

Continued Excellence





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 men 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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CORPORATE INFORMATION

BOARD OF **DIRECTORS**

Mukhdoom Syed Ahmed Mahmud
Director / Chairman

Mr. Jahangir Khan Tareen
Director

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 & COMPANY SECRETARY**

Mr. Muhammad Rafique

AUDIT **COMMITTEE**

Mr. Asim Nisar Bajwa
Chairman / Member

Mrs. Samira Mahmud
Member

Mr. Qasim Hussain Safdar
Member

HR & **R Committee**

Mr. Ijaz Ahmed
Chairman / Member

Mrs. Samira Mahmud
Member

Mr. Qasim Hussain Safdar
Member / Secretary

AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

REGISTRAR

Corplink (Pvt.) Ltd.

LEGAL **ADVISOR**

Cornelius, Lane & Mufti
Advocates & Solicitors

BANKERS

MCB Bank Limited
Faysal Bank Limited
The Bank of Punjab
Allied Bank Limited
NIB Bank Limited
United Bank Limited
BankIslami (Pakistan) Limited
Habib Bank Limited
Askari Bank Limited
Standard Chartered Bank (Pakistan) Limited
Meezan Bank Limited
Soneri Bank Limited
Habib Metropolitan Bank Limited
National Bank of Pakistan

REGISTERED OFFICE

17-Abid Majeed Road,
Lahore Cantonment, Lahore.

MILLS

Unit-I

Mauza Shirin, Jamal Din Wali,
Distt. Rahim Yar Khan.

Unit-II

Machi Goth, Sadiqabad.
Distt. Rahim Yar Khan.

Unit-III

Mauza Lahuwali, Near Village
Islamabad, Distt. Ghotki.

WEB PRESENCE

www.jdw-group.com

Directors' Review

Dear Shareholders,

I am pleased to present the unaudited accounts of the Company for the period of nine months ended on 30th June, 2017.

During this period the Company has earned profit after tax amounting to Rs. 2,017 million as compared to a profit after tax Rs. 1,700 million in the corresponding period with gross sales of Rs. 36 billion and Rs. 30 billion respectively. Resultantly the earnings per share have also increased from Rs. 28 to Rs. 34. Main reasons for better profitability are favorable prices of sugar & molasses during first two quarters of the accounting year, comparatively more generation of power by the co-generation plants and positive financial results of corporate farms caused by higher yield per acre, more sugar production despite reduction in sucrose recovery as availability of sugar cane increased due to better yield per acre & more area under sugarcane cultivation and also no damage to crop by flood or any disease this time. Other points of your interest are narrated below:

- The balance sheet size has increased from Rs. 34 billion to Rs. 49 billion. Accumulated reserves are now nearly 14 times of the paid up capital of the Company.
- In view of the improvement in financial results, all key financial covenants' have shown improvement as compared to the corresponding period and year end financial results of 30 September 2016. The Company is fulfilling all its financial obligations on time and enjoying cordial relationship with all the financial institutions it's dealing with.
- There has been a decrease of Rs. 95 million in the financial charges of the Company despite higher production volumes achieved this year caused by reduction in the markup rates on long term as well as short term loans, repayment of long term loans & lease financing and comparatively more sale of sugar during the season this time.
- Increase in administration expenses is attributable to annual increase in salaries & benefits whereas decrease in selling expenses is due to export of sugar on ex mills basis.
- Owing to continuous improvement in the steam percentage to cane Company was able to save more bagasse for its power plants. Saved bagasse would be sufficient to meet entire off season requirements of the both co-generation plants, so instead of purchasing bagasse from the market, Company will have extra bagasse for sale in the open market. During period under review electricity sold to CPPA was for an amount of Rs. 2,875 million net of sales tax as against Rs. 2,675 million in the corresponding period. During period under review co-generation plants on average basis were run for 240 days as against 215 days in the similar period last year.
- Support price of sugarcane Rs. 180 per 40 kgs remained unchanged in the province of Punjab whereas Government of Sindh increased sugarcane support price from Rs. 172 to Rs. 182 per 40 kgs for the current crushing season.

- On country basis sugar production 7.1 million tons achieved this year was the highest ever as against 5.1 million tons produced last crushing season. Due to higher sugar production in the country the Federal Government has so far allowed export of 425,000 tons of sugar in two tranches without any export rebate. Major quantity of this quota has already been sent abroad. Another quantity of 300,000 tons has recently been approved for export by ECC and final notification of this permission is awaited from the State Bank of Pakistan. The Company on group basis has made export of 75,688 tons of sugar which represents app. 18% of the total quota. This is the highest export made by any sugar mills in the country.
- Even this crushing season our growers were happy with our consistent policy of making prompt payments. Growers' payment which was approx. Rs. 45 billion on group basis was released on timely basis throughout the crushing season and cane payments relating to last few days of the crushing season were completely paid off immediately after closure of the crushing season. The Company has also financially supported its growers by providing them agricultural loans in the form of seeds, fertilizers, pesticides and agricultural implements etc.
- During the period under review, JDW has achieved another milestone by getting upgraded Ratings from JCR-VIS Credit Rating Company Limited. JCR-VIS on April 13, 2017 has upgraded the entity ratings of JDW Sugar Mills Limited (JDWSML) at 'A+/A-1' (Single A plus/A-One). Rating of the Company for TFC issues has also been upgraded to 'AA-' (Double A minus). Outlook on the assigned ratings is 'Stable'.
- In view of maintaining continued good performance we want to focus more on value addition of our by-products, making plant processes more efficient, saving more bagasse from the system, further expansion of co-generation facilities and reduction in the financial charges.

For & on behalf of the Board

25 July 2017
Lahore

Raheel Masud
Chief Executive

- گنے کی وقت پر ادائیگی کی وجہ سے زمیندار بھی خوش ہیں۔ رواں سال گروپ کی سطح پر ۳۵ ارب روپے کا گنا خرید اگیا جسکی ادائیگی بروقت کردی گئی اور سیزن کے اختتام تک مکمل رقم زمینداروں کو ادا کردی گئی تھی۔ اس کے علاوہ ادارے نے زمینداروں کو بیج، کیڑے مار ادویات اور زرعی آلات کی مد میں زرعی قرضے فراہم کیے۔
- زیرے جائزہ دورانیے میں JDW نے دوسری شوگر ملوں کے مقابلے میں JCR-VIS کریڈٹ ریٹنگ کمپنی کی جانب سے بلند ترین ریٹنگ حاصل کی۔ ۱۳ اپریل ۲۰۱۷ کو JCR-VIS نے جے ڈی ڈبلیو شوگر ملز لمیٹڈ کی ریٹنگ 'A/A+1- (Single A Plus/A-One)' کی۔ TFC ایئوز کے لئے کمپنی کی ریٹنگ بڑھا کر 'AA-' یعنی (Double A minus) کردی گئی۔ مقررہ ریٹنگ اب تک مستحکم ہے۔
- اچھی کارکردگی کے تسلسل کو لیکر ہم ضمنی پیداوار کے مرحلے کو موثر بنانے، بگاس (Bagasse) کی مزید بچت کرنے، بجلی گھروں کی توسیع اور مالیاتی اخراجات میں کمی کرنے میں کوشاں ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

۲۵ جولائی ۲۰۱۷

لاہور

راجیل مسعود

چیف ایگزیکٹو

ڈائریکٹرز کا تجربہ

معزز حصہ داران،

میں خوشی کے ساتھ کمپنی کی نو ماہ کی عبوری مالیاتی رپورٹ ۳۰ جون ۲۰۱۷ پیش کر رہا ہوں۔

اس نو ماہ کے عرصے میں آپ کی کمپنی نے تقریباً ۲۰.۰۱۷ ارب روپے خالص منافع کمایا جو کہ مقابلہ ۲۰۱۶ میں ۱.۷۰۰ ارب روپے تھا۔ کمپنی کی مجموعی فروخت ۳۶ ارب جبکہ ۲۰۱۶ میں ۳۰ ارب تھی۔ نتیجتاً کمپنی کی فی حصص آمدنی ۲۸ روپے سے بڑھ کر ۳۳ روپے ہو گئی اس کی بڑی وجہ پہلی دوسہ ماہوں میں چینی اور ملاس کی بہتر قیمت ہے علاوہ ازیں بجلی کی اضافی پیداوار، کارپوریٹ فارمز کے بہتر مالیاتی نتائج اور گنے کی اضافی پیداوار بھی بہتر وجوہات میں شامل ہیں۔

آپ کی دلچسپی کے لیے مزید نکات درج ذیل ہیں:

