	154,150	7,174
	(697,170)	(833,790)
Cash used in operations	(618,421)	(786,700)
Finance cost paid	(8,380)	(2,787)
Taxes paid	(509)	(918)
Dividend paid	-	(5)
Net cash used in operating activities	(627,310)	(790,410)

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

Lahore:
January 27, 2022



Syed Anwar Hussain
Chief Executive



Ghias-ul-Hasan
Director



Imran Ilyas
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited)

For the quarter ended December 31, 2021

	Un-audited Dec 31 2021	Un-audited Dec 31 2020
	Rupees in thousand	
Cash flow from investing activities		
Addition to fixed assets	(70,320)	(10,870)
Long term deposits	-	(13)
Proceeds from sale of fixed assets	-	35
Net cash generated (used in) investing activities	(70,320)	(10,848)
Cash flow from financing activities		
Long term finances	(22,882)	(47,286)
Lease rentals paid	(1,121)	-
Loan from associates	-	(24,000)
Net cash generated from financing activities	(24,003)	(71,286)
Net increase in cash and cash equivalents	(721,632)	(872,543)
Cash and cash equivalents at beginning of the period	(104,037)	42,642
Cash and cash equivalents at the end of the period	(825,669)	(829,901)
 Cash and cash equivalents comprise of following statement of financial position amounts:		
- Short term investments	17,561	17,254
- Cash and bank balances	181,848	332,138
- Short term borrowings	(1,025,078)	(1,179,293)
	(825,669)	(829,901)

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

Lahore:
January 27, 2022



Syed Anwar Hussain
Chief Executive



Ghias-ul-Hasan
Director



Imran Ilyas
Chief Financial Officer

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

For the quarter ended December 31, 2021

	Share capital	Share premium	Accumulated profits	Revaluation surplus	Loan from sponsors	Total
	----- Rupees in thousand -----					
Balance as on October 01, 2020	341,285	372,403	481,288	2,889,479	611,828	4,696,283
Transactions made during the year	-	-	-	-	(24,000)	(24,000)
Profit after taxation	-	-	7,032	-	-	7,032
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	7,032	-	-	7,032
Incremental depreciation for the period	-	-	11,733	(11,733)	-	-
Balance as on December 31, 2020	341,285	372,403	500,053	2,877,746	587,828	4,679,315
Balance as on October 01, 2021	341,285	372,403	594,462	2,843,927	610,097	4,762,174
Profit after taxation	-	-	25,175	-	-	25,175
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	25,175	-	-	25,175
Transfer of incremental depreciation (net of tax)	-	-	11,164	(11,164)	-	-
Balance as on December 31, 2021	341,285	372,403	630,801	2,832,763	610,097	4,787,349

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

Lahore:
January 27, 2022



Syed Anwar Hussain
Chief Executive



Ghias-ul-Hasan
Director



Imran Ilyas
Chief Financial Officer

Notes to the Condensed Interim Financial Statements

For the quarter ended December 31, 2021

1 Reporting entity

Jauharabad Sugar Mills Limited "the Company" (formerly known as Kohinoor Sugar Mills Limited) 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, and the mill is located at Jauharabad, District Khushab, Pakistan. The production plant is located at Industrial Area Jauharabad City District Khushab in the province of Punjab. 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 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 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, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The disclosures made in these condensed interim financial statements of the Company has, however, been limited based on the requirements of the International Accounting Standard 34 - Interim Financial Reporting thus these do not include the statements reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended September 30, 2021. These condensed interim financial statements are un-audited and are being submitted to the shareholders as required by section 237 of the Companies Act, 2017 and Listing Regulations of Stock Exchange of Pakistan.

The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the audited financial statements of the Company for the year ended September 30, 2021, whereas the comparative condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the quarter ended December 31, 2020.

2.2 Basis of measurement

These condensed interim financial statements has 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.

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, 2021.

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 preceding annual published financial statements of the Company for the year ended September 30, 2021.

Notes to the Condensed Interim Financial Statements

For the quarter ended December 31, 2021

- 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.

4 Seasonality of operations

The Company is inter-alia, engaged in manufacturing of sugar for which the season begins in November / December and ends in March / April. 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.

