

Condensed Interim Financial Statements
for the quarter ended 31 December 2020 (Un-audited)

Continued Excellence



JDW Sugar Mills Limited



OUR VISION IS TO CREATE OPPORTUNITIES FOR THE FUTURE.

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

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





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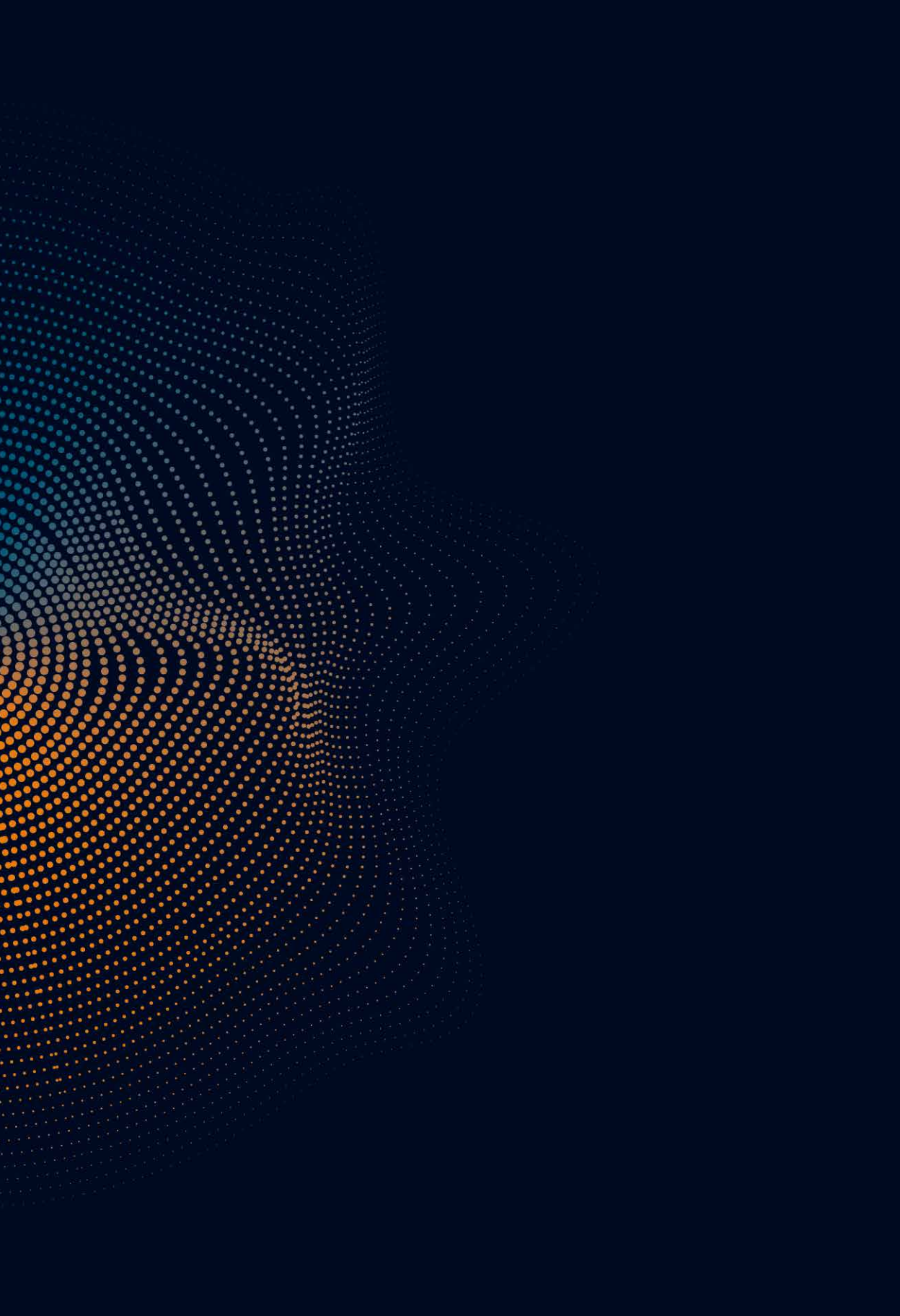


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01

COMPANY REVIEW

06 Corporate Information

CORPORATE INFORMATION

Board of Directors

Mr. Jahangir Khan Tareen

Director

Mukhdoom Syed Ahmed Mahmud

Director / Chairman

Mr. Raheal Masud

Director / Chief Executive

Mrs. Samira Mahmud

Mr. Ijaz Ahmed

Mr. Asim Nisar Bajwa

Mr. Qasim Hussain Safdar

Chief Operating Officer

Rana Nasim Ahmed

Group Director (Finance) & CFO

Mr. Muhammad Rafique

Company Secretary

Mr. Maqsood Ahmad Malhi

Audit Committee

Mr. Qasim Hussain Safdar

Chairman / Member

Mrs. Samira Mahmud

Member

Mr. Ijaz Ahmed

Member

HR & R Committee

Mr. Asim Nisar Bajwa

Chairman / Member

Mrs. Samira Mahmud

Member

Mr. Ijaz Ahmed

Member

Nomination Committee

Mr. Jahangir Khan Tareen

Chairman / Member

Mr. Asim Nisar Bajwa

Member

Risk Management Committee

Mr. Jahangir Khan Tareen

Chairman / Member

Mr. Asim Nisar Bajwa

Member

Registrar

Corplink (Pvt.) Limited

Bankers

Conventional

MCB Bank Limited

The Bank of Punjab

Allied Bank Limited

Askari Bank Limited

Habib Bank Limited

Standard Chartered Bank
(Pakistan) Limited

National Bank of Pakistan

Pak Oman Investment Company
Limited

Soneri Bank Limited

United Bank Limited

Pak Kuwait Investment Company
Limited

Pak Brunei Investment Company
Limited

JS Bank Limited

Habib Metropolitan Bank Limited

Islamic

Dubai Islamic Bank Pakistan
Limited

Faysal Bank Limited

MCB Islamic Bank Limited

Bank Alfalah Limited

BankIslami (Pakistan) Limited

Meezan Bank Limited

Askari Bank Limited

National Bank of Pakistan



Auditors

Riaz Ahmad, Saqib, Gohar & Co.
Chartered Accountants



Legal Advisor

Cornelius, Lane & Mufti



Web Presence

www.jdw-group.com



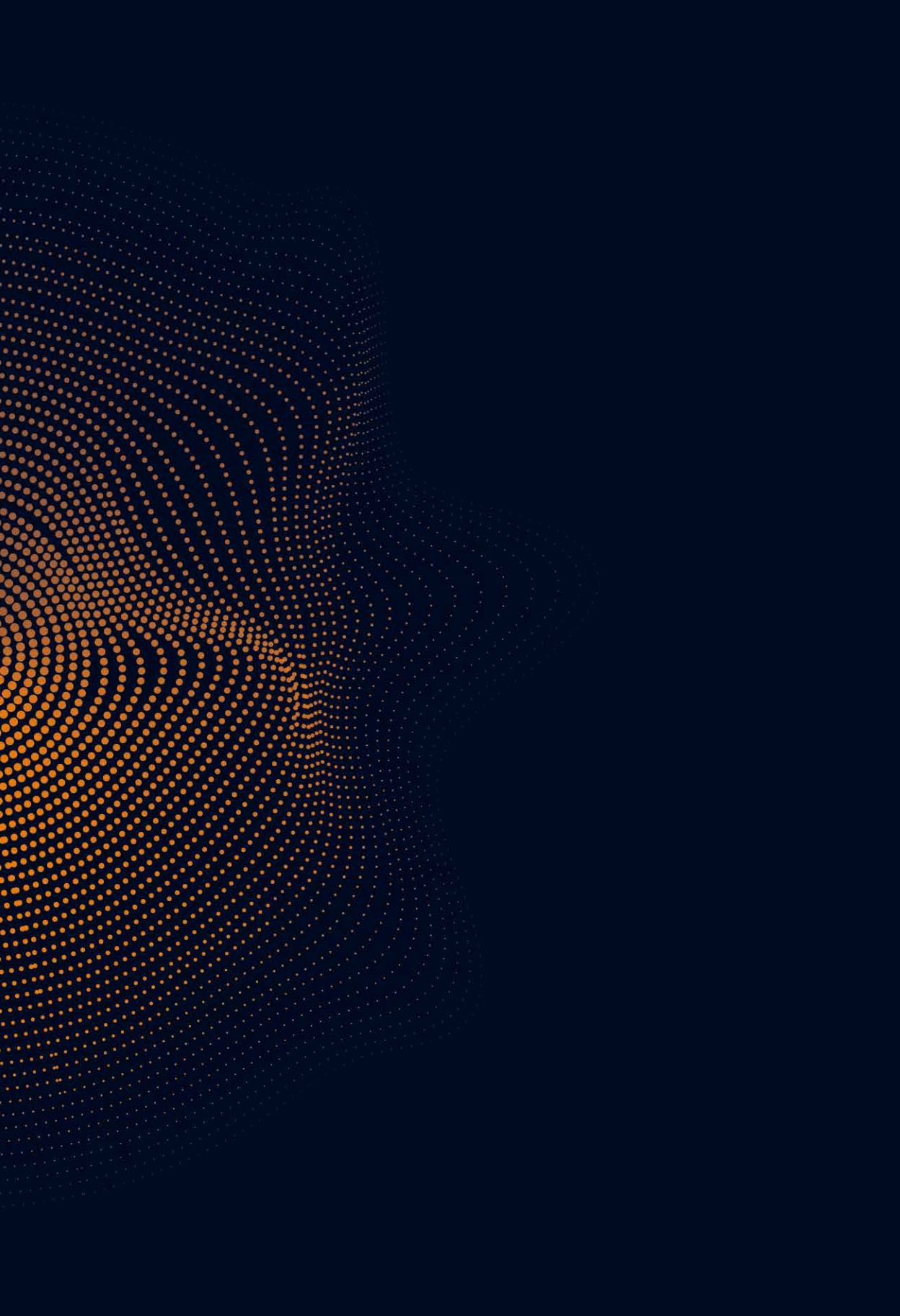
Registered Office

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



Mills

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



02

DIRECTORS' REVIEW

10 Directors' Review

DIRECTORS' REVIEW

The Directors of the Company are pleased to present the Company's un-audited accounts for the quarter ended on 31 December, 2020.

Alhamdulillah, the 1st wave of COVID-19 pandemic situation was effectively controlled in Pakistan. In order to minimize the impact of 2nd wave of COVID-19 pandemic the Government has already taken measures which hopefully will trigger the economic and social activities in the country.

