

Continued Excellence



OUR VISION IS TO CREATE OPPORTUNITIES FOR THE FUTURE.

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

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





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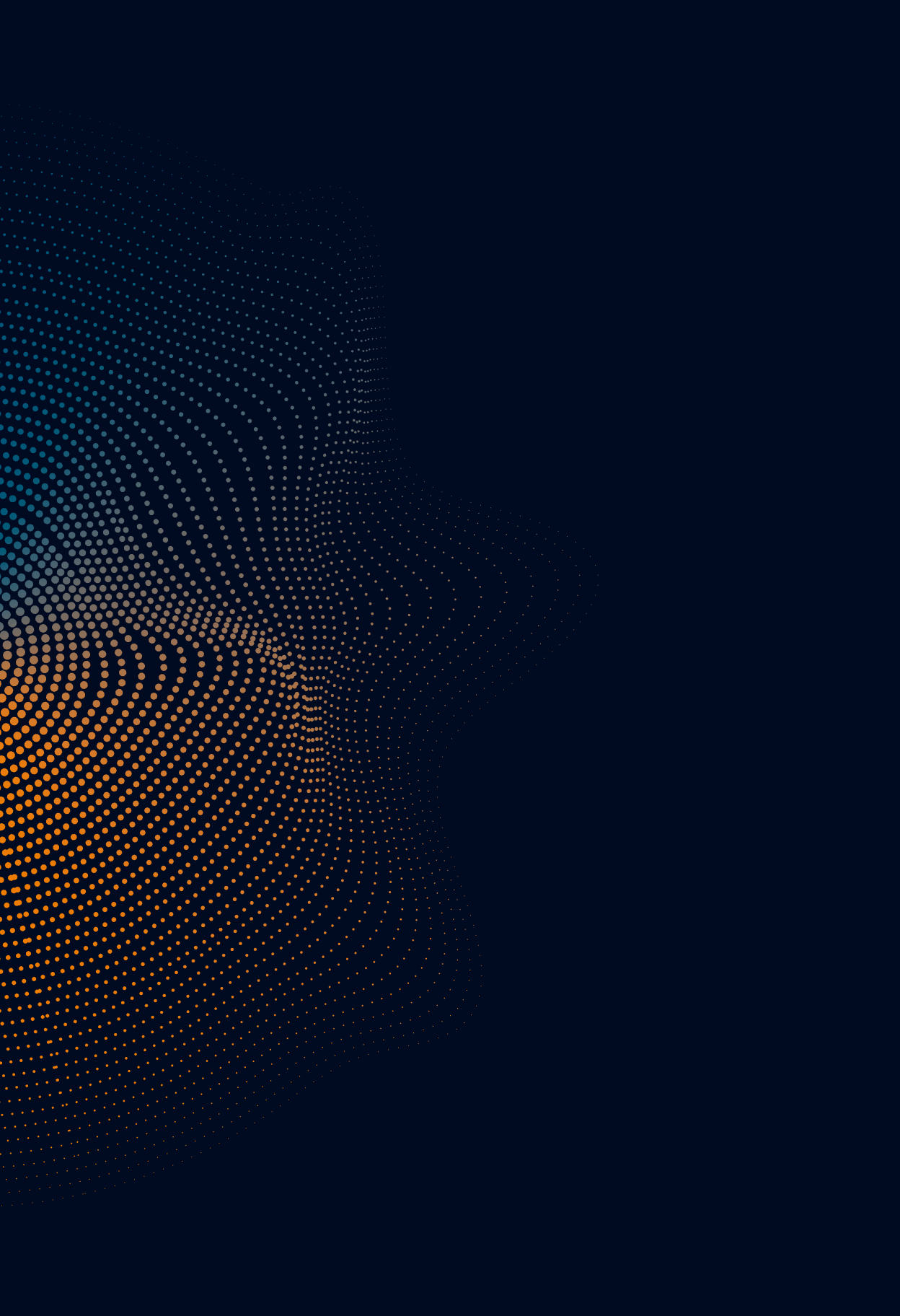


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01

COMPANY REVIEW

06 Corporate Information

CORPORATE INFORMATION

Board of Directors

Mr. Jahangir Khan Tareen

Director

Mukhdoom Syed Ahmed Mahmud

Director / Chairman

Mr. Raheal Masud

Director / Chief Executive

Mrs. Samira Mahmud

Mr. Ijaz Ahmed

Mr. Asim Nisar Bajwa

Mr. Qasim Hussain Safdar

Chief Operating Officer

Rana Nasim Ahmed

Group Director (Finance) & CFO

Mr. Muhammad Rafique

Company Secretary

Mr. Maqsood Ahmad Malhi

Audit Committee

Mr. Qasim Hussain Safdar

Chairman / Member

Mrs. Samira Mahmud

Member

Mr. Ijaz Ahmed

Member

HR & R Committee

Mr. Asim Nisar Bajwa

Chairman / Member

Mrs. Samira Mahmud

Member

Mr. Ijaz Ahmed

Member

Nomination Committee

Mr. Jahangir Khan Tareen

Chairman / Member

Mr. Asim Nisar Bajwa

Member

Risk Management Committee

Mr. Jahangir Khan Tareen

Chairman / Member

Mr. Asim Nisar Bajwa

Member

Registrar

Corplink (Pvt.) Limited

Bankers

Conventional

MCB Bank Limited

The Bank of Punjab

Allied Bank Limited

Askari Bank Limited

Habib Bank Limited

Standard Chartered Bank
(Pakistan) Limited

National Bank of Pakistan

Pak Oman Investment Company
Limited

Soneri Bank Limited

United Bank Limited

Pak Kuwait Investment Company
Limited

Pak Brunei Investment Company
Limited

JS Bank Limited

Habib Metropolitan Bank Limited

Islamic

Dubai Islamic Bank Pakistan
Limited

Faysal Bank Limited

MCB Islamic Bank Limited

Bank Alfalah Limited

BankIslami (Pakistan) Limited

Meezan Bank Limited

Askari Bank Limited

National Bank of Pakistan



Auditors

Riaz Ahmad, Saqib, Gohar & Co.
Chartered Accountants



Legal Advisor

Cornelius, Lane & Mufti



Web Presence

www.jdw-group.com



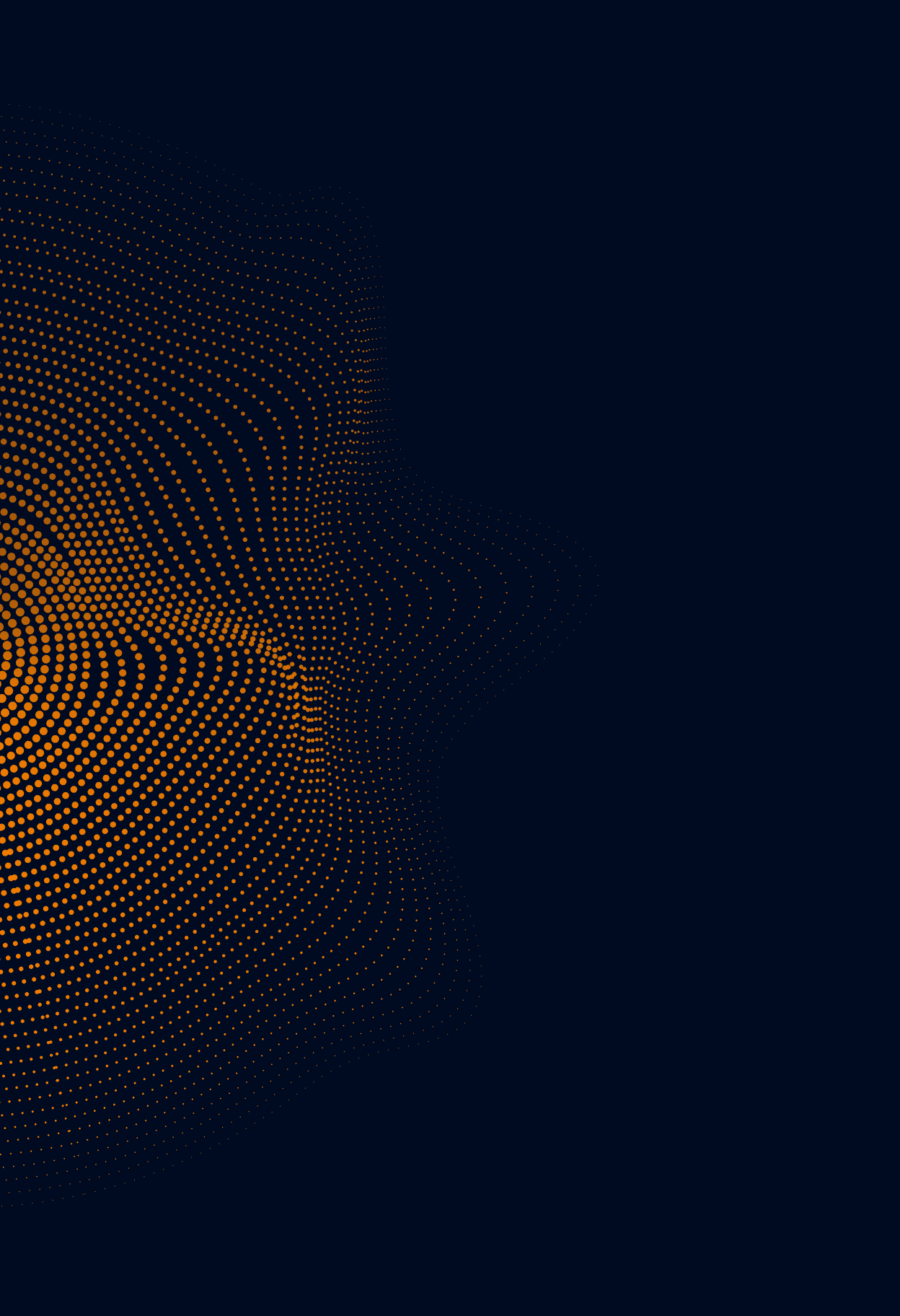
Registered Office

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



Mills

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



02

DIRECTORS' REVIEW

10 Directors' Review

DIRECTORS' REVIEW

Dear Shareholders,

We, on behalf of the Board of Directors of JDW Sugar Mills Limited, are pleased to present the Condensed interim financial statements of the Company for the half year ended on March 31, 2021 which has been duly reviewed by the external Auditors.

During period under review, the Company has earned net profit after tax amounting to Rs. 83 million as compared to net profit after tax Rs. 380 million in the same period last year. Main reasons for reduction in profitability were; higher average sugarcane cost, low sucrose recoveries and write off of receivables.

Other salient features of the period under review are summarized below:

- For crushing season 2020-21 which concluded on different dates for all the units, the following operating results were achieved:

Operating Results

		2020-21				2019-20			
		JDW-I	JDW-II	JDW-III	COMBINED	JDW-I	JDW-II	JDW-III	COMBINED
Sugarcane Crushed	M.Tons	2,537,605	1,621,775	1,411,576	5,570,956	2,464,468	1,497,319	1,329,945	5,291,732
Sugar Production	M.Tons	255,396	159,800	140,946	556,142	260,845	153,173	134,202	548,220
Sucrose Recovery	%age	10.06	9.85	9.99	9.98	10.58	10.23	10.09	10.36
Molasses Production	M.Tons	110,258	80,370	63,425	254,053	101,840	68,003	58,749	228,592
Molasses Recovery	%age	4.35	4.96	4.49	4.56	4.13	4.54	4.42	4.32

Despite 5% increase in sugarcane crushing, sugar production achieved this year was marginally low mainly due to 38 bps reduction in the sucrose recovery.

Deharki Sugar Mills (Pvt.) Limited (DSML) being the wholly owned subsidiary of the Company has achieved the following operating results:

		2020-21	2019-20
Sugarcane Crushed	M.Tons	1,270,152	1,220,644
Sugar Production	M.Tons	125,756	122,831
Sucrose Recovery	%age	9.90	10.06
Molasses Production	M.Tons	59,724	55,253
Molasses Recovery	%age	4.70	4.53

Same production trend here as is above in the case of Holding Company.

The Company has earned profit after tax amounting to Rs. 83 million as compared to profit after tax of Rs. 380 million in the corresponding period last year, resultantly earnings per share have reduced from Rs. 6.35 per share to Rs. 1.40 per share. Despite 40% reduction in the financial charges, the reasons for low profitability are summarized below:

- For crushing season 2020-21, notified support prices of sugarcane were revised to Rs. 200 per 40 kgs from Rs. 190 per 40 kgs in the Province of Punjab and Rs. 202 per 40 kgs from Rs. 192 per 40 kgs in the Province of Sindh whereas due to price war caused by inconsistent sugarcane supply, the actual average sugarcane cost was Rs. 255 per 40 kgs as compared to Rs. 214 per 40 kgs during last crushing season which is higher by 16%, resulted in increase in the production cost. In the case of both companies approximately Rs. 9.50 billion was extra paid to growers over and above the support prices. Growers were happy for getting better prices & timely payments of their produce through their bank accounts.
- The Company has experienced lower sucrose recovery by 38 bps points mainly due to early start of crushing season by 15 to 20 days. This resulted negatively on profit margins.
- Subsequent to signing of MOU with Committee for Negotiations with Independent Private Power Producers (notified by the Government of Pakistan) during August, 2020 connected to outstanding energy payments of the Company's two bagasse-based Co-Gen Power Projects of 26.35 MW each from Central Power Purchasing Agency ("CPPA-G") and revision in tariff components, after negotiations we executed "Master Agreement" and "EPA Amendment Agreement" on 12 February 2021 with CPPA-G. As agreed in Master Agreement, the outstanding amount as on 30th November 2020 which in our case was Rs. 2,042 million will be paid in two tranches i.e., 40% of the amount expected in June and balance 60% after the date of first disbursement i.e., by end December this year. Each instalment consists of 1/3rd cash payment, 1/3rd by issuance of Sukuk Bonds of 5 to 10 years' tenor and 1/3rd by issuance of Pakistan Investment Bonds (PIBs) of 10 years' period at weighted average rate of T-Bills minus 10bps for Sukuk bonds and weighted average rate of T-Bills plus 70 bps for PIBs. Further, the Company has, in the larger National Interest, voluntarily agreed to provide certain concessions which also includes foregoing 70% of fixed energy payment for energy dispatched above the annual 45% plant factor effective from Commercial Operation Dates. Resultantly, an amount of Rs. 3,326 million against fixed energy receivables has been written off in the accounts under review.
- Annual increase in salaries & wages and upward trend in other input costs caused by rising inflation.

