

## 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 / Chief Executive

Mrs. Samira Mahmud  
Mr. Ijaz Ahmed  
Mr. Raheal Masud  
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

Mr. Raheal Masud  
Member

Mr. Qasim Hussain Safdar  
Member

## HR & R Committee

Mr. Ijaz Ahmed  
Chairman / Member

Mr. Raheal Masud  
Member

Mr. Qasim Hussain Safdar  
Member / Secretary

## Auditors

KPMG Taseer Hadi & Co.  
Chartered Accountants

## Registrar

Corplink (Pvt.) Ltd.

## Legal Advisor

Cornelius, Lane & Mufti

## 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 Laluwali, Near Village  
Islamabad, Distt. Ghotki.

## Web Presence

[www.jdw-group.com](http://www.jdw-group.com)



# Directors' Review

I am pleased to present the un-audited accounts of the Company for the quarter ended on 31 December, 2015.

Financial results of the first quarter are never true representative of the results that company will ultimately achieve but can give just an idea of the trend. The key indicators of operating and financial results are summarized below.

Despite 33% increase in the gross turnover of the company from Rs.7 billion to Rs.10 billion the gross profit ratio has declined from 13 % to 9 % mainly due to sharp decline in sugar prices caused by surplus sugar stocks available in the country, increased cost of carryover sugar stocks, depressed prices of molasses sold for crushing season 2015-16 and operation of co-generation plants for 41 days as against 68 days in the corresponding period. However, despite Rs. 80 million increase in taxation the net profit after tax has increased from Rs.100 million to Rs.168 million owing to substantial saving in the financial charges i.e., Rs. 174 million resultantly the earnings per share have also increased from Rs.1.67 to Rs.2.80.

In view of the above referred financial results Debt equity ratio has slightly improved because of timely repayments of long term loans, however other significant ratios such as current ratio, leverage, Debt service coverage have not shown any improvement when compared with similar period last year and year end financial results of 30 September 2015 mainly due to heavy current maturity of long term financial obligations. The balance sheet size and share capital & reserves are at Rs.34 and Rs.7.2 billion respectively. Company is fulfilling its financial obligations on time and enjoying cordial relationship with all the financial institutions it's dealing with.

Crushing season 2015-16 was started on 30th November 2015 and until 22nd January, 2016 sugarcane crushed was 2,809,116 tons as against 2,259,386 tons. Average sucrose recovery achieved this time is slightly better i.e., 10.62 % as against 10.53 % attributable to having no frost and any pest attack this time. In view of these reasons we are expecting slightly better sucrose recovery over last crushing season.

As usual growers' payment has remained our top priority being one of main keys of our success and growers are being paid on time. We regularly provide financial and technical support to our growers. Due to these policies and preferential treatment to growers company enjoys excellent relationship with them.



# Directors' Review

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Disproportionate increase in the prices of sugarcane with no solid mechanism for corresponding increase in the prices of sugar, difficulty in selling sugar abroad at better prices despite handsome subsidy on export recently granted by the Govt., non-creation of strategic reserves by TCP, non-release of huge freight subsidy on exports made three years ago and imposition of Regulatory Duty on export of molasses are the major challenges being faced by the sugar industry. Govt., however, has provided some relief to the local sugar industry by imposing 40 % regulatory duty on import of sugar and allowing export subsidy of Rs. 13 per kg. Revenues from co-generation projects, reduction in the base markup rate by SBP and expected further improvement in sugar prices are the factors which can result in achieving better profitability.

**Condensed Interim Unconsolidated  
Financial Information (Un-audited)**

# Condensed Interim Unconsolidated Balance Sheet (Un-audited)

As at 31 December 2015

	Note	(Un-audited) 31-Dec-15 Rupees	(Audited) 30-Sep-15 Rupees
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	6	597,766,610	597,766,610
Share premium reserve		678,316,928	678,316,928
Accumulated profit		5,908,107,275	5,740,528,115
		7,184,190,813	7,016,611,653
<b>NON-CURRENT LIABILITIES</b>			
Redeemable capital - secured		166,666,665	194,444,444
Long term finances - secured		7,434,607,495	7,472,014,132
Liabilities against assets subject to finance lease - secured		667,991,094	627,413,203
Deferred taxation		1,548,665,329	1,405,403,969
Retirement benefits		78,785,418	75,844,689
		9,896,716,001	9,775,120,437
<b>CURRENT LIABILITIES</b>			
Short term borrowings - secured		6,376,803,200	9,313,746,057
Current portion of non-current liabilities		2,632,065,768	2,571,550,698
Trade and other payables		8,071,842,308	5,995,631,857
Accrued profit / interest / mark-up		221,556,760	286,506,817
		17,302,268,036	18,167,435,429
		34,383,174,850	34,959,167,519
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	19,330,563,631	18,668,676,450
Biological assets		45,530,069	2,766,282
Investment property		173,026,930	173,026,930
Intangibles		624,458,538	624,968,472
Long term investments	9	3,809,497,383	3,809,497,383
Long term advances		39,666,667	44,833,333
Long term deposits		122,386,525	116,804,861
		24,145,129,743	23,440,573,711
<b>CURRENT ASSETS</b>			
Biological assets		946,540,766	1,548,160,341
Stores, spare parts and loose tools		1,270,898,794	1,165,439,717
Stock-in-trade		4,995,405,640	4,860,648,469
Trade debts - unsecured		799,302,989	1,108,892,131
Advances, deposits, prepayments and other receivables		943,566,423	2,106,989,471
Advance tax - net		703,125,978	678,904,153
Cash and bank balances		579,204,517	49,559,526
		10,238,045,107	11,518,593,808
		34,383,174,850	34,959,167,519