- ادارے کی بیلنس شیٹ کا حجم ۳۴ ارب روپے سے بڑھ کر ۴۹ ارب اور مجموعی مالیاتی ذخائر ادا شدہ سرمائے کا تقریباً ۱۴ گنا تک پہنچ چکے ہیں۔
- ادارے کی مالیاتی رپورٹ پچھلے سال کے مقابلے میں بہتری کی طرف گامزن ہے اور ادارہ اپنی تمام تر مالیاتی ذمہ داری پوری طرح انجام دے رہا ہے۔
- پیداوار میں خاطر خواہ اضافہ کے باوجود مالیاتی اخراجات میں ۹۵ ملین روپے کی کمی ہوئی جس کی وجہ شرح سود میں کمی اور قرضوں کی وقت پرادائیگی شامل ہیں۔
- انتظامی اخراجات میں اضافے کی بنیادی وجہ تنخواہوں اور مراعات میں اضافہ ہے جبکہ نیچے کے اخراجات میں کمی کا سبب چینی کا زیادہ مقدار میں برآمد (ایکس ملز بنیادوں) پر ہونا ہے۔
- گنے کے مقابلے میں بھاپ (Steam) کے تناسب میں کمی کرنے سے کمپنی اپنے بجلی گھروں کے لیے زیادہ بگاس (Bagasse) بچانے میں کامیاب ہوئی۔ یہ اضافی بگاس (Bagasse) آف سیزن میں دونوں بجلی گھروں کو چلانے کے لئے کافی ہے۔ بگاس وافر مقدار میں ہونے کی وجہ سے ادارے نے اس سال فروخت بھی کی۔ زیرے جائزہ دورانیے میں ادارے نے CPPA کو ۲۰۸۵ لاکھ روپے کی بجلی فروخت کی جبکہ پچھلے سال اس دورانیے میں بجلی کی فروخت ۲۰۶۷ لاکھ روپے تھی۔ پچھلے سال ۲۱۵ دن کے مقابلے میں بجلی گھروں نے اس سال ۲۴۰ دن کام کیا۔
- گنے کی سرکاری مقرر کردہ قیمت صوبہ پنجاب میں بغیر کسی تبدیلی کے ۱۸۰ روپے فی ۴۰ کلوگرام رہی جبکہ سندھ میں گنے کی سرکاری قیمت ۱۷۲ روپے فی ۴۰ کلوگرام سے بڑھا کر اس سال ۱۸۲ روپے فی کلوگرام کر دی گئی۔
- ملکی سطح پر پچھلے سال چینی کی پیداوار ۵.۵ ملین ٹن کے مقابلے میں اس سال چینی کی پیداوار ۷.۷ ملین ٹن رہی۔ چینی کی زیادہ پیداوار کے سبب وفاقی حکومت نے اس سال بنا کسی ٹیکس کی چھوٹ کے ۴ لاکھ ۲۵ ہزار ٹن چینی برآمد کرنے کی اجازت دی جس میں سے ایک بڑی مقدار برآمد ہو چکی ہے۔ ECC کی جانب سے مزید ۳ لاکھ ٹن برآمد کرنے کی اجازت دی گئی ہے جس کا حتمی فیصلہ اسٹیٹ بینک آف پاکستان کرے گا۔ ادارے نے ۵,۶۸۸ ٹن چینی برآمد کی جو کہ ملکی سطح پر مکمل کوئے کا ۱۸ فیصد ہے۔ اس طرح ادارے نے پورے ملک کی شوگر ملوں کے مقابلے میں سب سے زیادہ چینی برآمد کی۔

CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL INFORMATION (UN-AUDITED)

CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET (UN-AUDITED) AS AT 30 JUNE 2017

	Note	(Un-audited) 30-Jun-17 Rupees	(Audited) 30-Sep-16 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		7,567,568,792	7,044,672,556
		8,843,652,330	8,320,756,094
NON-CURRENT LIABILITIES			
Redeemable capital - secured	7	–	83,333,333
Long term finances - secured	8	7,474,798,405	9,495,166,901
Liabilities against assets subject to finance lease - secured	9	174,707,391	495,823,654
Deferred taxation		1,968,580,529	1,641,059,144
Retirement benefits		–	101,168,252
		9,618,086,325	11,816,551,284
CURRENT LIABILITIES			
Short term borrowings - secured	10	14,614,415,804	3,415,654,047
Current portion of non-current liabilities		3,373,597,112	3,139,610,613
Trade and other payables	11	12,636,660,548	7,327,682,941
Accrued profit / interest / mark-up		341,341,077	125,798,019
		30,966,014,541	14,008,745,620
		49,427,753,196	34,146,052,998
CONTINGENCIES AND COMMITMENTS			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	13	19,378,354,912	19,541,735,582
Biological assets		–	7,279,311
Intangibles		621,398,947	622,928,744
Investment property		218,599,597	196,467,698
Long term investments	14	2,302,343,164	2,283,110,383
Long term advances		8,611,112	18,430,247
Long term deposits		53,002,813	111,446,138
		22,582,310,545	22,781,398,103
CURRENT ASSETS			
Stores, spare parts and loose tools		1,252,252,654	1,080,682,261
Stock-in-trade		17,839,505,786	5,035,625,241
Biological assets		982,969,084	2,240,966,107
Trade debts - unsecured		2,336,486,490	1,025,619,160
Advances, deposits, prepayments and other receivables	15	3,433,849,098	1,126,498,627
Advance tax - net		815,382,438	848,667,402
Cash and bank balances	16	184,997,101	6,596,097
		26,845,442,651	11,364,654,895
		49,427,753,196	34,146,052,998

The annexed notes from 1 to 24 form an integral part of this condensed interim unconsolidated financial information.

Chief Executive

Director

**CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED 30 JUNE 2017**

	Note	Nine months ended		Three months ended	
		30-Jun-17 Rupees	30-Jun-16 Rupees	30-Jun-17 Rupees	30-Jun-16 Rupees
Gross sales		36,424,099,908	29,637,229,952	15,414,124,273	12,573,963,132
Sales tax, federal excise duty and others		(3,108,255,124)	(1,972,436,763)	(1,475,735,911)	(909,103,469)
Net sales	17	33,315,844,784	27,664,793,189	13,938,388,362	11,664,859,663
Cost of sales		(28,426,804,206)	(22,546,362,431)	(12,803,055,110)	(9,471,390,430)
Gross profit		4,889,040,578	5,118,430,758	1,135,333,252	2,193,469,233
Administrative expenses		(922,047,570)	(659,188,237)	(233,525,228)	(216,832,919)
Selling expenses		(69,064,075)	(159,565,504)	(27,500,821)	(58,713,989)
Other income	18	214,308,715	110,516,354	6,161,525	21,692,542
Other expenses		(178,489,744)	(802,782,097)	(26,074,532)	(706,023,641)
		(955,292,674)	(1,511,019,484)	(280,939,056)	(959,878,007)
Profit from operations		3,933,747,904	3,607,411,274	854,394,196	1,233,591,226
Finance cost		(1,255,174,243)	(1,349,720,575)	(476,826,219)	(466,301,025)
Profit before taxation		2,678,573,661	2,257,690,699	377,567,977	767,290,201
Taxation		(661,260,900)	(557,485,589)	(89,018,287)	(232,145,372)
Profit after taxation		2,017,312,761	1,700,205,110	288,549,690	535,144,829
Earnings per share - basic and diluted		33.75	28.44	4.83	8.95

The annexed notes from 1 to 24 form an integral part of this condensed interim unconsolidated financial information.

Chief Executive

Director

**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED 30 JUNE 2017**

	Nine months ended		Three months ended	
	30-Jun-17 Rupees	30-Jun-16 Rupees	30-Jun-17 Rupees	30-Jun-16 Rupees
Profit after taxation for the period	2,017,312,761	1,700,205,110	288,549,690	535,144,829
Other comprehensive income for the period	–	–	–	–
Total comprehensive income for the period	2,017,312,761	1,700,205,110	288,549,690	535,144,829

The annexed notes from 1 to 24 form an integral part of this condensed interim unconsolidated financial information.

Chief Executive

Director

CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 JUNE 2017

	30-Jun-17 Rupees	30-Jun-16 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,678,573,661	2,257,690,699
Adjustments for non cash and other items:		
Finance cost	1,255,174,243	1,349,720,575
Depreciation	1,048,441,655	912,950,223
Amortization	1,529,796	1,529,796
Staff retirement benefits	68,165,131	98,583,560
Workers' profit participation fund	142,853,170	121,152,490
Workers' welfare fund	35,636,574	44,206,607
Provision for doubtful debts	24,716,942	—
Gain on disposal of property, plant and equipment	(6,237,556)	(604,062)
Gain on disposal of investment property	(21,280,886)	—
Impairment against Investment of Faruki Pulp Mills	—	637,423,000
	2,548,999,069	3,164,962,189
Operating profit before working capital changes	5,227,572,730	5,422,652,888
Decrease / (increase) in current assets:		
Stores, spare parts and loose tools	(87,761,035)	(83,678,226)
Stock-in-trade	(12,803,880,545)	(6,786,354,426)
Biological assets	1,265,276,334	558,763,327
Advances, deposits, prepayments and other receivables	(1,802,831,747)	47,517,331
Trade debts	(1,310,867,330)	(38,165,240)
	(14,740,064,323)	(6,301,917,234)
Increase in current liabilities:		
Trade and other payables	5,255,379,414	4,587,844,702
Cash (used in) / generated from operating activities	(4,257,112,179)	3,708,580,356
Taxes paid	(300,454,549)	(163,244,728)
Workers' profit participation fund paid	(193,329,828)	(81,107,291)
Staff retirement benefits paid	(155,309,719)	(94,961,274)
	(649,094,096)	(339,313,293)
Net cash (used in) / generated from operations	(4,906,206,275)	3,369,267,063
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(1,540,715,284)	(1,659,545,888)
Long term advances	27,125,307	11,583,333
Advances for future issuance of shares	(19,232,781)	—
Proceeds from sale of property, plant and equipment	22,615,108	12,731,093
Proceeds from sale of investment property	37,437,422	—
Advances to related parties - net	—	(640,708,249)
Long term deposits - net	58,443,325	(6,341,841)
Net cash used in investing activities	(1,414,326,903)	(2,282,281,552)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances - net	(1,754,951,832)	1,749,464,362
Short term borrowings - net	12,126,358,213	2,132,076,003
Finance cost paid	(927,836,874)	(1,297,732,417)
Dividend paid	(1,455,010,700)	(540,896,020)
Lease rentals paid	(562,028,171)	(346,022,247)
Net cash generated from financing activities	7,426,530,636	1,696,889,681
Net increase in cash and cash equivalents	1,105,997,458	2,783,875,192
Cash and cash equivalents at beginning of the period	(1,155,907,300)	(3,340,868,135)
Cash and cash equivalents at end of the period	(49,909,842)	(556,992,943)
Cash and cash equivalents comprise of the following:		
— Cash and bank balances	184,997,101	366,920,966
— Running finances	(234,906,943)	(923,913,909)
	(49,909,842)	(556,992,943)

The annexed notes from 1 to 24 form an integral part of this condensed interim unconsolidated financial information.