Other Salient Features:

- There has been 15% increase in the gross turnover of the Company as Compared to similar period of last year, resulted in improvement in the gross profitability of the company which is mainly attributable to favorable sugar & molasses prices and sale of carryover sugar stocks at better prices.
- The finance cost of the Company for first half year has significantly decreased by Rs. 763 million i.e., 40% over last year being result of lower mark-up rates.
- The balance sheet size has increased to Rs. 54 billion from Rs. 41 billion. Accumulated reserves are approximately 15 times of the paid-up capital of the Company.
- As usual growers' payment has remained our top priority being one of the main keys of our success, this year also on Group basis growers' payments have been fully paid off for the crushing season 2020-21 despite stuck up of huge funds with Government of Sindh and CPPA on account of sugar export subsidy & sale of energy respectively. This was the 3rd consecutive crushing season in which all the growers of the Company were successfully paid through their bank accounts throughout the season and thereafter which was very well appreciated by the growers. Growers were extremely happy for getting higher sugarcane rates and timely payments through their bank accounts. Company regularly provides financial assistance and technical support to its growers. Due to these policies and preferential treatment with growers, the Company enjoys excellent relationship with them.
- Sales tax evasion and undocumented sugar trade are two major challenges being faced by the sugar industry. These two issues are the root causes of instability both in the prices of sugarcane and sugar. Both these major issues come under the purview of FBR. FBR from time to time has taken various measures to address these problems but has not been able to succeed. FBR directed the sugar mills to install "Video Analytics for Electronic Monitoring of Sugar Production" during the season 2020-21 through its SRO 889(I)/2020 dated 21 September 2020 of video analytics rules, 2020 but FBR was unable to implement it successfully in the current season 2020-21 despite complete support from sugar mills for implementation of this system. Advances of millions of Rupees given by sugar mills to the vendors on instructions from FBR have stuck up due to poor performance by vendors. FBR is now working to implement new system i.e., Track and Trace System for sugar industry which is targeted to be implemented before start of crushing season 2021-22 but sugar industry has little hope regarding its successful implementation by FBR. Persons engaged in sugar trade are willing to become part of the tax system but FBR is neither listening them nor engaging them for resolving their tax issues without which it would be very difficult to bring them in the tax net. This scenario is hurting both the sugar industry as well as persons engaged in this undocumented trade. Minimum turnover tax rate of 1.5% also needs to be revised downward. Rate is too high and hurting the entire industry in Pakistan.
- During the current period, Government of the Punjab has passed an order on 25 March 2021 which is called "The Punjab Sugar (Supply-Chain Management) Order 2021". Through this Order Government of the Punjab has devised various steps for supply chain management of sugar trade, major steps include fixation of retail price of sugar, sale of sugar through registered buyers/ dealers, lifting of sugar within specified time etc. Subsequent to this Order, Competition Commission of Pakistan (CCP) issued a Policy Note on 08 April 2021 in which they concluded that "rather than price ceilings, the deregulation of sugar market would be a better and sustainable opinion to promote free trade mechanisms where price signals can be effectively conveyed to all stakeholders to attract investment, increase competitiveness, and reduce distortions in local supply".
- Financial year 2020-2021 seems to be more challenging where growers have supplied sugarcane at much higher prices whereas Government as usual wants the sugar industry to sell sugar at prices below the production cost which may again put the industry in crisis. Too much interference of Government in sugar trade in Punjab province only has totally disturbed the sugar trade business causing multiple issues for sugar mills located in Punjab. Despite higher production cost, Sugar industry in Punjab has fully honored the directions of Honorable Lahore High Court to supply 155,000 Metric Tons of sugar @ Rs. 80/kg ex-mill in the Holy Month of Ramzan. Our Company has also supplied allocated quota of 17,076 Metric Tons of sugar from our Unit I and II suffering a loss of approximately Rs. 200 million.
- Prior to the month of Ramzan the sugar prices were favorable which were helping the sugar industry to mitigate substantial increase in sugarcane cost and input costs but due to interference of Federal & Provincial Governments in the Holy Month of Ramzan, the sugar prices have dropped to a level where it's becoming difficult for sugar mills to recover its cost of production.
- We are maintaining continued good performance and want to focus more on reduction of debt to further bring down the financial charges and sugarcane development in the vicinity of all our mills by introducing new varieties & working more on pest controls. Reduction in the markup rates by SBP has started benefiting the whole industry in the country, the continuity of which is absolutely important for generating more business and economic activities through industrialization. Reduction in minimum turnover tax rate in the coming budget can also give more relief to the industry.

ہماری نمایاں خصوصیات

گزشتہ سال کے اسی دورے کے مقابلے میں کچھ نئی خدمات شروع ہوئی ہیں اور 15% اضافہ ہوا جس کی بدولت کمپنی کے خام منافع میں بہتری آئی۔ اب اور چینی کی موافق قیمتیں اور پہلے سے موجود چینی کی بہتر قیمتوں کی فروخت کی بدولت منافع میں یہ بہتری آئی۔

گزشتہ سال کی نسبت اس سال کے پہلے چھ ماہ کے دوران کمپنی کے مالیاتی اخراجات میں 763 ملین روپے کی نمایاں کمی آئی جو کہ گزشتہ سال کے مقابلے میں 40% کم ہے اور یہ کمی شرح سود میں کمی کی بدولت ہوئی۔ ٹیلیفون شیٹ کا حجم 41 ارب روپے سے بڑھ کر 54 ارب روپے ہو گیا ہے اور مع شدہ ریزرو اور شدہ سرمائے کا 15 گنا ہو گئے ہیں۔

بیشک کی طرح، گئے کی خریداری کی بروقت ادائیگیاں مقرر کردہ نرخوں پر کرنا ہماری اولین ترجیح ہے اور یہی ہماری کامیابی کی بنیادی وجہ ہے۔ چینی کی برآمدی سبسڈی اور ملکی کی فروخت کی مدد میں حکومت سے ملنے والی ادائیگیاں کی عدم فراہمی کے باوجود رواں سال 2021-2020 کے دوران کسانوں کے قدامت و اجناس بڑے پیمانے پر ایک اکاؤنٹ ادا کئے گئے جسے کسانوں نے بہت سراہا۔ یہ مسلسل تیسرا سال تھا کہ کسانوں کو ادائیگی بڑے پیمانے پر ایک کی گئی۔ کاشتکار گئے کی بہتر قیمت اور بڑے پیمانے پر ایک اکاؤنٹ بروقت ادائیگی کی وجہ سے بہت خوش ہیں۔ کمپنی کا قاعدگی سے کسانوں کو مالیاتی قرضے، بیج، زرعی آلات فراہم کرتی ہے جو کسانوں کے ساتھ خوشگوار تعلقات استوار رکھنے میں مددگار ثابت ہوتے ہیں۔

سائیکس کی چوری اور غیر دستاویزی چینی کی تجارت چینی کی صنعت کو شدید دو بڑے چیلنج ہیں۔ یہ دونوں امور گئے اور چینی کی قیمتوں میں عدم استحکام کی بنیادی وجوہات ہیں۔ یہ دونوں اہم معاملات ایف بی آر کے دائرہ کار میں آتے ہیں۔ ایف بی آر نے مقامی قوانین مسائل کو دور کرنے کے لئے مختلف اقدامات کیے لیکن وہ کامیاب نہیں ہو سکے۔ ایف بی آر نے اپنے ایلن آرڈر (D)889/2020 کے ذریعہ شوگر ملوں کو ہدایت کی کہ وہ 2021-2020 کے سیزن کے دوران "شوگر پروڈکشن کی ایکٹو ٹرانسپارٹ" انسٹال کریں لیکن موجودہ سیزن 2021-2020 میں اس نظام کے نفاذ کے لئے شوگر ملوں کی مکمل حمایت کے باوجود ایف بی آر اس کا کامیابی کے ساتھ نافذ کرنے میں ناکام رہا۔ ایف بی آر کی ہدایت پر شوگر ملوں نے مجوزہ سسٹم بنانے والوں کو کروڑوں روپے کی جھگڑا رقم ادا کی ہے مگر ان کمپنیوں کا مقصد کارکردگی کی وجہ سے یہ خلیفہ رقم قبضہ چکی ہے۔ ایف بی آر اب شوگر انڈسٹری کے لئے نیا سسٹم ٹیسٹ کر رہا ہے لیکن انڈسٹری سسٹم نافذ کرنے کے لئے کام کر رہا ہے جسے کرشنک سیزن 2021-22 کے آغاز سے پہلے لاگو کرنے کا ہدف ہے لیکن ایف بی آر کے ذریعہ شوگر انڈسٹری کو اس کا کامیاب نفاذ کے بارے میں بہت کم امید ہے۔ شوگر کی تجارت میں مصروف افراد سسٹم کا حصہ بننے کے لئے راضی ہیں لیکن ایف بی آر تو ان کی سن رہا ہے اور نہ ہی ان کے ٹیکس کے معاملات حل کرنے میں ان کی مدد کر رہا ہے جس کے بغیر ان ٹیکس کے چال میں لا باہر نہ ہو سکتے ہیں۔ یہ صورتحال چینی کی صنعت کے ساتھ ساتھ اس کی تجارت میں مصروف افراد کو بھی نقصان پہنچا رہی ہے۔ کم از کم ان اور ٹیکس شرح 1.5% پر بھی کیے بغیر نظر جانی کرنے کی ضرورت ہے۔ ٹیکس کی یہ شرح بہت زیادہ ہے اور پاکستان میں پوری صنعت کو نقصان پہنچا رہی ہے۔

موجودہ مدت کے دوران، حکومت پنجاب نے 25 مارچ 2021 کو ایک آرڈر پاس کیا جسے "پنجاب شوگر (سپلائی چین منیجمنٹ) آرڈر" 2021 کہا جاتا ہے۔ اس آرڈر کے ذریعے حکومت پنجاب نے شوگر ٹریڈ کے سپلائی چین کے انتظام کے لئے مختلف اقدامات مرتب کیے ہیں، اہم اقدامات میں شوگر کی خوردہ قیمت کا تعین، رجسٹرڈ خریداروں/ڈیلروں کے ذریعہ شوگر کی فروخت، مقررہ مدت میں شوگر کی طلبگ و غیرہ شامل ہیں۔ مسابقتی کمیشن آف پاکستان (سی پی سی) نے 08 اپریل 2021 کو ایک پالیسی نوٹ جاری کیا جس میں انہوں نے نتیجہ اخذ کیا ہے کہ "آزادانہ تجارتی میکانزم کو فروغ دینے کے لئے چینی کی قیمت کے تقرری کی بجائے یہ بہتر ہوگا کہ چینی کی منڈی کو ڈی ریگولیٹ کر دیا جائے جس کی نتیجے میں منڈی میں قیمتوں میں بہتری اور پائیداری آئے گی اور قیمت کے اشاریے موثر انداز میں تمام متعلقین تک پہنچائے جاسکتے ہیں۔ ان اقدامات سے سرمایہ کاری کو راغب کرنے، مسابقت بڑھانے، اور مقامی رسد میں بگاڑ کو کم کرنے میں بھی مدد ملے گی۔

مالی سال 2021-2020 زیادہ مشکل معلوم ہوتا ہے جہاں کاشت کاروں نے زیادہ قیمتوں پر گئے کی فراہمی کی ہے جبکہ حکومت بیشک کی طرح یہ چاہتی ہے کہ انڈسٹری اپنی لاگت سے بھی کم قیمت پر چینی کی فروخت کرے جس کی وجہ سے صنعت دوبارہ بحران کا شکار ہو سکتی ہے۔ صوبہ پنجاب میں چینی کی تجارت میں حکومت کی بہت زیادہ مداخلت نے صرف چینی کی تجارت کے کاروبار کو متاثر کر دیا ہے جس کی وجہ سے پنجاب میں واقع شوگر ملوں کے لئے متعدد مسائل پیدا ہوئے ہیں۔ زیادہ پیداواری لاگت کے باوجود، پنجاب میں شوگر انڈسٹری نے معزز لاہور یا ٹیکسٹ کی ہدایت پر عملدرآمد کرتے رمضان کے مقدس مہینے میں 80 روپے فی کلوگرام کے حساب سے 155,000 میٹرک ٹن چینی کی فراہمی کو یقینی بنایا۔ ہماری چینی کے پونٹ 1 اور پونٹ 2 سے 17,076 میٹرک ٹن چینی کا کوٹیشن کیا جس کے نتیجے میں چینی کو 200 روپے کا شرحہ برداشت کرنا پڑا۔

ماہ رمضان سے قبل چینی کی قیمتیں ساڑھے تین چینی کی صنعت کو گئے کی قیمت اور ان پٹ لاگوں میں خاطر خواہ اضافے کو کم کرنے میں مدد فراہم کر رہی تھیں لیکن رمضان کے مقدس مہینے میں مقامی اور صوبائی حکومتوں کی مداخلت کی وجہ سے چینی کی قیمتیں کم ہو گئیں۔ سب سے چینی قیمتوں کے لئے اپنی پیداواری لاگت کی وصولی کرنا مشکل ہوتا جا رہا ہے۔

ہم ابھی کارکردگی کو برقرار رکھے ہوئے ہیں اور اپنی مالیاتی لاگت کو مزید کم کرنے کے لئے قرض میں کمی پر زیادہ توجہ مرکوز کرنا چاہتے ہیں اور یہ چاہتے ہیں کہ اپنی قیمتوں کے گرد و احاطہ میں گئے کی نئی اقسام متعارف کروائیں اور کیڑوں پر قابو پانے پر مزید کام کریں۔ انٹرنیشنل بینک کے ذریعہ مارک اپ نرخوں میں کمی نے ملک کی پوری صنعت کو فائدہ پہنچانا شروع کر دیا ہے، جس کا تسلسل صنعت کاری کے ذریعہ زیادہ کاروباری اور معاشی سرگرمیاں پیدا کرنے کے لئے جہد ہم ہے۔ آنے والے بجٹ میں کم سے کم ان اور ٹیکس کی شرح میں کمی بھی صنعت کو زیادہ ریلیف دے سکتی ہے

لاہور

۲۸ مئی ۲۰۲۱

ڈائریکٹر

چیف ایگزیکٹو

ڈائریکٹر کا جائزہ

ڈائریکٹر ذاتہائی مسرت کے ساتھ کمپنی کی عبوری مالیاتی رپورٹ برائے ششماہی 31 مارچ 2021 پیش کرتے ہیں۔ مندرجہ رپورٹ ہیروئی آڈیٹرز سے پڑتا مل شدہ ہے۔

زیر جائزہ دورا نے میں کمپنی نے بعد از گیس 83 ملین روپے کا خالص منافع کمایا جبکہ گزشتہ سال اسی دورا نے میں کمپنی نے 380 ملین روپے کا خالص منافع کمایا تھا۔ گئے کی زیادہ قیمت خرید، چینی کی پیداواری تناسب میں کمی اور حاصل کی معافی اس سال منافع میں کمی کی بڑی وجوہات ہیں۔

رواں چھ ماہی بنیادی نکات نیچے مختصر آمو جو ہیں:

چاروں پونٹ میں سال 2020-21 کے گئے کی کرٹھک کا آغا مختلف تارنوں میں ہوا اور اس سے مندرجہ ذیل نتائج حاصل ہوئے:

2019-2020				2020-2021			
JDW	JDW-3	JDW-2	JDW-1	JDW	JDW-3	JDW-2	JDW-1
5,291,732	1,329,945	1,497,319	2,464,468	5,570,956	1,411,576	1,621,775	2,537,605
548,220	134,202	153,173	260,845	556,142	140,946	159,800	255,396
10.36	10.09	10.23	10.58	9.98	9.99	9.85	10.06
228,592	58,749	68,003	101,840	254,053	63,425	80,370	110,258
4.32	4.42	4.54	4.13	4.56	4.49	4.96	4.35

اس دفعہ گئے کی کرٹھک پچھلے کرٹھک بیزن سے 5% زیادہ ہونے کے باوجود چینی کی پیداوار میں معمولی کمی آئی ہے جسکی بنیادی وجہ چینی کی پیداواری تناسب میں 38 فی پی ایس کی کمی ہے۔

ڈھری ٹھکر مل جو کہ ہمارے ادارے کی 100% یلی ملکیت ہے اس کے کرٹھک بیزن 2020-21 کے آپریٹنگ نتائج مندرجہ ذیل ہیں:-

2019-20		2020-21	
1,220,644	میٹرک ٹن	1,270,152	میٹرک ٹن
122,831	میٹرک ٹن	125,756	میٹرک ٹن
10.06	فیصد %	9.90	فیصد %
55,253	میٹرک ٹن	59,724	میٹرک ٹن
4.53	فیصد %	4.70	فیصد %