The annexed notes 1 to 14 form an integral part of this condensed interim unconsolidated financial information.

Director

Director



# Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)

For the quarter ended 31 December 2015

	Note	31-Dec-15 Rupees	31-Dec-14 Rupees
<b>Gross sales</b>		10,313,787,383	6,873,912,418
Federal excise duty, sales tax and others		(736,283,575)	(479,115,313)
<b>Net sales</b>	10	9,577,503,808	6,394,797,105
Cost of sales		(8,730,879,464)	(5,551,324,027)
<b>Gross profit</b>		846,624,344	843,473,078
Administrative expenses		(180,727,539)	(133,122,970)
Selling expenses		(11,133,187)	(22,463,876)
Other income		48,406,486	28,733,663
Other expenses		(21,914,088)	(8,588,396)
		(165,368,328)	(135,441,579)
<b>Profit from operations</b>		681,256,016	708,031,499
Finance cost		(370,415,486)	(544,851,981)
<b>Profit before taxation</b>		310,840,530	163,179,518
Taxation		(143,261,370)	(63,121,784)
<b>Profit after taxation</b>		167,579,160	100,057,734
Earnings per share - basic and diluted		2.80	1.67

The annexed notes 1 to 14 form an integral part of this condensed interim unconsolidated financial information.

Director

Director

Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)  
For the quarter ended 31 December 2015

	31-Dec-15 Rupees	31-Dec-14 Rupees
Profit after taxation for the period	167,579,160	100,057,734
Other comprehensive income for the period	–	–
Total comprehensive income for the period	167,579,160	100,057,734

The annexed notes 1 to 14 form an integral part of this condensed interim unconsolidated financial information.

Director

Director



# Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

For the quarter ended 31 December 2015

	31-Dec-15 Rupees	31-Dec-14 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	310,840,530	163,179,518
Adjustments for non cash and other items:		
Finance cost	370,415,486	544,851,981
Depreciation	325,285,754	268,006,553
Amortisation	509,932	514,217
Staff retirement benefits	28,764,998	26,266,830
Workers' profit participation fund	16,608,975	8,588,396
Workers' welfare fund	4,729,997	—
Loss / (gain) on disposal of operating assets	575,116	(7,479,054)
	746,890,258	840,748,923
<b>Operating profit before working capital changes</b>	<b>1,057,730,788</b>	<b>1,003,928,441</b>
<b>(Increase) / decrease in current assets</b>		
Stores, spare parts and loose tools	(105,459,076)	(160,048,831)
Stock in trade	(134,757,171)	(1,433,424,578)
Biological assets	558,855,789	237,115,792
Advances, deposits, prepayments and other receivables	663,372,164	372,540,798
Trade debts	309,589,142	(380,717,107)
	1,291,600,848	(1,364,533,926)
<b>Increase in current liabilities</b>		
Trade and other payables	2,043,699,244	2,421,905,489
<b>Cash generated from operations</b>	<b>4,393,030,880</b>	<b>2,061,300,004</b>
Income tax paid	(24,221,836)	(56,649,504)
Staff retirement benefits paid	(26,769,278)	(21,509,496)
	(50,991,114)	(78,159,000)
<b>Net cash generated from operations</b>	<b>4,342,039,766</b>	<b>1,983,141,004</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(788,988,369)	(678,388,657)
Advances to related parties - net	500,050,883	220,327,460
Proceeds realized from sale of operating fixed assets	1,468,138	7,436,967
Long term deposits - net	(5,581,664)	(13,194,328)
<b>Net cash used in investing activities</b>	<b>(293,051,012)</b>	<b>(463,818,558)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term finances - net	(20,184,416)	250,342,695
Short term borrowings - net	(2,936,942,857)	(314,314,712)
Finance cost paid	(423,346,755)	(696,774,610)
Dividend paid	(8,456,146)	(1,071,451)
Lease rentals paid	(130,413,589)	(90,603,208)
<b>Net cash used in financing activities</b>	<b>(3,519,343,763)</b>	<b>(852,421,286)</b>
<b>Net increase in cash and cash equivalents</b>	<b>529,644,991</b>	<b>666,901,160</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>49,559,526</b>	<b>86,806,776</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>579,204,517</b>	<b>753,707,936</b>

The annexed notes 1 to 14 form an integral part of this condensed interim unconsolidated financial information.