In the COVID-19 pandemic phases, the Company has implemented the various controls at all locations to manage the impact of this pandemic. Mandatory SOPs include, wearing of facemasks for all employees and service providers, maintenance of social distance of 6 feet at all times when they are on Company premises, mandatory temperature checks, routine disinfection of office premises and vehicles, frequent hand washing & sanitizing, limiting face to face meetings and work from home policies during lock down phase. The Company also during the crises has neither retrenched strength of employees and nor cut down any emoluments of any employee. SBP's supportive policies played vital role in this regard and all financial supports including deferment of long term loans for one year and availing of soft salary loans extended by financial institutions in view of The State Bank of Pakistan's policies were availed by the Company.

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

There has been insignificant decrease of 2% in the gross turnover of the Company as compared to the similar period of last year. However, there has been an improvement in the gross profitability of the Company which is mainly attributable to favorable price variance on sale of carryover sugar stocks. Sugar and molasses prices during this period were also better as against same period in the last year.

Subsequent to signing of MOU with Committee for Negotiations with Independent Private Power Producers (notified by the Government of Pakistan) during August, 2020 connected to outstanding energy payments of the Company's two bagasse-based Co-Gen Power Projects of 26.35 MW each from Central Power Purchasing Agency ("CPPA-G") and revision in tariff components. JDW & IPP Negotiations Committee had several rounds of discussions and have initialed "Master Agreement" and "EPA Amendment Agreement" on 09 January 2021. The formal signing of these agreements is expected sometimes in February, 2021 subject to approval of the Board of Directors of the Company, other stakeholders and regulatory approvals. Our total outstanding as on 30 November 2020 will be paid in two tranches i.e., 40% of the outstanding amount in February and 60% of the amount in August this year. Each instalment consists of 1/3 cash payment, 1/3 by issuance of Sukuk Bonds of 5 to 10 years' tenor and 1/3 by issuance of Pakistan Investment Bonds (PIBs) of 10 years period at weighted average rate of T-Bills minus 10 bps for Sukuk bonds and weighted average rate of T-Bills plus 70 bps for PIBs. As per our calculation, the Company has total receivables of Rs. 7,319 million from CPPA-G as on 30 November 2020 out of which an amount of Rs. 3,996 million is undisputed and expected to be received in February and August this year as stated above and rest of the amount Rs. 3,323 million being disputed amount on account of excess fixed energy receivables has been recognized in the accounts under review as impairment allowance.

The Company has earned net loss after tax amounting to Rs. 626 million as compared to net profit after tax of Rs. 139 million in the corresponding period, resultantly earnings per share have reduced from positive Rs. 2.32 to negative Rs. 10.48. The main reason for negative profitability is booking of impairment allowance against fixed energy receivable as discussed above.

The finance cost of the Company has significantly decreased by Rs. 411 million i.e., 47% over last year being result of lower mark-up rates & less utilization of working capital loans during the period under review.

The crushing season 2020-21 was started on 10 November 2020 and on Group basis up to 28 January 2021 sugar produced by the Company was 463,892 tons with average sucrose recovery of 9.60%. In

view of reduction in sugarcane crushing and continued fall in the sucrose recoveries, the Company on group basis is expected to produce 13% less sugar production over last year.

For ongoing crushing season 2020-21, notified support prices of sugarcane have been revised to Rs. 200 per 40 kgs from Rs. 190 per 40 kgs in Punjab and Rs. 202 per 40 kgs from Rs. 192 per 40 kgs in the Province of Sindh whereas actual sugarcane prices at which industry is procuring cane are much higher and range between Rs. 275 to Rs. 325 per 40 kgs. It is estimated that around Rs. 100 billion additional amounts would go to the growers this season too which will result in increasing the production cost of the sugar consequently sugar prices in the market would naturally remain on the higher side. Our average cane cost this time is expected to be much higher as compared to the last crushing season due to procurement of sugarcane at higher prices in the later part of the season. Early start of crushing season by 15 to 20 days has caused reduction in sucrose recovery and price war among sugar mills for procurement of sugarcane causing lower production and higher production cost.

As usual growers' payment has remained our top priority being one of the main keys of our success. Despite stuck up of huge funds with Government of Sindh and GOP on account of export subsidy & sale of energy respectively, we are making growers' payment on priority basis even in the 3rd consecutive crushing season through their bank accounts and our efforts are very well appreciated by the growers. Company regularly provides financial assistance and technical support to its growers. Due to these policies and preferential treatment with growers, the Company enjoys excellent relationship with them.

Sales tax evasion and undocumented sugar trade are two major challenges being faced by the sugar industry. These two issues are the root causes of instability both in the prices of sugarcane and sugar. Both these major issues come under the purview of FBR. FBR from time to time has taken various measures to address these problems but has not been able to succeed. Recently it has directed sugar industry to install "Video Analytics for Electronic Monitoring of Sugar Production" during the season 2020-21 through its SRO 889(I)/2020 dated 21 September 2020 of video analytics rules, 2020 but FBR has not been able to implement it successfully so far whereas current crushing season is heading towards conclusion in next 30 to 40 days. Persons engaged in sugar trade are willing to become part of the tax system but FBR is neither listening them nor engaging them for resolving their tax issues without which it would be very difficult to bring them in the tax net. This scenario is hurting both the sugar industry as well as persons engaged in this undocumented trade.

Financial year 2020-2021 seems to be more challenging where growers are supplying sugarcane at much higher prices as against the support prices whereas Government as usual wants the sugar industry to sell sugar at prices far below the actual production cost of the sugar mills which may again put the industry in crisis like situation. Mechanism of costing of sugar through independent financial consultants needs to be developed on priority basis to review the factual position. Federal Government has allowed import of 500,000 tons of white sugar through TCP and 300,000 tons of raw sugar by sugar mills. At present import and processing of raw sugar is not financially viable because of higher prices in the international market and time constraints for sugar industry to bring and process raw sugar during the ongoing crushing season. Prices of white sugar are also at peak in the international market and import at this stage will cost over Rs. 110 per kg with all applicable taxes. In view of almost no carryover sugar stocks and expected lower sugar production vs country's actual annual requirement permission for import of 800,000 tons of sugar will certainly assist in bridging the demand and supply gap and stabilize the sugar prices.

We are maintaining continued good performance and want to focus more on reduction of debt to bring down the financial charges. Reduction in the mark-up rates by SBP has started benefiting the whole industry in the country the continuity of which is absolutely important for generating more business and economic activities through industrialization.

Lahore
29 January 2021

Chief Executive

Director

- جاری کرشنگ سیزن 2020-21 کے لئے، پنجاب میں گئے کی مطلع شدہ قیمتوں میں فی من 190 سے اضافہ کر کے 200 روپے کیا گیا ہے۔ جبکہ صوبہ سندھ میں 192 روپے کی 40 کلگرام سے بڑھا کر 202 روپے فی من کیا گیا جبکہ گئے کی اصل قیمتیں جس پرائمری گئے کی خریداری کر رہی ہے اس سے کہیں زیادہ قیمت ہے اور اس کی قیمت 275 سے 325 روپے فی من ہے۔ ایک اندازے کے مطابق اس سیزن میں بھی 100 ارب روپے کی اضافی رقم کاشتکاروں کے پاس جائے گی جس کے نتیجے میں چینی کی پیداواری لاگت میں اضافہ ہوگا جس کے نتیجے میں مارکیٹ میں چینی کی قیمتیں قدرتی طور پر بلند رہیں گی۔ اس بار ہماری اوسط گئے کی لاگت میں اضافے کی توقع کی جارہی ہے کیونکہ اس بار کرشنگ سیزن 15 سے 20 روز جلد شروع ہو جانے کی بدولت شوگر ملوں کیلئے سوکروڈ کی وصولی کم ہوئی مزید برآں گئے کی وصولی کے لئے ملوں کے درمیان مسابقت کی وجہ سے گئے کی قیمت خرید بڑھی ہے۔

- حسب معمول کاشتکاروں کو بروقت ادائیگی ہماری اولین ترجیح ہے۔ برآمد، سمیڈی اور توانائی کی فروخت کی مدد میں حکومت سندھ اور وفاقی حکومت کے زمو واجب الادا کثیر رقم کے باوجود ہم نے کاشتکاروں کو ان کے بینک اکاؤنٹ میں مسلسل تیسرے سال ترجیحی بنیادوں پر ادائیگی کی اور ہماری ان کوششوں کو خوب سراہا گیا۔ کئی کاشتکاروں کو باقاعدگی سے مالی دیکھبلیک اعانت فراہم کرتی ہے، ان پالیسیوں اور کاشتکاروں کے ساتھ ترجیحی سلوک کی بدولت کہیں ان کے ساتھ بہترین تعلقات استوار کئے ہوئے ہے۔

- چینی کی صنعت کو بیلنگس چوری اور غیر دستاویزی چینی کی تجارت دو بڑے چیلنج ہیں۔ یہ دونوں امور گئے اور چینی کی قیمتوں میں عدم استحکام کی بنیادی وجوہات ہیں۔ یہ دونوں اہم امور ایف بی آر کے دائرہ کار میں آتے ہیں۔ ایف بی آر نے وقتاً فوقتاً ان مسائل کو دور کرنے کے لئے مختلف اقدامات کیے لیکن وہ کامیاب نہیں ہو سکے۔ حال ہی میں اس نے شوگر انڈسٹری کو ہدایت کی ہے کہ وہ 2020-21 کے سیزن کے دوران اپنے ایس آر او 889 (1) / 2020 کے ذریعہ ویڈیو تجزیاتی قواعد 2020 کے مطابق، "شوگر پروڈکشن کی ایکٹرا تک انٹرنگ کے لئے ویڈیو تجزیات" انسٹال کرے لیکن ایف بی آر اب تک کامیابی کے ساتھ اس کا نفاذ نہیں کر سکا جبکہ موجودہ کرشنگ سیزن اگلے 30 دن میں اختتام پذیر ہو جائے گا۔ شوگر کی تجارت میں مصروف افراونگس سسٹم کا حصہ بننے کے لئے راضی ہیں لیکن ایف بی آر نے توان کے مسائل کو کن رہا ہے اور نہ ہی ان کو ٹیکس کے معاملات حل کرنے میں ان کی معاونت و رہنمائی کر رہا ہے جس کے بغیر انہیں ٹیکس کے جال میں لانا بہت مشکل ہوگا۔ یہ صورتحال چینی کی صنعت کے ساتھ ساتھ اس کی غیر کاغذی تجارت میں مصروف افراونگس نقصان پہنچا رہی ہے۔

- مالی سال 2020-21 زیادہ مشکل معلوم ہوتا ہے جہاں کاشت کار مقرر کردہ قیمت سے کہیں زیادہ قیمت کرنا فروخت کر رہے ہیں جبکہ ہمیشہ کی طرح حکومت شوگر انڈسٹری سے اس بات کی متقاضی ہے کہ شوگر ملیں اپنی لاگت سے بھی کم قیمت پر چینی فروخت کریں، جو کہ شوگر کی صنعت کو کمزور طور پر بحرانی کیفیت میں ڈال دے گی۔ چینی کی لاگت طے کرنے کیلئے آڑا اور خود مختار مالیاتی مشیران کو ترجیحی بنیاد پر اس عمل میں شامل کرنے کی ضرورت ہے۔