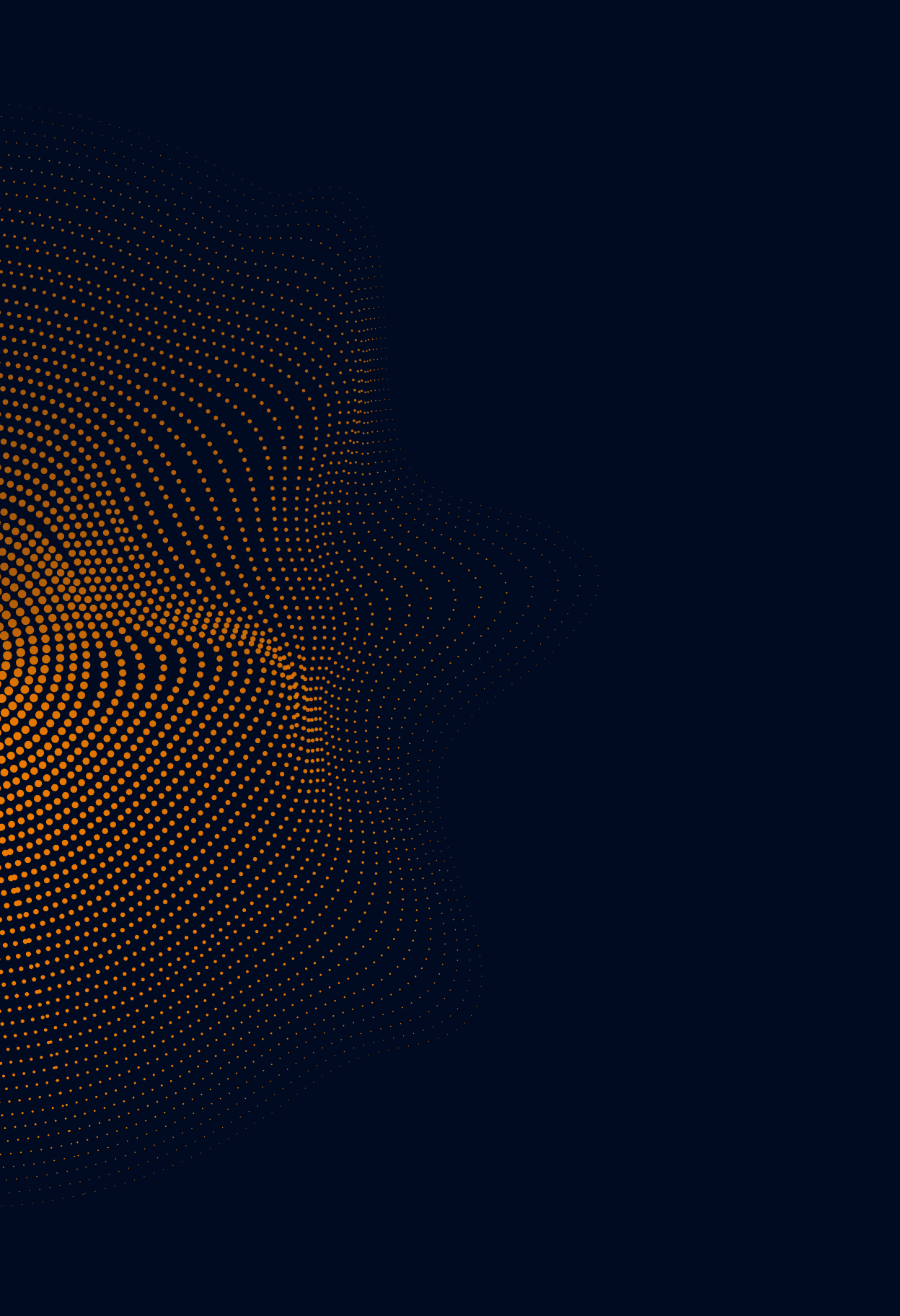
زیر جائزہ دورا نے میں کمپنی نے بعد از گیس 83 ملین روپے کا خالص منافع کمایا جبکہ گزشتہ سال اسی دورا نے میں کمپنی نے 380 ملین روپے کا خالص منافع کمایا تھا جس کے نتیجے میں فی حصص آمدن 6.35 روپے سے کم ہو کر 1.40 روپے فی حصص رہ گئی۔ مالیاتی اخراجات میں 40% کمی کے باوجود کم شرح منافع کا خلا صد درجہ ذیل ہے۔

1) کرٹھک بیزن 2020-21 کے دوران گئے کی مقرر کردہ فی من قیمت بھجاب میں 190 روپے فی من سے بڑھا کر 200 روپے فی من جبکہ سندھ میں 192 روپے سے بڑھا کر 202 روپے فی من مقرر کر گئی۔ تاہم اوسط قیمت پر نہیں گنا خریدنا پڑا 255 روپے فی من تھا جو کہ حکومت کی مقرر کردہ قیمت سے کہیں زیادہ ہے جبکہ گزشتہ سال اس کی اوسط قیمت خرید 214 روپے فی من تھی۔ اوسط قیمت خرید میں 16% اضافے سے چینی کی پیداواری لاگت میں اضافہ ہو گیا۔ دونوں کمپنیوں نے تقریباً 9.5 ارب روپے کی رقم مقرر کردہ قیمت سے زائد آمد کی۔ رواں سال گئے کے کاشتکار بہتر قیمت اور بڑھتی ہوئی کافرٹ کاؤنٹ بروقت ادائیگی پر بہت خوش تھے۔

2) اس سال چینی کی پیداواری تناسب کی 38 فی پی ایس پوائنٹ کی کم وصولی کی بنیادی وجہ کرٹھک بیزن کا 15 سے 20 دن جلد آغا ز تھا۔ اس کی وجہ سے شرح منافع پر منفی اثرات مرتب ہوئے۔

3) اگست 2020 کے دوران آزاد چینی بجلی پر ڈیسورس کے ساتھ کمپنی برائے مدد کرات کے ساتھ مفاہمت نامے پر دستخط کرنے کے بعد کمپنی کے 26.35 میگا واٹ کے دو پاور پروڈیکٹس کی بجلی کی بتایا ادا کی گئی ہے۔ شملک اور نیوف اجزاء میں تریم کے بعد ہم نے 12 فروری 2021 کو پی پی پی ایس۔ جی کے ساتھ "ماسٹر ایگریمنٹ" اور "پی پی پی ایس" کے تریمس معاہدہ کیا۔ جیسا کہ ماسٹر معاہدے میں اتفاق ہوا، 30 نومبر 2020 کو 2,042 ملین روپے کا بتایا رقم جو ہمارے معاملے میں واجب الوصول تھی کی ادائیگی دو اقساط میں ہوگی، یعنی جون میں متوقع رقم کا چالیس فیصد ادا کیا جائے گا اور باقی ساٹھ فیصد بجلی قسط کی ادائیگی کے چھ ماہ کے بعد اس سال دسمبر کے اختتام تک ادا کی جائے گی۔ ہر قسط کی ایک تہائی نقد ادائیگی پر مشتمل ہوگی، ایک تہائی 5 سے 10 سال تک کے سکوک بانڈز کے اجراء اور باقی ایک تہائی پاکستان انویسٹمنٹ بانڈز کے کس سال کی بلز کی صورت میں ادا ہوگی۔ مزید برآں، کمپنی نے، بڑے قومی مفاد میں، رضا کارانہ طور پر کچھ مراعات دینے پر اتفاق کیا ہے جس میں کمرشل آپریشن کی کاربنوں سے مؤثر 45 فیصد پلانٹ عنصر سے بھی زیادہ توانائی کے لئے پیچھے جانے والے اور مقررہ توانائی کی ادائیگی کا 70 فیصد بھی شامل ہے۔ نتیجہ کے طور پر گیسٹ انرجی ویری ایبل کی مدد میں قابل وصول 3,326 ملین روپے کو کمالات سے خارج کیا گیا۔

4) افراط زر کی بدولت تنخواہوں میں سالانہ اضافہ اور دیگر عوامل کی لاگت میں اضافہ ہوا۔



03

CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

- 16 Independent Auditors' Review Report to the Members
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INDEPENDENT AUDITORS'

Review Report to the Members of JDW Sugar Mills Limited Report on Review of Condensed Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of JDW Sugar Mills Limited as at 31 March 2021 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the condensed interim unconsolidated financial statements for the half year then ended (here-in-after referred to as "condensed interim unconsolidated financial statements"). Management is responsible for the preparation and presentation of these condensed interim unconsolidated 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 condensed interim unconsolidated financial statements based on our review. The figures of the condensed interim unconsolidated statement of profit or loss and condensed interim unconsolidated statement of comprehensive income for the quarters ended 31 March 2021 and 31 March 2020 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 March 2021.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim unconsolidated 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 condensed interim unconsolidated financial statements are not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to note 12.1.1 to these condensed interim unconsolidated financial statements, which states that Commission of Inquiry has highlighted discrepancies with respect to crushing capacity of the Company and standard business practice of Pakistan sugar industry. Our conclusion is not modified in respect of this matter.

The engagement partner on the review resulting in this independent auditor's review report is Muhammad Ali Rafique.

28 May 2021
Lahore


Riaz Ahmad, Saqib, Gohar & Company
Chartered Accountants

RIAZ AHMAD, SAQIB, GOHAR & CO.
Chartered Accountants

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**CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**
As at 31 March 2021

	Note	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	6	597,766,610	597,766,610
Share premium reserve		678,316,928	678,316,928
Accumulated profit		8,379,953,626	8,296,557,525
		9,656,037,164	9,572,641,063
NON-CURRENT LIABILITIES			
Long term finances - secured	7	10,604,930,560	11,482,527,333
Lease liabilities	8	517,384,089	766,591,223
Deferred taxation		667,840,146	994,001,202
Retirement benefits		14,744,437	104,616,023
Deferred income - Government grant		8,114,662	18,022,964
		11,813,013,894	13,365,758,745
CURRENT LIABILITIES			
Short term borrowings	9	18,296,237,210	9,307,988,486
Current portion of non-current liabilities		4,628,286,618	3,560,121,140
Trade and other payables	10	2,846,569,351	2,251,687,573
Advances from customers	11	5,798,346,021	2,678,183,171
Unclaimed dividend		33,914,443	33,943,018
Accrued profit / interest / mark-up		477,463,188	322,559,265
		32,080,816,831	18,154,482,653
CONTINGENCIES AND COMMITMENTS			
	12	53,549,867,889	41,092,882,461
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	20,278,880,811	20,772,422,620
Right-of-use assets	14	950,118,572	1,157,421,198
Investment property		185,854,012	185,854,012
Intangibles		613,749,967	614,769,832
Long term investments	15	1,084,012,500	1,083,252,500
Long term deposits		54,137,512	57,116,542
		23,166,753,374	23,870,836,704
CURRENT ASSETS			
Right-of-use assets	14	33,382,604	19,040,329
Short term investments	15	570,053,405	570,053,405
Biological assets	16	513,526,483	1,820,115,980
Stores, spare parts and loose tools		1,654,931,027	1,540,502,239
Stock-in-trade	17	20,919,400,687	3,985,441,491
Trade receivables		5,433,613,901	8,451,790,699
Advances, deposits, prepayments and other receivables		681,581,090	513,874,445
Advance tax - net		345,460,111	192,647,995
Cash and bank balances	18	231,165,207	128,579,174
		30,383,114,515	17,222,045,757
		53,549,867,889	41,092,882,461

The annexed notes from 1 to 27 form an integral part of this condensed interim unconsolidated financial statements.

Chief Financial Officer

Chief Executive

Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

For the half year and quarter ended 31 March 2021

	Note	Six months ended		Three months ended	
		31-Mar-21 Rupees	31-Mar-20 Rupees	31-Mar-21 Rupees	31-Mar-20 Rupees
Gross revenue		32,855,744,337	28,577,779,662	17,498,422,141	12,938,425,509
Sales tax and commission		(3,727,513,224)	(3,634,243,586)	(1,864,377,015)	(1,238,803,192)
Revenue from contracts with customers	19	29,128,231,113	24,943,536,076	15,634,045,126	11,699,622,317
Cost of revenue		(24,359,564,330)	(21,247,322,444)	(13,844,197,269)	(9,496,890,275)
Gross profit		4,768,666,783	3,696,213,632	1,789,847,857	2,202,732,042
Administrative expenses		(1,006,914,455)	(853,590,464)	(562,120,480)	(521,760,337)
Selling expenses		(23,885,728)	(47,150,867)	(14,590,025)	(38,198,239)
Other income	20	920,598,072	78,353,497	379,945,514	41,529,949
Other expenses	21	(3,363,982,362)	(434,748,435)	(4,196,600)	(384,263,018)
		(3,474,184,473)	(1,257,136,269)	(200,961,591)	(902,691,645)
Profit from operations		1,294,482,310	2,439,077,363	1,588,886,266	1,300,040,397
Finance cost		(1,136,090,613)	(1,899,038,335)	(669,390,382)	(1,021,498,698)
Profit before taxation		158,391,697	540,039,028	919,495,884	278,541,699
Taxation		(74,995,596)	(160,536,164)	(209,553,307)	(37,966,812)
Profit for the period		83,396,101	379,502,864	709,942,577	240,574,887
Earnings per share - basic and diluted		1.40	6.35	11.88	4.02

The annexed notes from 1 to 27 form an integral part of this condensed interim unconsolidated financial statements.

Chief Financial Officer

Chief Executive

Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the half year and quarter ended 31 March 2021

	Six months ended		Three months ended	
	31-Mar-21 Rupees	31-Mar-20 Rupees	31-Mar-21 Rupees	31-Mar-20 Rupees
Profit for the period	83,396,101	379,502,864	709,942,577	240,574,887
Other comprehensive income for the period	–	–	–	–
Total comprehensive income for the period	83,396,101	379,502,864	709,942,577	240,574,887

The annexed notes from 1 to 27 form an integral part of this condensed interim unconsolidated financial statements.

Chief Financial Officer

Chief Executive

Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)

For the half year ended 31 March 2021

	Note	31-Mar-21 Rupees	31-Mar-20 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		158,391,697	540,039,028
Adjustments for non-cash income and expenses:			
Trade receivables written off		3,325,977,231	–
Finance cost		1,136,090,613	1,899,038,335
Depreciation of operating fixed assets		768,736,814	814,324,472
Depreciation of right-of-use assets		439,405,929	29,102,945
Sugarcane roots written off		301,411,540	214,249,480
Staff retirement benefits		66,177,934	62,674,250
Workers' Profit Participation Fund		8,506,536	29,003,170
Amortization of transaction cost		3,272,370	–
Workers' Welfare Fund		3,232,484	11,021,205
Amortization of intangible assets		1,019,864	1,019,864
Fair value gain on initial recognition of agricultural produce		(727,907,521)	–
Net fair value gain on biological assets		(67,895,573)	(14,509,104)
Gain on disposal of operating fixed assets		(19,203,297)	(12,654,301)
Interest income		(1,688,730)	–
Provision for doubtful advances		–	21,007,177
Impairment allowance against sugar export subsidy and trade debts		–	373,716,883
Provision for obsolescence		–	142,792,482
Assets written off		–	37,604
		5,237,136,194	3,570,824,462
		5,395,527,891	4,110,863,490
Working capital changes:			
Stores, spare parts and loose tools		(114,428,788)	(239,462,335)
Stock-in-trade		(16,933,959,196)	(12,682,142,734)
Biological assets		1,797,484,728	1,535,732,782
Advances, deposits, prepayments and other receivables		(167,706,645)	(79,871,615)
Trade receivables		(307,800,433)	7,072,311
Trade and other payables		716,291,980	1,319,332,861
Advances from customers		3,120,162,850	3,223,421,393
		(11,889,955,504)	(6,915,917,337)
		(6,494,427,613)	(2,805,053,847)
Cash used in operations			
Taxes paid		(553,968,768)	(180,940,124)
Staff retirement benefits paid		(160,044,716)	(47,569,502)
Interest income received		1,688,730	–
Workers' Profit Participation Fund paid		(129,154,026)	(12,634,718)
		(841,478,780)	(241,144,344)
		(7,335,906,393)	(3,046,198,191)
Net cash used in operations			
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(437,721,516)	(453,458,463)
Advances for future issuance of shares		(760,000)	(1,000,000)
Long term deposits - net		2,979,030	2,612,175
Investment made in associate		–	(2,500)
Proceeds from disposal of operating fixed assets		32,412,825	18,478,094
		(403,089,661)	(433,370,694)
Net cash used in investing activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - net		315,257,834	1,043,963,382
Short term borrowings - net		11,124,401,472	7,369,661,176
Financial charges paid as:			
- finance cost		(897,801,620)	(1,881,078,998)
- Interest on lease liability		(83,385,072)	(85,244,497)
Principal portion of lease liability paid		(480,709,204)	(468,399,728)
Dividend paid		(28,575)	(594,659,288)
		9,977,734,835	5,384,242,047
Net cash generated from financing activities			
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of the period			
Cash and cash equivalents at end of the period			
Cash and cash equivalents comprise of the following:			
- Cash and bank balances	18	231,165,207	287,462,468
- Running / Morabaha / Karobar / Musharakah finances	9.2 & 9.5	(1,217,597,105)	(1,922,722,078)
		(986,431,898)	(1,635,259,610)

The annexed notes from 1 to 27 form an integral part of this condensed interim unconsolidated financial statements.