Director

Director

# Condensed Interim Unconsolidated Statement of Change in Equity (Un-audited)

## For the quarter ended 31 December 2015

	Share Capital	Reserves				Total Equity
		Capital	Revenue		Total Reserves	
		Share Premium	Accumulated Profit			
Rupees		Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 September 2014		597,766,610	678,316,928	4,705,196,874	5,383,513,802	5,981,280,412
Total comprehensive income for the period		–	–	100,057,734	100,057,734	100,057,734
Balance as at 31 December 2014		597,766,610	678,316,928	4,805,254,608	5,483,571,536	6,081,338,146
Balance as at 30 September 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		–	–	167,579,160	167,579,160	167,579,160
Balance as at 31 December 2015		597,766,610	678,316,928	5,908,107,275	6,586,424,203	7,184,190,813

The annexed notes 1 to 14 form an integral part of this condensed interim unconsolidated financial information.

Director

Director



## 1 STATUS AND NATURE OF BUSINESS

**1.1** 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 Limited. 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.

**1.2** The Company has executed Energy Purchase Agreements ("EPA") on 20 March 2014 with the Central Power Purchasing Agency ("CPPA") of the National Transmission & Despatch Company Limited ("NTDC") relating to its Bagasse Based Co-Generation Power Plants ("Co-Generation Power") at JDW Unit-II, Sadiqabad, District Rahim Yar Khan, Punjab and JDW Unit-III, District Ghotki, Sindh.

The 26.60 MW power plant at Unit-II achieved Commercial Operations Date ("COD") on 12 June 2014 while the 26.83 MW power plant at Unit-III achieved COD on 03 October 2014 after completing all independent testing and certification requirements and supplying renewable electricity to the national grid. Further, the Company's Co-Generation Power Plants are the first to materialize under National Electric Power Regulatory Authority's ("NEPRA") upfront bagasse tariff.

## 2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

**2.1** This condensed interim unconsolidated financial information comprises the condensed interim unconsolidated balance sheet of JDW Sugar Mills Limited ("the Company"), as at 31 December 2015 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.

**2.2** This condensed interim unconsolidated financial information of the company for the quarter ended 31 December 2015 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.

**2.3** 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 as at and for the year ended 30 September 2015.

**2.4** This condensed interim unconsolidated financial information is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

## 3 ESTIMATES

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, key estimates and uncertainty includes:

- Residual value and useful lives of depreciable assets
- Provision for Taxation
- Retirement and other benefits
- Provisions and contingencies
- Biological assets

#### 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 the same as those applied in the preparation of annual financial statements for the year ended 30 September 2015.

#### 5 SEASONALITY OF OPERATIONS

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

(Un-audited)	(Audited)
31-Dec-15	30-Sep-15
Rupees	Rupees

#### 6 SHARE CAPITAL

##### 6.1 Authorized capital

75,000,000 (30 September 2015: 75,000,000)	750,000,000	750,000,000
voting ordinary shares of Rs. 10 each		
25,000,000 (30 September 2015: 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>

(Un-audited)	(Audited)
31-Dec-15	30-Sep-15
Rupees	Rupees

##### 6.2 Issued, subscribed and paid up capital

32,145,725 (30 September 2015: 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 2015: 27,630,936)		
voting bonus shares of Rs. 10 each fully		
paid bonus shares	276,309,360	276,309,360
	<u>597,766,610</u>	<u>597,766,610</u>



## 7 CONTINGENCIES AND COMMITMENTS

### 7.1 Contingencies

There is no material change in contingencies from the preceding annual published financial statements of the Company for the year ended 30 September 2015.

	(Un-audited) 31-Dec-15 Rupees	(Audited) 30-Sep-15 Rupees
<b>7.1.1</b> Counter guarantees given on account of agricultural loan to growers:	2,795,000,000	2,795,000,000
<b>7.1.2</b> Letters of guarantees in favour of various parties	87,670,000	87,670,000
<b>7.1.3</b> Cross corporate guarantees given by the Company to its bankers for Deharki Sugar Mills (Private) Limited ("DSML")	350,319,248	380,319,248
<b>7.2</b> Commitments		
Letters of credit for import of machinery and its related components	18,751,008	324,420,557