Chief Executive

Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 JUNE 2017

	Share Capital	Reserves			Total Reserves	Total Equity
		Capital	Revenue			
		Share Premium	Accumulated Profit			
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Balance as at 01 October 2015	597,766,610	678,316,928	5,740,528,115	6,418,845,043	7,016,611,653	
Total comprehensive income for the period	-	-	1,700,205,110	1,700,205,110	1,700,205,110	
Transaction with owners of the company						
Final cash dividend for the year ended						
30 September 2015 @ Rs. 7.00 per share	-	-	(418,436,627)	(418,436,627)	(418,436,627)	
Interim cash dividend for the period ended						
31 March 2016 @ Rs. 2.00 per share	-	-	(119,553,322)	(119,553,322)	(119,553,322)	
Balance as at 30 June 2016	597,766,610	678,316,928	(537,989,949)	(537,989,949)	(537,989,949)	
			6,902,743,276	7,581,060,204	8,178,826,814	
Balance as at 01 October 2016	597,766,610	678,316,928	7,044,672,556	7,722,989,484	8,320,756,094	
Total comprehensive income for the period	-	-	2,017,312,761	2,017,312,761	2,017,312,761	
Transaction with owners of the company						
Final cash dividend for the year ended						
30 September 2016 @ Rs. 15.00 per share	-	-	(896,649,915)	(896,649,915)	(896,649,915)	
Interim cash dividend for the period ended						
31 March 2017 @ Rs. 10.00 per share	-	-	(597,766,610)	(597,766,610)	(597,766,610)	
Balance as at 30 June 2017	597,766,610	678,316,928	(1,494,416,525)	(1,494,416,525)	(1,494,416,525)	
			7,567,568,792	8,245,885,720	8,843,652,330	

The annexed notes from 1 to 24 form an integral part of this condensed interim unconsolidated financial information.

Chief Executive

Director

1 REPORTING ENTITY

JDW Sugar Mills Limited (“the Company”) was incorporated in Pakistan on 31 May 1990 as a private limited company under the Companies Ordinance, 1984 and was subsequently converted into a public limited company on 24 August 1991. Shares of the Company are listed on the Pakistan Stock Exchange. The registered office of the Company is situated at 17-Abid Majeed Road, Lahore Cantonment, Lahore. The Principal activity of the Company is production and sale of crystalline sugar, electricity and managing corporate farms.

2 BASIS OF PREPARATION

2.1 Basis of accounting

2.1.1 This condensed interim unconsolidated financial information comprises the condensed interim unconsolidated balance sheet of the Company as at 30 June 2017 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement and condensed interim unconsolidated statement of changes in equity together with the notes forming part thereof.

2.1.2 This condensed interim unconsolidated financial information of the Company for the nine months period ended 30 June 2017 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

2.1.3 This condensed interim unconsolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended 30 September 2016.

2.1.4 Comparative unconsolidated balance sheet numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 September 2016, whereas comparative figures of unconsolidated profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim unconsolidated financial information of the Company for the nine months period ended 30 June 2016.

2.1.5 This condensed interim financial information is unaudited and being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Pakistan Stock Exchange.

3 USE OF ESTIMATES AND JUDGMENTS

The preparation of the condensed interim unconsolidated financial information 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 unconsolidated financial information, 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 unconsolidated financial statements for the year ended 30 September 2016.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 JUNE 2017

4 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are same as those applied in the preparation of the audited unconsolidated financial statements for the year ended 30 September 2016.

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 sugar cane crushing season starts from November and lasts till April in each year.

	(Un-audited) 30-Jun-17 Rupees	(Audited) 30-Sep-16 Rupees
6 SHARE CAPITAL		
6.1 Authorized capital		
75,000,000 (30 September 2016: 75,000,000)	750,000,000	750,000,000
ordinary shares of Rs. 10 each		
25,000,000 (30 September 2016: 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 2016: 32,145,725)		
voting ordinary shares of Rs. 10 each		
fully paid in cash	321,457,250	321,457,250
27,630,936 (30 September 2016: 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>

7 REDEEMABLE CAPITAL - SECURED

During the period, the Company has repaid Rs. 83.33 million (30 September 2016: Rs. 111.11 million) to TFC holders. Amounts due in next twelve months amounting to Rs. 111.11 million (30 September 2016: Rs. 111.11 million) are included in current portion presented under current liabilities. These carry mark-up at three months KIBOR plus 100 bps per annum.

	Note	(Un-audited) 30-Jun-17 Rupees	(Audited) 30-Sep-16 Rupees
8 LONG TERM FINANCES - SECURED			
Markup bearing finances from conventional banks	8.1	6,677,798,405	8,391,166,901
Islamic mode of financing	8.2	797,000,000	1,104,000,000
	8.3	7,474,798,405	9,495,166,901
8.1 Markup bearing finances from conventional banks:			
Balance at beginning of the period / year		10,955,666,181	8,901,361,191
Loans received during the period / year	8.1.1	500,000,000	5,254,375,000
Repayments during the period / year		(2,029,618,496)	(3,200,070,010)
		9,426,047,685	10,955,666,181
Current portion presented under current liabilities		(2,748,249,280)	(2,564,499,280)
		6,677,798,405	8,391,166,901
8.2 Islamic mode of financing:			
Balance at beginning of the period / year		1,264,000,000	734,000,000
Loans received during the period / year		–	690,000,000
Repayments during the period / year		(142,000,000)	(160,000,000)
		1,122,000,000	1,264,000,000
Current portion presented under current liabilities		(325,000,000)	(160,000,000)
		797,000,000	1,104,000,000

8.1.1 Current period balance represents draw down of Rs. 500 million against new loan obtained during the period from Habib Bank Limited. Loan carries mark-up at six months KIBOR plus 100 bps per annum and is repayable in 8 equal semi annual instalments starting from June 2018 and ending in December 2021.

8.3 The securities offered and facility limits of these long term finances are the same as disclosed in the audited unconsolidated financial statements of the Company for the year ended 30 September 2016. The intererst / markup is payable quarterly at a rate of three to six months KIBOR plus 100 bps per annum.

**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 JUNE 2017**

9 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - SECURED

During the period, the Company availed leases aggregating Rs. 76.50 million (30 September 2016: Rs. 261.61 million) and repaid principal amount of Rs. 562.28 million (30 September 2016: Rs. 385.35 million). Amounts due in next twelve months amounting to Rs. 189.23 million (30 September 2016: Rs. 304 million) are included in current portion presented under current liabilities. Lease rentals are payable on quarterly / monthly basis and include finance cost ranging from three months to one year KIBOR plus 100 to 300 bps per annum (30 September 2016: three months to one year KIBOR plus 200 to 300 bps per annum) which has been used as the discounting factor. The Company has the option to purchase the assets upon completion of lease period and has the intention to exercise such option.

10 SHORT TERM BORROWINGS - SECURED

The markup rates, securities offered and facility limits of these short term borrowings are substantially same as disclosed in the audited unconsolidated financial statements of the Company for the year ended 30 September 2016.

	(Un-audited) 30-Jun-17 Rupees	(Audited) 30-Sep-16 Rupees
10.1 Type of short term borrowings		
Mark-up based borrowings from conventional banks:		
Cash finances	10,164,795,240	—
Running finances	234,906,943	1,162,503,397
Inland bill discounting	965,674,270	799,999,999
Finance against trust receipts	17,610,459	403,150,651
	<u>11,382,986,912</u>	<u>2,365,654,047</u>
Islamic mode of financing		
Salam/Istisna finances	2,181,428,892	—
Morabaha finances	1,050,000,000	1,050,000,000
	<u>3,231,428,892</u>	<u>1,050,000,000</u>
	<u>14,614,415,804</u>	<u>3,415,654,047</u>

11 TRADE AND OTHER PAYABLES

This includes advances from customers aggregating Rs. 11,417.64 million (30 September 2016: Rs. 5,784.06 million).