Chief Financial Officer

Chief Executive

Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the half year ended 31 March 2021

	Share capital	Reserves				Total equity
		Capital	Revenue		Total reserves	
		Share premium	Accumulated profit			
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 October 2019	597,766,610	678,316,928	7,496,780,938	8,175,097,866	8,772,864,476	
Total comprehensive income for the period	–	–	379,502,864	379,502,864	379,502,864	
Transaction with owners of the Company						
Final dividend for the year ended						
30 September 2019 @ Rs. 10.00 per share	–	–	(597,766,610)	(597,766,610)	(597,766,610)	
Balance as at 31 March 2020	597,766,610	678,316,928	7,278,517,192	7,956,834,120	8,554,600,730	
Balance as at 01 October 2020	597,766,610	678,316,928	8,296,557,525	8,974,874,453	9,572,641,063	
Total comprehensive income for the period	–	–	83,396,101	83,396,101	83,396,101	
Balance as at 31 March 2021	597,766,610	678,316,928	8,379,953,626	9,058,270,554	9,656,037,164	

The annexed notes from 1 to 27 form an integral part of this condensed interim unconsolidated financial statements.

Chief Financial Officer

Chief Executive

Director

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

For the half year ended 31 March 2021

1 REPORTING ENTITY

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

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

2 BASIS OF PREPARATION

2.1 Basis of accounting

2.1.1 These condensed interim unconsolidated financial statements comprise of the condensed interim unconsolidated statement of financial position of the Company as at 31 March 2021 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows and together with the notes forming part thereof for the half year ended 31 March 2021.

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

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

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

2.1.3 These condensed interim unconsolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual audited unconsolidated financial statements for the year ended 30 September 2020.

2.1.4 Comparative unconsolidated statement of financial position numbers is extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 September 2020, whereas comparative figures of unconsolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows are stated from unaudited condensed interim unconsolidated financial statements of the Company for the half year ended 31 March 2020.

2.1.5 These condensed interim unconsolidated financial statements are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ("the Act") and the Listing Regulations of Pakistan Stock Exchange Limited and are unaudited but subject to limited scope review by external auditors as required by the Act and Listed Companies (Code of Corporate Governance) Regulations, 2019.

2.1.6 These condensed interim unconsolidated financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

3 USE OF ESTIMATES AND JUDGMENTS

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

In preparing the condensed interim unconsolidated financial statements, the significant judgments made by the management in applying accounting policies and the key source of estimation uncertainty are the same as those applied in the preparation of audited unconsolidated financial statements for the year ended 30 September 2020.

4 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

4.1 The accounting policies and the methods of computation adopted in the preparation of the condensed interim unconsolidated financial statements are same as those applied in the preparation of the audited unconsolidated financial statements for the year ended 30 September 2020.

4.2 Standards, amendments and interpretations to existing standards that are not yet effective and /or have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after 01 October 2020, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim unconsolidated financial statements.

5 SEASONALITY OF OPERATIONS

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

	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees
6 SHARE CAPITAL		
6.1 Authorized share capital		
75,000,000 (30 September 2020: 75,000,000)		
ordinary shares of Rs. 10 each	750,000,000	750,000,000
25,000,000 (30 September 2020: 25,000,000)		
preference shares of Rs. 10 each	250,000,000	250,000,000
	<u>1,000,000,000</u>	<u>1,000,000,000</u>
6.2 Issued, subscribed and paid up share capital		
32,145,725 (30 September 2020: 32,145,725)		
ordinary shares of Rs. 10 each fully paid in cash	321,457,250	321,457,250
27,630,936 (30 September 2020: 27,630,936)		
voting bonus shares of Rs. 10 each fully paid	276,309,360	276,309,360
	<u>597,766,610</u>	<u>597,766,610</u>

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

For the half year ended 31 March 2021

	Note	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees	
7 LONG TERM FINANCES - SECURED				
Mark-up bearing finances from conventional banks / financial institutions	7.1	13,709,374,148	13,626,959,838	
Islamic mode of financing	7.2	967,756,419	717,756,419	
		14,677,130,567	14,344,716,257	
Current portion presented under current liabilities:				
Mark-up bearing finances from conventional banks / financial institutions		(3,742,884,976)	(2,685,652,808)	
Islamic mode of financing		(291,269,235)	(135,217,950)	
		(4,034,154,211)	(2,820,870,758)	
Less: Transaction cost		(41,318,166)	(45,975,000)	
Add: Amortization of transaction cost		3,272,370	4,656,834	
		(38,045,796)	(41,318,166)	
	7.4	10,604,930,560	11,482,527,333	
7.1 Mark-up bearing finances from conventional banks / financial institutions				
Balance at beginning of the period / year		13,626,959,838	6,326,126,662	
Finances received during the period / year	7.1.1	611,926,633	11,619,943,509	
Repayments / adjustment during the period / year		(529,512,323)	(4,319,110,333)	
		13,709,374,148	13,626,959,838	
7.1.1 Finances received during the period				
	Markup basis	Duration	Grace period	Amount Rupees
Pak Libya Holding Company Limited	*3mk + 1.00	4.5 Years	0.5 Year	450,000,000
Habib Bank Limited - SBP Refinance Scheme	**SBP Rate + 1.50	2.5 Years	0.5 Year	161,926,633
				611,926,633
*3 mk i.e. 3 months KIBOR				
**SBP rate i.e. 0%				
	Note	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees	
7.2 Islamic mode of financing				
Balance at beginning of the period / year		717,756,419	2,709,682,703	
Finances received during the period / year	7.2.1	250,000,000	-	
Repayments during the period / year		-	(1,991,926,284)	
		967,756,419	717,756,419	
7.2.1 Finances received during the period				
	Profit / Interest basis	Duration	Grace period	Amount Rupees
Bank Islami Pakistan Limited	3mk + 1.25	04 Years	01 Year	250,000,000

- 7.3** During the period, the Company continued the arrangement with Habib Bank Limited for obtaining term finance facility under Refinance Scheme for payment of Wages & Salaries by the State Bank of Pakistan (SBP) at subsidized rate, earmarked from running and cash finance limit, which is repayable in 8 quarterly installments to a commercial bank under the SBP Refinance Scheme. There is no change in the status of measurement of such loan as set out in note 8.2 to the Company's unconsolidated financial statements for the year ended 30 September 2020. This grant is conditional subject to fulfillment of certain conditions as mentioned in the SBP Refinance Scheme.
- 7.4** Long term finances are secured against ranking / joint parri passu charge over all present and future fixed assets including land, building, plant and machinery of the Company amounting to Rs. 20,374 million (30 September 2020: Rs.19,439 million) and personal guarantees of sponsor directors of the Company..

	Note	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees
8 LEASE LIABILITIES			
Balance at beginning of the period / year		1,460,474,747	224,596,749
Impact of initial application of IFRS 16		–	1,508,973,262
Adjusted balance as at 01 October		1,460,474,747	1,733,570,011
Additions during the period / year		93,632,272	398,032,110
Early termination / remeasurement of lease liabilities		–	(1,219,120)
Finance cost regarding lease arrangement		74,085,691	165,857,652
Lease payments / adjustments		(554,794,898)	(835,765,906)
		1,073,397,812	1,460,474,747
Less: Current maturity presented under current liabilities		(556,013,723)	(693,883,524)
Balance at end of the period / year	8.1	517,384,089	766,591,223

- 8.1** This includes Rs. 239.25 million and Rs. 35.32 million (30 September 2020: Rs. 194.97 million and Rs. 56.80 million) outstanding under Diminishing Musharakah financing arrangement and conventional banks respectively.

	Note	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees
9 SHORT TERM BORROWINGS			
Mark-up based borrowings from conventional banks - secured			
Cash finances	9.1	8,699,986,500	1,823,866,061
Running finances	9.2	992,597,105	2,053,749,853
Finance against trust receipts	9.3	64,278,980	76,872,572
		9,756,862,585	3,954,488,486
Islamic mode of financing - secured			
Salam / Istisna / Musawamah finances	9.4	6,354,374,625	1,433,500,000
Morabaha / Karobar / Musharakah finances	9.5	225,000,000	1,300,000,000
		6,579,374,625	2,733,500,000
Borrowings from related party - unsecured			
Deharki Sugar Mills (Private) Limited	9.6	1,960,000,000	2,620,000,000
		18,296,237,210	9,307,988,486

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

For the half year ended 31 March 2021

- 9.1** The mark-up rate applicable during the period ranges from one to three months KIBOR plus 50 to 125 bps per annum (30 September 2020: one to three months KIBOR plus 20 to 100 bps per annum).
- 9.2** The mark-up rate applicable during the period ranges from one to three months KIBOR plus 75 to 100 bps per annum (30 September 2020: one to three months KIBOR plus 65 to 100 bps per annum).
- 9.3** The mark-up rate applicable during the period ranges from one to six months KIBOR plus 100 to 250 bps per annum (30 September 2020: one to six months KIBOR plus 100 bps per annum).
- 9.4** The mark-up rate applicable during the period ranges from three to six months KIBOR plus 50 to 100 bps per annum (30 September 2020: three to twelve months KIBOR plus 20 to 100 bps per annum).
- 9.5** The mark-up rate applicable during the period ranges from three to twelve months KIBOR plus 75 to 100 bps per annum (30 September 2020: three to six months KIBOR plus 75 to 100 bps per annum).
- 9.6** This represents interest bearing advance received from Deharki Sugar Mills (Private) Limited, a wholly owned subsidiary, to meet working capital requirements at an average interest rate ranges from 8.26% to 8.31% per annum (30 September 2020: 8.05% to 14.86% per annum).
- 9.7** The available facilities for opening letters of credit and guarantee as on the reporting date aggregate to Rs. 1,650 million (30 September 2020: Rs. 1,277 million) of which facilities unutilized as on the reporting date amounting to Rs. 802 million (30 September 2020: Rs. 350 million).
- 9.8** The securities offered are the same as disclosed in the audited unconsolidated financial statements of the Company for the year ended 30 September 2020.

10 TRADE AND OTHER PAYABLES

Balance as at 31 March 2021 mainly includes payable to trade creditors aggregates to Rs. 1,488 million (30 September 2020: Rs. 1,208 million).

11 ADVANCES FROM CUSTOMERS

Balance as at 31 March 2021 mainly includes advances received from customers against sale of sugar aggregates to Rs. 5,345 million (30 September 2020: Rs. 1,531 million).

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

- 12.1.1** The Ministry of Interior (GoP) had constituted the Inquiry Commission under the Pakistan Commission of Inquiry Act, 2017 dated 16 March 2020 to probe into the increase in sugar prices in the country. The Commission of Inquiry selected 10 units of sugar mills including 3 units of the Company, accordingly report of the Inquiry Commission has been issued dated 21 May 2020. The Commission of Inquiry in its report has highlighted discrepancies with respect to Benami Transactions (Prohibition) Act, 2017 with respect to the standard business practice of Pakistan sugar industry. The Commission of Inquiry has revealed that names of the brokers may be masked, by the sugar mills, and there is risk of

sales in benami / fictitious names. The Commission of Inquiry in its report has also highlighted discrepancies in crushing capacity of the Company (refer to note 45 of unconsolidated financial statements for the year ended 30 September 2020) and claimed that such enhancement and enlargement was made in the period of ban on capacity enhancement / enlargement. (Show cause notices have already been issued by the Directorate of Industries, Punjab for both Units I and II way back in 2014 and matter is still pending). Pakistan Sugar Mills Association (PSMA) along with its member sugar mills, including the Company, filed writ petition before the Honorable Islamabad High Court (IHC) challenging the initiation of inquiry, Constitution of the Commission Inquiry and all action taken pursuant thereto. Vide short order dated 20 June 2020 the writ petition was disposed off and the commission's report upheld. PSMA along with its member sugar mills, including the Company, challenged the order before the Division Bench of IHC in Intra Court Appeal (ICA) No. 156 of 2020. This ICA was dismissed on 08 August 2020. Subsequent to year end, on 26 October 2020, PSMA and the Company filed Civil Petition for to Leave to Appeal (CPLA) No. 2697 of 2020 against the judgment dated 08 August 2020 before the Honorable Supreme Court of Pakistan. The Company has a good prime facie case.

12.1.2 There is no material change in the status of contingencies from the preceding audited unconsolidated financial statements of the Company for the year ended 30 September 2020, except for the contingencies, guarantees and commitments as disclosed below:

12.1.3 During the period, the Company has received various notices from Competition Commission of Pakistan under section 30 of the Competition Act, 2010. The management of the Company, based on its discussion with legal consultants, is confident that the ultimate outcome of this case will be in Company's favor.

12.1.4 Guarantees issued by the banks on behalf of the Company in favor of various parties as at the reporting date amounts to Rs. 758 million (30 September 2020: Rs. 672 million).

12.1.5 Counter guarantee given by the Company to the bankers on account of agricultural loan as at the reporting date amounts to Rs. 2,353 million (30 September 2020: Rs. 1,800 million).

12.1.6 Guarantees issued by the banks on behalf of the Company in favor of Sadiqabad Power (Private) Limited and Ghotki Power (Private) Limited, wholly owned subsidiary companies, as at the reporting date aggregate amounts to Rs. 35 million (30 September 2020: Rs. 37 million).

