



2023

— In harmony with nature

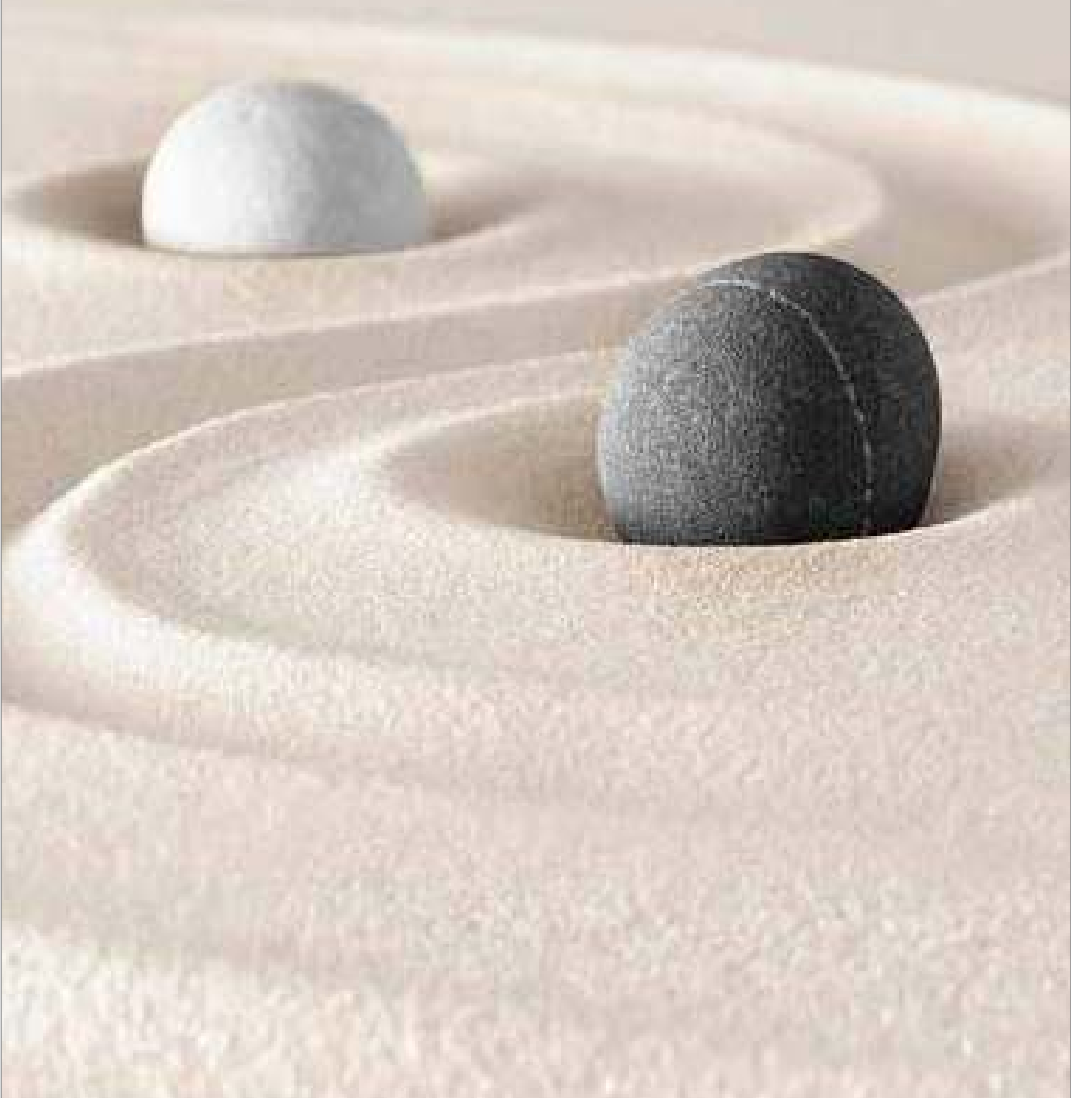
third quarter



ABOUT THIS REPORT

Humanity has never lived in such harmony with nature as **We Do Today**; in which nature, humankind, and business of corporate sector flourish in harmony.