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There is no material change in contingencies from the preceding audited unconsolidated financial statements of the Company for the year ended 30 September 2016 except for the commitments and guarantees as disclosed below:

	Note	(Un-audited) 30-Jun-17 Rupees	(Audited) 30-Sep-16 Rupees
12.1.1 Counter guarantees given by the Company to banks on account of agricultural loan		–	3,213,000,000
12.1.2 Guarantees issued by banks on behalf of the Company in favour of various parties		326,010,000	83,000,000
12.1.3 Cross corporate guarantees given by the Company to banks for Deharki Sugar Mills (Private) Limited - a subsidiary company		–	2,571,019,728
12.2 Commitments			
Letters of credit for import of machinery and its related components		913,032,233	301,369,738

13 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	13.1	19,321,957,813	18,533,844,373
Capital work in progress		56,397,099	924,081,851
Stores, spare parts and loose tools held for capital expenditures		–	83,809,358
		19,378,354,912	19,541,735,582
13.1 Operating fixed assets			
Net book value at beginning of the period / year		18,533,844,373	17,594,986,572
Additions during the period / year		1,810,128,565	2,408,899,409
Disposals during the period / year - net book value		(16,387,103)	(40,443,839)
Transfer to investment property		(38,288,435)	(23,440,768)
Adjustment made during the period / year - net book value		–	(3,185,891)
Depreciation charged during the period / year		(967,339,587)	(1,402,971,110)
Net book value at end of the period / year		19,321,957,813	18,533,844,373

**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 JUNE 2017**

	Note	(Un-audited) 30-Jun-17 Rupees	(Audited) 30-Sep-16 Rupees
14 LONG TERM INVESTMENTS			
Investment in subsidiary companies - unquoted	14.1	2,283,110,383	2,283,110,383
Advances for future issuance of shares	14.2	19,232,781	—
Investment in associated company - unquoted	14.3	—	—
		<u>2,302,343,164</u>	<u>2,283,110,383</u>
14.1 Investment in subsidiary companies			
Deharki Sugar Mills (Private) Limited ("DSML")			
105,000,000 (2016: 105,000,000) fully paid shares of Rs. 10 each			
Equity held 100% (2016: 100%)			
		1,049,750,000	1,049,750,000
Faruki Pulp Mills Limited ("FPML")			
310,892,638 (2016: 310,892,638) fully paid shares of Rs. 10 each			
Equity held 57.67% (2016: 57.67%)			
Cost as at 01 October			
		3,154,426,383	2,044,648,050
Acquired during the period: nil			
(2016: 110,977,833) fully paid shares of Rs. 10 each			
		—	1,109,778,333
Cost as at 30 June / 30 September			
		3,154,426,383	3,154,426,383
Less: Accumulated Impairment allowance			
		(1,921,066,000)	(1,921,066,000)
		<u>1,233,360,383</u>	<u>1,233,360,383</u>
		<u>2,283,110,383</u>	<u>2,283,110,383</u>

- 14.2** This represent advances given to wholly owned subsidiary companies Ghotki Power (Private) Limited and Sadiqabad Power (Private) Limited (the Subsidiary Companies) for future issuance of shares. The Subsidiary Companies were incorporated on 15 & 16 December 2016 respectively. The Board of Directors of the Company has approved this investment in the Subsidiary Companies in their meeting held on 13 December 2016.

	(Un-audited) 30-Jun-17 Rupees	(Audited) 30-Sep-16 Rupees
14.3 Investment in associated company		
JDW Power (Private) Limited ("JDWPL")		
9,000,000 (2016: 9,000,000) fully paid shares of Rs. 10 each		
	90,000,000	90,000,000
Accumulated impairment allowance		
	(90,000,000)	(90,000,000)
	<u>—</u>	<u>—</u>

15 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

This includes an amount of Rs. 3.98 million (30 September 2016: Rs. 3.75 million) receivable from executives of the Company.

(Un-audited)
30-Jun-17
Rupees

(Audited)
30-Sep-16
Rupees

16 CASH AND BANK BALANCES

Current accounts		
Deposits with islamic banks	44,814,822	721,896
Deposits with conventional banks	125,304,250	3,523,703
	170,119,072	4,245,599
Saving accounts		
Deposits with conventional banks	2,668,152	111,816
	172,787,224	4,357,415
Cash in hand	12,209,877	2,238,682
	184,997,101	6,596,097

16.1 The balances in saving accounts carry markup at 3.75% per annum (30 September 2016: 3.50% - 4.00% per annum).

Nine months ended		Three months ended	
30-Jun-17 Rupees	30-Jun-16 Rupees	30-Jun-17 Rupees	30-Jun-16 Rupees

17 NET SALES

Sugar	29,654,356,080	23,897,208,582	13,461,687,369	10,689,985,544
Agriculture produce	1,316,203,644	950,684,616	110,155,140	55,814,643
Molasses and Bagasse - by products	2,151,112,080	1,779,339,165	548,592,975	565,270,029
Electricity	3,302,428,104	3,009,997,589	1,293,688,789	1,262,892,916
	36,424,099,908	29,637,229,952	15,414,124,273	12,573,963,132
Less: Sales tax, federal excise duty and others	(3,108,255,124)	(1,972,436,763)	(1,475,735,911)	(909,103,469)
	33,315,844,784	27,664,793,189	13,938,388,362	11,664,859,663

Sales include sugar export sales of Rs. 3,461 million (2016: Rs. 1,153 million).

18 OTHER INCOME

This mainly includes scrap sale of Rs. 84 million (2016: 33 million), sale of mud of Rs. 77 million (2016: Rs. 54 million) and gain on sale of investment property of Rs. 21.28 million (2016: nil).

**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 JUNE 2017**

19 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiary companies, associated company, 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 information. Other significant transactions and balances with related parties except those disclosed elsewhere are as follows:

		30-Jun-17 Rupees	30-Jun-16 Rupees
Relationship	Nature of Transactions		
Subsidiary Companies			
	Short term advances	472,630,000	909,118,264
	Markup expense / (income) on short term advances	1,812,560	(39,488,815)
	Sale of sugarcane	1,177,778,578	883,560,699
	Purchase of bagasse	–	198,766,941
	Reimbursement on use of Company's aircraft	8,306,081	7,442,038
	Sale of property, plant and equipment	4,477,304	3,686,351
	Advances for future issuance of shares	19,232,781	
	Issuance of shares	–	1,109,778,333
Associated Company			
	Reimbursement of expenses	12,101,537	–
	Payment against purchase of aircraft	–	2,500,000
Post employment benefit plans			
	Provident fund contribution	108,388,226	85,626,554
	Payment to recognised gratuity fund	101,168,252	–
Key management personnel			
	Consultancy services	11,800,827	6,438,944
	Directors' remuneration and allowances	241,111,669	175,999,996

20 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying Amount			Fair Value		
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
	Note					
(Rupees)						
On-Balance sheet financial instruments						
30 June 2017 - (un-audited)						
Financial assets not measured at fair value						
Bank balances	172,787,224	-	172,787,224	-	-	-
Advances, deposits and other receivables	51,416,538	-	51,416,538	-	-	-
Trade debts - unsecured	2,336,486,490	-	2,336,486,490	-	-	-
Long term advances	8,611,112	-	8,611,112	-	-	-
Long term deposits	53,002,813	-	53,002,813	-	-	-
20.2	2,622,304,177	-	2,622,304,177	-	-	-
Financial liabilities not measured at fair value						
Redeemable capital - secured	-	111,111,111	111,111,111	-	-	-
Long term finances - secured	-	10,548,047,685	10,548,047,685	-	-	-
Liabilities against assets subject to finance lease	-	363,944,115	363,944,115	-	-	-
Trade and other payables	-	901,752,325	901,752,325	-	-	-
Short term borrowings - secured	-	14,614,415,804	14,614,415,804	-	-	-
Accrued profit / interest / mark-up	-	341,341,077	341,341,077	-	-	-
20.2	-	26,880,612,117	26,880,612,117	-	-	-

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 JUNE 2017

20.1 Fair value measurement of financial instruments

	Carrying Amount		Fair Value			
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees)					
Note						
On-Balance sheet financial instruments						
30 September 2016 - Audited						
Financial assets not measured at fair value						
Bank balances	4,357,415	-	4,357,415	-	-	-
Advances, deposits and other receivables	55,851,575	-	55,851,575	-	-	-
Trade debts - unsecured	1,025,619,160	-	1,025,619,160	-	-	-
Long term advances	18,430,247	-	18,430,247	-	-	-
Long term deposits	111,446,138	-	111,446,138	-	-	-
20.2	1,215,704,535	-	1,215,704,535	-	-	-
Financial liabilities not measured at fair value						
Redeemable capital - secured	-	194,444,444	194,444,444	-	-	-
Long term finances - secured	-	12,219,666,181	12,219,666,181	-	-	-
Liabilities against assets subject to finance lease	-	799,823,876	799,823,876	-	-	-
Trade and other payables	-	1,344,235,811	1,344,235,811	-	-	-
Short term borrowings - secured	-	3,415,654,047	3,415,654,047	-	-	-
Accrued profit / interest / mark-up	-	125,798,019	125,798,019	-	-	-
20.2	-	18,099,622,378	18,099,622,378	-	-	-

20.2 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or re-price over short term. Therefore, their carrying amounts are reasonable approximation of their fair values.

20.3 Fair value measurement of biological assets

In absence of active market for sugarcane standing 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 year 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 sugarcane and risk-adjusted discount rate.

20.4 Fair value measurement of investment property carried at cost

Fair value of investment property was determined based on estimated market value. Rate per square acre represents significant unobservable input. The estimated fair value would increase/ (decrease) if, expected market rental growth were higher/ (lower), the occupancy rate were higher/ (lower) or rent-free periods were shorter/ (longer).

21 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the annual unconsolidated financial statements of the Company for the year ended 30 September 2016.