	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees
12.2 Commitments		
12.2.1 Letters of credit for import of machinery and its related components	52,999,040	111,385,896

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

For the half year ended 31 March 2021

	Note	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees
13 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	13.1	20,129,424,688	20,619,247,850
Capital work in progress	13.2	9,220,362	14,599,420
Stores, spare parts and loose tools held for capital expenditure		140,235,761	138,575,350
		<u>20,278,880,811</u>	<u>20,772,422,620</u>
13.1 Operating fixed assets			
Net book value at beginning of the period / year		20,619,247,850	21,365,668,172
Additions during the period / year		443,100,574	1,026,561,181
Transfer from right-of-use assets - net book value		11,282,862	5,036,112
Deletions during the period / year - net book value		(314,621,068)	(227,628,177)
Depreciation charged / capitalized during the period / year		(629,585,530)	(1,358,910,729)
Impact of adoption of IFRS 16		—	(230,182,809)
Transfer from investment property during the period / year		—	38,704,100
Net book value at end of the period / year		<u>20,129,424,688</u>	<u>20,619,247,850</u>
13.2 Capital work in progress			
Opening balance		14,599,420	464,469,761
Additions during the period / year		9,577,619	491,528,872
Transfers made during the period / year		(14,956,677)	(941,399,213)
Closing balance		<u>9,220,362</u>	<u>14,599,420</u>
	Note	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees
14 RIGHT-OF-USE ASSETS			
Net book value at beginning of the period / year		1,176,461,527	—
Impact of adoption of IFRS 16		—	1,266,948,393
Additions during the period / year		93,632,272	404,764,454
Deletions during the period / year - net book value		—	(462,019)
Transfer to operating fixed assets - net book value		(11,282,862)	(5,036,112)
Depreciation charged for the period / year		(275,309,761)	(489,753,189)
Net book value at end of the period / year	14.1	<u>983,501,176</u>	<u>1,176,461,527</u>
Less: Current maturity presented in current assets		(33,382,604)	(19,040,329)
		<u>950,118,572</u>	<u>1,157,421,198</u>

	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees
14.1 The right-of-use assets relate to following type of assets:		
Land	616,536,888	839,299,150
Vehicles	300,616,288	253,601,056
Building	66,348,000	83,561,321
Total right-of-use assets	983,501,176	1,176,461,527

Note	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees
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15 LONG TERM INVESTMENTS

Investment in subsidiary companies - unquoted	15.1	1,654,063,405	1,653,303,405
Investment in associated companies - unquoted	15.2	2,500	2,500
		1,654,065,905	1,653,305,905

Less: Classified under current assets as short term investments

Faruki Pulp Mills Limited ("FPML")	(570,053,405)	(570,053,405)
JDW Power (Private) Limited ("JDWPL")	—	—
	(570,053,405)	(570,053,405)

Classified under non-current assets

	1,084,012,500	1,083,252,500
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15.1 Investment in subsidiary companies - unquoted Deharki Sugar Mills (Private) Limited ("DSML")

104,975,000 (30 September 2020: 104,975,000) fully paid shares of Rs. 10 each		
Equity held 100% (30 September 2020: 100%)	1,049,750,000	1,049,750,000

Faruki Pulp Mills Limited ("FPML")

310,892,638 (30 September 2020: 310,892,638) fully paid ordinary shares of Rs. 10 each		
Equity held 57.67% (30 September 2020: 57.67%)	3,154,426,383	3,154,426,383
Accumulated impairment allowance	(2,584,372,978)	(2,584,372,978)
	570,053,405	570,053,405

Sadiqabad Power (Private) Limited ("SPL")

1,000,100 (30 September 2020: 1,000,100) fully paid shares of Rs. 10 each		
Equity held 100% (30 September 2020: 100%)	10,001,000	10,001,000
Advances for future issuance of shares	6,944,000	6,549,000
	16,945,000	16,550,000

Ghotki Power (Private) Limited ("GPL")

1,000,100 (30 September 2020: 1,000,100) fully paid shares of Rs. 10 each		
Equity held 100% (30 September 2020: 100%)	10,001,000	10,001,000
Advances for future issuance of shares	7,314,000	6,949,000
	17,315,000	16,950,000
	1,654,063,405	1,653,303,405

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

For the half year ended 31 March 2021

	Note	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees
15.2 Investment in associated companies - unquoted			
Kathai-II Hydro (Private) Limited ("KHL")			
250 (30 September 2020: 250)			
fully paid shares of Rs. 10 each			
Equity held 20% (30 September 2020: 20%)		2,500	2,500
JDW Power (Private) Limited ("JDWPL")			
9,000,000 (30 September 2020: 9,000,000)			
fully paid shares of Rs. 10 each			
Equity held 47.37% (30 September 2020: 47.37%)		90,000,000	90,000,000
Accumulated impairment allowance		(90,000,000)	(90,000,000)
	15.2.1	–	–
		2,500	2,500

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

16 BIOLOGICAL ASSETS

The fair value of standing sugarcane other than wheat and mustard crop (other crops) is carried at the accumulated costs amounting to Rs. 417 million (31 March 2020: Rs. 422 million), which approximate the fair value since little biological transformation has taken place due to the seasonal nature of the crop and the impact of the transformation on price is not expected to be material. While in absence of active market for wheat and mustard crops, the fair value measurement for the standing crop has been categorized as Level 3 fair value based on the inputs to the valuation techniques used. Fair value has been determined on the basis of a discounted cash flow model. The valuation model considers the present value of net cash flows expected to be generated by the plantation. The cash flow projections include specific estimates for next period which mainly include crop's expected yield. The expected cash flows are discounted using a risk adjusted discount rate. The valuation technique and significant unobservable inputs include valued plantation, estimated yield per acre, estimated future wheat and mustard crop and risk-adjusted discount rate. Due to seasonal nature of sugarcane and other crops, a transfer out of sugarcane amounting to Rs. 1,816 million from level 3 and transfer in of other crops amounting to Rs. 95 million into Level 3 has been made during the period respectively (31 March 2020: Rs. 2,013 million and Rs. 42 million).

16.1 Valuation techniques and significant unobservable inputs

The key variables, assumptions and the impact of changes in those is given below:

		(Un-audited) 31-Mar-21	
	Unit	Wheat	Mustard
Valued plantations (Actual)			
- Punjab Zone	Acres	151	342
- Sindh Zone	Acres	886	59
Projected production costs and costs to sell			
- Punjab Zone	Acres	25,914	16,401
- Sindh Zone	Acres	23,171	5,453
Estimated yield per acre			
- Punjab Zone	Maunds	30	13
- Sindh Zone	Maunds	40	5
Harvest age	Months	5-6	5-6
Estimated future market price per maunds			
- Punjab Zone	Rupees	1,800	4,230
- Sindh Zone	Rupees	2,000	3,500
Risk - adjusted discount rate	% per month	0.91%	0.91%

16.2 Sensitivity analysis

Impact of changes in key subjective assumptions on fair value of biological assets is given below:

		(Un-audited) 31-Mar-21	
	Unit	Increase / (Decrease)	
		Wheat	Mustard
Decrease of 10% in expected average yield per acre	Rupees	(7,827,036)	(1,895,785)
Increase of 10% in discount rate	Rupees	(75,050)	(19,081)

	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees
17 STOCK-IN-TRADE		
Sugar	18,823,989,949	3,675,127,479
Molasses - by product	1,097,430,201	—
Bagasse - by product	954,651,870	310,314,012
Mud - by product	43,328,667	—
	20,919,400,687	3,985,441,491

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

For the half year ended 31 March 2021

	Note	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees
18 CASH AND BANK BALANCES			
Current accounts			
Balance with conventional banks		61,281,667	121,049,340
Balance with islamic banks		157,045,678	2,688,984
		218,327,345	123,738,324
Saving accounts			
Deposit with conventional banks	18.1	2,138,872	321,377
		220,466,217	124,059,701
Cash in hand			
		10,698,990	4,519,473
		231,165,207	128,579,174

18.1 The balances in saving accounts carry mark-up at 5.5% per annum (30 September 2020: 5.5% to 11.25% per annum).

	Note	Six months ended		Three months ended	
		31-Mar-21 Rupees	31-Mar-20 Rupees	31-Mar-21 Rupees	31-Mar-20 Rupees
19 REVENUE FROM CONTRACTS WITH CUSTOMERS					
Disaggregation of revenue based on:					
19.1 Segments					
Sugar					
Sugar	19.1.1	20,304,240,591	17,151,332,857	10,067,996,030	5,974,661,188
Molasses - by product		4,147,379,489	3,426,305,591	2,713,041,373	2,669,088,257
Agri Inputs		1,552,241,475	1,189,752,102	1,551,988,510	1,188,122,343
Mud - by product		222,825,616	178,954,186	158,331,977	134,396,444
Bagasse - by product		–	180,388,610	–	26,976,152
		26,226,687,171	22,126,733,346	14,491,357,890	9,993,244,384
Co-Generation Power	19.1.2	1,824,125,628	1,753,822,351	895,465,828	1,181,369,784
Corporate Farms		1,077,418,314	1,062,980,379	247,221,408	525,008,149
		29,128,231,113	24,943,536,076	15,634,045,126	11,699,622,317
19.1.1 Sugar					
Local		20,304,240,591	16,992,233,032	10,067,996,030	5,815,561,363
Export - Asia		–	159,099,825	–	159,099,825
		20,304,240,591	17,151,332,857	10,067,996,030	5,974,661,188
19.1.2 Co-Generation Power					
Variable energy price		1,049,340,664	857,963,232	560,429,912	578,830,371
Fixed energy price		774,784,964	895,859,119	335,035,916	602,539,413
		1,824,125,628	1,753,822,351	895,465,828	1,181,369,784
19.2 Timing of revenue recognition					
Products transferred at a point in time		27,304,105,485	23,189,713,725	14,738,579,298	10,518,252,533
Products transferred over time		1,824,125,628	1,753,822,351	895,465,828	1,181,369,784
		29,128,231,113	24,943,536,076	15,634,045,126	11,699,622,317

20 OTHER INCOME

This mainly includes markup on delayed payment from CPPA-G of Rs. 69 million (31 March 2020: Rs. nil), scrap sale of Rs. 21 million (31 March 2020: Rs. 26 million), fair value gain on initial recognition of agricultural produce of Rs. 728 million (31 March 2020: Rs. nil), net fair value gain on biological assets of Rs. 68 million (31 March 2020: Rs. 15 million) and gain on disposal of operating fixed assets of Rs. 19 million (31 March 2020: Rs. 13 million).

21 OTHER EXPENSES

This mainly includes amount written off against fixed energy receivables from Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) amounting to Rs. 3,326 million (31 March 2020: Rs. nil) according to the terms agreed in Master and EPA Amendment Agreement between the Company and the CPPA-G. The Company has, in the larger National Interest, voluntarily agreed to provide certain concessions which includes foregoing 70% of fixed energy payment for energy dispatched above the annual 45% plant factor effective from Commercial Operation Date.

22 TRANSACTIONS WITH RELATED PARTIES

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

Name	Relationship	Nature of Transactions	31-Mar-21 Rupees	31-Mar-20 Rupees
i) Deharki Sugar Mills (Pvt.) Limited	Subsidiary Company (Equity held 100 percent)	Sale of sugarcane	1,048,539,359	1,026,269,504
		Short term advances paid	660,000,000	6,606,513,000
		Short term advances received	–	7,756,713,000
		Purchase of stores, spare parts and loose tools	99,541,406	170,000
		Markup expense on short term advances	86,489,656	100,158,744
		Reimbursement on use of the Company's aircraft	10,426,286	9,420,050
		Sale of stores, spare parts and loose tools	7,985,859	14,027,508
		Rent on land acquired on lease	4,292,650	4,292,650
		Purchase of bagasse	–	83,844,920
ii) Sadiqabad Power (Pvt.) Limited	Subsidiary Company (Equity held 100 percent)	Advances for future issuance of shares	395,000	1,000,000
iii) Ghotki Power (Pvt.) Limited	Subsidiary Company (Equity held 100 percent)	Advances for future issuance of shares	365,000	–
iv) JDW Aviation (Pvt.) Limited	Associated Company (Due to common directorship)	Reimbursement of expenses	2,189,338	2,454,762

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

For the half year ended 31 March 2021

Name	Relationship	Nature of Transactions	31-Mar-21 Rupees	31-Mar-20 Rupees
v) Post Employment Benefits Plan	Other related parties	Provident fund contribution	110,770,919	97,685,064
		Payment to recognised gratuity fund	104,659,256	1,036,059
		Short term advance	–	470,000,000
		Markup paid	–	8,093,836
vi) Directors and Key Management Personnel		Directors' remuneration and allowances	371,623,335	338,302,669
	Key Management	Consultancy services	7,196,328	6,672,860
	Kathal-II Hydro (Pvt.) Limited	Investment in shares	–	2,500

23 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in these condensed interim unconsolidated financial statements approximate their fair values other than mentioned below. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment in subsidiary companies and associates are carried at cost while biological assets other than standing sugarcane crop stated at fair value (for details, refer to note 15 & 16).

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

During the period, there were no transfers between level 2 and level 3 fair value measurement.

24 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the audited annual unconsolidated financial statements of the Company for the year ended 30 September 2020.

25 DATE OF AUTHORIZATION

These condensed interim unconsolidated financial statements have been approved by the Board of Directors of the Company and authorized for issue on 28 May 2021.

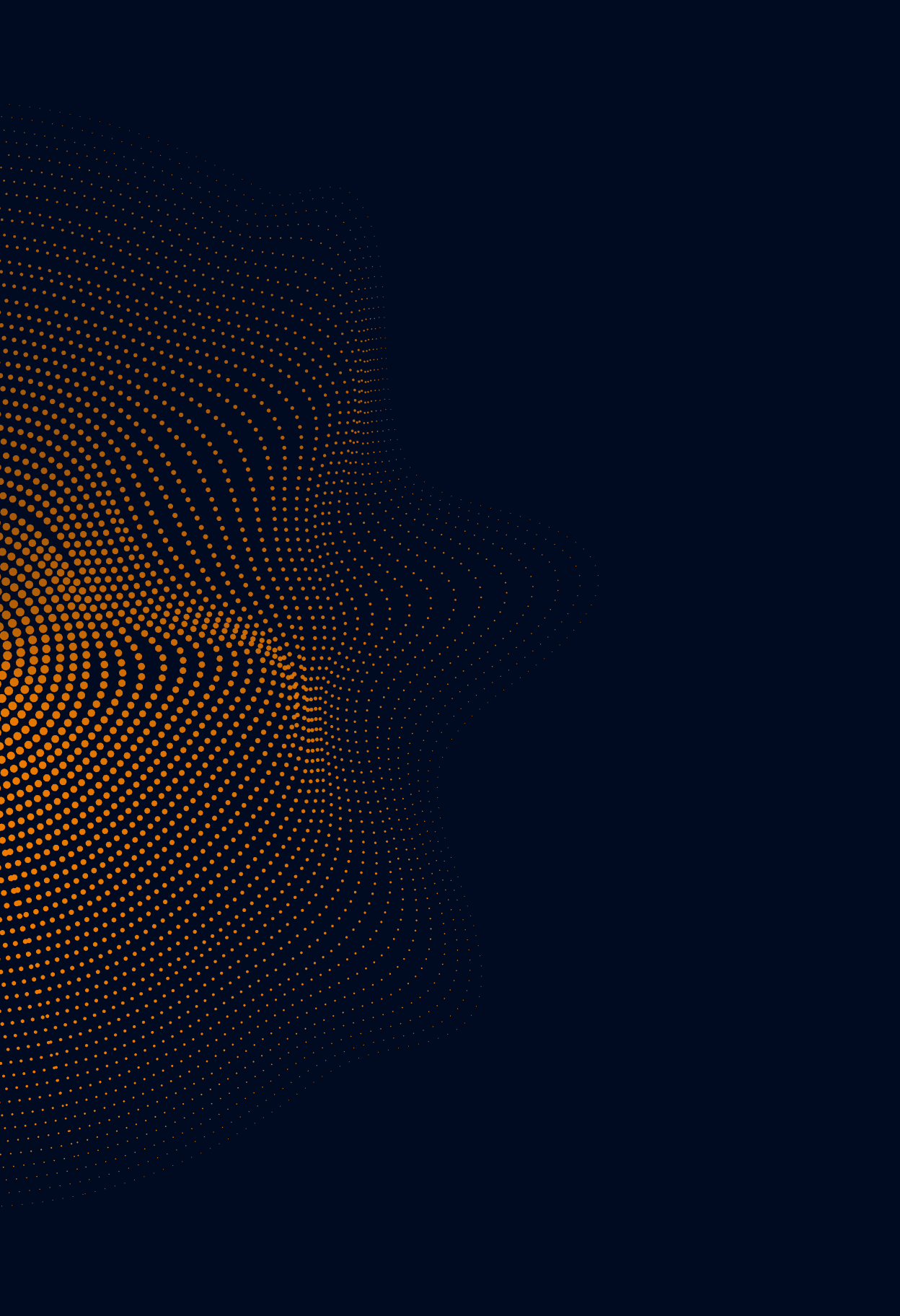
26 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework. However no significant reclassification have been made, except for following:

Sale of Mud - a by product, amounting to Rs. 179 million, previously classified under other income, has now been classified as revenue from contracts with customers under respective heads (refer note 19.1) for the purpose of better presentation.

27 EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

There are no material subsequent events occurred after the statement of financial position date.



04

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

38	Directors' Review
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DIRECTORS' REVIEW

on Condensed Interim Consolidated Financial Statements

The Directors are pleased to present the Condensed Interim Consolidated Financial Statements of JDW Sugar Mills Limited ("the Holding Company"), its Subsidiary Companies; Deharki Sugar Mills (Private) Limited, Faruki Pulp Mills Limited, Sadiqabad Power (Private) Limited and Ghotki Power (Private) Limited ("the Group") and its Associated Companies; JDW Power (Private) Limited and Kathai-II Hydro (Private) Limited for the half year ended 31 March 2021.