- وفاقی حکومت نے ٹی سی پی کے ذریعے 500,000 ٹن سفید چینی اور 300,000 ٹن خام چینی کی درآمد کی اجازت دی ہے۔ اس وقت بین الاقوامی منڈی میں قیمتیں زیادہ ہونے اور چینی صنعت کو موجودہ کرشنگ سیزن میں خام شوگر لانے اور اس پر کارروائی کرنے کے لئے وقت کی رکاوٹوں کی وجہ سے خام چینی کی درآمد اور پروسیسنگ مالی طور پر قابل عمل نہیں ہے۔ بین الاقوامی منڈی میں بھی سفید چینی کی قیمتیں عروج پر ہیں اور تمام قابل اطلاق ٹیکسوں کے ساتھ فی کلگرام چینی کی قیمت 110 روپے ہوگی۔ چینی کے تقریباً صفر ذخیرے اور چینی کی کم پیداواری کی توقع کے پیش نظر 800,000 ٹن چینی کی درآمد کی اجازت سالانہ ملکی ضرورت کو پورا کرے گی اور مانگ اور رسد کے فرق کو ختم کرنے اور چینی کی قیمتوں کو مستحکم کرنے میں معاون ثابت ہوگی۔

- ہم جاری اچھی کارکردگی کو برقرار رکھے ہوئے ہیں اور مالی معاوضوں کو کم کرنے کے لئے قرض میں کمی پر زیادہ توجہ دینا چاہتے ہیں۔ اسٹیٹ بینک کے ذریعہ مارک اپ میں کمی نے ملک کی پوری صنعت کو مستفید کرنا شروع کر دیا ہے جس کا تسلسل صنعت کاری کے ذریعہ زیادہ کاروباری اور معاشی سرگرمیاں پیدا کرنے کے لئے اہم ضروری ہے۔

۲۹ جنوری ۲۰۲۱

ڈائریکٹر

چیف ایگزیکٹو

لاہور

ڈائریکٹر کا جائزہ

کمپنی کے ڈائریکٹر انتہائی مسرت کے ساتھ 31 دسمبر 2020 کو ختم ہونے والی سہ ماہی کے غیر آڈٹ شدہ اکاؤنٹس پیش کرتے ہیں۔

الحمد للہ، کوویڈ 19 کی وبا کی صورتحال کی پہلی لہر پر پاکستان نے موثر انداز میں قابو پایا ہے۔ اس کی دوسری لہر کے اثرات کو کم کرنے کیلئے حکومت نے قبل از وقت اقدامات کئے جس سے امید کی جاتی ہے کہ ملک میں معاشی اور معاشرتی سرگرمیاں متحرک ہو جائیں گی۔

- کوویڈ 19 کی وبا کے دوران کمپنی نے اس کے اثرات کو کم کرنے کیلئے موثر اقدامات کئے۔ لازمی ایس او بیز میں، تمام ملازمین کیلئے فیس ماسک کی لازمی پابندی، کمپنی کے دفاتر اور احاطے میں چھ فٹ کے سماجی فاصلے کی پابندی، درجہ حرارت کی لازمی چیکنگ، دفاتر اور گاڑیوں میں معمول کی جراثیم کشی، بار بار ہاتھ دھونا اور صاف کرنا شامل ہے۔ لاک ڈاؤن مرحلے کے دوران بالمشافہ ملاقاتوں پر پابندی اور گھر سے کام کرنے کی پالیسیوں پر عمل درآمد کیا گیا۔ کمپنی کے اس بحران کے دوران نولتولازمین کی تعداد کو کم کیا اور نہ ہی تنخواہوں میں کوئی کمی کی۔ اسٹیٹ بینک آف پاکستان کی معاون پالیسیوں نے اس سلسلے میں اہم کردار ادا کیا۔ ان پالیسیوں کو مد نظر رکھتے ہوئے ایک سال کی مدت کیلئے طویل مدتی قرضوں کا موخر کرنا اور تنخواہوں کی ادائیگی کیلئے قرضے کی سہولت سے کمپنی نے استفادہ کیا۔

- پہلی سہ ماہی کے مالی نتائج کبھی بھی کمپنی کی سالانہ کارکردگی کے مکمل آئینہ دار نہیں ہوتے تاہم یہ سال کے آخر میں حاصل ہونے والے نتائج کی قبل از وقت جھلک فراہم کرتے ہیں۔ آپریٹنگ اور مالی نتائج کے اہم اشاریے درج ذیل ہیں۔

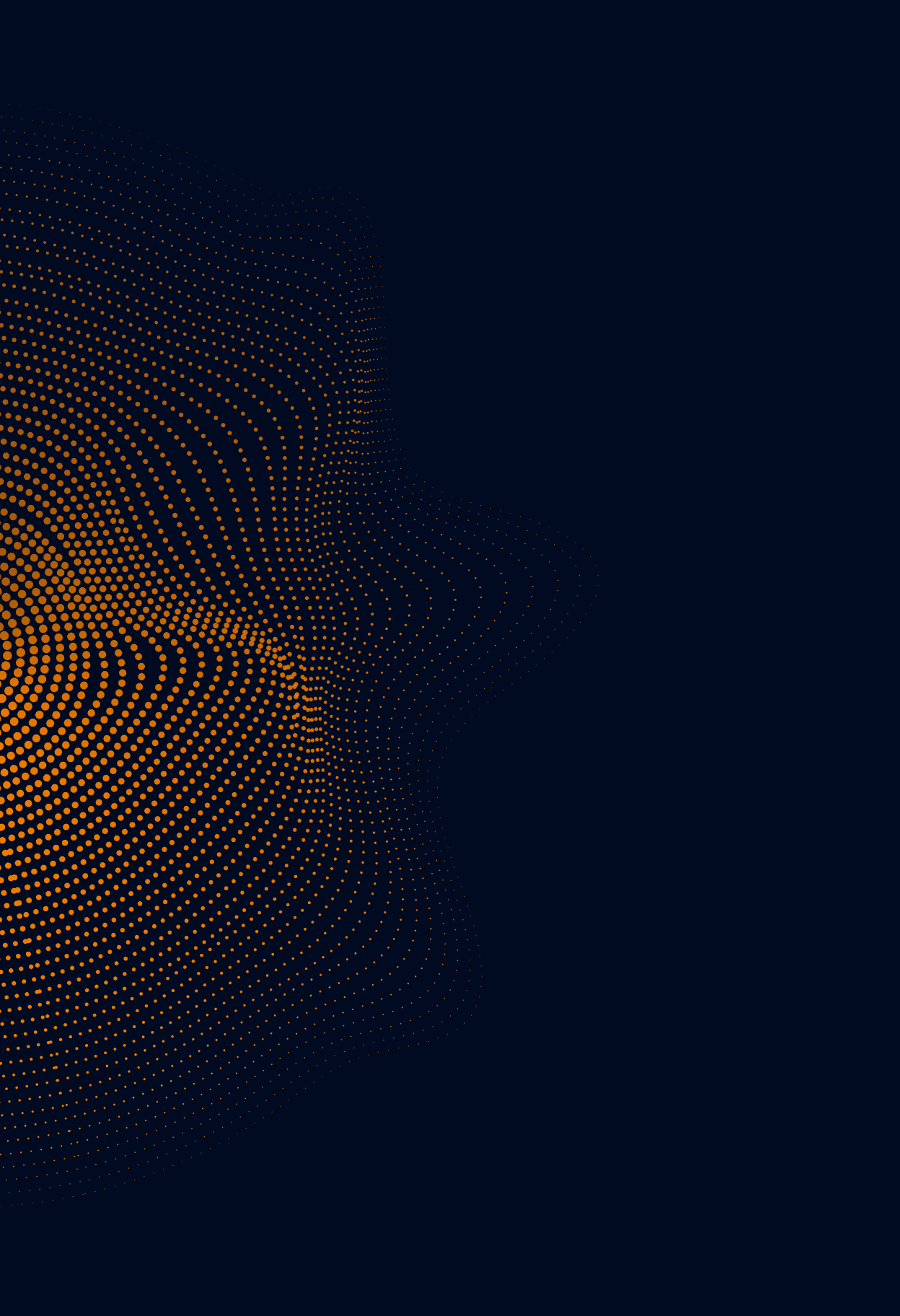
- پچھلے سال کی اسی مدت کے مقابلے میں کمپنی کے مجموعی کاروبار میں 2% کی معمولی کمی واقع ہوئی تاہم کمپنی کے مجموعی منافع میں بہتری آئی جو بنیادی طور پر گزشتہ سال کے غیر فروخت شدہ چینی کے ذخائر کی قیمتوں میں اضافے کے باعث ہوئی۔ اس عرصے کے دوران چینی اور راب کی قیمتوں میں بھی اس برتری آئی۔

- اگست 2020 میں نجی بجلی پراجیکٹ یوزرز اور سنٹرل پارو پراجیکٹ ایچ سی CPPA-G کے درمیان متعدد بار بات چیت ہوئی۔ ان ملاقاتوں کا بنیادی ایجنڈا انٹرف میں ترمیم اور بجلی کی مدت میں حکومت کے ذمہ واجب الادا رقم کی ادائیگی شامل تھی۔ ان ملاقاتوں کے نتیجے میں ایک مفاتیحتی یادداشت پر دستخط کئے گئے اور بعد ازاں 9 جنوری 2021 کو "ماسٹر ایگریمنٹ" اور "ای بی اے" ترمیمی معاہدہ "شروع کیا گیا، ان معاہدوں پر فروری 2021 میں باضابطہ دستخط متوقع ہیں مگر کمپنی کے بورڈ آف ڈائریکٹرز، دیگر شرکا اور ریگولیٹری اتھارٹی کی منظوری سے مشروط ہے۔ 30 نومبر 2020 تک کی واجب الادا فنڈز کی ادائیگی دوسرا صل میں کی جائے گی۔ 40% فیصد ادائیگی فروری جبکہ 60% رقم کی ادائیگی اس سال اگست میں کی جائے گی۔ ہر قسط کا ایک تہائی کیش کی صورت میں، ایک تہائی پانچ سے دس سالہ سلوک بانڈز کی شکل میں اور ایک تہائی دس سالہ مدت کے پاکستان انویسٹمنٹ بانڈز کی صورت میں ادا کیا جائے گا۔ ہمارے حساب کتاب کے مطابق 30 نومبر 2020 تک کمپنی نے CPPA-G سے 7,319 ملین روپے وصول کرنے ہیں۔ اس میں سے 3,996 ملین روپے کی رقم غیر متنازع ہے جس کی ادائیگی فروری اور اگست میں سلوک بانڈز اور پاکستان انویسٹمنٹ بانڈز کے اجراء کے ذریعے متوقع ہے جبکہ بقیہ ماندہ متنازع 3,323 ملین روپے اس سہ ماہی میں Impairment Allowance کے تحت ریکارڈ کر لیا گیا ہے۔