- 22** The Finance Act, 2015 introduced a tax under Section 5A of the Income Tax Ordinance, 2001 on every public company other than a scheduled bank or Modarba, that derives profits for tax year and does not distribute cash dividend within six months of the end of said tax year or distribute dividends to such an extent that its reserves, after such distribution, are in excess of 100% of its paid up capital. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40 percent of its after tax profits or 50% of its paid up capital, whichever is less, within six months of the end of the tax year.

The Board of Directors of the Company intends to distribute sufficient cash dividend for the year ending 30 September 2017 to comply with the above stated requirements. Accordingly, no provision for tax on undistributed reserves has been made in this condensed interim unconsolidated financial information.

23 DATE OF AUTHORIZATION

This condensed interim unconsolidated financial information has been approved by the Board of Directors of the Company and authorized for issue on 25 July 2017.

24 EVENTS AFTER THE BALANCE SHEET DATE

There are no material subsequent events occurred after Balance sheet date.

CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION (UN-AUDITED)

Directors' Review

on Condensed Interim Consolidated Financial Information

I am pleased to present the condensed interim consolidated financial information of JDW Sugar Mills Limited (the "Holding Company") and its Subsidiary Companies Deharki Sugar Mills (Private) Limited, Faruki Pulp Mills Limited, Sadiqabad Power (Private) Limited, Ghotki Power (Private) Limited ("the Group") for the nine months ended June 30, 2017.

Deharki Sugar Mills (Private) Limited ("DSML") was incorporated as a Private Limited Company under the Companies Ordinance 1984. 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 as a Public Limited Company under the Companies Ordinance, 1984. The Company will be engaged in the manufacture and sale of paper pulp. The Holding Company Holds 57.67% shares of the subsidiary company.

Sadiqabad Power (Private) Limited ("SPPL") was incorporated on December 16, 2016 as a Private Limited Company under the Companies Ordinance 1984. The Company will be engaged in generation of electricity. The Holding Company Holds 100% shares of the subsidiary company.

Ghotki Power (Private) Limited ("GPPL") was incorporated on December 15, 2016 as a Private Limited Company under the Companies Ordinance 1984. The Company will be engaged in generation of electricity. The Holding Company Holds 100% shares of the subsidiary company.

It is being confirmed that to the best of our knowledge, these condensed interim consolidated financial information for the nine months ended June 30, 2017 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.

The condensed interim consolidated financial results are as follows:

	30-Jun-17	30-Jun-16
	(Rs. in Million)	
Gross Sales	41,417	35,447
Net Sales	37,663	32,977
Operating Profit	4,365	4,542
Profit before Tax	2,912	2,913
Profit after Tax	2,096	1,872

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

On behalf of the Board of Directors

25 July 2017
Lahore

Raheel Masud
Chief Executive

ڈائریکٹرز کا تجزیہ

میں خوشی کے ساتھ ہے ڈی ڈبلیو شوگر ملز اور اسکے زیریں ادارے ڈہری شوگر ملز پرائیویٹ لمیٹڈ، فاروقی پلپ ملز لمیٹڈ، صادق آباد پاور پرائیویٹ لمیٹڈ، گھوٹکی پاور پرائیویٹ لمیٹڈ کی نو ماہی عبوری مالیاتی رپورٹ برائے سال ۲۰۱۷ جون ۳۰ پیش کر رہے ہیں۔

ڈہری شوگر ملز پرائیویٹ لمیٹڈ کو کمپنیز آرڈیننس ۱۹۸۴ کے تحت ایک پرائیویٹ لمیٹڈ کمپنی کے طور پر قائم کیا گیا تھا۔ اس ذیلی ادارے کا بنیادی کام گنے سے چینی بنانا اور بچتنا ہے۔ اس ذیلی کمپنی کے ۱۰۰ فیصد حس ہے ڈی ڈبلیو کے پاس ہیں۔

فاروقی پلپ ملز لمیٹڈ کو کمپنیز آرڈیننس ۱۹۸۴ کے تحت پرائیویٹ لمیٹڈ کمپنی کے طور پر قائم کیا گیا تھا۔ اس ادارے کا بنیادی کام پیپر پلپ بنانا اور بچتنا ہے۔ اس ذیلی کمپنی کے ۵۷.۶۷ فیصد حس ہے ڈی ڈبلیو کے پاس ہیں۔

صادق آباد پاور پرائیویٹ لمیٹڈ کو کمپنیز آرڈیننس ۱۹۸۴ کے تحت ۱۶ دسمبر ۲۰۱۶ کو ایک پرائیویٹ لمیٹڈ کمپنی کے طور پر قائم کیا گیا تھا۔ اس ادارے کا بنیادی کام بجلی پیدا کرنا اور بچتنا ہے۔ اس ذیلی کمپنی کے ۱۰۰ فیصد حس ہے ڈی ڈبلیو کے پاس ہیں۔

گھوٹکی پاور پرائیویٹ لمیٹڈ کو کمپنیز آرڈیننس ۱۹۸۴ کے تحت ۱۵ دسمبر ۲۰۱۶ کو ایک پرائیویٹ لمیٹڈ کمپنی کے طور پر قائم کیا گیا تھا۔ اس ادارے کا بنیادی کام بجلی پیدا کرنا اور بچتنا ہے۔ اس ذیلی کمپنی کے ۱۰۰ فیصد حس ہے ڈی ڈبلیو کے پاس ہیں۔

اہم اس بات کی تصدیق کرتے ہیں کہ ہماری بہترین معلومات کے مطابق یہ نو ماہی عبوری مالیاتی رپورٹ برائے ۲۰۱۷ جون ۳۰ 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۔

نو ماہی عبوری مالیاتی نتائج مندرجہ ذیل ہیں:

۲۰۱۶ جون ۳۰	۲۰۱۷ جون ۳۰	
(ملین روپے)		
۳۵،۴۴۷	۴۱،۴۱۷	مجموعی فروخت
۳۲،۹۷۷	۳۷،۶۶۳	خالص فروخت
۴،۵۴۲	۴،۳۶۵	آپریٹنگ منافع
۲،۹۱۳	۲،۹۱۲	منافع قبل از ٹیکس
۱،۸۷۲	۲،۰۹۶	ٹیکس کے بعد منافع

ڈائریکٹرز نے اس رپورٹ میں اپنے تمام شیئر ہولڈرز کو، ہولڈنگ ادارے اور اسکی تمام ذیلی اداروں کی تفصیلی امور سے آگاہ کیا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

۲۵ جولائی ۲۰۱۷

لاہور

راجیل مسعود

چیف ایگزیکٹو

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET (UN-AUDITED) AS AT 30 JUNE 2017

	Note	(Un-audited) 30-Jun-17 Rupees	(Audited) 30-Sep-16 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		8,561,867,125	7,957,485,567
Equity attributable to the owners of the Company		9,837,950,663	9,233,569,105
Non controlling interest		484,131,616	486,430,148
		10,322,082,279	9,719,999,253
NON CURRENT LIABILITIES			
Redeemable capital - secured	7	–	83,333,333
Long term finances - secured	8	7,879,798,406	10,103,138,981
Liabilities against assets subject to finance lease	9	174,707,391	495,823,654
Deferred taxation		2,299,744,561	1,869,360,530
Retirement benefits		5,671,061	106,839,313
		10,359,921,419	12,658,495,811
CURRENT LIABILITIES			
Short term borrowings - secured	10	19,382,614,622	3,594,347,767
Current portion of non-current liabilities		3,709,541,272	3,816,448,480
Trade and other payables	11	14,436,779,874	7,962,291,146
Accrued profit / interest / mark-up		395,946,218	132,500,195
Provision For Taxation		22,081,055	65,253,498
		37,946,963,041	15,570,841,086
		58,628,966,739	37,949,336,150
CONTINGENCIES AND COMMITMENTS			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	13	24,462,744,446	24,203,769,418
Biological assets		–	7,279,311
Investment property		218,599,597	196,467,698
Intangible assets		1,076,536,984	1,078,098,811
Long term investments	14	–	–
Long term advances		8,611,110	18,430,247
Long term deposits		53,066,813	111,510,138
		25,819,558,950	25,615,555,623
CURRENT ASSETS			
Biological assets		982,969,084	2,240,966,107
Stores, spares and loose tools		1,513,013,210	1,335,033,812
Stock in trade		22,845,036,762	5,287,410,535
Trade debts - unsecured		2,336,506,907	1,046,012,899
Advances, deposits, prepayments and other receivables	15	4,076,422,152	1,543,949,118
Advance tax- net		815,382,437	848,667,402
Cash and bank balances	16	240,077,237	31,740,654
		32,809,407,789	12,333,780,527
		58,628,966,739	37,949,336,150

The attached notes from 1 to 25 form an integral part of this condensed interim consolidated financial information.