Deharki Sugar Mills (Private) Limited ("DSML") was incorporated in Pakistan on 14 July 2010. The principal activity of Subsidiary Company is production and sale of crystalline sugar. The Holding Company holds 100% shares of the Subsidiary Company.

Faruki Pulp Mills Limited ("FPML") was incorporated in Pakistan on 20 October 1991 as a public limited company, with the primary objective to manufacture and sale of paper pulp. The Holding Company holds 57.67% shares of the Subsidiary Company. Further FPML has been, for the considerable number of years, unable to commence its commercial operations and considering this fact management of subsidiary company has principally decided not to inject further funds in the company as significant capital expenditure are required. Moreover, keeping in view commercial viability of the plant as well as the substantial accumulated losses the management of the Subsidiary Company has determined that the company might not be able to realize its assets and discharge its liabilities in the normal course of business. During the last year, the FPML through a special resolution passed in its Extraordinary General Meeting held on 25 March 2020 resolved to dispose of its property, plant and equipment either in parts or in their entirety to prospective buyers after due process.

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

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

JDW Power (Private) Limited ("JDWPL") was incorporated in Pakistan on 08 August 2009 under the repealed Companies Ordinance, 1984. The principal activity of it is to build, own, operate, and maintain a Co-Generation Power Plant. The Holding Company holds 47.37% shares of the Associated Company.

Kathai-II Hydro (Private) Limited ("KHL") was incorporated in Pakistan on 27 August 2012 under the repealed Companies Ordinance, 1984. The principal activity of KHL is to generate, distribute and sell electricity. The Holding Company holds 20% shares of the Associated Company.

It is being confirmed that to the best of our knowledge, these condensed interim consolidated financial statements for the half year ended 31 March 2021 give a true and fair view of the assets, liabilities, financial position and financial results of the Group and are in conformity with approved accounting standards as applicable in Pakistan.

Financial Overview

The consolidated financial results are as follows:

	31-Mar-21	31-Mar-20
	(Rs in million)	
Gross Revenue	38,580	32,827
Revenue from Contracts with Customers	34,027	28,503
Profit from Operations	1,639	2,689
Profit before Tax	383	566
Profit after Tax	283	415

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

Lahore
28 May 2021

Chief Executive

Director

ڈائریکٹر کا جائزہ

ڈائریکٹر زرخوشی کے ساتھ بے ڈی ڈبلیو شوگر ملز اور اسکے زیریں ادارے ڈہری شوگر ملز پر انیویسٹ لمیٹڈ، فاروقی پلپ ملز لمیٹڈ، صادق آباد پاور پرائیویٹ لمیٹڈ، گھوٹکی پاور پرائیویٹ لمیٹڈ اور منسلک ادارے بے ڈی ڈبلیو پاور پرائیویٹ لمیٹڈ، کٹھالی ہائیڈرو-11 پرائیویٹ لمیٹڈ کی مالیاتی رپورٹ برائے پہلی چھ ماہی 31 مارچ 2021 پیش کر رہے ہیں۔

ڈہری شوگر ملز پر انیویسٹ لمیٹڈ کمپنی کو 14 جولائی 2010 کو قائم کیا گیا تھا۔ اس ذیلی ادارے کا بنیادی کام گنے سے چینی بنانا اور بیچنا ہے۔ اس ذیلی کمپنی کے 100 فیصد حصص بے ڈی ڈبلیو کے پاس ہیں۔

فاروقی پلپ ملز لمیٹڈ کو 20 اکتوبر 1991 کو پبلک لمیٹڈ کمپنی کے طور پر قائم کیا گیا تھا۔ اس ادارے کا بنیادی کام بیچہ پلپ بنانا اور بیچنا ہے۔ کمپنی اب تک کاروباری سرگرمی شروع نہیں کر سکی ہے۔ اس ذیلی کمپنی کے 57.67 فیصد حصص بے ڈی ڈبلیو کے پاس ہیں۔ پچھلے مالی سال میں کمپنی کی ناقص کاروباری حالت کو مد نظر رکھتے ہوئے فاروقی پلپ کمپنی کی مینجمنٹ نے خاص قرارداد اپنی ایکسٹرا آرڈینری جنرل میٹنگ منعقدہ 25 مارچ 2020 کو منظور کی۔ جس میں کمپنی کے اثاثے فروخت کرنے کی منظوری دی گئی۔ اثاثوں کی فروخت کا طریقہ کار تمام ضروری اقدامات مکمل کرنے کے بعد تکلیف میں ہوگا۔

گھوٹکی پاور پرائیویٹ لمیٹڈ کمپنی کو 15 دسمبر 2016 کو قائم کیا گیا تھا۔ اس ادارے کا بنیادی کام بجلی پیدا کرنا اور بیچنا ہوگا۔ اس ذیلی کمپنی کے 100 فیصد حصص بے ڈی ڈبلیو کے پاس ہیں۔

صادق آباد پاور پرائیویٹ لمیٹڈ کمپنی کو 16 دسمبر 2016 کو قائم کیا گیا تھا۔ اس ادارے کا بنیادی کام بجلی پیدا کرنا اور بیچنا ہوگا۔ اس ذیلی کمپنی کے 100 فیصد حصص بے ڈی ڈبلیو کے پاس ہیں۔

بے ڈی ڈبلیو پاور پرائیویٹ لمیٹڈ کمپنی کو ایک پرائیویٹ لمیٹڈ کمپنی کے طور پر قائم کیا گیا تھا۔ اس ادارے کا بنیادی کام بجلی پیدا کرنا اور بیچنا ہوگا۔ اس کمپنی کے 47.37 فیصد حصص بے ڈی ڈبلیو کے پاس ہیں۔

کٹھالی ہائیڈرو-11 پرائیویٹ لمیٹڈ کمپنی کو 27 اگست 2012 کو قائم کیا گیا تھا۔ اس ادارے کا بنیادی کام بجلی پیدا کرنا اور بیچنا ہے۔ اس کمپنی کے 20 فیصد حصص بے ڈی ڈبلیو کے پاس ہیں جو کمپنی نے 12 نومبر 2019 کو حاصل کیے تھے۔

ہم اس بات کی تصدیق کرتے ہیں کہ ہماری بہترین معلومات کے مطابق یہ سرماہی مالیاتی رپورٹ برائے 31 مارچ 2021 پاکستان میں منظور شدہ اکاؤنٹنگ سٹینڈرڈز کے مطابق ہے اور اپنے تمام اثاثوں، واجبات اور مالیاتی پوزیشن کی سچی اور منصفانہ تصویر پیش کر رہی ہے۔

مالیاتی نتائج مندرجہ ذیل ہیں:

31 مارچ 2020	31 مارچ 2021	ملین روپے
32,827		مجموعی فروخت
28,503	34,027	خالص فروخت
2,689	1,639	کارکردگی منافع
566	383	قبل از ٹیکس منافع
415	283	بعد از ٹیکس منافع

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

As at 31 March 2021

	Note	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	6	597,766,610	597,766,610
Share premium reserve		678,316,928	678,316,928
Accumulated profit		10,367,354,743	10,084,649,740
Equity attributable to owners of the Holding Company		11,643,438,281	11,360,733,278
Non-controlling interest		380,554,842	380,384,451
		12,023,993,123	11,741,117,729
NON-CURRENT LIABILITIES			
Long term finances - secured	7	12,907,817,261	13,693,321,658
Lease liabilities	8	517,384,089	766,591,223
Deferred taxation		664,060,622	1,050,724,523
Retirement benefits		14,744,437	104,616,023
Deferred income - Government grant		9,106,977	19,411,355
		14,113,113,386	15,634,664,782
CURRENT LIABILITIES			
Short term borrowings - secured	9	20,135,431,363	7,680,241,848
Current portion of non-current liabilities		5,007,965,682	3,781,258,895
Trade and other payables	10	3,586,846,669	2,820,956,936
Advances from customers	11	7,263,058,143	4,514,941,936
Unclaimed dividend		33,914,443	33,943,018
Accrued profit / interest / mark-up		568,945,428	364,353,524
		36,596,161,728	19,195,696,157
Liabilities classified as held for sale		38,110,381	38,967,238
		36,634,272,109	19,234,663,395
CONTINGENCIES AND COMMITMENTS			
	12	62,771,378,618	46,610,445,906
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	24,077,403,157	24,651,487,525
Right-of-use assets	14	950,118,572	1,157,421,198
Investment property		185,854,012	185,854,012
Intangibles		613,771,802	614,795,982
Long term investments	15	-	-
Long term deposits		54,201,512	57,180,542
		25,881,349,055	26,666,739,259
CURRENT ASSETS			
Right-of-use assets	14	33,382,604	19,040,329
Short term investment	15	-	-
Biological assets	16	513,526,483	1,820,115,980
Stores, spare parts and loose tools		1,902,854,194	1,778,983,572
Stock-in-trade	17	25,508,300,695	4,709,113,989
Trade receivables		5,808,074,115	8,742,611,307
Advances, deposits, prepayments and other receivables		1,298,862,142	1,325,352,644
Advance tax - net		427,345,927	266,007,902
Cash and bank balances	18	433,648,833	318,004,072
		35,925,994,993	18,979,229,795
Assets classified as held for sale		964,034,570	964,476,852
		36,890,029,563	19,943,706,647
		62,771,378,618	46,610,445,906

The annexed notes from 1 to 28 form an integral part of this condensed interim consolidated financial statements.

Chief Financial Officer

Chief Executive

Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

For the half year and quarter ended 31 March 2021

		Six months ended		Three months ended	
	Note	31-Mar-21 Rupees	31-Mar-20 Rupees	31-Mar-21 Rupees	31-Mar-20 Rupees
Continuing Operations					
Gross revenue		38,579,520,208	32,827,309,910	21,075,147,567	15,222,515,745
Sales tax and commission		(4,552,707,016)	(4,324,624,670)	(2,300,518,833)	(1,549,646,147)
Revenue from contracts with customers	19	34,026,813,192	28,502,685,240	18,774,628,734	13,672,869,598
Cost of revenue		(28,462,478,844)	(24,384,603,310)	(16,711,582,202)	(11,362,343,917)
Gross profit		5,564,334,348	4,118,081,930	2,063,046,532	2,310,525,681
Administrative expenses		(1,481,816,672)	(948,024,066)	(861,911,021)	(568,664,008)
Selling expenses		(29,020,267)	(51,125,051)	(17,097,613)	(40,366,366)
Other income	20	966,680,144	116,143,820	419,095,538	65,542,527
Other expenses	21	(3,381,174,362)	(546,399,064)	1,457,828	(476,672,591)
		(3,925,331,157)	(1,429,404,361)	(458,455,268)	(1,020,160,438)
Profit from operations		1,639,003,191	2,688,677,569	1,604,591,264	1,290,365,243
Share of loss of associate		–	(502,366)	–	(173,322)
Finance cost		(1,255,569,493)	(2,122,011,604)	(757,260,447)	(1,156,036,877)
Profit before taxation		383,433,698	566,163,599	847,330,817	134,155,044
Taxation		(100,972,879)	(151,279,792)	(179,645,633)	3,350,979
Profit from continuing operations		282,460,819	414,883,807	667,685,184	137,506,023
Discontinued Operations					
Profit from discontinued operations – net of tax		414,575	–	203,765	–
Profit for the period		282,875,394	414,883,807	667,888,949	137,506,023
Attributable to:					
Owners of the Holding Company		282,705,003	416,809,736	667,805,201	137,145,233
Non-controlling Interest		170,391	(1,925,929)	83,748	360,790
		282,875,394	414,883,807	667,888,949	137,506,023
Earnings per share - basic & diluted					
Continuing operations		4.73	6.94	11.17	2.30
Discontinued operations		0.00	–	0.00	–
Attributable to owners of the Holding Company		4.73	6.94	11.17	2.30

The annexed notes from 1 to 28 form an integral part of this condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the half year and quarter ended 31 March 2021

	Six months ended		Three months ended	
	31-Mar-21 Rupees	31-Mar-20 Rupees	31-Mar-21 Rupees	31-Mar-20 Rupees
Profit for the period	282,875,394	414,883,807	667,888,949	137,506,023
Other comprehensive income for the period	–	–	–	–
Total comprehensive income for the period	<u>282,875,394</u>	<u>414,883,807</u>	<u>667,888,949</u>	<u>137,506,023</u>
Attributable to:				
Owners of the Holding Company	282,705,003	416,809,736	667,805,201	137,145,233
Non-controlling Interest	170,391	(1,925,929)	83,748	360,790
	<u>282,875,394</u>	<u>414,883,807</u>	<u>667,888,949</u>	<u>137,506,023</u>

The annexed notes from 1 to 28 form an integral part of this condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)

For the half year ended 31 March 2021

	Note	31-Mar-21 Rupees	31-Mar-20 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		383,433,698	566,163,599
Adjustments for non-cash and other items:			
Trade receivables written off		3,325,977,231	–
Finance cost		1,255,569,493	2,122,011,604
Depreciation of operating fixed assets		861,310,830	937,896,404
Depreciation of right-of-use assets		439,405,929	29,102,945
Sugarcane roots written off		301,411,540	214,249,480
Staff retirement benefits		77,605,468	71,474,235
Workers' Profit Participation Fund		20,664,466	34,421,425
Workers' Welfare Fund		8,266,554	16,318,769
Amortization of transaction cost		4,110,482	–
Amortization of intangible assets		1,024,179	1,026,304
Fair value gain on initial recognition of agricultural produce		(727,907,521)	–
Net fair value gain on biological assets		(67,895,573)	(14,509,104)
Interest income		(25,497,775)	–
Gain on disposal of operating fixed assets		(19,203,297)	(7,158,017)
Impairment allowance against sugar export subsidy and trade debts		–	472,753,783
Provision for obsolescence		–	142,792,482
Provision for doubtful advances		–	3,270,378
Assets written off		–	37,604
		5,454,842,006	4,023,688,292
		5,838,275,704	4,589,851,891
Working capital changes:			
Stores, spare parts and loose tools		(123,870,622)	(224,948,617)
Stock-in-trade		(20,799,186,706)	(15,867,777,632)
Biological assets		1,797,484,728	1,535,732,782
Advances, deposits, prepayments and other receivables		1,796,290,502	(179,336,040)
Trade receivables		(391,440,039)	654,650,534
Trade and other payables		892,818,592	1,337,376,640
Advances from customers		2,748,116,208	4,107,107,191
		(14,079,787,337)	(8,637,195,142)
Cash used in operations		(8,241,511,633)	(4,047,343,251)
Taxes paid		(648,974,825)	(309,352,239)
Staff retirement benefits paid		(172,569,665)	(56,062,034)
Interest income received		25,497,775	–
Workers' Profit Participation Fund paid		(150,767,267)	(73,252,002)
		(946,813,982)	(438,666,275)
Net cash used in operations		(9,188,325,615)	(4,486,009,526)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(449,752,960)	(518,863,296)
Proceeds from disposal of operating fixed assets		32,412,825	33,881,793
Long term deposits - net		2,979,030	2,612,175
Net cash used in investing activities		(414,361,105)	(482,369,328)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - net		564,657,331	1,118,438,382
Short term borrowings - net		13,174,233,938	9,285,870,592
Financial charges paid as:			
- finance cost		(967,592,511)	(2,049,130,148)
- Interest on lease liability		(83,385,072)	(85,244,497)
Principal portion of lease liability paid		(480,709,204)	(468,399,729)
Dividend paid		(28,575)	(594,659,288)
Net cash generated from financing activities		12,207,175,907	7,206,875,312
Net increase in cash and cash equivalents		2,604,489,187	2,238,496,458
Cash and cash equivalents at beginning of the period		(3,535,745,781)	(4,321,614,816)
Cash and cash equivalents at end of the period		(931,256,594)	(2,083,118,358)
Cash and cash equivalents comprise of the following:			
- Cash and bank balances	18	433,648,833	462,422,008
- Running / Morabaha / Karobar / Musharakah finances	9.2 & 9.5	(1,364,905,427)	(2,545,540,366)
		(931,256,594)	(2,083,118,358)

The annexed notes from 1 to 28 form an integral part of this condensed interim consolidated financial statements.

