

JAU HARABAD
Sugar Mills Limited
Third Quarter 2024



کسبِ اُکُن
که عزیزِ جہاں شوی

رنگِ ہویا خشتِ سنگ چنایا حرفِ صوت
مُحزّہ فن کی ہے خونِ جگر سے نمود



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کسی کمال کن
کہ عزیز جہاں شوی



Corporate Information

Board of Directors

Mr. Syed Anwar Hussain Shahid	Chief Executive
Mr. Farhan Ilyas	Independent Director
Mr. Muhammad Aamir Beg	Independent Director
Ms. Faiza Iftikhar	Independent Director
Mr. Ghias-ul-Hasan	CPL Nominee
Mr. Amjad Javed Aftab	CPL Nominee
Mr. Saif-ur-Rehman	CPL Nominee

Audit Committee

Mr. Farhan Ilyas	Chairman
Mr. Muhammad Aamir Beg	Member
Mr. Amjad Javed Aftab	Member

Human Resource Committee

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

Nomination Committee

Ms. Faiza Iftikhar	Chairperson
Mr. Farhan Ilyas	Member

Risk Management Committee

Mr. Saif-ur-Rehman	Chairman
Mr. Amjad Javed Aftab	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

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

Share Registrar

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

Bankers of the Company

Askari Bank Limited	Soneri Bank Limited
Allied Bank Limited	MCB Bank Limited
Samba Bank Limited	Bank Alfalah Limited
National Bank of Pakistan	United Bank Limited
Habib Metropolitan Bank Limited	Habib Bank Limited
PAIR Investment Company Limited	
Pak China Investment Company Limited	

Islamic Bankers of the Company

Al Baraka Bank (Pakistan) Limited
MCB Islamic Bank Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Meezan Bank Limited