	Note	Un-audited Dec 31 2021 Rupees in thousand	Audited Sep 30 2021
5 Property, plant and equipment			
Property, plant and equipment	5.1	4,600,655	4,580,856
Capital work-in-progress		566,347	541,502
		<u>5,167,002</u>	<u>5,122,358</u>
5.1 Property, plant and equipment			
Balance at beginning of the period / year		4,580,856	4,630,506
Add: Additions during the period / year		53,531	92,137
Less: Book value of operating assets disposed - off during the period / year		-	(6,085)
		<u>4,634,387</u>	<u>4,716,558</u>
Depreciation charged during the period / year		(33,732)	(135,702)
		<u>4,600,655</u>	<u>4,580,856</u>
6 Revaluation surplus on property, plant and equipment			
Land		2,054,688	2,054,688
Building		136,815	136,815
Plant and machinery		1,350,552	1,350,552
		<u>3,542,055</u>	<u>3,542,055</u>
Less: Accumulated incremental depreciation		(389,345)	(373,621)
		<u>3,152,710</u>	<u>3,168,434</u>
Less: Deferred tax liability			
Opening balance		324,506	343,112
Incremental depreciation for the period		(4,560)	(18,606)
		<u>319,946</u>	<u>324,506</u>
		<u>2,832,763</u>	<u>2,843,927</u>
7 Long term loans from banking companies - secured			
Albaraka Bank Pakistan Limited	7.1	56,753	70,023
Faysal Bank Limited	7.2	35,999	45,611
		<u>92,752</u>	<u>115,634</u>
Less: Current portion		(92,752)	(94,886)
		<u>-</u>	<u>20,748</u>

Notes to the Condensed Interim Financial Statements

For the quarter ended December 31, 2021

7.1 Albaraka 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 within 3 years 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 3.00 % 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.

7.2 Faisal Bank Limited - *Mark-up bearing finance from conventional bank*

This represents long term loan obtained from SBP through Faisal 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.

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 3.00 % per annum and applicable rental is payable without any grace period.

Security

This loan is secured by charged 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.

The Loan from sponsors of the company are subordinated under subordination agreement.

	Sanction limit 'Rupees in thousand'	Note	Un-audited Dec 31 2021 Rupees in thousand	Audited Sep 30 2021
8 Short term borrowings - secured				
Mark-up based borrowings from Conventional Banks				
Running finance	250,000	8.1	195,994	190,166
Cash finance	2,200,000		529,736	-
	2,450,000		725,730	190,166
Islamic mode of financing				
Murabaha finance	540,000	8.2	147,248	-
Bai salam / Istisna	1,350,000		152,100	-
	1,890,000		299,348	-
	4,340,000		1,025,078	190,166

Notes to the Condensed Interim Financial Statements

For the quarter ended December 31, 2021

- 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. 2.45 billion (2021: 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.1.89 billion (2021: Rs. 1.85 billion).

- 8.3 The loans from sponsors of the Company are subordinated under subordination agreement.

9 Contingencies and commitments

9.1 Contingencies

There is no material change in contingencies from the preceding period audited financial statements of the Company for the year ended 30 September 2021.

9.2 Commitments

Commitments in respect of irrevocable letter of credits for stores and spares at the period end is Rs. 22.42 million (September 30, 2021: Rs. 100.00 million).

	Un-audited Dec 31 2021 Rupees in thousand	Audited Dec 30 2020
10 Sales - net		
Local	860,588	186,021
Export	-	-
	860,588	186,021
Less:		
Sales tax	(109,862)	(27,029)
Commission	(884)	(205)
	749,842	158,787

Notes to the Condensed Interim Financial Statements

For the quarter ended December 31, 2021

	Un-audited Dec 31 2021 Rupees in thousand	Audited Dec 30 2020
11 Cost of sales		
Raw material cane purchased and consumed	1,431,446	740,460
Salaries, wages and other benefits	36,608	31,186
Chemicals, fuel, lubes and packing material	23,295	10,467
Manufacturing expenses	38,531	30,638
Depreciation	33,057	33,037
Amortization	10	14
	<u>1,562,947</u>	<u>845,802</u>
Work-in-process - (net)	(32,132)	(45,245)
Cost of goods manufactured	<u>1,530,815</u>	<u>800,557</u>
Opening stock of finished goods	89,709	189,811
	<u>1,620,524</u>	<u>990,368</u>
Closing stock of finished goods	(962,699)	(883,701)
Cost of sales	<u>657,825</u>	<u>106,667</u>

12 Taxation

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

13 Transactions with related parties

Relationship	Nature of transaction	Un-audited Dec 31 2021 Rupees in thousand	Audited Sep 30 2021
Post employment benefit plan	Provident fund contribution paid	(938)	(3,088)
Cane Processing Pvt Limited (CPL)	Received/(Paid) during the period/year	-	(6,531)
Loan from sponsors	Received/(Paid) during the period/year	100,000	4800

14 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.

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 30 September 2021.

Notes to the Condensed Interim Financial Statements

For the quarter ended December 31, 2021

15 Date of authorization

These condensed interim financial information were authorized for issue on January 27, 2022 by the Board of Directors of the Company.

16 General

16.1 Figures of previous year 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:
January 27, 2022



Syed Anwar Hussain
Chief Executive



Ghias-ul-Hasan
Director



Imran Ilyas
Chief Financial Officer

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Jauharabad Sugar Mills Limited

Registered Office

125-B, Quaid-e-Azam Industrial Estate
Kot Lakhpat, Lahore, Punjab, Pakistan
Phone No. 042 35213491, Fax No. 042 35213490

Mills

Jauharabad, District Khushab
Punjab, Pakistan
Phone No. 0454 720063-6, Fax No. 0454 7200880