- گزشتہ سال اسی دورے میں 139 ملین روپے کے مقابلے میں اس سال کمپنی کو بعد ازیکس 626 ملین روپے کے خسارے کا سامنا ہے جس کے نتیجے میں فی حصص آمدن 2.32 سے کم ہو کر منفی 10.48 پر آگئی ہے۔ اس خسارے کی بنیادی وجہ اوپر بیان کردہ گئی ہے۔

- کمپنی کے مالیاتی اخراجات میں 411 ملین روپے کی نمایاں کمی واقع ہوئی جس کی بنیادی وجوہات یہ ہیں کہ اس عرصہ میں قرضوں پر شرح سود کم رہی جبکہ کاروباری اخراجات کیلئے مالی قرضے بھی کم لئے گئے۔

- کرشنگ بیزن 10 نومبر، 2020 کو شروع کیا گیا تھا اور گروپ کی بنیاد پر 28 جنوری 2021 تک کمپنی کی طرف سے تیار کردہ چینی 463,892 ٹن تھی جس میں اوسط سکروڈ کی بازیابی 9.60 فیصد تھی۔ گئے کی کرشنگ میں کمی اور سکروڈ کی بازیابی میں مسلسل کمی کے پیش نظر، گروپ کی بنیاد پر کمپنی کو گزشتہ سال کے دوران چینی کی پیداوار میں 13 فیصد کم پیداوار متوقع ہے۔



03

CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

- 16 Unconsolidated Statement of Financial Position
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**CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**
As at 31 December 2020

	Note	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	6	597,766,610	597,766,610
Share premium reserve		678,316,928	678,316,928
Accumulated profit		7,670,011,049	8,296,557,525
		<u>8,946,094,587</u>	<u>9,572,641,063</u>
NON-CURRENT LIABILITIES			
Long term finances - secured	7	10,604,645,588	11,482,527,333
Lease liabilities	8	766,802,726	766,591,223
Deferred taxation		859,262,750	994,001,202
Retirement benefits		7,454,474	104,616,023
Deferred income - Government grant		27,678,907	18,022,964
		<u>12,265,844,445</u>	<u>13,365,758,745</u>
CURRENT LIABILITIES			
Short term borrowings	9	8,152,576,808	9,307,988,486
Current portion of non-current liabilities		4,467,796,332	3,560,121,140
Trade and other payables	10	3,541,967,381	2,251,687,573
Advances from customers		2,899,515,491	2,678,183,171
Unclaimed dividend		33,914,443	33,943,018
Accrued profit / interest / mark-up		290,224,453	322,559,265
		<u>19,385,994,908</u>	<u>18,154,482,653</u>
CONTINGENCIES AND COMMITMENTS			
	11	<u>40,597,933,940</u>	<u>41,092,882,461</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	20,310,677,045	20,772,422,620
Right-of-use assets	13	1,078,601,484	1,157,421,198
Investment property		185,854,012	185,854,012
Intangibles		614,259,899	614,769,832
Long term investments	14	1,083,982,500	1,083,252,500
Long term deposits		55,792,962	57,116,542
		<u>23,329,167,902</u>	<u>23,870,836,704</u>
CURRENT ASSETS			
Right-of-use assets	13	11,618,494	19,040,329
Short term investments	14	570,053,405	570,053,405
Biological assets	15	914,470,078	1,820,115,980
Stores, spare parts and loose tools		1,655,509,380	1,540,502,239
Stock-in-trade		7,558,842,501	3,985,441,491
Trade receivables		4,434,591,235	8,451,790,699
Advances, deposits, prepayments and other receivables		449,473,672	513,874,445
Advance tax - net		401,621,464	192,647,995
Cash and bank balances	16	1,272,585,809	128,579,174
		<u>17,268,766,038</u>	<u>17,222,045,757</u>
		<u>40,597,933,940</u>	<u>41,092,882,461</u>

The annexed notes from 1 to 25 form an integral part of this condensed interim unconsolidated financial statements.

Chief Financial Officer

Chief Executive

Director

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

For the quarter ended 31 December 2020

	Note	31-Dec-20 Rupees	31-Dec-19 Rupees
Gross revenue		15,279,929,825	15,585,884,863
Sales tax and commission		(1,850,237,477)	(2,386,528,846)
Revenue from contracts with customers	17	13,429,692,348	13,199,356,017
Cost of revenue		(10,515,367,061)	(11,750,432,169)
Gross profit		2,914,325,287	1,448,923,848
Administrative expenses		(444,793,975)	(331,830,127)
Selling expenses		(9,295,703)	(8,952,628)
Other income	18	605,146,197	81,381,290
Other expenses	19	(3,359,785,762)	(50,485,417)
		(3,208,729,243)	(309,886,882)
(Loss) / profit from operations		(294,403,956)	1,139,036,966
Finance cost		(466,700,231)	(877,539,637)
(Loss) / profit before taxation		(761,104,187)	261,497,329
Taxation		134,557,711	(122,569,352)
(Loss) / profit for the quarter		(626,546,476)	138,927,977
(Loss) / earnings per share - basic and diluted		(10.48)	2.32

The annexed notes from 1 to 25 form an integral part of this condensed interim unconsolidated financial statements.

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

For the quarter ended 31 December 2020

	31-Dec-20 Rupees	31-Dec-19 Rupees
(Loss) / profit for the quarter	(626,546,476)	138,927,977
Other comprehensive income for the quarter	–	–
Total comprehensive (loss) / income for the quarter	(626,546,476)	138,927,977

The annexed notes from 1 to 25 form an integral part of this condensed interim unconsolidated financial statements.

Chief Financial Officer

Chief Executive

Director

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

For the quarter ended 31 December 2020

	Note	31-Dec-20 Rupees	31-Dec-19 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		(761,104,187)	261,497,329
Adjustments for non-cash income and expenses:			
Impairment allowance against doubtful trade receivables		3,323,154,435	–
Depreciation		715,345,282	392,989,847
Finance cost		466,700,231	877,539,637
Derecognition of bearer plants		183,343,266	89,983,890
Workers' Welfare Fund		36,631,327	–
Staff retirement benefits		29,785,410	28,426,462
Amortization of transaction cost		1,654,165	–
Amortization of intangible assets		509,932	509,932
Fair value gain at the point of harvest		(454,916,397)	–
Interest income		(52,643,889)	(2,263,460)
Gain on disposal of operating fixed assets		(11,705,471)	(2,987,823)
Provision for doubtful advances		–	36,722,400
Workers' Profit Participation Fund		–	13,763,017
Assets written off		–	37,604
		4,237,858,291	1,434,721,506
		3,476,754,104	1,696,218,835
Working capital changes:			
Stores, spare parts and loose tools		(249,853,554)	(176,316,075)
Stock-in-trade		(3,573,401,010)	1,419,064,117
Biological assets		1,360,562,299	700,723,050
Advances, deposits, prepayments and other receivables		64,400,776	(3,566,515)
Trade receivables		745,360,736	934,883,468
Trade and other payables		1,258,087,582	1,275,998,505
Advances from customers		221,332,320	1,237,042,947
		(173,510,851)	5,387,829,497
Cash generated from operations		3,303,243,253	7,084,048,332
Taxes paid		(209,154,210)	(68,735,037)
Staff retirement benefits paid		(129,009,189)	(20,313,859)
Long term deposits - net		1,323,580	(5,605,850)
Interest income received		1,328,182	2,263,460
		(335,511,637)	(92,391,286)
Net cash generated from operations		2,967,731,616	6,991,657,046
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(161,297,456)	(330,443,815)
Advances for future issuance of shares		(730,000)	(1,000,000)
Investment made in associate		–	(2,500)
Proceeds from sale of operating fixed assets		20,717,916	4,810,582
Net cash used in investing activities		(141,309,540)	(326,635,733)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - net		87,366,325	(923,708,512)
Short term borrowings - net		726,938,613	(3,529,954,065)
Financial charges paid as:			
- finance cost		(452,860,521)	(1,297,130,867)
- Interest on lease liability		(46,174,524)	(6,268,417)
Principal portion of lease liability paid		(115,306,468)	(19,212,641)
Dividend paid		(28,575)	–
Net cash generated from / (used in) financing activities		199,934,850	(5,776,274,502)
Net increase in cash and cash equivalents		3,026,356,926	888,746,811
Cash and cash equivalents at beginning of the quarter		(3,225,170,679)	(3,539,932,772)
Cash and cash equivalents at end of the quarter		(198,813,753)	(2,651,185,961)
Cash and cash equivalents comprise of the following:			
- Cash and bank balances	16	1,272,585,809	218,390,499
- Running finances and morabaha / karobar / musharakah finances	9.2 & 9.5	(1,471,399,562)	(2,869,576,460)
		(198,813,753)	(2,651,185,961)

The annexed notes from 1 to 25 form an integral part of this condensed interim unconsolidated financial statements.

Chief Financial Officer

Chief Executive

Director

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

For the quarter ended 31 December 2020

	Share capital	Reserves				Total equity	
		Capital		Revenue			Total reserves
		Share premium	Accumulated profit				
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Balance as at 01 October 2019	597,766,610	678,316,928	7,496,780,938	8,175,097,866	8,772,864,476		
Total comprehensive income for the quarter	–	–	138,927,977	138,927,977	138,927,977		
Balance as at 31 December 2019	597,766,610	678,316,928	7,635,708,915	8,314,025,843	8,911,792,453		
Balance as at 01 October 2020	597,766,610	678,316,928	8,296,557,525	8,974,874,453	9,572,641,063		
Total comprehensive loss for the quarter	–	–	(626,546,476)	(626,546,476)	(626,546,476)		
Balance as at 31 December 2020	597,766,610	678,316,928	7,670,011,049	8,348,327,977	8,946,094,587		

The annexed notes from 1 to 25 form an integral part of this condensed interim unconsolidated financial statements.

Chief Financial Officer

Chief Executive

Director

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

For the quarter ended 31 December 2020

1 REPORTING ENTITY

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

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

2 BASIS OF PREPARATION

2.1 Basis of accounting

2.1.1 These condensed interim unconsolidated financial statements comprise of the condensed interim unconsolidated statement of financial position of the Company as at 31 December 2020 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows and together with the notes forming part thereof for the quarter ended 31 December 2020.

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

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

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

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

2.1.4 Comparative unconsolidated statement of financial position numbers is extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 September 2020, whereas comparative figures of unconsolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows are stated from unaudited condensed interim financial statements of the Company for the quarter ended 31 December 2019.