To live harmoniously with nature is to understand and accept the non-sentient reality of natural forces. The greater this understanding and acceptance, the greater the harmony.





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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. Amjad Javed Aftab
Mr. Saif-ur-Rehman

Chief Executive
Independent Director
Independent Director
Independent Director
Non-Executive Director
Non-Executive Director
Executive Director

Audit Committee ▼

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

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

Topline

Rs. 4.87 Billions

Bottomline

Rs. 83.29 Millions

Gross Profit

16.26 Percent

Net Profit

1.71 Percent

Acid Test

0.26 Times

Current Ratio

0.95 Times

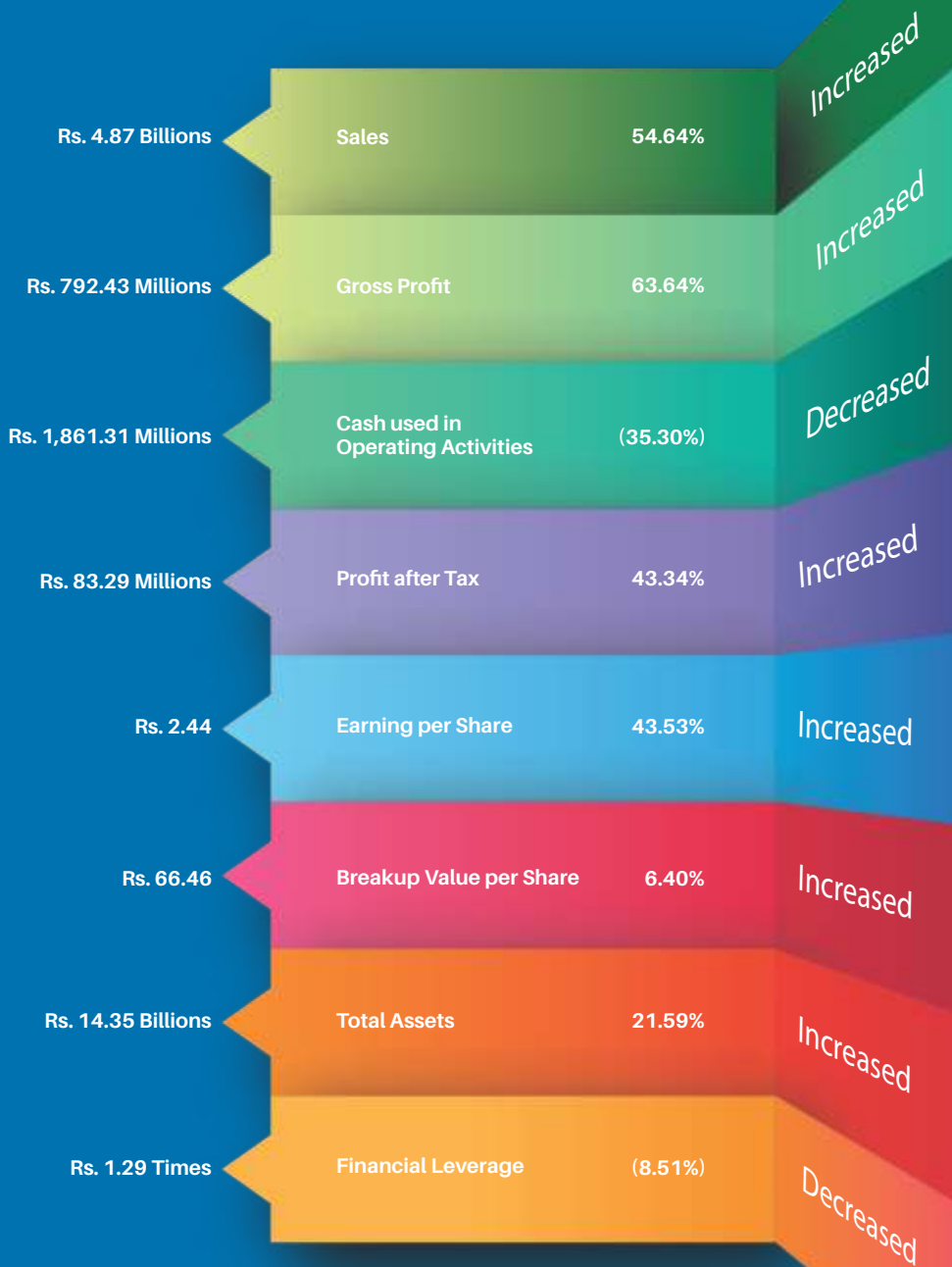
Price Earning

5.12 Times

ROCE

6.34 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 un-audited financial statements of the Company for the nine-months ended June 30, 2023.

Sector Overview

In Pakistan sugar is classified among essential commodities in the consumption basket and constitutes a major segment of Pakistan's economy. Despite having ideal agro-climatic conditions, an effective irrigation system, and being the fifth-largest country in terms of land used for sugarcane, Pakistan is still far from being a regular exporter of the said commodity. For crushing year 2022/23, Government had increased the minimum support price of sugarcane by thirty-three (33) percent equating to Rs. 300 per maund and had implemented strict administrative policies related to payment to growers. For upcoming crushing season (Yr. 2023/24) and to compensate for present inflation, Government may increase support price of sugarcane up to Rs. 450 per maund. At present the Sugar stock is barely sufficient to meet consumption of the country and sugar price has shown an improvement during the third quarter of this financial year. Despite rising inflation in the country and having highest cost of working capital i.e., around twenty-four percent per annum, the sugar sector has shown resilience and has also contributed foreign exchange to national exchequer through exports.