National Tax Number

0225972-9

Sales Tax Registration Number

0409170300137

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

Company Website

www.jsml.com.pk



Nurpur Thal, Khushab

Financial Highlights

Topline

Rs. 4.90 Billions

Bottomline

Rs. 110.76 Millions

Gross Profit

20.28 Percent

Net Profit

2.26 Percent

Acid Test

0.18 Times

Current Ratio

0.99 Times

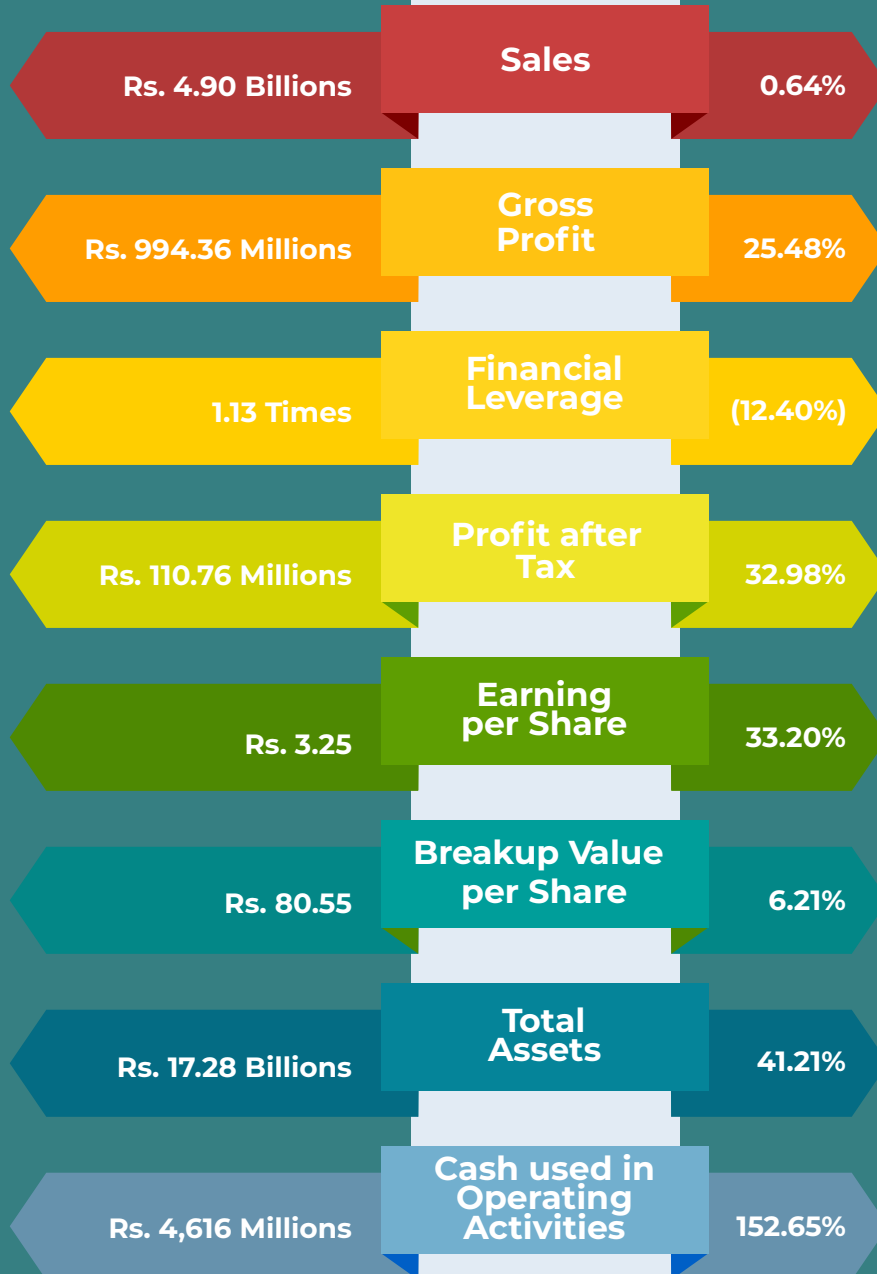
Price Earning

6.31 Times

ROCE

8.41 Percent

Key Performance Indicators



Directors' Report

Dear Members, Assalam-O-Alaikum

On behalf of the Board of Directors and myself, I am pleased to present before you the unaudited financial statements of the Company for the nine-month ended June 30, 2024.

Sector Overview

Sugar is still ranked among the essential commodities for daily use by individuals. For crushing year 2023/24, Government had increased the minimum support price of sugarcane by thirty-three (33) percent equating to Rs. 400 per maund and had implemented strict administrative policies related to payment to growers. For next crushing season and to offset rising cultivation costs, Government may increase support price up to Rs. 450 per maund. This year growers received exceptionally high rates over minimum support price that has encouraged them to increase sugarcane cultivation for the upcoming crushing season. Currently, Pakistan has an approximate three months of surplus sugar stock and has a potential to earn valuable foreign exchange through export of this surplus. However, bureaucratic red tapism is the main hinderance for timely realization of export of sugar. An additional Rs. 15 per kg FED has been imposed on sugar sales that are made to manufacturers, whereas, taxes on sugar dealers, distributors, and wholesalers have also been significantly increased further hindering domestic sugar sales. The surplus stock, high-interest rates, lower liquidity, heavy taxation, depressed local prices, and limitations for timely export are critically impairing the sugar industry. This may result in delayed payments to growers, reduction in future crop cultivation, and an ultimate loss to national exchequer.

Operational Performance

Your Company had started crushing season 2023/24 on November 25, 2023 [CY2022/23: November 25, 2022]. The plant operated for 103 days and closed its crushing equating last year number of crushing days, with a reduction of stoppages by an additional 6.8 percent in comparison to last crushing season. Despite diminutive crushing period, Company has managed to crush 657,997 MT [CY2022/23: 651,476 MT] with a slight increase of 01 percent. Driven by the organizational commitments, corporate responsibility, and sustainability, Jauharabad Sugar Mills Limited has maintained its practice of timely payment to its grower and vendors for the year.

Financial Performance

The Company reported a top line of Rs. 4.90 billion for the nine months (9MFY2022/23: Rs. 4.87 billion). Gross profits posted a significant increase of 25.48%, reaching Rs. 994 million compared to Rs. 792 million the same period last year. Earnings per share also rose by 33%. However, profit before tax slightly declined to 1.89% of sales, mainly due to a 56.45% increase in financial costs. The Company is closely monitoring economic financial factors and remains optimistic that sugar market prices will improve in the last quarter of this financial year, mitigating the impact of taxes introduced in the Finance Act 2024. The Company is current with all its financial commitments and relish a healthy relation with all its financial institutions.