Chief Financial Officer

Chief Executive

Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the half year ended 31 March 2021

	Reserves			Equity attributable to owners of the Holding Company	Non-controlling interest	Total	
	Capital Share premium	Revenue Accumulated profit	Total reserves				
	Share capital						
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Balance as at 01 October 2019	597,766,610	678,316,928	9,119,187,967	9,797,504,895	10,395,271,505	376,342,331	10,771,613,836
Total comprehensive income for the period	-	-	416,809,736	416,809,736	416,809,736	(1,925,929)	414,883,807
Transaction with owners of the holding company							
Final dividend for the year ended							
30 September 2019 @ Rs. 10.00 per share							
-	-	-	(597,766,610)	(597,766,610)	(597,766,610)	-	(597,766,610)
Balance as at 31 March 2020	597,766,610	678,316,928	8,938,231,093	9,616,548,021	10,214,314,631	374,416,402	10,588,731,033
Balance as at 01 October 2020	597,766,610	678,316,928	10,084,649,740	10,762,966,668	11,360,733,278	380,384,451	11,741,117,729
Total comprehensive income for the period	-	-	282,705,003	282,705,003	282,705,003	170,391	282,875,394
Balance as at 31 March 2021	597,766,610	678,316,928	10,367,354,743	11,045,671,671	11,643,438,281	380,554,842	12,023,993,123

The annexed notes from 1 to 28 form an integral part of this condensed interim consolidated financial statements.

Chief Financial Officer

Chief Executive

Director

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

For the half year ended 31 March 2021

1 CORPORATE AND GENERAL INFORMATION

1.1 The Group consist of the Holding Company and its Subsidiaries Companies:

	(Un-audited) 31-Mar-21	(Audited) 30-Sep-20
	Holding percentage	
JDW Group		
Holding Company		
JDW Sugar Mills Limited		
Subsidiaries:		
Deharki Sugar Mills (Private) Limited - ("DSML")	100%	100%
Sadiqabad Power (Private) Limited - ("SPL")	100%	100%
Ghotki Power (Private) Limited - ("GPL")	100%	100%
Faruki Pulp Mills Limited - ("FPML")	57.67%	57.67%
Associates:		
JDW Power (Private) Limited ("JDWPL")	47.37%	47.37%
Kathai-II Hydro (Private) Limited ("KHL")	20%	20%

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

1.3 Deharki Sugar Mills (Private) Limited - "DSML" ("the Subsidiary Company") was incorporated in Pakistan on 14 July 2010. The registered office of DSML is situated at 17-Abid Majeed Road, Lahore Cantonment, Lahore, Pakistan. The principal activity of DSML is manufacturing and sale of crystalline sugar.

1.4 Faruki Pulp Mills Limited - "FPML" ("the Subsidiary Company") was incorporated in Pakistan on 20 October 1991 as a public limited company. FPML will be engaged in the manufacture and sale of paper pulp. The production facility is situated at 20 km from Gujrat and the registered office is situated at 13-B, Block-K, Main Boulevard Gulberg II Lahore. FPML has been unable to commence its commercial operations till date. The trial runs conducted over the years, identified significant additional capital expenditure requirements to make the plant commercially viable. Keeping in view the commercial viability of the plant and substantial accumulated losses, the management of FPML believes that it may not be able to realize its assets and discharge its liabilities in the normal course of business, and there does not exist any realistic basis to prepare these financial statements on a going concern basis. Accordingly, separate financial statements of FPML have been prepared on non-going concern basis. The financial statements of the Group have been prepared on a going concern basis. Moreover, in last financial year, FPML through an extraordinary general meeting held on 25 March 2020, resolved to dispose of its property, plant and equipment either in parts or in their entirety to the prospective buyers after due process. As a result, the Group's operations have been divided into Continuing and Discontinued operations in accordance with the requirements of International Financial Reporting Standard (IFRS) 5, "Non-current Assets Held for Sale and Discontinued Operations". Paper Pulp business have been classified as Discontinued operations. Continuing operations include Sugar, Co-Generation Power and Corporate Farms business.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

For the half year ended 31 March 2021

- 1.5** Sadiqabad Power (Private) Limited - "SPL" ("the Subsidiary Company") was incorporated in Pakistan on 16 December 2016. SPL will be engaged in the production of electricity under the expansion program of the Holding Company's existing bagasse based Co-Generation Power Plants. The registered office of SPL is situated at 17-Abid Majeed Road, Lahore Cantonment, Lahore, Pakistan.
- 1.6** Ghotki Power (Private) Limited - "GPL" ("the Subsidiary Company") was incorporated in Pakistan on 15 December 2016. GPL will be engaged in the production of electricity under the expansion program of the Holding Company's existing bagasse based Co-Generation Power Plants. The registered office of GPL is situated at 17-Abid Majeed Road, Lahore Cantonment, Lahore, Pakistan.
- 1.7** JDW Power (Private) Limited - "JDWPL" ("the associate") was incorporated in Pakistan on 08 August 2009 under the repealed Companies Ordinance, 1984. The principal activity of it is to build, own, operate, and maintain a Co-Generation Power Plant. The registered office of JDWPL is situated at 17-Abid Majeed Road, Lahore Cantt.
- 1.8** Kathai-II Hydro (Private) Limited - "KHL" ("the associate") was incorporated in Pakistan on 27 August 2012 under the repealed Companies Ordinance, 1984. The principal activity of KHL is to generate, distribute and sell electricity. The registered office of KHL is situated at 300 Main Boulevard, Phase 6, DHA, Lahore.

2 BASIS OF PREPARATION

2.1 Basis of accounting

2.1.1 These condensed interim consolidated financial statements comprises the condensed interim consolidated statement of financial position of the Group as at 31 March 2021 and the related condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity together with the notes forming part thereof for the half year ended 31 March 2021.

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

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

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

2.1.3 These condensed interim consolidated financial statements does not include all of the information required for full annual audited consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements for the year ended 30 September 2020.

2.1.4 Comparative consolidated statement of financial position numbers are extracted from the annual audited consolidated financial statements of the Group for the year ended 30 September 2020, whereas comparative figures of statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity are stated from unaudited condensed interim consolidated financial statements of the Group for the half year ended 31 March 2020.

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

2.1.6 These condensed interim consolidated financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency.

3 USE OF ESTIMATES AND JUDGMENTS

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

In preparing the condensed interim consolidated financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of audited consolidated financial statements for the year ended 30 September 2020.

4 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

4.1 The accounting policies and the methods of computation adopted in the preparation of the condensed interim consolidated financial statements are same as those applied in the preparation of the audited consolidated financial statements for the year ended 30 September 2020.

4.2 Standards, amendments and interpretations to existing standards that are not yet effective and / or have not been early adopted by the Group

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after 01 October 2020, but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in these condensed interim consolidated financial statements.

5 SEASONALITY OF OPERATIONS

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

	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees
6 SHARE CAPITAL		
6.1 Authorized capital		
75,000,000 (30 September 2020: 75,000,000)		
ordinary shares of Rs. 10 each	750,000,000	750,000,000
25,000,000 (30 September 2020: 25,000,000)		
preference shares of Rs. 10 each	250,000,000	250,000,000
	<u>1,000,000,000</u>	<u>1,000,000,000</u>
6.2 Issued, subscribed and paid-up capital		
32,145,725 (30 September 2020: 32,145,725)		
ordinary shares of Rs. 10 each fully paid in cash	321,457,250	321,457,250
27,630,936 (30 September 2020: 27,630,936)		
voting bonus shares of Rs. 10 each fully paid	276,309,360	276,309,360
	<u>597,766,610</u>	<u>597,766,610</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

For the half year ended 31 March 2021

	Note	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees	
7 LONG TERM FINANCES - SECURED				
Mark-up bearing finances from conventional banks / financial institutions	7.1	15,460,568,269	15,379,004,257	
Islamic mode of financing	7.2	1,905,256,419	1,405,256,419	
		17,365,824,688	16,784,260,676	
Current portion presented under current liabilities:				
Mark-up bearing finances from conventional banks / financial institutions		(3,868,948,205)	(2,778,820,599)	
Islamic mode of financing		(541,269,235)	(260,217,950)	
		(4,410,217,440)	(3,039,038,549)	
Less: Transaction cost		(51,900,469)	(57,750,000)	
Add: Amortization of transaction cost		4,110,482	5,849,531	
		(47,789,987)	(51,900,469)	
	7.4	12,907,817,261	13,693,321,658	
7.1 Mark-up bearing finances from conventional banks / financial institutions				
Balance at beginning of the period / year		15,379,004,257	6,556,126,662	
Finances received during the period / year	7.1.1	649,482,932	13,361,987,929	
Repayments / adjustments during the period / year		(567,918,920)	(4,539,110,334)	
		15,460,568,269	15,379,004,257	
7.1.1 Finances received during the period				
	Markup basis	Duration	Grace period	Amount Rupees
Pak Libya Holding Company Limited	*3mk + 1.00	4.5 Years	0.5 Year	450,000,000
Habib Bank Limited - SBP Refinance Scheme	**SBP Rate + 1.50	2.5 Years	0.5 Year	161,926,633
United Bank Limited - SBP Refinance Scheme	SBP Rate + 3.00	02 Years	0.25 Year	37,556,299
				649,482,932
*3 mk i.e. 3 months KIBOR				
**SBP rate i.e. 0%				
	Note	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees	
7.2 Islamic mode of financing				
Balance at beginning of the period / year		1,405,256,419	4,740,932,703	
Finances received during the period / year	7.2.1	500,000,000	–	
Repayments during the period / year		–	(3,335,676,284)	
		1,905,256,419	1,405,256,419	

7.2.1 Finances received during the period

	Profit / Interest basis	Duration	Grace period	Amount Rupees
Bank Islami Pakistan Limited	3mk + 1.25	04 Years	01 Year	500,000,000

7.3 During the period, the Holding Company continued the arrangement with Habib Bank Limited and the Subsidiary Company - DSML with United Bank Limited for obtaining term finance facility under Refinance Scheme for payment of Wages & Salaries by the State Bank of Pakistan (SBP) at subsidized rate, earmarked from running and cash finance limit, which is repayable in 8 quarterly installments to the commercial banks under the SBP Refinance Scheme. There is no change in the status of measurement of such loan as set out in note 8.2 in the annual audited consolidated financial statements for the year ended 30 September 2020. This grant is conditional subject to fulfillment of certain conditions as mentioned in the SBP Refinance Scheme.

7.4 Long term finances are secured against ranking / joint parri passu charge over all present and future fixed assets including land, building, plant and machinery of the Group amounting to Rs. 24,148 million (30 September 2020: Rs.22,879 million) and personal guarantees of sponsor directors of the Group.

	Note	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees
8 LEASE LIABILITIES			
Balance at beginning of the period / year		1,460,474,747	224,596,749
Impact of initial application of IFRS 16		–	1,508,973,262
Adjusted balance as at 01 October		1,460,474,747	1,733,570,011
Additions during the period / year		93,632,272	398,032,110
Early termination / remeasurement of lease liabilities		–	(1,219,120)
Finance cost regarding lease arrangement		74,085,691	165,857,652
Lease payments / adjustments		(554,794,898)	(835,765,906)
		1,073,397,812	1,460,474,747
Less: Current maturity presented under current liabilities		(556,013,723)	(693,883,524)
Balance at end of the period / year	8.1	517,384,089	766,591,223

8.1 This includes Rs. 239.25 million and Rs. 35.32 million (30 September 2020: Rs. 194.97 million and Rs. 56.80 million) outstanding under Diminishing Musharakah financing arrangement and conventional banks respectively.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

For the half year ended 31 March 2021

	Note	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees
9 SHORT TERM BORROWINGS - SECURED			
Mark-up based borrowings from conventional banks			
Cash finances	9.1	10,897,378,425	1,823,866,061
Running finances	9.2	1,014,905,427	2,053,749,853
Finance against trust receipts	9.3	68,772,980	82,925,934
		11,981,056,832	3,960,541,848
Islamic mode of financing			
Salam / Istisna / Musawamah finances	9.4	7,804,374,531	1,919,700,000
Morabaha / Karobar / Musharakah finances	9.5	350,000,000	1,800,000,000
		8,154,374,531	3,719,700,000
		20,135,431,363	7,680,241,848

- 9.1** The Group has obtained these facilities from various banks and financial institutions. The mark-up rates applicable during the period ranges from one to three months KIBOR plus 50 to 125 bps per annum (30 September 2020: one to three months KIBOR plus 20 to 100 bps per annum).
- 9.2** The mark-up rates applicable during the period ranges from one to three months KIBOR plus 75 to 100 bps per annum (30 September 2020: one to three months KIBOR plus 65 to 100 bps per annum).
- 9.3** The mark-up rate applicable during the period ranges from one to six months KIBOR plus 100 to 250 bps per annum (30 September 2020: one to six months KIBOR plus 100 bps per annum).
- 9.4** The mark-up rate applicable during the period ranges from three to six months KIBOR plus 50 to 100 bps per annum (30 September 2020: three to twelve months KIBOR plus 20 to 100 bps per annum).
- 9.5** The mark-up rate applicable during the period ranges from three to twelve months KIBOR plus 75 to 100 bps per annum (30 September 2020: three to six months KIBOR plus 75 to 100 bps per annum).
- 9.6** The available facilities for opening letters of credit and guarantee as on the reporting date aggregate to Rs. 2,050 million (30 September 2020: Rs. 1,577 million) of which facilities unutilized as on the reporting date amounting to Rs. 998 million (30 September 2020: Rs. 350 million).
- 9.7** The securities offered are the same as disclosed in the audited consolidated financial statements of the Group for the year ended 30 September 2020.

10 TRADE AND OTHER PAYABLES

Balance as at 31 March 2021 mainly includes payable to trade creditors aggregates to Rs. 1,824 million (30 September 2020: Rs. 1,403 million).

11 ADVANCES FROM CUSTOMERS

Balance as at 31 March 2021 mainly includes advances received from customers against sale of sugar aggregates to Rs. 6,781 million (30 September 2020: Rs. 2,499 million).

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

- 12.1.1** The Ministry of Interior (GoP) had constituted the Inquiry Commission under the Pakistan Commission of Inquiry Act, 2017 dated 16 March 2020 to probe into the increase in sugar prices in the country. The Commission of Inquiry selected 10 units of sugar mills including 3 units of the Holding Company, accordingly report of the Inquiry Commission has been issued dated 21 May 2020. The Commission of Inquiry in its report has highlighted discrepancies with respect to Benami Transactions (Prohibition) Act, 2017 with respect to the standard business practice of Pakistan sugar industry. The Commission of Inquiry has revealed that names of the brokers may be masked, by the sugar mills, and there is risk of sales in benami / fictitious names. The Commission of Inquiry in its report has also highlighted discrepancies in crushing capacity of the Holding Company (refer to note 49 of consolidated financial statements for the year ended 30 September 2020) and claimed that such enhancement and enlargement was made in the period of ban on capacity enhancement / enlargement. (Show cause notices have already been issued by the Directorate of Industries, Punjab for both Units I and II of the Holding Company way back in 2014 and matter is still pending). Pakistan Sugar Mills Association (PSMA) along with its member sugar mills, including the Holding Company and DSML, filed writ petition before the Honorable Islamabad High Court (IHC) challenging the initiation of inquiry, Constitution of the Commission Inquiry and all action taken pursuant thereto. Vide short order dated 20 June 2020 the writ petition was disposed off and the commission's report upheld. PSMA along with its member sugar mills, including the Holding Company and DSML, challenged the order before the Division Bench of IHC in Intra Court Appeal (ICA) No. 156 of 2020. This ICA was dismissed on 08 August 2020. Subsequent to year end, on 26 October 2020, PSMA, the Holding Company and DSML filed Civil Petition for to Leave to Appeal (CPLA) No. 2697 of 2020 against the judgment dated 08 August 2020 before the Honorable Supreme Court of Pakistan. The Holding Company and DSML has a good prime facie case.
- 12.1.2** There is no material change in the status of other contingencies from the preceding audited consolidated financial statements of the Group for the year ended 30 September 2020, except for the contingencies, guarantees and commitments as disclosed below:
- 12.1.3** During the period, the Holding Company has received various notices from Competition Commission of Pakistan under section 30 of the Competition Act, 2010. The management of the Holding Company, based on its discussion with legal consultants, is confident that the ultimate outcome of this case will be in Holding Company's favor.
- 12.1.4** Guarantees issued by the banks on behalf of the Holding Company and its Subsidiary Companies, SPL, GPL and DSML in favor of various parties as at the reporting date amounts to Rs. 993 million (30 September 2020: Rs. 809 million).
- 12.1.5** Counter guarantee given by the Holding Company to the bankers on account of agricultural loan as at the reporting date amounts to Rs. 2,353 million (30 September 2020: Rs. 1,800 million).