Operational Performance

Your Company had started crushing season 2022/23 on November 25, 2022 [CY2021/22: November 18, 2021]. The plant operated for 103 days in comparison to 146 days during last year with an improvement of lost hours by forty-five percent. Despite having shorter crushing period, the Company has managed to crush 651,476 MT of sugarcane i.e., down by 25.32% in comparison to last crushing season with a marginal increase in sugar recovery coupled with 13.75% improvement in recovery of molasses thus securing better contribution margin for stakeholders. Driven by the organizational commitments and corporate responsibility, Jauharabad Sugar Mills Limited has maintained its practice of timely payment to its growers and vendors for the year.

Financial Performance

The Company has posted top line for the nine months of Rs. 4.87 billion (FY2022: 3.15 billion) with an overall increase of 54.6%, mainly due to improved sale prices of by-products. Gross profit has also improved by Rs. 308 million in comparison to corresponding period. Bottom line has also shown substantial improvement of approximately 43% despite an increase of financial expenses by 102%. The Company is expecting better financial performance in last quarter of this financial year. 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

روپے تک بہتر ہوا ہے۔ 102% تک مالی اخراجات کے اضافہ کے باوجود گزشتہ سیزن کی اسی مدت کے مقابلہ میں نجی لائن بھی تقریباً 43% نمایاں بہتری کی عکاسی کرتی ہے۔ کمپنی اس مالی سال کی آخری سہ ماہی میں بہتر مالی کارکردگی کی توقع کر رہی ہے۔ کمپنی نے اپنے تمام مالی وعدوں کو پورا کیا ہے اور تمام مالیاتی اداروں کے ساتھ صحت مندانہ تعلقات ہیں۔

اظہار تشکر

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

مخائب بورڈ آف ڈائریکٹرز



سید انوار حسین شاہد

چیف ایگزیکٹو

ڈائریکٹرز کی جائزہ رپورٹ

محترم ارکان، اسلام و علیکم

بورڈ آف ڈائریکٹرز اور خود اپنی طرف سے، میں آپ کو 30 جون 2023 کو ختم ہونے والی نو ماہی کے لئے کمپنی کے غیر نظر ثانی شدہ مالی حسابات پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