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

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

For the quarter ended 31 December 2020

3 USE OF ESTIMATES AND JUDGMENTS

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

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

4 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

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

4.2 There were certain new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

5 SEASONALITY OF OPERATIONS

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

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

	Note	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees
7 LONG TERM FINANCES - SECURED			
Mark-up bearing finances from conventional banks	7.1	10,139,796,761	10,941,307,030
Islamic mode of financing	7.2	504,512,828	582,538,469
		10,644,309,589	11,523,845,499
Less: Transaction cost		(39,664,001)	(41,318,166)
	7.3	10,604,645,588	11,482,527,333
7.1 Mark-up bearing finances from conventional banks			
Balance at beginning of the quarter / year		13,626,959,838	6,326,126,662
Finances received during the quarter / year	7.1.1	156,753,324	11,619,943,509
Repayments during the quarter / year		(101,372,000)	(4,319,110,333)
		13,682,341,162	13,626,959,838
Current portion presented under current liabilities			
		(3,542,544,401)	(2,685,652,808)
		10,139,796,761	10,941,307,030

7.1.1 Finances received during the quarter

	Markup basis	Duration	Grace period	Amount Rupees
Habib Bank Limited - SBP Refinance Scheme	*SBP Rate + 1.50	2.5 Years	0.5 Year	156,753,324

* SBP rate i.e. 0%

Finances received during the period has been obtained under Refinance Scheme for payment of Wages & Salaries by the State Bank of Pakistan (SBP) at subsidized rate, earmarked from running and cash finance limit, which is repayable in 8 quarterly installments to a commercial bank under the SBP Refinance Scheme. This loan is recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment has measured as difference between subsidized rate i.e. 0% KIBOR plus 150 bps per annum and prevailing market rate i.e. 3 months KIBOR plus 150 bps per annum which has been recognized as Government grant in accordance with IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance" and will be amortised to interest income in line with the recognition of interest expense the grant is compensating.

	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees
7.2 Islamic mode of financing		
Balance at beginning of the quarter / year	717,756,419	2,709,682,703
Finances received during the quarter / year	—	—
Repayments during the quarter / year	—	(1,991,926,284)
	717,756,419	717,756,419
Current portion presented under current liabilities		
	(213,243,591)	(135,217,950)
	504,512,828	582,538,469

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

For the quarter ended 31 December 2020

- 7.3** Long term finances are secured against ranking / joint parri passu charge over all present and future fixed assets including land, building, plant and machinery of the Company and personal guarantees of sponsor directors of the Company.

	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees
8 LEASE LIABILITIES		
Balance at beginning of the quarter / year	1,460,474,747	224,596,749
Impact of initial application of IFRS 16	–	1,508,973,262
Adjusted balance as at 01 October	1,460,474,747	1,733,570,011
Additions during the quarter / year	88,018,528	398,032,110
Early termination / remeasurement of lease liabilities	–	(1,219,120)
Finance cost regarding lease arrangement	41,542,736	165,857,652
Lease payments / adjustments	(156,849,204)	(835,765,906)
	1,433,186,807	1,460,474,747
Less: Current maturity presented under current liabilities	(666,384,081)	(693,883,524)
Balance at end of the quarter / year	766,802,726	766,591,223

	Note	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees
9 SHORT TERM BORROWINGS			
Mark-up based borrowings from conventional banks - secured			
Cash finances	9.1	2,039,163,900	1,823,866,061
Running finances	9.2	171,399,562	2,053,749,853
Finance against trust receipts	9.3	164,636,876	76,872,572
		2,375,200,338	3,954,488,486
Islamic mode of financing - secured			
Salam / Istisna / Musawamah finances	9.4	2,423,376,470	1,433,500,000
Morabaha / Karobar / Musharakah finances	9.5	1,300,000,000	1,300,000,000
		3,723,376,470	2,733,500,000
Borrowings from related party - unsecured			
Deharki Sugar Mills (Private) Limited	9.6	2,054,000,000	2,620,000,000
		8,152,576,808	9,307,988,486

- 9.1** The mark-up rate applicable during the period ranges from one to three months KIBOR plus 50 to 100 bps per annum (30 September 2020: one to three months KIBOR plus 20 to 100 bps per annum).
- 9.2** The mark-up rate applicable during the period ranges from one to three months KIBOR plus 75 to 100 bps per annum (30 September 2020: one to three months KIBOR plus 65 to 100 bps per annum).
- 9.3** The mark-up rate applicable during the period ranges from one to six months KIBOR plus 100 to 250 bps per annum (30 September 2020: one to six months KIBOR plus 100 bps per annum).

- 9.4** The mark-up rate applicable during the period ranges from three to six months KIBOR plus 50 to 90 bps per annum (30 September 2020: three to twelve months KIBOR plus 20 to 100 bps per annum).
- 9.5** The mark-up rate applicable during the period ranges from three to nine months KIBOR plus 75 to 100 bps per annum (30 September 2020: three to six months KIBOR plus 75 to 100 bps per annum).
- 9.6** This represents interest bearing loan received from Deharki Sugar Mills (Private) Limited to meet working capital requirements at a periodically average interest rate of 8.26% per annum (30 September 2020: 8.05% to 14.86% per annum).
- 9.7** The securities offered are the same as disclosed in the audited unconsolidated financial statements of the Company for the year ended 30 September 2020.

10 TRADE AND OTHER PAYABLES

Balance as at 31 December 2020 mainly includes payable to trade creditors aggregates to Rs. 970 million (30 September 2020: Rs. 1,208 million).

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

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

- 11.1.1** Guarantees issued by the banks on behalf of the Company in favor of various parties as at the reporting date amounts to Rs. 131 million (30 September 2020: Rs. 672 million).
- 11.1.2** Counter guarantee given by the Company to the bankers on account of agricultural loan as at the reporting date amounts to Rs. 1,800 million (30 September 2020: Rs. 1,800 million).
- 11.1.3** Guarantees issued by the banks on behalf of the Company in favor of Sadiqabad Power (Private) Limited and Ghotki Power (Private) Limited, wholly owned subsidiary companies, as at the reporting date aggregate amounts to Rs. 37 million (30 September 2020: Rs. 37 million).

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

For the quarter ended 31 December 2020

		(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees
11.2 Commitments			
11.2.1 Letters of credit for import of machinery and its related components		32,559,264	111,385,896

	Note	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees
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12 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	12.1	20,161,029,979	20,619,247,850
Capital work in progress	12.2	14,800,652	14,599,420
Stores, spare parts and loose tools held for capital expenditure		134,846,414	138,575,350
		<u>20,310,677,045</u>	<u>20,772,422,620</u>

12.1 Operating fixed assets

Net book value at beginning of the quarter / year		20,619,247,850	21,365,668,172
Impact of adoption of IFRS 16		–	(230,182,809)
Additions during the quarter / year		26,500,802	1,026,561,181
Transfer from investment property during the quarter / year		–	38,704,100
Transfer from right-of-use assets - net book value		11,282,862	5,036,112
Disposals / adjustments during the quarter / year - net book value		(192,355,711)	(227,628,177)
Depreciation charged / capitalized during the quarter / year		(303,645,824)	(1,358,910,729)
Net book value at end of the quarter / year		<u>20,161,029,979</u>	<u>20,619,247,850</u>

12.2 Capital work in progress

Opening balance		14,599,420	464,469,761
Additions during the quarter / year		201,232	491,528,872
Transfers made during the quarter / year		–	(941,399,213)
Closing balance		<u>14,800,652</u>	<u>14,599,420</u>

	Note	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees
13 RIGHT-OF-USE ASSETS			
Net book value at beginning of the quarter / year		1,176,461,527	–
Impact of adoption of IFRS 16		–	1,266,948,393
Additions during the quarter / year		63,570,000	404,764,454
Deletions during the quarter / year		–	(462,019)
Transfer to operating fixed assets - net book value		(11,282,862)	(5,036,112)
Depreciation charged during the quarter / year		(138,528,687)	(489,753,189)
Net book value at end of the quarter / year		1,090,219,978	1,176,461,527
Less: Current maturity presented in current assets		(11,618,494)	(19,040,329)
	13.1	1,078,601,484	1,157,421,198
13.1 The right-of-use assets relate to following type of assets:			
Land		727,626,772	839,299,150
Vehicles		277,220,998	234,560,727
Buildings		73,753,714	83,561,321
Total right-of-use assets		1,078,601,484	1,157,421,198
	Note	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees
14 LONG TERM INVESTMENTS			
Investment in subsidiary companies - unquoted	14.1	1,654,033,405	1,653,303,405
Investment in associated companies - unquoted	14.2	2,500	2,500
		1,654,035,905	1,653,305,905
Less: Classified under current assets as short term investments			
Faruki Pulp Mills Limited ("FPML")		(570,053,405)	(570,053,405)
JDW Power (Private) Limited ("JDWPL")		–	–
		(570,053,405)	(570,053,405)
		1,083,982,500	1,083,252,500

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

For the quarter ended 31 December 2020

	Note	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees
14.1 Investment in subsidiary companies - unquoted			
Deharki Sugar Mills (Private) Limited ("DSML")			
104,975,000 (30 September 2020: 104,975,000)			
fully paid shares of Rs. 10 each			
Equity held 100% (30 September 2020: 100%)		1,049,750,000	1,049,750,000
Faruki Pulp Mills Limited ("FPML")			
310,892,638 (30 September 2020: 310,892,638)			
fully paid ordinary shares of Rs. 10 each			
Equity held 57.67% (30 September 2020: 57.67%)		3,154,426,383	3,154,426,383
Accumulated impairment allowance		(2,584,372,978)	(2,584,372,978)
		570,053,405	570,053,405
Sadiqabad Power (Private) Limited ("SPL")			
1,000,100 (30 September 2020: 1,000,100)			
fully paid shares of Rs. 10 each			
Equity held 100% (30 September 2020: 100%)		10,001,000	10,001,000
Advances for future issuance of shares		6,914,000	6,549,000
		16,915,000	16,550,000
Ghotki Power (Private) Limited ("GPL")			
1,000,100 (30 September 2020: 1,000,100)			
fully paid shares of Rs. 10 each			
Equity held 100% (30 September 2020: 100%)		10,001,000	10,001,000
Advances for future issuance of shares		7,314,000	6,949,000
		17,315,000	16,950,000
		1,654,033,405	1,653,303,405
14.2 Investment in associated companies - unquoted			
Kathai-II Hydro (Private) Limited ("KHL")			
250 (30 September 2020: 250)			
fully paid shares of Rs. 10 each			
Equity held 20% (30 September 2020: 20%)		2,500	2,500
JDW Power (Private) Limited ("JDWPL")			
9,000,000 (30 September 2020: 9,000,000)			
fully paid shares of Rs. 10 each			
Equity held 47.37% (30 September 2020: 47.37%)		90,000,000	90,000,000
Accumulated impairment allowance	14.2.1	(90,000,000)	(90,000,000)
		—	—
		2,500	2,500

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

15 BIOLOGICAL ASSETS

The fair value of biological assets as at 31 December 2020 is Rs. 914 million (30 September 2020: Rs. 1,820 million). In absence of active market for standing sugarcane and other crops, the fair value measurement for the standing crop has been categorized as Level 3 fair value based on the inputs to the valuation techniques used. Fair value has been determined on the basis of a discounted cash flow model. The valuation model considers the present value of net cash flows expected to be generated by the plantation. The cash flow projections include specific estimates for next period which mainly include crop's expected yield. The expected cash flows are discounted using a risk adjusted discount rate. The valuation technique and significant unobservable inputs include valued plantation, estimated yield per acre, estimated future sugarcane and risk adjusted discount rate.