Acknowledgement

The Directors of the Company like to thank all stakeholders for their commitment and continued support for the betterment and prosperity of the Company.

For & on Behalf of Board



Syed Anwar Hussain Shahid
Chief Executive

مالیاتی کارکردگی

کمپنی نے نو ماہی کے لئے 4.90 بلین روپے (4.87:9MFY2022/23 بلین روپے) کی ٹاپ لائن درج کی۔ مجموعی منافع میں 25.48 فیصد کا نمایاں اضافہ ہوا، جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 994 بلین روپے تک پہنچ گیا۔ فی شیئر آمدنی بھی 33 فیصد تک بڑھ گئی۔ تاہم، قبل از ٹیکس منافع میں فروخت کے 1.89 فیصد تک معمولی کمی ہوئی، جس کی بنیادی وجہ مالی لاگت میں 56.45 فیصد اضافہ ہے۔ کمپنی اقتصادی مالی عناصر کی گہری نگرانی کر رہی ہے اور پُر اُمید ہے کہ شوگر مارکیٹ کی قیمتیں فنانس ایکٹ 2024 میں متعارف کردہ ٹیکسوں کے اثرات کو کم کرتے ہوئے اس مالی سال کی آخری سہ ماہی میں بہتر ہوں گی۔ کمپنی اپنے مالی وعدوں پر کاربند ہے اور اپنے تمام مالی اداروں کے ساتھ صحتمندانہ تعلقات برقرار رکھے ہوئے ہے۔

اعتراف

کمپنی کے ڈائریکٹرز کمپنی کی بہتری اور خوشحالی کے لئے تمام اسٹیک ہولڈرز کے عزم اور مسلسل تعاون پر ان کا شکریہ ادا کرتے ہیں۔

منجانب بورڈ



سید انوار حسین شاہد
چیف ایگزیکٹو

ڈائریکٹرز کی جائزہ رپورٹ

محترم اراکین، اسلام علیکم

بورڈ آف ڈائریکٹرز کی جانب سے، میں 30 جون 2024 کو ختم ہونے والی نو ماہی کے لئے کمپنی کے غیر نظر ثانی شدہ مالی حسابات پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

سیکٹر کا جائزہ

چینی اب بھی انفرادی روزمرہ استعمال کی ضروری اشیاء میں شمار کی جاتی ہے۔ کرشنگ سال 2023/24 کے لئے حکومت نے گنے کی کم از کم امدادی قیمت میں 33 فیصد اضافہ کیا تھا جو کہ 400 روپے فی من ہو گئی اور کاشتکاروں کو ادائیگی سے متعلق سخت انتظامی پالیسیوں پر عمل درآمد کیا گیا۔ اگلے کرشنگ سیزن کے لئے اور زیادہ پیداواری لاگت کو پورا کرنے کے لئے، حکومت امدادی قیمت میں 450 روپے فی من تک مقرر کر سکتی ہے۔ اس سال کاشتکاروں کو کم از کم امدادی قیمت پر غیر معمولی طور پر زیادہ نرخ ملے ہیں جس سے ان کی آئندہ کرشنگ سیزن کے لئے گنے کی زیادہ کاشت کرنے کی حوصلہ افزائی ہوئی ہے۔ اس وقت پاکستان کے پاس تقریباً اضافی چینی کا تین ماہ کا اسٹاک موجود ہے اور اس سرپلس کی برآمد کے ذریعے قیمتی زر مبادلہ کمانے کی صلاحیت بھی موجود ہے۔ تاہم، چینی کی برآمد کے بروقت فیصلہ میں بیوروکریٹک لال ٹیپ ازم سب سے بڑی رکاوٹ ہے۔ مینوفیکچررز کو کی جانے والی چینی کی فروخت پر 15 روپے فی کلو اضافی ایف ای ڈی عائد کیا گیا ہے جبکہ چینی کے ڈیلرز، ڈسٹری بیوٹرز اور تھوک فروشوں پر عائد ٹیکسوں میں بھی خاطر خواہ اضافہ کیا گیا ہے جو چینی کی مقامی فروخت میں مزید رکاوٹ ہیں۔ سرپلس اسٹاک، زیادہ شرح سود، کم لیکویڈیٹی، بھاری ٹیکس، مقامی قیمتوں میں کمی اور بروقت برآمد کی حدود چینی کی صنعت کو شدید نقصان پہنچا رہی ہیں۔ اس کے نتیجے میں کاشتکاروں کو ادائیگیوں میں تاخیر، مستقبل میں فصلوں کی کاشت میں کمی اور قومی خزانے کو نقصان ہو سکتا ہے۔