## 8 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited) 31-Dec-15 Rupees	(Audited) 30-Sep-15 Rupees
Operating fixed assets	8.1	17,797,110,574	17,594,986,572
Capital work in progress		1,533,453,057	1,073,689,878
		19,330,563,631	18,668,676,450
<b>8.1 Operating fixed assets</b>			
Net book value as at beginning of the period / year		17,594,986,572	12,612,116,268
Additions during the period / year		528,882,591	6,227,820,356
Disposals during the period / year - net book value		(1,472,835)	(113,986,786)
Depreciation charged during the period / year		(325,285,754)	(1,130,963,266)
		17,797,110,574	17,594,986,572

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)  
For the quarter ended 31 December 2015

	Note	(Un-audited) 31-Dec-15 Rupees	(Audited) 30-Sep-15 Rupees
<b>9 LONG TERM INVESTMENTS</b>			
Investment in subsidiary companies	9.1	3,809,497,383	1,049,750,000
Investment in associated companies	9.2	–	2,759,747,383
		<u>3,809,497,383</u>	<u>3,809,497,383</u>
<b>9.1 Investment in subsidiary companies</b>			
<b>9.1.1 Deharki Sugar Mills (Private) Limited</b>			
104,975,000 (30 Sep 2015: 104,975,000 ) fully paid shares of Rs. 10 each			
Equity held 99.98% (30 Sep 2015: 99.98%)		1,049,750,000	1,049,750,000
<b>9.1.2 Faruki Pulp Mills Limited</b>			
310,892,638 fully paid shares of Rs. 10 each			
Equity held : 58.59%		3,154,426,383	–
Less: impairment allowance		(394,679,000)	–
		<u>2,759,747,383</u>	–
		<u>3,809,497,383</u>	<u>1,049,750,000</u>
<b>9.2 Investment in associated companies</b>			
<b>9.2.1 Faruki Pulp Mills Limited</b>			
199,914,805 fully paid shares of Rs. 10 each			
Equity held : 48.39%		–	2,044,648,050
Advances for future issuance of shares		–	1,109,778,333
		–	3,154,426,383
Less: impairment allowance		–	(394,679,000)
		–	<u>2,759,747,383</u>
<b>9.2.2 JDW Power (Private) Limited</b>			
9,000,000 (30 Sep 2015: 9,000,000) fully paid ordinary shares of Rs. 10 each			
Equity held 47.37% (30 Sep 2015 : 47.37%)		90,000,000	90,000,000
Less: accumulated impairment allowance		(90,000,000)	(90,000,000)
		–	–
		<u>–</u>	<u>2,759,747,383</u>

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)  
For the quarter ended 31 December 2015

	31-Dec-15 Rupees	31-Dec-14 Rupees
<b>10 NET SALES</b>		
Sugar	9,153,338,981	5,490,838,276
Agriculture produce	304,927,415	99,585,347
Electricity	542,434,576	920,701,766
Molasses & Bagasse	313,086,411	362,787,029
	10,313,787,383	6,873,912,418
Less: Federal excise duty, sales tax and others	(736,283,575)	(479,115,313)
	9,577,503,808	6,394,797,105

**11 TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

The related parties comprises of subsidiary companies, associated companies, other related companies, Directors of the Company, key management personnel and post employment benefit plans. Significant transactions with related parties are as follows:

Relationship	Nature of Transactions	31-Dec-15 Rupees	31-Dec-14 Rupees
<b>Subsidiary Companies</b>	Short term advances received - net	497,449,008	145,048,783
	Long term finance transferred	–	1,567,553,280
	Markup income on:		
	- Long term	–	15,792,448
	- Short term	9,547,438	13,809,106
	Sugarcane supplies	304,287,415	99,585,347
	Purchase of bagasse	2,975,075	23,617,000
	Reimbursement on use of Company's aircraft	2,102,626	670,643
	Investment in shares	1,109,778,333	–
<b>Associated Companies</b>	Payment against purchase of Aircraft	500,000	1,050,000
	Sale of molasses	242,345	232,596
	Rent on land given on lease	3,482,897	3,719,711
	Rent on land acquired on lease	933,750	933,750
	Reimbursement on use of Company's aircraft	14,914,234	4,515,737
<b>Other Related Parties</b>	Provident fund contribution	24,509,894	19,834,401
<b>Key Management Personnel</b>	Consultancy services	1,621,632	8,214,813

**12 DATE OF AUTHORIZATION**

This condensed interim unconsolidated financial information for the quarter ended 31 December 2015 was authorized for issue by the Board of Directors on 23 January 2016.

**13 FIGURES**

Figures in the condensed interim unconsolidated financial information have been rounded off to the nearest of rupee.

**14 GENERAL**

Statement under section 241(2) of the Companies Ordinance, 1984.

This condensed interim unconsolidated financial information have been signed by two Directors instead of Chief Executive Officer and one Director, as the Chief Executive Officer is for the time being not in Pakistan.