	Note	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees
16 CASH AND BANK BALANCES			
Current accounts			
Balance with conventional banks		884,145,366	121,049,340
Balance with islamic banks		356,431,784	2,688,984
		1,240,577,150	123,738,324
Saving accounts			
Deposit with conventional banks	16.1	611,254	321,377
		1,241,188,404	124,059,701
Cash in hand		31,397,405	4,519,473
		1,272,585,809	128,579,174

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

17 REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue based on:

	31-Dec-20 Rupees	31-Dec-19 Rupees
17.1 Segments		
Sugar		
Sugar - local	10,236,244,561	11,176,671,669
Molasses - by product	1,434,338,116	757,217,334
Agri Inputs	252,965	1,629,759
Bagasse - by product	—	153,412,458
	11,670,835,642	12,088,931,220
Co-Generation Power	928,659,800	572,452,567
Corporate Farms	830,196,906	537,972,230
	13,429,692,348	13,199,356,017
17.2 Timing of revenue recognition		
Products transferred at a point in time	12,501,032,548	12,626,903,450
Products transferred over time	928,659,800	572,452,567
	13,429,692,348	13,199,356,017

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

For the quarter ended 31 December 2020

18 OTHER INCOME

This mainly includes mark-up on delayed payment from CPPA-G of Rs. 51 million (31 December 2019: Rs. nil), mud sale of Rs. 64 million (31 December 2019: Rs. 45 million) and fair value gain at the point of harvest of Rs. 455 million (31 December 2019: Rs. nil).

19 OTHER EXPENSES

This mainly includes impairment allowance of Rs. 3,323 million (31 December 2019: Rs. nil) which is recognised against fixed energy receivable from Central Power Purchasing Agency (Guarantee) Limited according to the terms agreed in Memorandum of Understanding (MoU) between the Company and the Committee for Negotiations with Independent Private Power Producers (notified by Government of Pakistan). The Company has, in the larger National Interest, voluntarily agreed to provide certain concessions which includes foregoing 70% of fixed energy payment for energy dispatched above the annual 45% plant factor effective from Commercial Operation Dates.

20 TRANSACTIONS WITH RELATED PARTIES

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

Name of Company	Relationship	Nature of Transactions	31-Dec-20 Rupees	31-Dec-19 Rupees
i) Deharki Sugar Mills (Pvt.) Limited	Subsidiary Company (Equity held 100 percent)	Short term advances paid	566,000,000	1,554,213,000
		Short term advances received	–	3,220,513,000
		Markup expense on short term advances	45,759,272	46,370,768
		Sale of sugarcane	818,422,140	537,959,730
		Sale of stores, spare parts and loose tools	6,750,067	11,440,166
		Reimbursement on use of the Company's aircraft	4,607,701	3,988,712
		Rent on land acquired on lease	2,146,325	2,146,325
		Purchase of bagasse	–	83,844,920
		Purchase of stores, spare parts and loose tools	–	170,000
ii) Sadiqabad Power (Pvt.) Limited	Subsidiary Company (Equity held 100 percent)	Advances for future issuance of shares	365,000	1,000,000
iii) Ghotki Power (Pvt.) Limited	Subsidiary Company (Equity held 100 percent)	Advances for future issuance of shares	365,000	–
iv) JDW Aviation (Pvt.) Limited	Associated Company (Common directorship)	Reimbursement of expenses	1,126,430	1,660,512
v) Post Employment Benefits Plan	Other related parties	Provident fund contribution	48,745,108	43,021,206
		Payment to recognised gratuity fund	104,636,635	1,000,000
vi) Directors and Key Management Personnel		Directors' remuneration and allowances	139,351,667	132,646,667
		Consultancy services	3,225,531	3,003,720
		Kathai-II Hydro (Pvt.) Limited Investment made	–	2,500

21 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.

31-Dec-20 (Un-audited)						
Note	Carrying Amount			Fair Value		
	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees)					
On-Balance sheet financial instruments						
Financial assets measured at fair value						
Financial assets not measured at fair value						
	55,792,962	-	55,792,962	-	-	-
	4,434,591,235	-	4,434,591,235	-	-	-
	24,156,117	-	24,156,117	-	-	-
	1,272,585,809	-	1,272,585,809	-	-	-
21.1	5,787,126,123	-	5,787,126,123	-	-	-
Financial liabilities measured at fair value						
Financial liabilities not measured at fair value						
	-	14,360,433,580	14,360,433,580	-	-	-
	-	8,152,576,808	8,152,576,808	-	-	-
	-	1,433,186,807	1,433,186,807	-	-	-
	-	290,224,453	290,224,453	-	-	-
	-	2,010,224,850	2,010,224,850	-	-	-
	-	33,914,443	33,914,443	-	-	-
21.1	-	26,280,560,941	26,280,560,941	-	-	-

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

For the quarter ended 31 December 2020

Fair value measurement of financial instruments						
	30-Sep-20 - (Audited)					
	Carrying Amount		Fair Value			
	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
Note	(Rupees)					
On-Balance sheet financial instruments						
Financial assets measured at fair value						
Financial assets not measured at fair value						
	-	-	-	-	-	-
Long term deposits	57,116,542	-	57,116,542	-	-	-
Trade receivables	7,395,834,681	-	7,395,834,681	-	-	-
Advances, deposits and other receivables	39,405,532	-	39,405,532	-	-	-
Cash and bank balances	128,579,174	-	128,579,174	-	-	-
21.1	7,620,935,929	-	7,620,935,929	-	-	-
Financial liabilities measured at fair value						
Financial liabilities not measured at fair value						
	-	-	-	-	-	-
Long term finances - secured	-	14,303,398,091	14,303,398,091	-	-	-
Short term borrowing	-	9,307,988,486	9,307,988,486	-	-	-
Lease liabilities	-	1,460,474,747	1,460,474,747	-	-	-
Accrued profit / interest / mark-up	-	322,559,265	322,559,265	-	-	-
Trade and other payables	-	1,714,117,236	1,714,117,236	-	-	-
Unclaimed dividend	-	33,943,018	33,943,018	-	-	-
21.1	-	27,142,480,843	27,142,480,843	-	-	-
21.1	The 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.					

22 FINANCIAL RISK MANAGEMENT

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

23 DATE OF AUTHORIZATION

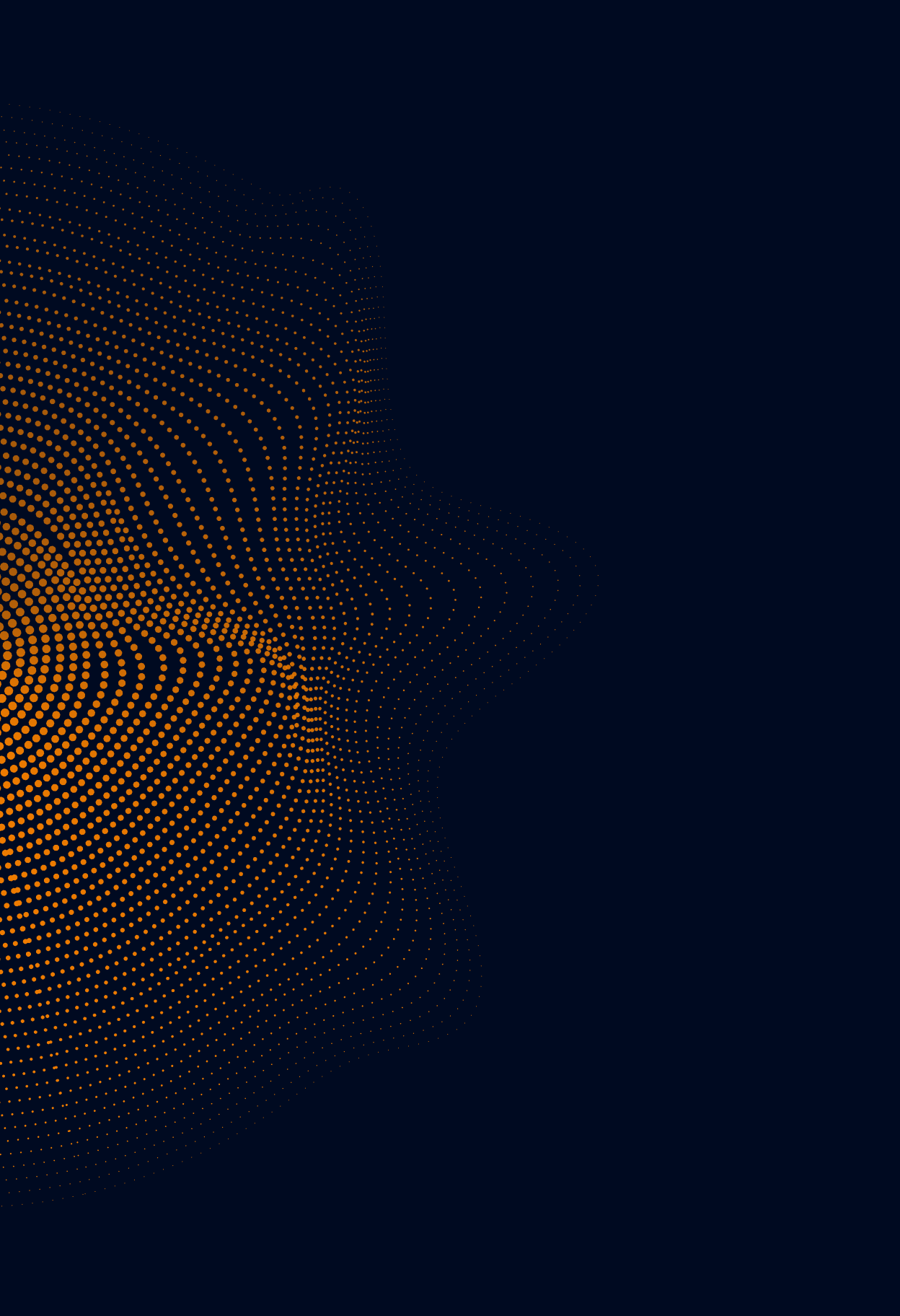
These condensed interim unconsolidated financial statements have been approved by the Board of Directors of the Company and authorized for issue on 29 January 2021.

24 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework.