آپریٹنگ کارکردگی

آپ کی کمپنی نے کرشنگ سیزن 2023/24 کا آغاز 25 نومبر، 2023 کو کیا [CY2022/23: 25 نومبر، 2022]۔ پلانٹ نے 103 دن تک کام کیا اور گزشتہ سال کرشنگ کے دنوں کی تعداد کے برابر اپنی کرشنگ بند کر دی، جس میں پچھلے کرشنگ سیزن کے مقابلے میں اسٹاپس میں 6.8 فیصد کمی واقع ہوئی۔ کم کرشنگ مدت کے باوجود کمپنی نے 01 فیصد کے معمولی اضافے کے ساتھ 657,997 میٹرک ٹن [مالی سال 2022/23: 651,476 میٹرک ٹن] گنا کرش کیا ہے۔ تنظیمی ذمہ داریوں، کارپوریٹ ذمہ داری اور پائیداری کی وجہ سے جو ہر آباد شوگر ملز لمیٹڈ نے اس سال بھی اپنے کاشتکاروں اور وینڈرز کو بروقت ادائیگی کی اپنی روایت کو برقرار رکھا ہے۔

Condensed Interim Statement of Financial Position (Un-audited)

As at June 30, 2024

	Note	Un-audited Jun 30 2024 (Rupees in thousands)	Audited Sep 30 2023
Assets			
Non-current assets			
Property, plant and equipment	5	9,891,238	9,814,897
Intangible assets		39	52
Long term deposits		55,257	3,091
		<u>9,946,534</u>	<u>9,818,040</u>
Current assets			
Stores, spare parts and loose tools		177,562	298,493
Stock-in-trade		6,018,515	1,524,695
Loans and advances		465,638	294,338
Trade debts- unsecured considered good		77,006	5,570
Trade deposits and short term prepayments		90,047	83,850
Other receivables		22,221	22,221
Tax refunds due from the government		196,446	94,348
Short term investments		14,860	14,871
Cash and bank balances		270,490	80,518
		<u>7,332,785</u>	<u>2,418,904</u>
Total Assets		<u>17,279,319</u>	<u>12,236,944</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

Lahore:
July 27, 2024



Syed Anwar Hussain
Chief Executive



Ghias-ul-Hasan
Director



Imran Ilyas
Chief Financial Officer

Condensed Interim Statement of Financial Position (Un-audited)

As at June 30, 2024


	Note	Un-audited June 30 2024 (Rupees in thousands)	Audited Sep 30 2023
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		1,160,697	1,000,144
Loan from sponsors		874,598	874,598
Revaluation surplus on property, plant and equipment - net of tax	6	6,192,580	6,276,499
Total Equity		8,941,563	8,864,929
Non-current liabilities			
Long term loans from banking companies - secured		-	-
Liability against assets subject to finance lease		901	2,233
Deferred liabilities		938,200	1,017,710
		939,101	1,019,943
Current liabilities			
Trade and other payables		450,830	883,433
Unclaimed dividend		1,809	1,640
Current portion of:			
- Long term loans from banking companies - secured		-	-
- Liability against assets subject to finance lease		557	727
- Government grant		-	-
Accrued mark-up		319,268	99,700
Short term borrowings - secured	7	6,474,716	1,276,443
Provision for taxation		151,475	90,129
		7,398,655	2,352,072
Contingencies and commitments	8	17,279,319	12,236,944

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

Lahore:
July 27, 2024


Syed Anwar Hussain
Chief Executive


Ghias-ul-Hasan
Director


Imran Ilyas
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the Nine Month Ended June 30, 2024