Director

Director



**Condensed Interim Consolidated  
Financial Information (Un-audited)**

# Condensed Interim Consolidated Balance Sheet (Un-audited)

As at 31 December 2015

	Note	(Un-audited) 31-Dec-15 Rupees	(Audited) 30-Sep-15 Rupees
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	6	597,766,610	597,766,610
Share premium reserve		678,316,928	678,316,928
Accumulated profit		5,958,084,343	5,772,211,315
Equity attributable to the owners of the Company		7,234,167,881	7,048,294,853
Non-controlling interest		1,807,029,843	328,934
		9,041,197,724	7,048,623,787
<b>NON-CURRENT LIABILITIES</b>			
Redeemable capital - secured		166,666,665	194,444,444
Long term finances - secured		8,064,467,895	8,209,846,612
Liabilities against assets subject to finance lease		682,722,499	674,263,161
Deferred taxation		1,587,924,544	1,432,287,934
Retirement benefits		81,605,084	75,844,689
		10,583,386,687	10,586,686,840
<b>CURRENT LIABILITIES</b>			
Short term borrowings - secured		7,683,320,404	10,078,673,369
Current portion of non current liabilities		3,257,092,949	3,184,312,718
Trade and other payables		9,294,935,181	6,212,690,666
Accrued profit / interest / mark-up		235,645,271	297,081,888
		20,470,993,805	19,772,758,641
		40,095,578,216	37,408,069,268
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	27,348,856,137	22,122,329,068
Biological assets		45,530,069	2,766,282
Investment property		173,026,930	173,026,930
Intangible assets		624,593,539	625,162,151
Long term investments		–	2,583,508,705
Long term advances		39,666,667	44,833,333
Long term deposits		141,010,524	135,428,860
		28,372,683,866	25,687,055,329
<b>CURRENT ASSETS</b>			
Biological assets		946,540,766	1,548,160,341
Stores, spare parts and loose tools		1,541,798,578	1,416,727,918
Stock in trade		6,115,287,409	5,482,608,718
Trade debts - unsecured		918,522,885	1,185,677,434
Advances, deposits, prepayments and other receivables		762,424,819	1,357,315,463
Advance tax- net		697,028,228	672,145,792
Cash and bank balances		741,291,665	58,378,273
		11,722,894,350	11,721,013,939
		40,095,578,216	37,408,069,268

The attached notes from 1 to 14 form an integral part of this condensed interim consolidated financial information.

Director

Director

# Condensed Interim Consolidated Profit and Loss Account (Un-audited)

For the quarter ended 31 December 2015

	Note	31-Dec-15 Rupees	31-Dec-14 Rupees
<b>Gross sales</b>		11,956,095,658	9,552,187,304
Federal excise duty, sales tax and others		(876,971,390)	(690,864,524)
<b>Net sales</b>	10	11,079,124,268	8,861,322,780
Cost of sales		(10,093,408,211)	(7,710,860,860)
<b>Gross profit</b>		985,716,057	1,150,461,920
Administrative expenses		(220,664,670)	(138,228,447)
Selling expenses		(12,431,885)	(24,728,205)
Other income		53,769,965	32,360,333
Other expenses		(25,517,856)	(18,634,690)
		(204,844,446)	(149,231,009)
<b>Profit from operations</b>		780,871,611	1,001,230,911
Finance cost		(426,724,611)	(643,499,006)
		354,147,000	357,731,905
Share of loss of associated company		(14,169,790)	(21,584,223)
<b>Profit before taxation</b>		339,977,211	336,147,682
Taxation		(163,350,099)	(131,397,887)
<b>Profit after taxation</b>		176,627,112	204,749,795
<b>Attributable to:</b>			
Equity holders of the Holding Company		185,873,028	204,719,740
Non-controlling interest		(9,245,916)	30,055
		176,627,112	204,749,795
Earnings per share - basic & diluted		2.95	3.43

The attached notes from 1 to 14 form an integral part of this condensed interim consolidated financial information.

Director

Director

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)  
For the quarter ended 31 December 2015

	Note	31-Dec-15 Rupees	31-Dec-14 Rupees
<b>Profit after taxation</b>		176,627,112	204,749,795
Other comprehensive income		—	—
<b>Total comprehensive income for the period</b>		176,627,112	204,749,795
<b>Attributable to:</b>			
Equity holders of the Holding Company		185,873,028	204,719,740
Non-controlling interest		(9,245,916)	30,055
		176,627,112	204,749,795

The attached notes from 1 to 14 form an integral part of this condensed interim consolidated financial information.



# Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the quarter ended 31 December 2015

	31-Dec-15 Rupees	31-Dec-14 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	339,977,211	336,147,682
Adjustments for non cash and other items:		
Finance cost	426,724,611	643,499,006
Depreciation	368,244,312	312,716,621
Amortisation	525,998	538,261
Staff retirement benefits	38,018,159	27,788,669
Workers' profit participation fund	19,220,402	18,634,690
Workers' welfare fund	5,722,339	5,558,052
Loss / (gain) on disposal of operating assets	575,116	(7,479,054)
Share of loss of associated company	14,169,790	21,584,223
	873,200,727	1,022,840,468
<b>Operating profit before working capital changes</b>	1,213,177,938	1,358,988,150
<b>(Increase) / decrease in current assets</b>		
Stores, spare parts and loose tools	(119,157,098)	(221,448,062)
Stock in trade	(632,678,689)	(987,375,256)
Biological assets	558,855,789	237,115,792
Advances, deposits, prepayments and other receivables	708,946,819	404,909,764
Trade debts	267,154,550	(468,461,842)
	783,121,371	(1,035,259,604)
<b>Increase in current liabilities</b>		
Trade and other payables	2,987,680,243	2,897,729,459
<b>Cash generated from operations</b>	4,983,979,552	3,221,458,006
Income tax paid	(38,042,108)	(56,649,504)
Staff retirement benefits paid	(35,887,819)	(24,617,194)
	(73,929,927)	(81,266,698)
<b>Net Cash generated from operations</b>	4,910,049,625	3,140,191,308
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(1,011,175,378)	(812,048,677)
Proceeds realized from sale of operating fixed assets	1,468,138	7,436,967
Long term deposits - net	(5,581,664)	(13,194,328)
<b>Net cash used in investing activities</b>	(1,015,288,904)	(817,806,038)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term finances - net	(88,156,496)	152,370,615
Short term borrowings - net	(2,488,635,119)	(684,035,648)
Finance cost paid	(481,151,533)	(874,377,727)
Dividend paid	(8,456,146)	(1,071,451)
Lease rentals paid	(153,396,541)	(108,104,211)
<b>Net cash used in financing activities</b>	(3,219,795,835)	(1,515,218,422)
<b>Net increase in cash and cash equivalents</b>	674,964,886	807,166,848
<b>Cash and cash equivalents at the beginning of the period</b>	66,326,779	108,763,816
<b>Cash and cash equivalents at the end of the period</b>	741,291,665	915,930,664

The annexed notes 1 to 14 form an integral part of this condensed interim unconsolidated financial information.

Director

Director

# Condensed Interim Consolidated Statement of Change in Equity (Un-audited)

## For the quarter ended 31 December 2015

	Attributable to equity holders of the Holding Company								Non-Controlling Interest	Total Equity
	Share Capital	Reserves			Sub Total	Total				
		Capital Share Premium	Revenue Accumulated Profit	Rupees						
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees			
Balance as at 30 September 2014	597,766,610	678,316,928	4,143,243,160	4,821,560,088	5,419,326,698	240,849	5,419,567,547			
Other comprehensive income for the period	—	—	204,719,740	204,719,740	204,719,740	30,055	204,749,795			
Balance as at 31 December 2014	597,766,610	678,316,928	4,347,962,900	5,026,279,828	5,624,046,438	270,904	5,624,317,342			
Balance as at 30 September 2015	597,766,610	678,316,928	5,772,211,315	6,450,528,243	7,048,294,853	328,934	7,048,623,787			
Non-Controlling Interest at the time of acquisition	—	—	—	—	—	1,815,946,825	1,815,946,825			
Other comprehensive income for the period	—	—	185,873,028	185,873,028	185,873,028	(9,245,916)	176,627,112			
Balance as at 31 December 2015	597,766,610	678,316,928	5,958,084,343	6,636,401,271	7,234,167,881	1,807,029,843	9,041,197,724			

The attached notes from 1 to 14 form an integral part of this condensed interim consolidated financial information.

Director

Director

## 1 STATUS AND NATURE OF BUSINESS

### 1.1 The Group comprises of

#### **Holding Company**

- JDW Sugar Mills Limited

#### **Subsidiary Companies**

- Deharki Sugar Mills (Private) Limited
- Faruki Pulp Mills Limited

JDW Sugar Mills Limited 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 Limited. 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.

- 1.2 Deharki Sugar Mills (Private) Limited ("DSML") was incorporated in Pakistan on 14 July 2010 as a Private Limited Company under the Companies Ordinance, 1984. 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. The Holding Company holds 99.98% shares of Subsidiary Company.

- 1.3 Faruki Pulp Mills Limited ("FPML") was incorporated as a Public Limited Company under the Companies Ordinance, 1984. The production facility is situated 20 km from Gujrat and the registered office is situated at 19 A, Street 1, Link 6 Cavalry ground, Lahore. The Company will be engaged in the manufacture and sale of paper pulp. The Holding Company holds 58.59% shares of Subsidiary Company.