Chief Executive

Director

**CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED 30 JUNE 2017**

	Note	Nine months ended		Three months ended	
		30-Jun-17 Rupees	30-Jun-16 Rupees	30-Jun-17 Rupees	30-Jun-16 Rupees
Gross sales		41,417,247,136	35,446,991,847	17,602,582,264	15,312,799,847
Sales tax, federal excise duty and others		(3,753,944,698)	(2,470,138,460)	(1,721,963,175)	(1,135,138,105)
Net sales	17	37,663,302,438	32,976,853,387	15,880,619,089	14,177,661,742
Cost of sales		(32,197,324,800)	(26,568,945,950)	(14,690,655,194)	(11,114,657,742)
Gross profit		5,465,977,638	6,407,907,437	1,189,963,895	3,063,004,000
Administrative expenses		(1,066,375,430)	(778,726,569)	(283,405,575)	(272,461,863)
Selling expenses		(74,097,828)	(164,228,486)	(28,777,579)	(59,813,096)
Other income	18	232,114,885	125,566,498	14,611,207	26,665,248
Other expenses		(192,955,837)	(1,048,959,912)	(24,035,677)	(936,659,814)
		(1,101,314,210)	(1,866,348,469)	(321,607,624)	(1,242,269,525)
Profit from operations		4,364,663,428	4,541,558,968	868,356,271	1,820,734,475
Finance cost		(1,452,477,555)	(1,614,397,309)	(566,692,574)	(571,599,561)
		2,912,185,873	2,927,161,659	301,663,697	1,249,134,914
Share of loss of associated company		–	(14,169,790)	–	–
Profit before taxation		2,912,185,873	2,912,991,869	301,663,697	1,249,134,914
Taxation		(815,686,322)	(1,041,270,301)	(117,434,497)	(677,837,545)
Profit after taxation		2,096,499,551	1,871,721,568	184,229,200	571,297,369
Attributable to:					
Equity holders of the Holding Company		2,098,798,083	2,205,814,806	184,851,876	896,133,873
Non-controlling interest		(2,298,532)	(334,093,238)	(622,676)	(324,836,504)
		2,096,499,551	1,871,721,568	184,229,200	571,297,369
Earnings per share - basic and diluted		35.07	31.31	3.08	9.56

The attached notes from 1 to 25 form an integral part of this condensed interim consolidated financial information.

Chief Executive

Director

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED 30 JUNE 2017**

	Nine months ended		Three months ended	
	30-Jun-17 Rupees	30-Jun-16 Rupees	30-Jun-17 Rupees	30-Jun-16 Rupees
Profit after taxation for the period	2,096,499,551	1,871,721,568	184,229,200	571,297,369
Other comprehensive income for the period	–	–	–	–
Total comprehensive income for the period	<u>2,096,499,551</u>	<u>1,871,721,568</u>	<u>184,229,200</u>	<u>571,297,369</u>
Attributable to:				
Equity holders of the Holding Company	2,098,798,083	2,205,814,806	184,851,876	896,133,873
Non-controlling interest	(2,298,532)	(334,093,238)	(622,676)	(324,836,504)
	<u>2,096,499,551</u>	<u>1,871,721,568</u>	<u>184,229,200</u>	<u>571,297,369</u>

The attached notes from 1 to 25 form an integral part of this condensed interim consolidated financial information.

Chief Executive

Director

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 JUNE 2017

	30-Jun-17 Rupees	30-Jun-16 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,912,185,873	2,912,991,869
Adjustments for non cash and other items		
Finance cost	1,452,477,555	1,614,397,309
Depreciation	1,207,158,444	1,058,653,775
Amortisation	1,561,825	1,712,644
Staff retirement benefits	69,340,266	107,836,721
Workers' profit participation fund	155,928,918	168,299,491
Workers' welfare fund	37,026,919	59,909,428
(Gain)/loss on disposal of investment property	(21,280,886)	–
(Gain)/loss on disposal of operating fixed assets	(6,306,155)	(604,062)
Share of loss of associated companies	–	14,169,791
Provision for doubtful advances	24,716,942	–
	2,920,623,828	3,024,375,097
Operating profit before working capital changes	5,832,809,701	5,937,366,966
Decrease / (increase) in current assets		
Stores, spare parts and loose tools	(94,170,038)	(64,469,543)
Stock in trade	(17,557,626,227)	(8,770,986,371)
Biological assets	1,265,276,334	558,763,327
Advances, deposits, prepayments and other receivables	(2,027,954,315)	(163,168,476)
Trade debts	(1,290,494,008)	(61,577,278)
	(19,704,968,254)	(8,501,438,341)
Increase in current liabilities		
Trade and other payables	6,213,250,054	4,911,372,359
Cash (used in) / generated from operations	(7,658,908,499)	2,347,300,984
Taxes paid	(352,958,599)	(230,915,984)
Workers' profit participation fund paid	(256,311,956)	(53,624,623)
Staff retirement benefits paid	(168,394,408)	(100,022,454)
	(777,664,963)	(384,563,061)
Net cash (used in) / generated from operations	(8,436,573,462)	1,962,737,923
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(2,157,446,073)	(1,913,145,539)
Proceeds from sale of operating fixed assets	29,921,608	19,847,119
Long term advances	27,125,307	11,583,333
Advances to related parties - net	–	56,800,000
Long term deposits - net	58,443,325	(6,341,841)
Net cash used in investing activities	(2,041,955,833)	(1,831,256,928)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing - net	(1,957,923,912)	1,367,576,042
Short term borrowings - net	16,829,860,991	3,977,407,869
Finance cost paid	(1,079,028,814)	(1,522,542,561)
Dividend paid	(1,455,010,700)	(540,896,020)
Lease rentals paid including markup	(609,437,551)	(369,005,199)
Net cash generated from financing activities	11,728,460,014	2,912,540,131
Net increase in cash and cash equivalents	1,249,930,719	3,044,021,126
Cash and cash equivalents at the beginning of the period	(1,279,460,675)	(3,562,216,895)
Cash and cash equivalents at the end of the period	(29,529,956)	(518,195,769)
Cash and cash equivalents comprise of the following:		
- Cash and bank balances	240,077,237	410,632,870
- Running finances	(269,607,193)	(928,828,639)
	(29,529,956)	(518,195,769)

The attached notes from 1 to 25 form an integral part of this condensed interim consolidated financial information.

Chief Executive

Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 JUNE 2017

	Attributable to equity holders of the Holding Company							Non-Controlling Interest	Total Equity
	Share Capital	Reserves			Total				
		Capital Share Premium	Revenue	Sub Total					
			Accumulated Profit						
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
597,766,610	678,316,928	5,772,211,315	6,450,528,243	7,048,294,853	328,934	7,048,623,787			
Balance as at 01 October 2015									
-	-	-	-	-	-	1,869,363,675	1,869,363,675		
-	-	2,205,814,806	2,205,814,806	2,205,814,806	(334,093,238)	1,871,721,568			
-	-	(5,539,199)	(5,539,199)	(5,539,199)	-	(5,539,199)			
Transaction with owners of the company									
-	-	(418,436,627)	(418,436,627)	(418,436,627)	-	(418,436,627)			
-	-	(119,553,322)	(119,553,322)	(119,553,322)	-	(119,553,322)			
-	-	(537,989,949)	(537,989,949)	(537,989,949)	-	(537,989,949)			
597,766,610	678,316,928	7,434,496,973	8,112,813,901	8,710,580,511	1,535,599,371	10,246,179,882			
Balance as at 30 June 2016									
597,766,610	678,316,928	7,957,485,567	8,635,802,495	9,233,569,105	486,430,148	9,719,999,253			
Balance as at 01 October 2016									
-	-	2,098,798,083	2,098,798,083	2,098,798,083	(2,298,532)	2,096,499,551			
Total comprehensive income for the period									
Transaction with owners of the company									
-	-	(896,649,915)	(896,649,915)	(896,649,915)	-	(896,649,915)			
-	-	(597,766,610)	(597,766,610)	(597,766,610)	-	(597,766,610)			
-	-	(1,494,416,525)	(1,494,416,525)	(1,494,416,525)	-	(1,494,416,525)			
597,766,610	678,316,928	8,561,867,125	9,240,184,053	9,837,950,663	484,131,616	10,322,082,279			
Balance as at 30 June 2017									

The attached notes from 1 to 25 form an integral part of this condensed interim consolidated financial information.

Chief Executive

Director

1 STATUS AND NATURE OF BUSINESS

1.1 The Group comprises of

- JDW Sugar Mills Limited (“the Holding Company”);
- Deharki Sugar Mills (Private) Limited - “DSML” (“the Subsidiary Company”);
- Faruki Pulp Mills Limited - “FPML” (“the Subsidiary Company”);
- Sadiqabad Power (Private) Limited - “SPPL” (“the Subsidiary Company”); and
- Ghotki Power (Private) Limited - “GPPL” (“the Subsidiary Company”).

JDW Sugar Mills Limited (“the Holding Company”) was incorporated in Pakistan on 31 May 1990 as a private limited company under the Companies Ordinance, 1984 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. The registered office of the Holding Company is situated at 17 - Abid Majeed Road, Lahore Cantonment, Lahore. The principal activity of the Holding Company is production and sale of crystalline sugar, electricity and managing corporate farms.

1.2 Deharki Sugar Mills (Private) Limited (“the Subsidiary Company”) was incorporated in Pakistan on 14 July 2010 as a Private Limited Company under the Companies Ordinance, 1984. The registered office of the Subsidiary Company is situated at 17-Abid Majeed Road, Lahore Cantonment, Lahore. The principal activity of the Subsidiary Company is manufacturing and sale of crystalline sugar. The Subsidiary Company started its commercial production on 03 December 2011. The Holding Company holds 100% shares of the Subsidiary Company.

1.3 Faruki Pulp Mills Limited (“the Subsidiary Company”) was incorporated in Pakistan on 20 October 1991 as a Public Limited Company under the Companies Ordinance, 1984. The Subsidiary Company will be engaged in the manufacture and sale of paper pulp. The production facility is situated 20 km from Gujrat and the registered office is situated at 13-B, Block -K, Main Boulevard Gulberg II Lahore. The Holding Company holds 57.67% shares of the Subsidiary Company at the end of the period.