25 EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

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



04

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

36	Directors' Review
38	Consolidated Statement of Financial Position
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43	Notes to the Consolidated Financial Statements

Directors' Review

on Condensed Interim Consolidated Financial Statements

The Directors are pleased to present the Condensed Interim Consolidated Financial Statements of JDW Sugar Mills Limited ("the Holding Company"), its Subsidiary Companies; Deharki Sugar Mills (Private) Limited, Faruki Pulp Mills Limited, Sadiqabad Power (Private) Limited and Ghotki Power (Private) Limited ("the Group") and its Associated Companies; JDW Power (Private) Limited and Kathai-II Hydro (Private) Limited for the quarter ended 31 December 2020.

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

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

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

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

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

It is being confirmed that to the best of our knowledge, these condensed interim consolidated financial statements for the quarter ended 31 December 2020 give a true and fair view of the assets, liabilities, financial position and financial results of the Group and are in conformity with approved accounting standards as applicable in Pakistan.

FINANCIAL OVERVIEW

The consolidated financial results are as follows:

	31-Dec-20	31-Dec-19
	(Rs in million)	
Gross Revenue	17,414	17,543
Revenue from Contracts with Customers	15,176	14,779
Profit from Operations	34	1,398
(Loss) / Profit before Tax	(464)	432
(Loss) / Profit after Tax	(385)	277

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

29 January 2021
Lahore

Chief Executive

Director

ڈائریکٹر کا جائزہ

ڈائریکٹر خوشی کے ساتھ بے 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 اور منسلک ادارے بے ڈی ڈبلیو پاور پرائیویٹ لمیٹڈ، کٹھانی ہائیڈرو-11 پرائیویٹ لمیٹڈ کی مالیاتی رپورٹ برائے پہلی سہ ماہی 31 دسمبر 2020 پیش کر رہے ہیں۔

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

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

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

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

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

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

ہم اس بات کی تصدیق کرتے ہیں کہ ہماری بہترین معلومات کے مطابق یہ سہ ماہی مالیاتی رپورٹ برائے 31 دسمبر 2020 پاکستان میں منظور شدہ اکاؤنٹنگ سٹینڈرڈز کے مطابق ہے اور اپنے تمام اثاثوں، واجبات اور مالیاتی پوزیشن کی سچی اور منصفانہ تصویر پیش کر رہی ہے۔

مالیاتی نتائج مندرجہ ذیل ہیں:

31 دسمبر 2019	31 دسمبر 2020	ملین روپے
17,543	17,414	مجموعی فروخت
14,779	15,176	خالص فروخت
1,398	34	کارکردگی منافع
432	(464)	قبل از ٹیکس (خسارہ) / منافع
277	(385)	بعد از ٹیکس (خسارہ) / منافع

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

۲۹ جنوری ۲۰۲۱

لاہور

چیف ایگزیکٹو

ڈائریکٹر

**CONDENSED INTERIM CONSOLIDATED
STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**
As at 31 December 2020

	Note	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	6	597,766,610	597,766,610
Share premium reserve		678,316,928	678,316,928
Accumulated profit		9,699,549,542	10,084,649,740
Equity attributable to owners of the Holding Company		10,975,633,080	11,360,733,278
Non-controlling interest		380,471,094	380,384,451
		11,356,104,174	11,741,117,729
NON-CURRENT LIABILITIES			
Long term finances - secured	7	12,750,686,974	13,693,321,658
Lease Liabilities	8	766,802,726	766,591,223
Deferred taxation		971,823,715	1,050,724,523
Retirement benefits		7,454,474	104,616,023
Deferred income - Government grant		30,021,851	19,411,355
		14,526,789,740	15,634,664,782
CURRENT LIABILITIES			
Short term borrowings - secured	9	7,533,476,220	7,680,241,848
Current portion of non-current liabilities		4,759,591,494	3,781,258,895
Trade and other payables	10	4,143,444,315	2,820,956,936
Advances from customers		4,072,250,947	4,514,941,936
Unclaimed dividend		33,914,443	33,943,018
Accrued profit / interest / mark-up		332,828,523	364,353,524
		20,875,505,942	19,195,696,157
Liabilities classified as held for sale		38,818,523	38,967,238
		20,914,324,465	19,234,663,395
CONTINGENCIES AND COMMITMENTS			
	11	46,797,218,379	46,610,445,906
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	24,153,843,861	24,651,487,525
Right-of-use assets	13	1,078,601,484	1,157,421,198
Investment property		185,854,012	185,854,012
Intangibles		614,283,891	614,795,982
Long term investments	14	-	-
Long term deposits		55,856,962	57,180,542
		26,088,440,210	26,666,739,259
CURRENT ASSETS			
Right-of-use assets	13	11,618,494	19,040,329
Short term investment	14	-	-
Biological assets	15	914,470,078	1,820,115,980
Stores, spare parts and loose tools		1,938,824,323	1,778,983,572
Stock-in-trade		8,774,972,624	4,709,113,989
Trade receivables		4,510,405,377	8,742,611,307
Advances, deposits, prepayments and other receivables		1,222,719,839	1,325,352,644
Advance tax - net		538,293,076	266,007,902
Cash and bank balances	16	1,832,935,411	318,004,072
		19,744,239,222	18,979,229,795
Assets classified as held for sale		964,538,947	964,476,852
		20,708,778,169	19,943,706,647
		46,797,218,379	46,610,445,906

The annexed notes from 1 to 26 form an integral part of this condensed interim consolidated financial statements.

Chief Financial Officer

Chief Executive

Director

**CONDENSED INTERIM CONSOLIDATED
STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**
For the quarter ended 31 December 2020

	Note	31-Dec-20 Rupees	31-Dec-19 Rupees
Continuing Operations			
Gross revenue		17,413,503,789	17,543,242,375
Sales tax and commission		(2,237,043,371)	(2,764,719,892)
Revenue from contracts with customers	17	15,176,460,418	14,778,522,483
Cost of revenue		(11,750,896,642)	(13,022,259,393)
Gross profit		3,425,563,776	1,756,263,090
Administrative expenses		(619,905,651)	(379,360,058)
Selling expenses		(11,922,654)	(10,758,685)
Other income	18	623,308,646	101,894,452
Other expenses	19	(3,382,632,190)	(69,726,473)
		(3,391,151,849)	(357,950,764)
Profit from operations		34,411,927	1,398,312,326
Share of loss of associate		–	(329,044)
Finance cost		(498,309,046)	(965,974,727)
(Loss) / profit before taxation		(463,897,119)	432,008,555
Taxation		78,672,754	(154,630,771)
(Loss) / profit from continuing operations		(385,224,365)	277,377,784
Discontinued Operations			
Profit from discontinued operations – net of tax		210,810	–
(Loss) / profit for the quarter		(385,013,555)	277,377,784
Attributable to:			
Owners of the Holding Company		(385,100,198)	279,664,503
Non-controlling Interest		86,643	(2,286,719)
		(385,013,555)	277,377,784
(Loss) / earnings per share - basic & diluted			
Continuing operations		(6.44)	4.64
Discontinued operations		0.00	–
Attributable to owners of the Holding Company		(6.44)	4.64

The annexed notes from 1 to 26 form an integral part of this condensed interim consolidated financial statements.

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

For the quarter ended 31 December 2020

	31-Dec-20 Rupees	31-Dec-19 Rupees
(Loss) / profit for the quarter	(385,013,555)	277,377,784
Other comprehensive income for the quarter	–	–
Total comprehensive (loss) / income for the quarter	(385,013,555)	277,377,784
Attributable to:		
Owners of the Holding Company	(385,100,198)	279,664,503
Non-controlling Interest	86,643	(2,286,719)
	(385,013,555)	277,377,784

The annexed notes from 1 to 26 form an integral part of this condensed interim consolidated financial statements.

Chief Financial Officer

Chief Executive

Director

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

For the quarter ended 31 December 2020

	Note	31-Dec-20 Rupees	31-Dec-19 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		(463,897,119)	432,008,555
Adjustments for non cash and other items:			
Impairment allowance against doubtful trade receivables		3,323,154,435	–
Depreciation		762,089,274	440,639,659
Finance cost		498,309,046	965,974,727
Derecognition of bearer plants		183,343,266	89,983,890
Workers' Profit Participation Fund		16,048,837	23,238,231
Workers' Welfare Fund		43,428,918	3,600,581
Staff retirement benefits		39,474,904	97,560,930
Amortization of transaction cost		2,077,826	–
Amortization of intangible assets		512,089	513,152
(Gain) / loss on disposal of operating fixed assets		(11,705,471)	3,177,439
Fair value gain at the point of harvest		(454,916,397)	–
Interest income		(64,939,335)	(2,263,460)
Provision for doubtful advances		–	36,722,400
Assets written off		–	37,604
		4,336,877,392	1,659,185,153
		3,872,980,273	2,091,193,708
Working capital changes:			
Stores, spare parts and loose tools		(294,687,165)	(218,537,740)
Stock-in-trade		(4,065,858,635)	1,185,925,694
Biological assets		1,360,562,299	700,723,050
Advances, deposits, prepayments and other receivables		1,872,432,808	(97,831,915)
Trade receivables		960,367,202	2,067,892,052
Trade and other payables		1,268,283,710	1,483,722,369
Advances from customers		(442,690,989)	1,947,458,194
		658,409,230	7,069,351,704
Cash generated from operations		4,531,389,503	9,160,545,412
Taxes paid		(271,407,387)	(140,117,516)
Staff retirement benefits paid		(139,517,790)	(88,937,860)
Interest income received		13,623,628	2,263,460
Long term deposits - net		1,323,580	(5,605,850)
		(395,977,969)	(232,397,766)
Net cash generated from operations		4,135,411,534	8,928,147,646
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(172,143,357)	(359,369,645)
Proceeds from sale of operating fixed assets		20,717,916	18,832,591
Net cash used in investing activities		(151,425,441)	(340,537,054)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - net		91,815,323	(1,114,958,512)
Short term borrowings - net		(34,215,340)	(4,943,484,729)
Financial charges paid as:			
- finance cost		(482,794,879)	(1,405,290,703)
- Interest on lease liability		(46,174,524)	(6,268,417)
Principal portion of lease liability paid		(115,306,468)	(25,481,058)
Dividend paid		(28,575)	–
Net cash used in financing activities		(586,704,463)	(7,495,483,419)
Net increase in cash and cash equivalents		3,397,281,630	1,092,127,173
Cash and cash equivalents at beginning of the quarter		(3,535,745,781)	(4,321,614,816)
Cash and cash equivalents at end of the quarter		(138,464,151)	(3,229,487,643)
Cash and cash equivalents comprise of the following:			
- Cash and bank balances	16	1,832,935,411	390,088,817
- Running / morabaha / karoobar / musharakah finances	9.2 & 9.5	(1,971,399,562)	(3,619,576,460)
		(138,464,151)	(3,229,487,643)

The annexed notes from 1 to 26 form an integral part of this condensed interim consolidated financial statements.