- 1.4 The Group has executed Energy Purchase Agreements ("EPA") on 20 March 2014 with the Central Power Purchasing Agency ("CPPA") of the National Transmission & Despatch Company Limited ("NTDC") relating to its Bagasse Based Co-Generation Power Plants ("Co-Generation Power") at JDW Unit-II, Sadiqabad, District Rahim Yar Khan, Punjab and JDW Unit-III, District Ghotki, Sindh.

The 26.60 MW power plant at Unit-II achieved Commercial Operations Date ("COD") on 12 June 2014 while the 26.83 MW power plant at Unit-III achieved COD on 03 October 2014 after completing all independent testing and certification requirements and supplying renewable electricity to the national grid. Further, the Group's Co-Generation Power Plants are the first to materialize under National Electric Power Regulatory Authority's ("NEPRA") upfront bagasse tariff.

## 2 BASIS OF PREPARATION

This condensed interim consolidated financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim consolidated financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 September 2015.

The condensed interim consolidated financial information includes the financial information of JDW, its subsidiaries and associate ("Group") for the period ended 31 December 2015.

This condensed interim consolidated financial information is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984.

## 3 USE OF ESTIMATES AND JUDGMENTS

The preparation of condensed interim consolidated financial information in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to Group's condensed interim financial information or where judgments were exercised in application of accounting policies are as follows:

- Retirement and other benefits
- Provision for taxation
- Residual values and useful lives of depreciable assets
- Provisions and contingencies
- Biological assets

## 4 SIGNIFICANT ACCOUNTING POLICIES

- 4.1** The accounting policies and methods of computation adopted in the preparation of the condensed interim consolidated financial information are generally based on the same policies and methods as applied in preparation of the annual financial statements for the year ended 30 September 2015.



## 4.2 Basis of consolidation

### Subsidiaries

Subsidiaries are those entities in which the Holding Company directly or indirectly controls, beneficially owns or holds more than 50 percent of its voting securities or otherwise has power to elect and appoint more than 50 percent of its directors. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences. The financial statements of the subsidiaries are consolidated on a line-by-line basis and the carrying value of investment held by the Holding Company is eliminated against the Holding Company's share in paid up capital of the subsidiaries. The Group applies uniform accounting policies for like transactions and events in similar circumstances except where specified otherwise.

All material intra-group balances, transactions and resulting unrealized profits / (losses) are eliminated.

### Associates

Entities in which the Group has significant influence but not control and which are neither subsidiaries nor joint ventures of the members of the Group are associates and are accounted for under the equity method of accounting (equity accounted investees).

## 5 SEASONALITY OF OPERATIONS

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

	(Un-audited) 31-Dec-15 Rupees	(Audited) 30-Sep-15 Rupees
<b>6 SHARE CAPITAL</b>		
<b>6.1 Authorized capital</b>		
75,000,000 (30 September 2015: 75,000,000) ordinary shares of Rs. 10 each	750,000,000	750,000,000
25,000,000 (30 September 2015: 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>
<b>6.2 Issued, subscribed and paid-up capital</b>		
32,145,725 (30 September 2015: 32,145,725) ordinary shares of Rs. 10 each fully paid in cash	321,457,250	321,457,250
27,630,936 (30 September 2015: 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 CONTINGENCIES AND COMMITMENTS

### 7.1 Contingencies

There is no material change in contingencies from preceding annual published financial statements of the Group for the year ended 30 September 2015.

	Note	(Un-audited) 31-Dec-15 Rupees	(Audited) 30-Sep-15 Rupees
<b>7.1.1</b> Counter guarantee given on account of agricultural loan to growers		2,795,000,000	2,795,000,000
<b>7.1.2</b> Letters of guarantee in favour of various parties			
Holding Company		87,670,000	87,670,000
Subsidiary Company		7,500,000	—
<b>7.1.3</b> Cross corporate guarantees given by the Holding Company to its bankers for the Subsidiary Company		350,319,248	380,319,248
<b>7.2</b> Commitments			
Letters of credit for import of machinery and its related components			
Holding Company		18,751,008	324,420,557
Subsidiary Company		—	25,000,000

## 8 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	8.1	21,333,397,041	20,673,979,655
Capital work in progress		6,015,459,096	1,448,349,413
		27,348,856,137	22,122,329,068
<b>8.1</b> Operating fixed assets			
Net book value as at beginning of the period / year		20,673,979,655	15,819,652,556
Additions during the period / year		689,056,883	6,183,982,435
Fair value adjustment of assets acquired		340,077,650	—
Disposals during the period / year - net book value		(1,472,835)	(18,593,461)
Depreciation charged during the period / year		(368,244,312)	(1,311,061,875)
		21,333,397,041	20,673,979,655

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)  
For the quarter ended 31 December 2015