	Note	Nine month period ended June 30		Three month period ended June 30	
		2024	2023	2024	2023
(Rupees in thousands)					
Sales - net	9	4,904,242	4,873,200	776,889	968,937
Cost of sales	10	(3,909,877)	(4,080,769)	(503,746)	(629,624)
Gross profit		994,365	792,431	273,143	339,313
Operating expenses:					
Administrative expenses		(182,891)	(170,151)	(33,842)	(30,273)
Distribution cost		(10,751)	(11,101)	(820)	(1,521)
		(193,642)	(181,252)	(34,662)	(31,794)
Operating profit		800,723	611,179	238,481	307,519
Finance cost		(738,633)	(472,137)	(351,287)	(236,573)
Other income/(expense)		30,508	(1,464)	15,294	(3,417)
Profit / (loss) before taxation		92,598	137,578	(97,512)	67,529
Taxation	11	18,164	(54,284)	29,906	(30,057)
Profit / (loss) after taxation		110,762	83,294	(67,606)	37,472
Earnings per share (Rupees)					
Basic & diluted		3.25	2.44	(1.98)	1.10

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

Lahore:
July 27, 2024



Syed Anwar Hussain
Chief Executive



Ghias-ul-Hasan
Director



Imran Ilyas
Chief Financial Officer

Condensed Interim Statement of Other Comprehensive Income (Un-audited)

For the Nine Month Ended June 30, 2024

	Nine month period ended June 30		Three month period ended Sep 30	
	2024	2023	2024	2023
	(Rupees in thousands)			
Profit after taxation	110,762	83,294	(67,606)	37,472
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>110,762</u>	<u>83,294</u>	<u>(67,606)</u>	<u>37,472</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

Lahore:
July 27, 2024



Syed Anwar Hussain
Chief Executive



Ghias-ul-Hasan
Director



Imran Ilyas
Chief Financial Officer


Condensed Interim Statement of Cash Flows (Un-audited)

For the Nine Month Ended June 30, 2024


	Nine month period ended	
	2024	2023
	June 30	
	(Rupees in thousands)	
Cash flow from operating activities		
Profit before taxation	92,598	137,578
Adjustments for:		
Depreciation	230,908	229,358
Amortization	13	19
Loss/(gain) on disposal of property, plant and equipment	(2,828)	559
Provision for WPPF	4,913	7,241
Government grant	-	(1,191)
Finance cost	738,633	472,137
	971,639	708,123
Profit before working capital changes	1,064,237	845,701
Working capital changes		
Stores, spare parts and loose tools	120,931	60,750
Stock in trade	(4,493,820)	(1,696,122)
Loans and advances	(171,300)	112,290
Trade debts- unsecured considered good	(71,436)	(589,111)
Trade deposits and short term prepayments	(6,197)	(5,814)
Other receivables	-	-
Trade and other payables	(423,503)	(224,136)
	(5,045,325)	(2,342,143)
Cash used in operations	(3,981,088)	(1,496,442)
Finance cost paid	(518,684)	(275,831)
Taxes paid	(102,098)	(54,678)
WPPF paid	(14,013)	-
Net cash used in operating activities	(4,615,883)	(1,826,951)

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

Lahore:
July 27, 2024


Syed Anwar Hussain
Chief Executive


Ghias-ul-Hasan
Director


Imran Ilyas
Chief Financial Officer


Condensed Interim Statement of Cash Flows (Un-audited)

For the Nine Month Ended June 30, 2024


	Nine month period ended	
	2024	2023
	June 30	
	(Rupees in thousands)	
Cash flow from investing activities		
Addition to fixed assets	(310,001)	(548,826)
Long term deposits	(52,166)	(291)
Proceeds from sale of fixed assets	5,581	2,552
Net cash used in investing activities	(356,586)	(546,565)
Cash flow from financing activities		
Long term finances	-	(9,430)
Lease rentals paid	(1,884)	(1,704)
Dividend paid	(33,959)	(34,362)
Loan from associates	-	(1,731)
Net cash used in financing activities	(35,843)	(47,227)
Net decrease in cash and cash equivalents	(5,008,312)	(2,420,743)
Cash and cash equivalents at the beginning of the period	(1,181,054)	(1,103,267)
Cash and cash equivalents at the end of the period	(6,189,366)	(3,524,010)
Cash and cash equivalents comprise of following statement of financial position amounts:		
- Short term investments	14,860	15,000
- Cash and bank balances	270,490	94,121
- Short term borrowings	(6,474,716)	(3,633,131)
	(6,189,366)	(3,524,010)