شعبہ وارجائزہ

پاکستان میں چینی کوکنزیشن کی نوکری میں ضروری اشیاء کا درجہ حاصل ہے اور یہ پاکستان کی معیشت کا ایک اہم حصہ ہے۔ مثالی زرعی آب و ہوا کے حالات، ایک مؤثر آبپاشی نظام اور گنے کے لئے استعمال ہونے والی زمین کے لحاظ سے پانچواں سب سے بڑا ملک ہونے کے باوجود، پاکستان اب بھی مذکورہ اجناس کا باقاعدہ برآمد کنندہ بننے سے بہت پیچھے ہے۔ کرشنگ سال 2022-23 کے لئے حکومت نے گنے کی کم از کم امدادی قیمت میں تینتیس (33) فیصد تک کا اضافہ کیا جو 300 روپے فی من کے برابر ہے اور کارشنگ کاروں کو ادائیگی سے متعلق سخت انتظامی پالیسیوں پر عمل درآمد کیا گیا۔ آئندہ کرشنگ سیزن (سال 2023/24) کے لئے اور موجودہ افراط زر کی تلافی کے لئے، حکومت گنے کی امدادی قیمت 450 روپے فی من تک بڑھا سکتی ہے۔ اس وقت چینی کا اسٹاک ملک کی کھپت کو پورا کرنے کے لئے بمشکل کافی ہے اور رواں مالی سال کی تیسری سہ ماہی کے دوران چینی کی قیمت میں بہتری دیکھی گئی ہے۔ ملک میں بڑھتی ہوئی افراط زر اور ورکنگ کپیٹل کی سب سے زیادہ لاگت یعنی تقریباً چوبیس فیصد سالانہ ہونے کے باوجود چینی کے شعبے نے پلک کا مظاہرہ کیا اور برآمدات کے ذریعے قومی خزانے میں زرمبادلہ کا بھی حصہ ڈالا ہے۔

آپریٹل کارکردگی

آپ کی کمپنی نے کرشنگ سیزن 2022/23 کا آغاز 25 نومبر 2022 [CY2021/22: 18 نومبر 2021] کو کیا تھا پلانٹ کو گزشتہ سال کے دوران 146 دنوں تک کے مقابلے میں 103 دنوں تک آپریٹ کیا گیا اور کل مؤثر کرشنگ اوقات کا استعمال 45% تک زیادہ کیا گیا۔ کرشنگ کی مدت کم ہونے کے باوجود، کمپنی 651,476 میٹرک ٹن گنا کرش کرنے میں کامیاب رہی ہے یعنی گزشتہ کرشنگ سیزن کے مقابلے میں 25.32 فیصد کم، چینی کی ریکوری میں معمولی اضافے کے ساتھ ساتھ مولاس کی ریکوری میں 13.75 فیصد بہتری آئی جس سے اسٹیک ہولڈرز کو بہتر شرکات مارجن حاصل ہوا ہے۔ تنظیمی عزاؤں اور کارپوریٹ ذمہ داریوں کی وجہ سے جوہر آباد شوگر مل لمیٹڈ نے سال بھر اپنے کارشنگ کاروں اور اینڈرز کو بروقت ادائیگی کی روایت کو برقرار رکھا ہے۔

مالیاتی کارکردگی

کمپنی نے نو ماہی کے لئے بائی پرائڈکٹس کی بہتر فروخت قیمتوں کی بدولت بنیادی طور پر 54.6% کے مجموعی اضافے کے ساتھ 4.87 بلین روپے (FY2022: 3.15 بلین روپے) کی ٹاپ لائن درج کی۔ مجموعی منافع بھی گزشتہ اسی مدت کے مقابلے میں 308 ملین

Condensed Interim Statement of Financial Position (Un-audited)

As at June 30, 2023

	Note	Un-audited June 30 2023 (Rupees in thousands)	Audited Sep 30 2022
Assets			
Non-current assets			
Property, plant and equipment	5	9,830,980	9,514,621
Intangible assets		59	78
Long term deposits		3,091	2,800
		<u>9,834,130</u>	<u>9,517,499</u>
Current assets			
Stores, spare parts and loose tools		160,878	221,628
Stock-in-trade		3,269,487	1,573,365
Loans and advances		222,406	334,696
Trade debts- unsecured considered good		595,054	5,943
Trade deposits and short term prepayments		9,142	3,328
Other receivables		22,220	22,221
Tax refunds due from the government		125,549	70,871
Short term investments		15,000	18,569
Cash and bank balances		94,121	32,446
		<u>4,513,857</u>	<u>2,283,067</u>
		<u>14,347,987</u>	<u>11,800,566</u>