1.4 Sadiqabad Power (Private) Limited (“the Subsidiary Company”) was incorporated in Pakistan on 16 December 2016, under the Companies Ordinance, 1984. The Subsidiary Company will be engaged in the production of electricity under the expansion program of the Holding Company’s existing bagasse based cogeneration power plants. The registered office of the Subsidiary Company is situated at 17-Abid Majeed Road, Lahore Cantonment, Lahore. The Holding Company holds 100% shares of the Subsidiary Company.

1.5 Ghotki Power (Private) Limited (“the Subsidiary Company”) was incorporated in Pakistan on 15 December 2016, under the Companies Ordinance, 1984. The Subsidiary Company will be engaged in the production of electricity under the expansion program of the Holding Company’s existing bagasse based cogeneration power plants. The registered office of the Subsidiary Company is situated at 17-Abid Majeed Road, Lahore Cantonment, Lahore. The Holding Company holds 100% shares of the Subsidiary Company.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 JUNE 2017

2 BASIS OF PREPARATION

This condensed consolidated interim financial information of the Group for the nine months period ended 30 June 2017 is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the annual financial statements for the year ended 30 September 2016.

3 USE OF ESTIMATES AND JUDGEMENTS

The preparation of the condensed interim consolidated financial information 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 information, 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 2016.

4 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim consolidated financial information are same as those applied in the preparation of the audited consolidated financial statements for the year ended 30 September 2016.

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 sugar cane crushing season starts from November and lasts till April each year.

	(Un-audited) 30-Jun-17 Rupees	(Audited) 30-Sep-16 Rupees
6 SHARE CAPITAL		
6.1 Authorized capital		
75,000,000 (30 September 2016: 75,000,000)		
ordinary shares of Rs. 10 each	750,000,000	750,000,000
25,000,000 (30 September 2016: 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 2016: 32,145,725)		
ordinary shares of Rs. 10 each		
fully paid in cash	321,457,250	321,457,250
27,630,936 (30 September 2016: 27,630,936)		
voting bonus shares of Rs. 10 each		
fully paid in cash	276,309,360	276,309,360
	<u>597,766,610</u>	<u>597,766,610</u>

7 REDEEMABLE CAPITAL - SECURED

During the period, the Holding Company has repaid Rs. 83.33 million (30 September 2016: Rs. 111.11 million) to TFC holders. Amounts due in next twelve months amounting to Rs. 111.11 million (30 September 2016: Rs. 111.11 million) are included in current portion presented under current liabilities. These carry mark-up at three months KIBOR plus 100 bps per annum.

	Note	(Un-audited) 30-Jun-17 Rupees	(Audited) 30-Sep-16 Rupees
8 LONG TERM FINANCES - SECURED			
Markup bearing finances from conventional banks	8.1	7,082,798,406	8,999,138,981
Islamic mode of financing	8.2	797,000,000	1,104,000,000
		<u>7,879,798,406</u>	<u>10,103,138,981</u>
8.1 Markup bearing finances from conventional banks:			
Balance at beginning of the period / year		12,193,498,661	10,169,054,071
Loans received during the period / year	8.1.1	500,000,000	6,353,643,718
Repayments during the period / year		(2,526,506,815)	(4,329,199,128)
		<u>10,166,991,846</u>	<u>12,193,498,661</u>
Current portion presented under current liabilities			
		<u>(3,084,193,440)</u>	<u>(3,194,359,680)</u>
		<u>7,082,798,406</u>	<u>8,999,138,981</u>

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 JUNE 2017**

	(Un-audited) 30-Jun-17 Rupees	(Audited) 30-Sep-16 Rupees
8.2 Islamic mode of financing		
Balance at beginning of the period / year	1,264,000,000	734,000,000
Loans received during the period / year	–	690,000,000
Repayments during the period / year	(142,000,000)	(160,000,000)
	<u>1,122,000,000</u>	<u>1,264,000,000</u>
Current portion presented under current liabilities	(325,000,000)	(160,000,000)
	<u>797,000,000</u>	<u>1,104,000,000</u>

8.1.1 Current period balance represents draw down of Rs. 500 million against new loan obtained by the Holding Company during the period from Habib Bank Limited. Loan carries mark-up at six months KIBOR plus 100 bps per annum and is repayable in 8 equal semi annual instalments starting from June 2018 and ending in December 2021.

8.3 The securities offered and facility limits of these long term finances are the same as disclosed in the audited unconsolidated financial statements of the Company for the year ended 30 September 2016. The interest / markup is payable quarterly at a rate of three to six months KIBOR plus 100 bps per annum.

9 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - SECURED

During the period, the Holding Company availed leases aggregating Rs. 76.50 million (30 September 2016: Rs. 261.61 million) and repaid principal amount of Rs. 557.04 million (30 September 2016: Rs. 385.35 million). Amounts due in next twelve months amounting to Rs. 189.23 million (30 September 2016: Rs. 304 million) are included in current portion presented under current liabilities. Lease rentals are payable on quarterly / monthly basis and include finance cost ranging from three months to one year KIBOR plus 100 to 300 bps per annum (30 September 2016: three months to one year KIBOR plus 200 to 300 bps per annum) which has been used as the discounting factor. The Holding Company has the option to purchase the assets upon completion of lease period and has the intention to exercise such option.

10 SHORT TERM BORROWINGS - SECURED

The markup rates, securities offered and facility limits of these short term borrowings are the same as disclosed in the audited consolidated financial statements of the Group for the year ended 30 September 2016.

	(Un-audited) 30-Jun-17 Rupees	(Audited) 30-Sep-16 Rupees
10.1 Type of short term borrowings		
Mark-up based borrowings from conventional banks:		
Cash finances	13,640,795,240	—
Running finances	269,607,195	1,311,201,329
Inland bill discounting	965,674,270	799,999,999
Finance against trust receipts	17,610,459	433,146,439
	<u>14,893,687,164</u>	<u>2,544,347,767</u>
Islamic mode of financing:		
Salam/Istisna finances	2,688,927,458	—
Morabaha finances	1,800,000,000	1,050,000,000
	<u>4,488,927,458</u>	<u>1,050,000,000</u>
	<u>19,382,614,622</u>	<u>3,594,347,767</u>

11 TRADE AND OTHER PAYABLES

This includes advances from customers aggregating Rs. 13,066.17 million (30 September 2016: Rs. 6,199.42 million).

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There is no material change in contingencies from the preceding audited consolidated financial statements of the Group for the year ended 30 September 2016 except for the commitments and guarantees as disclosed below:

	(Un-audited) 30-Jun-17 Rupees	(Audited) 30-Sep-16 Rupees
12.1.1 Counter guarantee given on account of agricultural loan to growers	—	3,213,000,000
12.1.2 Letters of guarantee in favour of various parties		
Holding Company	326,010,000	83,000,000
Subsidiary Company - DSML	7,500,000	7,500,000
12.1.3 Cross corporate guarantees for Subsidiary Company - DSML	—	2,571,019,728
12.2 Commitments		
Letters of credit for import of machinery and its related components		
Holding Company	913,032,233	301,369,738
Subsidiary Company - DSML	40,780,525	17,930,824

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 JUNE 2017**

	Note	(Un-audited) 30-Jun-17 Rupees	(Audited) 30-Sep-16 Rupees
13 PROPERTY PLANT AND EQUIPMENT			
Operating fixed assets	13.1	22,864,183,325	22,151,628,694
Capital work in progress		1,598,561,121	1,968,331,366
Stores spare parts and loose tools, held for capital expenditure		—	83,809,358
		<u>24,462,744,446</u>	<u>24,203,769,418</u>
13.1 Operating fixed assets			
Net book value as at beginning of the period / year		22,151,498,930	20,673,979,655
Additions/ Adjustments during the period / year		1,889,943,274	3,206,343,734
Transfer to investment property		(38,288,435)	(23,440,768)
Disposals/ Adjustments during the period / year		(12,904,518)	(100,687,509)
Depreciation charged during the period / year		<u>(1,126,065,926)</u>	<u>(1,604,566,418)</u>
		<u>22,864,183,325</u>	<u>22,151,628,694</u>
14 LONG TERM INVESTMENTS			
Investment in associated companies - unquoted			
Cost of investments			
As at 01 October		90,000,000	2,134,648,050
Advance for future issuance of shares		—	1,109,778,333
		90,000,000	3,244,426,383
Share of loss			
As at 01 October		(90,000,000)	(660,917,678)
Share of loss for the period / year		—	(14,169,790)
As at 30 June / 30 September		(90,000,000)	(675,087,468)
Loss on de-recognition of investment in associate		—	(1,438,124,766)
Fair value of net assets of subsidiary at the date of acquisition including advance for issue of shares		—	(1,131,214,149)
		—	<u>(2,569,338,915)</u>
	14.1 & 14.2	—	—

	(Un-audited) 30-Jun-17 Rupees	(Audited) 30-Sep-16 Rupees
14.1 Faruki Pulp Mills Limited ("FPML")		
Cost of investment		
310,892,638 (30 September 2016: 310,892,638)		
fully paid shares of Rs. 10 each	–	2,044,648,050
Equity held in 30 September 2016: 57.67%		
Advance for future issuance of shares	–	1,109,778,333
	–	3,154,426,383
Share of loss		
As at 01 October	–	(570,917,678)
Share of loss for the year	–	(14,169,790)
	–	(585,087,468)
Transfer to investment in subsidiary including loss on de-recognition of associate	–	(2,569,338,915)
As at 30 June / 30 September	–	–
14.2 JDW Power (Private) Limited ("JDWPL")		
Cost of investment		
9,000,000 (30 September 2016: 9,000,000)		
fully paid shares of Rs. 10 each	90,000,000	90,000,000
Equity held 47.37% (30 September 2016: 47.37%)		
Share of loss		
As at 01 October	(90,000,000)	(90,000,000)
Share of loss for the period / year	–	–
	(90,000,000)	(90,000,000)
As at 30 June / 30 September	–	–