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

Lahore:
July 27, 2024


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 Nine Month Ended June 30, 2024


	Share Capital	Share Premium	Accumulated profits (Rupees in thousands)	Loan from Sponsors	Revaluation Surplus	Total
Balance as on October 01, 2022 (audited)	341,285	372,403	709,072	709,047	6,389,467	8,521,274
Profit after taxation	-	-	83,294	-	-	83,294
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	83,294	-	-	83,294
Transactions made during the period	-	-	-	(1,731)	-	(1,731)
Transfer of incremental depreciation (net of tax)	-	-	89,093	-	(89,093)	-
Final dividend paid for the year ended September 30, 2022 (Re. 1 per share)	-	-	(34,128)	-	-	(34,128)
Balance as on June 30, 2023 (un-audited)	341,285	372,403	847,331	707,316	6,300,374	8,568,709
Balance as on October 01, 2023 (audited)	341,285	372,403	1,000,144	874,598	6,276,499	8,864,929
Profit after taxation	-	-	110,762	-	-	110,762
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	110,762	-	-	110,762
Transactions made during the period	-	-	-	-	-	-
Transfer of incremental depreciation (net of tax)	-	-	83,919	-	(83,919)	-
Final dividend paid for the year ended September 30, 2023 (Re. 1 per share)	-	-	(34,128)	-	-	(34,128)
Balance as on June 30, 2024 (un-audited)	341,285	372,403	1,160,697	874,598	6,192,580	8,941,563

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

Lahore:
July 27, 2024


Syed Anwar Hussain
Chief Executive


Ghias-ul-Hasan
Director


Imran Ilyas
Chief Financial Officer

Notes to the Condensed Interim Financial Statements (Un-audited)

For the Nine Month Ended June 30, 2024

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 comprise the condensed interim statement of financial position of the company as at June 30, 2024 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, 2023. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of September 30, 2023, 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 June 30, 2023.

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.

Notes to the Condensed Interim Financial Statements (Un-audited)

For the Nine Month Ended June 30, 2024

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, 2023.

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, 2023.

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 Jun 30 2024 (Rupees in thousands)	Audited Sep 30 2023
5 Property, plant and equipment			
Property, plant and equipment	5.1	9,889,445	9,813,104
Capital work-in-progress		1,793	1,793
		<u>9,891,238</u>	<u>9,814,897</u>
5.1 Property, plant and equipment			
Balance at beginning of the period / year		9,813,104	9,508,137
Add: Additions during the period / year		310,001	605,431
Transfer from CWIP		-	4,690
Less: Book value of operating assets disposed - off during the period / year		(2,752)	(3,109)
		<u>10,120,353</u>	<u>10,115,149</u>
Depreciation charged during the period / year		(230,908)	(302,045)
		<u>9,889,445</u>	<u>9,813,104</u>

Notes to the Condensed Interim Financial Statements (Un-audited)

For the Nine Month Ended June 30, 2024

	Un-audited Jun 30 2024 (Rupees in thousands)	Audited Sep 30 2023
6 Revaluation surplus on property, plant and equipment - net of tax		
Land	4,112,812	4,112,812
Building	249,113	249,113
Plant and machinery	3,362,806	3,362,806
	7,724,731	7,724,731
Less: Accumulated incremental depreciation	(682,668)	(564,472)
	7,042,063	7,160,259
Less: Deferred tax liability		
Opening balance	883,760	932,042
Incremental depreciation for the period	(34,277)	(48,282)
	849,483	883,760
	6,192,580	6,276,499

	Sanction limit 'Rupees in thousand'	Note	Un-audited Jun 30 2024 (Rupees in thousands)	Audited Sep 30 2023
7 Short term borrowings - secured				
Mark-up based borrowings from Conventional Banks				
Running finance	350,000	7.1	142,592	329,460
Cash finance	4,500,000	7.1	3,157,344	450,013
Term Finance	450,000	7.1	450,000	33,333
	5,300,000		3,749,936	812,806
Islamic mode of financing				
Murabaha / Istisna	1,975,000	7.2	1,974,835	263,652
Bai salam	750,000	7.2	749,945	199,985
	2,725,000		2,724,780	463,637
	8,025,000		6,474,716	1,276,443

7.1 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).