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

Lahore:
July 24, 2023



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, 2023

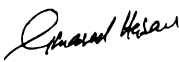
	Note	Un-audited June 30 2023 (Rupees in thousands)	Audited Sep 30 2022
Share capital and reserves			
Authorized share capital		700,000	700,000
Share capital		341,285	341,285
Capital reserves:			
Share premium		372,403	372,403
Revenue reserves:			
Accumulated profits		847,331	709,072
Loan from sponsors		707,316	709,047
Revaluation surplus on property, plant and equipment - net of tax	6	6,300,374	6,389,467
Total equity		8,568,709	8,521,274
Non-current liabilities			
Long term loans from banking companies - secured	7	-	-
Liability against assets subject to finance lease		4,269	5,132
Deferred liabilities		1,048,051	1,053,911
		1,052,320	1,059,043
Current liabilities			
Trade and other payables		711,013	927,908
Unclaimed dividend		1,647	1,881
Current portion of:			
- Long term loans from banking companies - secured	7	-	9,430
- Liability against assets subject to finance lease		1,214	1,153
- Government grant		-	1,191
Accrued mark-up		255,054	59,649
Short term borrowings - secured	8	3,633,131	1,154,282
Provision for taxation		124,899	64,755
		4,726,958	2,220,249
Contingencies and commitments			
	9	14,347,987	11,800,566

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

Lahore:
July 24, 2023



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 nine month ended June 30, 2023

	Note	Nine month period ended June 30		Three month period ended June 30	
		2023	2022	2023	2022
(Rupees in thousands)					
Sales - net	10	4,873,200	3,151,409	968,937	1,271,349
Cost of sales	11	(4,080,769)	(2,667,154)	(629,624)	(1,061,615)
Gross profit		792,431	484,255	339,313	209,734
Operating expenses:					
Administrative expenses		(170,151)	(147,809)	(30,273)	(34,297)
Distribution cost		(11,101)	(7,134)	(1,521)	(3,126)
		(181,252)	(154,943)	(31,794)	(37,423)
Operating profit		611,179	329,312	307,519	172,311
Finance cost		(472,137)	(233,823)	(236,573)	(138,417)
Other income/(expense)		(1,464)	(418)	(3,417)	958
Profit before taxation		137,578	95,071	67,529	34,852
Taxation	12	(54,284)	(36,963)	(30,057)	(8,506)
Profit after taxation		83,294	58,108	37,472	26,346
Earnings per share (Rupees)					
Basic & diluted		2.44	1.70	1.10	0.77

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

Lahore:
July 24, 2023


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, 2023

	Nine month period ended		Three month period ended	
	2023	2022	2023	2022
	June 30			
	(Rupees in thousands)			
Profit after taxation	83,294	58,108	37,472	26,346
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	83,294	58,108	37,472	26,346

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

Lahore:
July 24, 2023



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, 2023

	Nine month period ended	
	2023	2022
	June 30	
	(Rupees in thousands)	
Cash flow from operating activities		
Profit before taxation	137,578	95,071
Adjustments for:		
Depreciation	229,358	108,893
Amortization	19	29
Loss/(gain) on disposal of property, plant and equipment	559	29
Provision for WPPF	7,241	5,004
Government grant	(1,191)	(3,541)
Finance cost	472,137	233,823
	708,123	344,237
Profit before working capital changes	845,701	439,308
Working capital changes		
Stores, spare parts and loose tools	60,750	(25,195)
Stock in trade	(1,696,122)	(3,067,039)
Loans and advances	112,290	(65,278)
Trade debts- unsecured considered good	(589,111)	(197,956)
Trade deposits and short term prepayments	(5,814)	(2,367)
Other receivables	-	-
Trade and other payables	(224,136)	209,138
	(2,342,143)	(3,148,697)
Cash used in operations	(1,496,442)	(2,709,389)
Finance cost paid	(275,831)	(95,844)
Taxes paid	(54,678)	(37,810)
Dividend paid	(34,362)	(33,739)
Net cash used in operating activities	(1,861,313)	(2,876,782)