15 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

This includes an amount of Rs. 4.3 million (year ended 30 Sep 2016: Rs. 3.75 million) receivable from executives of the Holding Company.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 JUNE 2017

	(Un-audited) 30-Jun-17 Rupees	(Audited) 30-Sep-16 Rupees
16 CASH AND BANK BALANCES		
Current accounts		
Deposit with conventional banks	178,212,613	25,527,644
Deposit with islamic banks	44,814,822	1,744,853
	223,027,435	27,272,497
Saving accounts		
Deposit with conventional banks	3,422,650	872,471
	226,450,085	28,144,968
Cash in hand	13,627,152	3,595,686
	240,077,237	31,740,654

16.1 The balances in saving accounts carry markup at 3.75% per annum (30 September 2016: 3.50% - 10.00% per annum).

	Nine months ended		Three months ended	
	30-Jun-17 Rupees	30-Jun-16 Rupees	30-Jun-17 Rupees	30-Jun-16 Rupees
17 NET SALES				
Sugar	35,322,642,262	30,119,968,008	15,467,606,880	13,343,966,924
Agriculture produce	138,425,066	67,123,917	110,155,140	55,814,643
Molasses & Bagasse - by product	2,653,751,704	2,247,914,168	731,131,455	650,125,364
Electricity	3,302,428,104	3,011,985,754	1,293,688,789	1,262,892,916
	41,417,247,136	35,446,991,847	17,602,582,264	15,312,799,847
Less: Sales tax, federal excise duty and others	(3,753,944,698)	(2,470,138,460)	(1,721,963,175)	(1,135,138,105)
	37,663,302,438	32,976,853,387	15,880,619,089	14,177,661,742

Sales include sugar export sales of Rs. 3,461 million (2016: Rs. 1,153 million).

18 OTHER INCOME

This mainly includes scrap sale of Rs. 87 million (2016: 42 million), sale of mud of Rs. 91 million (2016: Rs. 59 million) and gain on sale of investment property of Rs. 21.28 million (2016: nil).

19 BUSINESS SEGMENTS INFORMATION

19.1 The Group's reportable segments are as follows:

Reportable Segment

Operations

Sugar
Co-generation
Corporate farms
Other

Production and sale of crystalline sugar and other related joint and by-products.
Generation and sale of electricity.
Managing corporate farms for cultivation of sugar cane and some other crops.
Project under construction for manufacture and sale of wood pulp.

19.2 Information regarding the Group's reportable segments is presented below:

	Sugar			Co-Generation			Corporate Farms			Other Segment			Inter Segment Reconciliation			Total		
	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
19.2.1 Segment revenues & results																		
Net external revenues	34,649,677,379	30,235,077,366	2,875,199,992	2,674,652,104	138,425,087	67,123,917	-	-	-	-	-	-	-	-	37,663,302,438	32,976,653,387	-	-
Inter-segment revenues	1,818,969,869	1,664,823,259	1,470,371,385	1,063,244,038	3,465,968,113	2,786,077,051	-	-	-	-	-	-	(6,775,309,367)	(5,554,144,348)	-	-	-	-
Reportable segment revenue	36,468,647,248	31,919,900,625	4,345,571,377	3,737,896,142	3,624,393,180	2,833,200,968	-	-	-	-	-	-	(6,775,309,367)	(5,554,144,348)	37,663,302,438	32,976,653,387	-	-
Segment profit/(loss) before tax	1,140,861,571	1,334,348,729	1,723,081,999	1,244,216,240	53,834,839	348,596,690	(5,592,536)	-	-	-	-	-	-	-	2,912,185,873	2,927,161,659	-	-
19.2.2 Inter-segment sales and purchases																		
Inter-segment sales and purchases have been eliminated from total figures.																		
19.2.3 Basis of inter-segment pricing																		
All inter-segment transfers are made at fair value.																		
19.2.4 Segment assets & liabilities																		
(Un-audited) 30-Jun-17	48,763,341,569	27,494,094,716	8,541,625,132	7,739,295,749	6,877,277,473	7,239,749,284	1,222,031,932	1,687,081,142	(6,775,309,367)	(6,210,884,742)	58,628,966,739	37,949,336,149	(Un-audited) 30-Jun-17	58,628,966,739	37,949,336,149	(Un-audited) 30-Jun-17	58,628,966,739	37,949,336,149
(Audited) 30-Sep-16	49,560,389,593	27,183,716,284	5,317,131,295	6,475,148,432	158,956,116	733,132,477	45,716,823	48,224,466	(6,775,309,367)	(6,210,884,742)	48,306,884,460	28,229,336,897	(Audited) 30-Sep-16	48,306,884,460	28,229,336,897	(Audited) 30-Sep-16	48,306,884,460	28,229,336,897
Total assets for reportable segment																		
Total liabilities for reportable segment																		
19.3 Reconciliation of reportable segment profit and loss																		
Total profit before tax for reportable segments																		
Unallocated corporate expenses																		
Profit after taxation																		

20 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying Amount		Fair Value			
	Loans and receivables at amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3
	(Rupees)					
Note						
On Balance Sheet Financial Instruments						
Financial assets not measured at fair value						
Cash and bank balances	226,450,085	-	226,450,085	-	-	-
Advances, deposits and other receivables	53,466,518	-	53,466,518	-	-	-
Trade debts - unsecured	2,336,506,907	-	2,336,506,907	-	-	-
Long term advances	8,611,110	-	8,611,110	-	-	-
Long term deposits	53,066,813	-	53,066,813	-	-	-
30 June 2017	2,678,101,433	-	2,678,101,433	-	-	-
30 September 2016	1,282,078,957	-	1,282,078,957	-	-	-
Financial liabilities not measured at fair value						
Redeemable capital - secured	-	111,111,108	111,111,108	-	-	-
Long term finances - secured	-	11,288,991,846	11,288,991,846	-	-	-
Liabilities against assets subject to finance lease	-	363,944,115	363,944,115	-	-	-
Trade and other payables	-	1,038,630,645	1,038,630,645	-	-	-
Short term borrowings - secured	-	19,382,614,622	19,382,614,622	-	-	-
Accrued profit / interest / mark-up	-	395,946,218	395,946,218	-	-	-
30 June 2017	20.1	32,581,238,554	32,581,238,554	-	-	-
30 September 2016		19,728,459,134	19,728,459,134	-	-	-

20.1 The Holding Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of their fair values.

20.2 Fair value measurement of biological assets

In absence of active market for sugarcane standing 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 year 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 sugarcane and risk-adjusted discount rate.

20.3 Fair value measurement of investment property carried at cost

Fair value of investment property was determined based on estimated market value. Rate per square acre represents significant unobservable input. The estimated fair value would increase/ (decrease) if, expected market rental growth were higher/ (lower), the occupancy rate were higher/ (lower) or rent-free periods were shorter/ (longer).

21 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise associated companies, other related companies, Directors of the Group, key management personnel and post employment benefit plans. The Group in the normal course of business carries out transactions with various related parties. Amounts due from and due to related parties are shown under respective notes to the accounts. Other significant transactions with related parties are as follows:

		30-Jun-17 Rupees	30-Jun-16 Rupees
Relationship	Nature of Transactions		
Associated Company	Reimbursement of expenses	12,101,537	–
	Payment against purchase of aircraft	–	2,500,000
Other related parties			
	Provident fund contribution	126,279,334	102,247,310
	Payment to recognised gratuity fund	101,168,252	
Key Management Personnel	Consultancy services	11,800,827	6,438,944
	Directors' remuneration and allowances	241,111,669	175,999,996

22 FINANCIAL RISK MANAGEMENT

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

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 30 September 2016.

There have been no changes in the risk management policies since the year end.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 JUNE 2017

- 23** The Finance Act, 2015 introduced a tax under Section 5A of the Income Tax Ordinance, 2001 on every public company other than a scheduled bank or Modarba, that derives profits for tax year and does not distribute cash dividend within six months of the end of said tax year or distribute dividends to such an extent that its reserves, after such distribution, are in excess of 100% of its paid up capital. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40 percent of its after tax profits or 50% of its paid up capital, whichever is less, within six months of the end of the tax year.

The Board of Directors of the Holding Company intends to distribute sufficient cash dividend for the year ended 30 September 2017 to comply with the above stated requirements. Accordingly, no provision for tax on undistributed reserves has been made in this condensed interim consolidated financial information.

24 DATE OF AUTHORIZATION

The condensed interim consolidated financial information for the nine months ended 30 June 2017 was authorized for issue by the Board of Directors on 25 July 2017.

25 EVENTS AFTER BALANCE SHEET DATE

There are no material subsequent events occurred after Balance sheet date.

INVESTOR'S AWARENESS

In pursuance of SRO 924(1)/2015 dated 09 September 2015 issued by the Securities and Exchange Commission of Pakistan (SECP), the following informational message has been reproduced to educate investors:

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