**9 BUSINESS SEGMENTS INFORMATION**

**9.1 The Group's reportable segments are as follows:**

**Reportable Segment**

Sugar and other segment  
Co-Generation segment  
Corporate farms segment

**Operations**

Production and sale of crystalline sugar and other related joint and by-product  
Generation and sale of electricity to NTDC  
Managing corporate farms

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

	Sugar & other segment		Co-Generation		Corporate Farms segment		Inter segment reconciliation		Total	
	31-Dec-15 Rupees	31-Dec-14 Rupees	31-Dec-15 Rupees	31-Dec-14 Rupees	31-Dec-15 Rupees	31-Dec-14 Rupees	31-Dec-15 Rupees	31-Dec-14 Rupees	31-Dec-15 Rupees	31-Dec-14 Rupees
<b>9.1.1 Revenue</b>										
Net external revenues	10,608,575,053	8,050,188,737	469,909,215	811,134,043	640,000	—	—	11,079,124,268	8,861,322,780	
Inter-segment revenues	321,921,339	330,577,372	292,872,613	186,678,563	985,057,056	692,000,199	(1,599,851,008)	(1,209,256,134)	—	
Reportable segment revenue	10,930,496,392	8,380,766,109	762,781,828	997,812,606	985,697,056	692,000,199	(1,599,851,008)	(1,209,256,134)	8,861,322,780	
Reportable segment operating profit / (loss)	551,513,902	717,167,772	275,803,502	320,830,437	(46,445,793)	(367,672,298)	—	780,871,611	1,001,230,911	
	Sugar & other segment		Co-Generation		Corporate Farms segment		Inter segment reconciliation		Total	
	(Un-audited) 31-Dec-15 Rupees	(Audited) 30-Sep-15 Rupees	(Un-audited) 31-Dec-15 Rupees	(Audited) 30-Sep-15 Rupees	(Un-audited) 31-Dec-15 Rupees	(Audited) 30-Sep-15 Rupees	(Un-audited) 31-Dec-15 Rupees	(Audited) 30-Sep-15 Rupees	(Un-audited) 31-Dec-15 Rupees	(Audited) 30-Sep-15 Rupees
<b>9.1.2 Segment assets &amp; liabilities</b>										
Total assets for reportable segment	28,448,722,738	26,941,982,684	8,998,063,440	9,833,714,467	4,257,643,045	6,550,759,659	(1,599,851,008)	(6,018,367,542)	40,095,578,215	37,408,069,288
Total liabilities for reportable segment	27,672,993,684	28,361,360,590	4,537,686,308	7,580,296,376	443,551,508	436,156,059	(1,599,851,008)	(6,018,367,542)	31,054,380,492	30,359,445,480
<b>9.1.3 Reconciliation of reportable segment profit and loss for the quarter ended</b>										
Total operating profit for reportable segments									780,871,611	1,001,230,911
Unallocated corporate expenses									(440,894,401)	(665,083,229)
Profit before tax									339,977,211	336,147,682
Taxation									(163,350,099)	(131,397,887)
Profit after taxation									176,627,112	204,749,795

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)  
For the quarter ended 31 December 2015

	31-Dec-15 Rupees	31-Dec-14 Rupees
<b>10 NET SALES</b>		
Sugar	11,008,662,884	8,142,647,776
Agriculture produce	640,000	—
Electricity	543,861,150	937,957,808
Molasses & Bagasse	402,931,624	471,581,720
	11,956,095,658	9,552,187,304
Less: Federal excise duty, sales tax and others	(876,971,390)	(690,864,524)
	11,079,124,268	8,861,322,780

**11 TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

The related parties comprise of 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. Significant transactions with related parties are as follows:

Relationship	Nature of Transactions	31-Dec-15 Rupees	31-Dec-14 Rupees
<b>Associated Companies</b>	Payment against purchase of aircraft	500,000	1,050,000
	Sale of molasses	242,345	232,596
	Rent on land given on lease	3,482,897	3,719,711
	Rent on land acquired on lease	933,750	933,750
	Reimbursement on use of Company's aircraft	14,914,234	4,515,737
<b>Other Related Parties</b>	Provident fund contribution	31,143,608	22,914,585
<b>Key Management Personnel</b>	Consultancy services	1,621,632	8,214,813

**12 DATE OF AUTHORIZATION**

This condensed interim consolidated financial information for the quarter ended 31 December 2015 was authorized for issue by the Board of Directors on 23 January 2016.



13 FIGURES

Figures in the condensed interim consolidated financial information have been rounded off to the nearest of rupee.

14 GENERAL

Statement under section 241(2) of the Companies Ordinance, 1984.

This condensed interim consolidated financial information have been signed by two Directors instead of Chief Executive Officer and one Director, as the Chief Executive Officer is for the time being not in Pakistan.

Director Director





# 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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