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

Lahore:
July 24, 2023



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, 2023

	Nine month period ended	
	2023	2022
	June 30	
	(Rupees in thousands)	
Cash flow from investing activities		
Addition to fixed assets	(548,826)	(217,561)
Long term deposits	(291)	-
Proceeds from sale of fixed assets	2,552	34
Net cash used in investing activities	(546,565)	(217,527)
Cash flow from financing activities		
Long term finances	(9,430)	(67,440)
Lease rentals paid	(1,704)	(2,148)
Loan from associates	(1,731)	18,950
Net cash generated/(used in) from financing activities	(12,865)	(50,638)
Net decrease in cash and cash equivalents	(2,420,743)	(3,144,947)
Cash and cash equivalents at beginning of the period	(1,103,267)	(104,037)
Cash and cash equivalents at the end of the period	(3,524,010)	(3,248,984)
Cash and cash equivalents comprise of following statement of financial position amounts:		
- Short term investments	15,000	18,220
- Cash and bank balances	94,121	31,484
- Short term borrowings	(3,633,131)	(3,298,688)
	(3,524,010)	(3,248,984)

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

Lahore:
July 24, 2023



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, 2023

	Share Capital	Share Premium	Accumulated profits	Revaluation Surplus	Loan from Sponsors	Total
Rupees in thousand						
Balance as on October 01, 2021 (audited)	341,285	372,403	594,462	2,843,928	610,097	4,762,175
Profit after taxation	-	-	58,108	-	-	58,108
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	58,108	-	-	58,108
Transactions made during the period	-	-	-	-	18,950	18,950
Transfer of incremental depreciation (net of tax)	-	-	35,624	(35,624)	-	-
Final dividend paid for the year ended September 30, 2021 (Re. 1 per share)	-	-	(34,128)	-	-	(34,128)
Balance as on June 30, 2022 (un-audited)	341,285	372,403	654,066	2,808,304	629,047	4,805,105
Balance as on October 01, 2022 (audited)	341,285	372,403	709,072	6,389,467	709,047	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	6,300,374	707,316	8,568,709

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

Lahore:
July 24, 2023


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, 2023

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, 2023 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, 2022. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of September 30, 2022, 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 nine month period ended June 30, 2022.

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, 2023

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, 2022.

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, 2022.

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.

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

For the nine month ended June 30, 2023

	Note	Un-audited June 30 2023 (Rupees in thousands)	Audited Sep 30 2022
5 Property, plant and equipment			
Property, plant and equipment	5.1	9,824,924	9,508,138
Capital work-in-progress		6,056	6,483
		<u>9,830,980</u>	<u>9,514,621</u>
5.1 Property, plant and equipment			
Balance at beginning of the period / year		9,508,138	4,580,856
Add: Revaluation surplus		-	4,182,676
Add: Additions during the period / year		549,253	268,732
Transfer from CWIP		-	621,976
Less: Book value of operating assets disposed - off during the period / year		(3,109)	(2,767)
		<u>10,054,282</u>	<u>9,651,473</u>
Depreciation charged during the period / year		(229,358)	(143,335)
		<u>9,824,924</u>	<u>9,508,138</u>
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		3,362,805	3,362,805
		<u>7,724,730</u>	<u>7,724,730</u>
Less: Accumulated incremental depreciation		(528,705)	(403,222)
		<u>7,196,025</u>	<u>7,321,508</u>
Less: Deferred tax liability			
Opening balance		932,041	324,506
Deferred tax liability on addition in revaluation surplus		-	616,120
Incremental depreciation for the period		(36,389)	(8,585)
		<u>895,652</u>	<u>932,041</u>
		<u>6,300,373</u>	<u>6,389,467</u>
7 Long term loans from banking companies - secured			
Faysal Bank Limited	7.1	-	9,430
		-	9,430
Less: Current portion		-	(9,430)
		-	-