Notes to the Condensed Interim Financial Statements (Un-audited)

For the Nine Month Ended June 30, 2024

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. 5.30 billion (2023: Rs. 3.22 billion).

7.2 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 + 2.50% per annum.

The aggregate available short term funded facilities amount to Rs.2.72 billion (2023: Rs. 2.22 billion).

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

8 Contingencies and commitments

8.1 Contingencies

There is no material change in contingencies from the period audited financial statements of the Company for the year ended September 30, 2023.

8.2 Commitments

Commitments in respect of irrevocable letter of credits for stores and spares at the period end is Rs. 17.88 million (September 30, 2023: Nil).

	Un-audited Six month period ended June 30		Un-audited Three month period ended June 30	
	2024	2023	2024	2023
	(Rupees in thousands)			
9 Sales - net				
Local	5,716,588	5,263,483	889,885	1,144,591
Export	-	329,497	-	-
	5,716,588	5,592,980	889,885	1,144,591
Less:				
Sales tax	(808,948)	(715,997)	(112,129)	(174,626)
Commission	(3,398)	(3,783)	(867)	(1,028)
	4,904,242	4,873,200	776,889	968,937

Notes to the Condensed Interim Financial Statements (Un-audited)

For the Nine Month Ended June 30, 2024

	Un-audited Six month period ended June 30		Un-audited Three month period ended June 30	
	2024	2023	2024	2023
	(Rupees in thousands)			
10 Cost of sales				
Raw material cane purchased and consumed	7,680,605	5,088,898	-	-
Salaries, wages and other benefits	184,233	159,865	37,197	27,835
Chemicals, fuel, lubes and packing material	168,367	147,483	650	-
Manufacturing expenses	144,189	155,855	14,596	13,877
Depreciation	226,290	224,771	77,508	79,629
Amortization	13	19	4	6
	8,403,697	5,776,891	129,955	121,347
Opening work-in-process	5,414	3,115	5,228	5,281
Closing work-in-process	(5,503)	(5,281)	(5,503)	(5,281)
Cost of goods manufactured	8,403,608	5,774,725	129,680	121,347
Opening stock of finished goods	1,519,281	1,570,250	6,387,078	3,772,483
	9,922,889	7,344,975	6,516,758	3,893,830
Closing stock of finished goods	(6,013,012)	(3,264,206)	(6,013,012)	(3,264,206)
Cost of sales	3,909,877	4,080,769	503,746	629,624

11 Taxation

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

12 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:

Notes to the Condensed Interim Financial Statements (Un-audited)

For the Nine Month Ended June 30, 2024

Relationship	Nature of transaction	Un-audited June 30 2024 (Rupees in thousands)	Audited Sep 30 2023
Post employment benefit plan	Provident fund contribution paid	3,184	4,093
Cane Processing (Pvt) Limited	Loan repaid during the period / year	-	1,710
Loan from sponsors	Loan received during the period / year	-	127,500
	Loan repaid during the period / year	-	160,309

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.

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, 2023.

14 Date of authorization

These un-audited condensed interim financial statements were authorized for issue on July 27, 2024 by the Board of Directors of the Company.

15 General

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

Lahore:
July 27, 2024



Syed Anwar Hussain
Chief Executive



Ghias-ul-Hasan
Director



Imran Ilyas
Chief Financial Officer

Jama Punji Information



The banner features a central image of a traditional brown earthenware pot with a smartphone inside it. The phone screen displays the Jama Punji logo. Surrounding the pot are various digital icons: a mouse, a Twitter bird, an email icon, and a Facebook 'f' icon. The background is a light blue gradient.

www.jamapunji.pk

Jama Punji
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*Mobile apps are also available for download for android and ios devices

Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

The website link of Jama Punji is available at the website of Jauharabad Sugar Mills Limited for the convenience and facilitation of shareholders and investors.

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