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

For the half year ended 31 March 2021

	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees
12.2 Commitments		
12.2.1 Letters of credit for import of machinery and its related components		
Holding Company - JDWSML	52,999,040	111,385,896
Subsidiary Company - DSML	–	21,661,010
	<u>52,999,040</u>	<u>133,046,906</u>

	Note	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees
13 PROPERTY PLANT AND EQUIPMENT			
Operating fixed assets	13.1	23,905,219,001	24,478,190,425
Capital work in progress	13.2	9,220,362	14,599,420
Stores, spare parts and loose tools held for capital expenditure		162,963,794	158,697,680
		<u>24,077,403,157</u>	<u>24,651,487,525</u>

13.1 Operating fixed assets			
Net book value as at beginning of the period / year		24,478,190,425	25,376,430,407
Impact of adoption of IFRS 16		–	(230,182,809)
Additions during the period / year		452,526,316	1,139,581,453
Transfer from right-of-use asset - net book value		11,282,862	5,036,112
Deletions during the period / year - net book value		(314,621,056)	(228,493,582)
Depreciation charged / capitalized during the period / year		(722,159,546)	(1,552,885,256)
Transfer from investment property during the period / year		–	38,704,100
Classified as held for sale		–	(70,000,000)
Net book value at end of the period / year		<u>23,905,219,001</u>	<u>24,478,190,425</u>
13.2 Capital work in progress			
Opening balance		14,599,420	4,436,379,855
Addition during the period / year		9,577,619	461,693,021
Transfers made during the period / year		(14,956,677)	(1,035,388,205)
Classified as held for sale		–	(3,848,085,251)
Closing balance		<u>9,220,362</u>	<u>14,599,420</u>

	Note	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees
14 RIGHT-OF-USE ASSETS			
Net book value at beginning of the period / year		1,176,461,527	—
Impact of adoption of IFRS 16		—	1,266,948,393
Additions during the period / year		93,632,272	404,764,454
Deletions during the period / year - net book value		—	(462,019)
Transfer to operating fixed assets - net book value		(11,282,862)	(5,036,112)
Depreciation charged for the period / year		(275,309,761)	(489,753,189)
Net book value at end of the period / year	14.1	983,501,176	1,176,461,527
Less: Current maturity presented in current assets		(33,382,604)	(19,040,329)
		950,118,572	1,157,421,198
14.1 The right-of-use assets relate to following type of assets:			
Land		616,536,888	839,299,150
Vehicles		300,616,288	253,601,056
Building		66,348,000	83,561,321
Total right-of-use assets		983,501,176	1,176,461,527
	Note	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees
15 LONG TERM INVESTMENTS			
Kathai-II Hydro (Private) Limited ("KHL")	15.1	—	—
JDW Power (Private) Limited ("JDWPL")	15.2	—	—
		—	—
Less: Classified under current assets as short term investments			
JDW Power (Private) Limited ("JDWPL")	15.2	—	—
Classified under non-current assets		—	—
15.1 Khatai-II Hydro (Private) Limited - ("KHL")			
250 (30 September 2020: 250) fully paid shares of Rs. 10 each			
Equity held 20% (30 September 2020: 20%)		—	2,500
Share of loss for the period / year		—	(2,500)
Balance as at the end of the period / year	15.1.1	—	—

15.1.1 Post acquisition reserves restricted to the cost of investment, therefore share of accumulated losses amounting to Rs. 308,091 (30 September 2020: Rs. 105,855) as at period ended on 31 March 2021 has not been taken under equity method.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

For the half year ended 31 March 2021

	Note	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees
15.2 JDW Power (Private) Limited ("JDWPL")			
9,000,000 (30 September 2020: 9,000,000)			
fully paid shares of Rs. 10 each			
Equity held 47.37% (30 September 2020: 47.37%)		90,000,000	90,000,000
Less: Accumulated impairment allowance		(90,000,000)	(90,000,000)
Balance as at end of the period / year	15.2.1	—	—

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

16 BIOLOGICAL ASSETS

The fair value of standing sugarcane other than wheat and mustard crop (other crops) is carried at the accumulated costs amounting to Rs. 417 million (31 March 2020: Rs. 422 million), which approximate the fair value since little biological transformation has taken place due to the seasonal nature of the crop and the impact of the transformation on price is not expected to be material. While in absence of active market for wheat and mustard crops, the fair value measurement for the standing crop has been categorized as Level 3 fair value based on the inputs to the valuation techniques used. Fair value has been determined on the basis of a discounted cash flow model. The valuation model considers the present value of net cash flows expected to be generated by the plantation. The cash flow projections include specific estimates for next period which mainly include crop's expected yield. The expected cash flows are discounted using a risk adjusted discount rate. The valuation technique and significant unobservable inputs include valued plantation, estimated yield per acre, estimated future wheat and mustard crop and risk-adjusted discount rate. Due to seasonal nature of sugarcane and other crops, a transfer out of sugarcane amounting to Rs. 1,816 million from level 3 and transfer in of other crops amounting to Rs. 95 million into Level 3 has been made during the period respectively (31 March 2020: Rs. 2,013 million and Rs. 42 million).

16.1 Valuation techniques and significant unobservable inputs

The key variables, assumptions and the impact of changes in those is given below:

		(Un-audited) 31-Mar-21	
	Unit	Wheat	Mustard
Valued plantations (Actual)			
- Punjab Zone	Acres	151	342
- Sindh Zone	Acres	886	59
Projected production costs and costs to sell			
- Punjab Zone	Acres	25,914	16,401
- Sindh Zone	Acres	23,171	5,453

		(Un-audited) 31-Mar-21	
	Unit	Wheat	Mustard
Estimated yield per acre			
- Punjab Zone	Maunds	30	13
- Sindh Zone	Maunds	40	5
Harvest age	Months	5-6	5-6
Estimated future market price per maunds			
- Punjab Zone	Rupees	1,800	4,230
- Sindh Zone	Rupees	2,000	3,500
Risk - adjusted discount rate	% per month	0.91%	0.91%

16.2 Sensitivity analysis

Impact of changes in key subjective assumptions on fair value of biological assets is given below:

		(Un-audited) 31-Mar-21	
		Increase / (Decrease)	
	Unit	Wheat	Mustard
Decrease of 10% in expected average yield per acre	Rupees	(7,827,036)	(1,895,785)
Increase of 10% in discount rate	Rupees	(75,050)	(19,081)

	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees
17 STOCK-IN-TRADE		
Sugar	22,963,217,943	4,392,665,631
Bagasse - by product	1,388,436,202	316,448,358
Molasses - by product	1,097,430,201	—
Mud - by product	59,216,349	—
	25,508,300,695	4,709,113,989

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For the half year ended 31 March 2021

	Note	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees
18 CASH AND BANK BALANCES			
Current accounts			
Balance with conventional banks		251,829,646	279,733,002
Balance with islamic banks		163,346,266	32,131,162
		415,175,912	311,864,164
Saving accounts			
Deposit with conventional banks	18.1	2,237,884	384,683
		417,413,796	312,248,847
Cash in hand			
		16,235,037	5,755,225
		433,648,833	318,004,072

18.1 The balances in saving accounts carry mark-up at 5.5% per annum (30 September 2020: 5.5% to 11.25% per annum).

	Note	Six months ended		Three months ended	
		31-Mar-21 Rupees	31-Mar-20 Rupees	31-Mar-21 Rupees	31-Mar-20 Rupees

19 REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue based on:

19.1 Segments					
Sugar					
Sugar	19.1.1	25,040,155,162	20,583,324,663	12,573,969,239	7,540,339,930
Molasses - by product		5,121,859,289	4,252,629,040	3,352,306,825	3,294,079,206
Agri Inputs		1,749,781,335	1,416,706,976	1,749,493,870	1,414,696,067
Mud - by product		262,012,823	223,001,093	186,288,783	171,707,934
Bagasse - by product		–	236,490,242	–	33,978,302
		32,173,808,609	26,712,152,014	17,862,058,717	12,454,801,439
Co-Generation Power	19.1.2	1,824,125,628	1,753,822,351	895,465,828	1,181,369,784
Corporate Farms		28,878,955	36,710,875	17,104,189	36,698,375
		34,026,813,192	28,502,685,240	18,774,628,734	13,672,869,598
19.1.1 Sugar					
Local		25,040,155,162	20,424,224,838	12,573,969,239	7,381,240,105
Export - Asia		–	159,099,825	–	159,099,825
		25,040,155,162	20,583,324,663	12,573,969,239	7,540,339,930
19.1.2 Co-Generation Power					
Variable energy price		1,049,340,664	857,963,232	560,429,912	578,830,371
Fixed energy price		774,784,964	895,859,119	335,035,916	602,539,413
		1,824,125,628	1,753,822,351	895,465,828	1,181,369,784
19.2 Timing of revenue recognition					
Products transferred at a point in time		32,202,687,564	26,748,862,889	17,879,162,906	12,491,499,814
Products transferred over time		1,824,125,628	1,753,822,351	895,465,828	1,181,369,784
		34,026,813,192	28,502,685,240	18,774,628,734	13,672,869,598

20 OTHER INCOME

This mainly includes markup on delayed payment from CPPA-G of Rs. 69 million (31 March 2020: Rs. nil), scrap sale of Rs. 50 million (31 March 2020: Rs. 26 million), fair value gain on initial recognition of agricultural produce of Rs. 728 million (31 March 2020: Rs. nil), net fair value gain on biological assets of Rs. 68 million (31 March 2020: Rs. 15 million) and gain on disposal of operating fixed assets of Rs. 19 million (31 March 2020: Rs. 13 million).

21 OTHER EXPENSES

This mainly includes amount written off against fixed energy receivables from Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) amounting to Rs. 3,326 million (31 March 2020: Rs. nil) according to the terms agreed in Master and EPA Amendment Agreement between the Holding Company and the CPPA-G. The Holding Company has, in the larger National Interest, voluntarily agreed to provide certain concessions which includes foregoing 70% of fixed energy payment for energy dispatched above the annual 45% plant factor effective from Commercial Operation Date.

22 BUSINESS SEGMENTS INFORMATION

22.1 The Group has four reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. Information reported to the Group's chief operating decision maker for the purpose of resource allocation and assessment of segment performance is focused on type of goods supplied. The following summary describes the operations in each of the Group's reportable segments that is submitted to chief operating decision maker:

Reportable Segment	Operations
Sugar	Production and sale of crystalline sugar and other related joint and by-products.
Co-Generation Power	Generation and sale of electricity to Central Power Purchasing Agency (Guarantee) Limited.
Corporate Farms	Managing corporate farms for cultivation of sugarcane and small quantity of other crops.
Others	Projects under construction for manufacture / generation and sale of wood pulp and electricity. However, in last year operation of paper pulp was classified as disposal group.

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For the half year ended 31 March 2021

22.2 Information regarding the Group's reportable segments from continuing operations are presented below:

22.2.1	Segment revenues & results	Sugar		Co-Generation Segment		Corporate Farms Segment		Others		Inter Segment Reconciliation		Total	
		31-Mar-21 Rupees	31-Mar-20 Rupees	31-Mar-21 Rupees	31-Mar-20 Rupees	31-Mar-21 Rupees	31-Mar-20 Rupees	31-Mar-21 Rupees	31-Mar-20 Rupees	31-Mar-21 Rupees	31-Mar-20 Rupees	31-Mar-21 Rupees	31-Mar-20 Rupees
	Net external revenues	32,173,803,609	26,712,152,014	1,824,125,628	1,753,822,351	28,878,955	36,710,875	-	-	-	-	34,026,813,192	28,502,665,240
	Inter-segment revenues	1,336,376,052	1,059,501,322	1,166,602,805	1,059,355,945	3,499,796,528	3,429,240,236	-	-	(6,002,775,395)	(6,548,097,503)	-	-
	Reportable segment revenue	33,510,184,661	27,771,653,336	2,990,728,433	2,813,178,296	3,528,752,483	3,465,951,111	-	-	(6,002,775,395)	(6,548,097,503)	34,026,813,192	28,502,665,240
	Segment profit / (loss) before tax	1,965,346,181	(357,511,194)	(1,980,112,065)	956,312,883	399,124,174	(27,407,829)	(924,592)	(5,236,261)	-	-	383,433,698	566,163,599

22.2.2 Inter-segment sales and purchases

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

22.2.3 Basis of inter-segment pricing

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

22.2.4 Segment assets & liabilities of continuing operations

	Sugar	Co-Generation Segment		Corporate Farms Segment		Others		Inter Segment Reconciliation		Total	
		(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees	(Un-audited) 31-Mar-21 Rupees	(Audited) 30-Sep-20 Rupees
Total assets for reportable segment	51,870,886,568	30,763,525,228	8,927,780,394	13,048,605,545	7,002,195,549	8,358,739,817	9,256,922	9,490,623	9,490,623	61,807,344,048	45,645,969,054
Total liabilities for reportable segment	53,938,433,607	37,436,397,545	1,864,496,049	2,572,100,630	908,897,751	1,355,963,721	223,092	292,202	292,202	50,709,275,114	34,630,360,939

22.3 Reconciliation of reportable segment profit or loss

Total profit before tax for reportable segments

Unallocated corporate expenses

Consolidated profit after tax from continuing operations

23 TRANSACTIONS WITH RELATED PARTIES

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

Name	Relationship	Nature of Transactions	31-Mar-21 Rupees	31-Mar-20 Rupees
JDW Aviation (Pvt.) Limited	Associated Company	Reimbursement of expenses	2,189,338	2,454,762
	(Common directorship)			
Post Employment		Provident fund contribution	135,820,817	114,952,732
Benfits Plan		Payment to recognized gratuity fund	104,659,256	1,036,059
		Short term advances	–	530,000,000
		Markup paid	–	8,838,228
Directors and Key				
Management Personnel		Directors' remuneration and allowances	604,956,670	338,302,669
	Key Management	Consultancy services	7,196,328	6,672,860
	Kathal-II Hydro (Pvt.) Limited	Investment in shares	–	2,500

24 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in these condensed interim consolidated financial statements approximate their fair values other than mentioned below. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment in associates are carried at cost while biological assets other than standing sugarcane crop stated at fair value (for details, refer to note 15 & 16).

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

During the period, there were no transfers between level 2 and level 3 fair value measurement.

25 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objective and policies are consistent with that disclosed in the audited annual consolidated financial statements of the Group for the year ended 30 September 2020.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

For the half year ended 31 March 2021

26 DATE OF AUTHORIZATION

These condensed interim consolidated financial statements have been approved by the Board of Directors and authorized for issue on 28 May 2021.

27 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework. However no significant reclassification have been made, except for following:

Sale of Mud - a by product, amounting to Rs. 223 million, previously classified under other income, has now been classified as revenue from contracts with customers under respective heads (refer note 19.1) for the purpose of better presentation

28 EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

There are no material subsequent events occurred after the statement of financial position date.

Chief Financial Officer

Chief Executive

Director



FARMERS' FIRST CHOICE

www.jdw-group.com



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