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

For the nine month ended June 30, 2023

7.1 Faysal 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 was 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 June 30 2023 (Rupees in thousands)	Audited Sep 30 2022
8 Short term borrowings - secured				
Mark-up based borrowings from Conventional Banks				
		8.1		
Running finance	350,000		238,629	292,168
Cash finance	2,675,000		1,681,264	602,697
	3,025,000		1,919,893	894,865
Islamic mode of financing				
		8.2		
Murabaha finance	690,000		689,807	109,317
Bai salam / Istisna	1,525,000		1,023,431	150,100
	2,215,000		1,713,238	259,417
	5,240,000		3,633,131	1,154,282

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

For the nine month ended June 30, 2023

- 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. 3.03 billion (2022: Rs. 2.52 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 shares 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.2.22 billion (2022: Rs. 1.98 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 period audited financial statements of the Company for the year ended September 30, 2022.

9.2 Commitments

Commitments in respect of irrevocable letter of credits for stores and spares at the period end is Nil (September 30, 2022: Nil).

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

For the nine month ended June 30, 2023

Note	Nine month period ended June 30		Three month period ended June 30	
	2023	2022	2023	2022
	(Rupees in thousands)			
10 Sales - net				
Local	5,263,483	3,656,363	1,144,591	1,498,602
Export	329,497	-	-	-
	<u>5,592,980</u>	<u>3,656,363</u>	<u>1,144,591</u>	<u>1,498,602</u>
Less:				
Sales tax	(715,997)	(501,648)	(174,626)	(225,706)
Commission	(3,783)	(3,306)	(1,028)	(1,547)
	<u>4,873,200</u>	<u>3,151,409</u>	<u>968,937</u>	<u>1,271,349</u>
11 Cost of sales				
Raw material cane purchased and consumed	5,088,898	5,265,830	-	288,400
Salaries, wages and other benefits	159,865	134,921	27,835	39,853
Chemicals, fuel, lubes and packing material	147,483	133,130	-	23,794
Manufacturing expenses	155,855	93,569	13,877	14,176
Depreciation	224,771	106,715	79,629	40,127
Amortization	19	28	6	9
	<u>5,776,891</u>	<u>5,734,193</u>	<u>121,347</u>	<u>406,359</u>
Opening work-in-process	3,115	3,752	5,281	76,146
Closing work-in-process	(5,281)	(3,077)	(5,281)	(3,077)
	<u>5,774,725</u>	<u>5,734,868</u>	<u>121,347</u>	<u>479,428</u>
Cost of goods manufactured	5,774,725	5,734,868	121,347	479,428
Opening stock of finished goods	1,570,250	89,709	3,772,483	3,739,610
	<u>7,344,975</u>	<u>5,824,577</u>	<u>3,893,830</u>	<u>4,219,038</u>
Closing stock of finished goods	(3,264,206)	(3,157,423)	(3,264,206)	(3,157,423)
	<u>4,080,769</u>	<u>2,667,154</u>	<u>629,624</u>	<u>1,061,615</u>
Cost of sales	4,080,769	2,667,154	629,624	1,061,615

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

For the nine month ended June 30, 2023

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

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:

Relationship	Nature of transaction	Un-audited June 30 2023 (Rupees in thousands)	Audited Sep 30 2022
Post employment benefit plan	Provident fund contribution paid	2,151	3,652
Cane Processing (Pvt) Limited	Loan repaid during the period/year	1,731	1,050
Loan from sponsors	Loan received during the period/year	127,500	200,000
	Loan repaid during the period / year	160,309	100,000

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 2022.

15 Date of authorization

These un-audited condensed interim financial statements were authorized for issue on July 24, 2023 by the Board of Directors of the Company.

16 General

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

Lahore:
July 24, 2023


Syed Anwar Hussain
Chief Executive


Ghias-ul-Hasan
Director


Imran Ilyas
Chief Financial Officer

Jama Punji Information

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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.



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