Chief Financial Officer

Chief Executive

Director

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

For the quarter ended 31 December 2020

	Reserves			Equity attributable to owners of the Holding Company	Non-controlling interest	Total	
	Capital Share premium	Revenue Accumulated profit	Total reserves				
	Share capital	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 October 2019	597,766,610	678,316,928	9,119,187,967	9,797,504,895	10,395,271,505	376,342,331	10,771,613,836
Total comprehensive income for the quarter	-	-	279,664,503	279,664,503	279,664,503	(2,286,719)	277,377,784
Balance as at 31 December 2019	597,766,610	678,316,928	9,398,852,470	10,077,169,398	10,674,936,008	374,055,612	11,048,991,620
Balance as at 01 October 2020	597,766,610	678,316,928	10,084,649,740	10,762,966,668	11,360,733,278	380,384,451	11,741,117,729
Total comprehensive loss for the quarter	-	-	(385,100,198)	(385,100,198)	(385,100,198)	86,643	(385,013,555)
Balance as at 31 December 2020	597,766,610	678,316,928	9,699,549,542	10,377,866,470	10,975,633,080	380,471,094	11,356,104,174

The annexed notes from 1 to 26 form an integral part of this condensed interim consolidated financial statements.

Chief Financial Officer

Chief Executive

Director

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

For the quarter ended 31 December 2020

1 CORPORATE AND GENERAL INFORMATION

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

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

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

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

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

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

For the quarter ended 31 December 2020

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

2 BASIS OF PREPARATION

2.1 Basis of preparation

2.1.1 This condensed interim consolidated financial statements comprises the condensed interim consolidated statement of financial position of the Group as at 31 December 2020 and the related condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity together with the notes forming part thereof for the quarter ended 31 December 2020.

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

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

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

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

2.1.4 Comparative consolidated statement of financial position numbers are extracted from the annual audited consolidated financial statements of the Group for the year ended 30 September 2020, whereas comparative figures of statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity are stated from unaudited condensed interim financial statements of the Group for the quarter ended 31 December 2019.

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

3 USE OF ESTIMATES AND JUDGMENTS

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

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

4 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

- 4.1** The accounting policies and the methods of computation adopted in the preparation of the condensed interim consolidated financial statements are same as those applied in the preparation of the audited consolidated financial statements for the year ended 30 September 2020.
- 4.2** There were certain new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Group's operations and are, therefore, not disclosed.

5 SEASONALITY OF OPERATIONS

Due to seasonal nature of sugar segment, operating results of sugar and co-generation power are expected to fluctuate in the second half of the year.

The sugarcane crushing season normally starts from November and lasts till April each year.

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

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

For the quarter ended 31 December 2020

	Note	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees
7 LONG TERM FINANCES - SECURED			
Mark-up bearing finances from conventional banks	7.1	11,795,996,790	12,600,183,658
Islamic mode of financing	7.2	1,004,512,828	1,145,038,469
		12,800,509,618	13,745,222,127
Transaction cost		(49,822,644)	(51,900,469)
	7.3	12,750,686,974	13,693,321,658
7.1 Mark-up bearing finances from conventional banks			
Balance at beginning of the quarter / year		15,379,004,257	6,556,126,662
Finances received during the quarter / year	7.1.1	192,573,051	13,361,987,929
Repayments during the quarter / year		(132,742,733)	(4,539,110,334)
		15,438,834,575	15,379,004,257
Current portion presented under current liabilities		(3,642,837,785)	(2,778,820,599)
		11,795,996,790	12,600,183,658

7.1.1 Finances received during the quarter

	Markup basis	Duration	Grace period	Amount Rupees
Habib Bank Limited - SBP Refinance Scheme	*SBP Rate + 1.50	2.5 Years	0.5 Year	156,753,325
United Bank Limited - SBP Refinance Scheme	SBP Rate + 3	02 Years	0.25 Year	35,819,726
				192,573,051
* SBP rate i.e. 0%				

The Group has obtained borrowing under Refinance Scheme for payment of Wages & Salaries by the State Bank of Pakistan ("SBP") at subsidized rate, earmarked from running and cash finance limit, which is repayable in 8 quarterly installments to a commercial bank under the SBP Refinance Scheme. This loan was recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment has measured as difference between subsidized rate i.e. 0% KIBOR plus 150 to 300 bps per annum and prevailing market rate i.e. three months KIBOR plus 100 to 150 bps per annum which has been recognised as Government grant in accordance with IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance" and will be amortised to interest income in line with the recognition of interest expense the grant is compensating.

	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees
7.2 Islamic mode of financing		
Balance at beginning of the quarter / year	1,405,256,419	4,740,932,703
Finances received during the quarter / year	–	–
Repayments during the quarter / year	–	(3,335,676,284)
	1,405,256,419	1,405,256,419
Current portion presented under current liabilities	(400,743,591)	(260,217,950)
	1,004,512,828	1,145,038,469

- 7.3** Long term finances are secured against ranking / joint parri passu charge over all present and future fixed assets including land, building and plant and machinery of the Group and personal guarantees of sponsor directors of the Group.

	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees
8 LEASE LIABILITIES		
Balance at beginning of the quarter / year	1,460,474,747	224,596,749
Impact of initial application of IFRS 16	–	1,508,973,262
Adjusted balance as at 01 October	1,460,474,747	1,733,570,011
Additions during the quarter / year	88,018,528	398,032,110
Early termination / remeasurement of lease liabilities	–	(1,219,120)
Finance cost regarding lease arrangement	41,542,736	165,857,652
Lease payments	(156,849,204)	(835,765,906)
	1,433,186,807	1,460,474,747
Less: Current maturity presented under current liabilities	(666,384,081)	(693,883,524)
Balance at end of the quarter / year	766,802,726	766,591,223

	Note	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees
9 SHORT TERM BORROWINGS - SECURED			
Mark-up based borrowings from conventional banks			
Cash finances	9.1	2,239,163,900	1,823,866,061
Running finances	9.2	171,399,562	2,053,749,853
Finance against trust receipts	9.3	171,749,156	82,925,934
		2,582,312,618	3,960,541,848
Islamic mode of financing			
Salam / Istisna / Musawamah finances	9.4	3,151,163,602	1,919,700,000
Morabaha / Karobar / Musharakah finances	9.5	1,800,000,000	1,800,000,000
		4,951,163,602	3,719,700,000
		7,533,476,220	7,680,241,848

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

For the quarter ended 31 December 2020

- 9.1** The Group has obtained these facilities from various banks and financial institutions. The mark-up rates applicable during the period ranges from one to three months KIBOR plus 50 to 100 bps per annum (30 September 2020: one to three months KIBOR plus 20 to 100 bps per annum).
- 9.2** The mark-up rates applicable during the period ranges from one to three months KIBOR plus 75 to 100 bps per annum (30 September 2020: one to three months KIBOR plus 65 to 100 bps per annum).
- 9.3** The mark-up rate applicable during the period ranges from one to six months KIBOR plus 100 to 250 bps per annum (30 September 2020: one to six months KIBOR plus 100 bps per annum).
- 9.4** The mark-up rate applicable during the period ranges from three to six months KIBOR plus 50 to 90 bps per annum (30 September 2020: three to twelve months KIBOR plus 20 to 100 bps per annum).
- 9.5** The mark-up rate applicable during the period ranges from three to nine months KIBOR plus 75 to 100 bps per annum (30 September 2020: three to six months KIBOR plus 75 to 100 bps per annum).
- 9.6** The securities offered are the same as disclosed in the audited consolidated financial statements of the Group for the year ended 30 September 2020.

10 TRADE AND OTHER PAYABLES

Balance as at 31 December 2020 mainly includes payable to trade creditors aggregates to Rs. 1,129 million (30 September 2020: Rs. 1,403 million).

11 CONTINGENCIES AND COMMITMENTS

- 11.1** There is no material change in contingencies from the preceding audited consolidated financial statements of the Group for the year ended 30 September 2020, except for the guarantees and commitments as disclosed below:
- 11.1.1** Guarantees issued by the banks on behalf of the Holding Company and its Subsidiary Companies, SPL, GPL and DSML in favour of various parties as at the reporting date amounts to Rs. 183.2 million (30 September 2020: Rs. 809.4 million).
- 11.1.2** Counter guarantee given by the Holding Company to the bankers on account of agricultural loan as at the reporting date amounts to Rs. 1,800 million (30 September 2020: Rs. 1,800 million).

	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees
11.2 Commitments		
11.2.1 Letters of credit for import of machinery and its related components		
Holding Company - JDWSML	32,559,264	111,385,896
Subsidiary Company - DSML	–	21,661,010
	<u>32,559,264</u>	<u>133,046,906</u>

	Note	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees
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12 PROPERTY PLANT AND EQUIPMENT

Operating fixed assets	12.1	23,981,581,860	24,478,190,425
Capital work in progress	12.2	14,800,654	14,599,420
Stores, spare parts and loose tools held for capital expenditure		<u>157,461,347</u>	<u>158,697,680</u>
		<u>24,153,843,861</u>	<u>24,651,487,525</u>

12.1 Operating fixed assets			
Net book value as at beginning of the quarter / year		24,478,190,425	25,376,430,407
Impact of adoption of IFRS 16		–	(230,182,809)
Additions during the quarter / year		34,854,101	1,139,581,453
Transfer from right of use asset during the quarter / year		11,282,862	5,036,112
Disposals / adjustments during the quarter / year - net book value		(192,355,712)	(228,493,582)
Depreciation charged / capitalized during the quarter / year		(350,389,816)	(1,552,885,256)
Transfer from investment property during the quarter / year		–	38,704,100
Classified as held for sale		–	(70,000,000)
Net book value at end of the quarter / year		<u>23,981,581,860</u>	<u>24,478,190,425</u>

12.2 Capital work in progress			
Opening balance		14,599,420	4,436,379,855
Addition during the quarter / year		201,234	461,693,021
Transfers made during the quarter / year		–	(1,035,388,205)
Classified as held for sale		–	(3,848,085,251)
Closing balance		<u>14,800,654</u>	<u>14,599,420</u>

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

For the quarter ended 31 December 2020

	Note	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees
13 RIGHT-OF-USE ASSETS			
Net book value at beginning of the quarter / year		1,176,461,527	–
Impact of adoption of IFRS 16		–	1,266,948,393
Additions during the quarter		63,570,000	404,764,454
Deletions during the quarter / year		–	(462,019)
Transfer to operating fixed assets - net book value		(11,282,862)	(5,036,112)
Depreciation charged / capitalized during the quarter / year		(138,528,687)	(489,753,189)
Net book value at end of the quarter / year		1,090,219,978	1,176,461,527
Less: Current maturity presented under current assets		(11,618,494)	(19,040,329)
	13.1	1,078,601,484	1,157,421,198
13.1 The right-of-use assets relate to following type of assets:			
Land		727,626,774	839,299,150
Vehicles		277,220,996	234,560,727
Buildings		73,753,714	83,561,321
Total right-of-use assets		1,078,601,484	1,157,421,198
	Note	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees
14 LONG TERM INVESTMENTS			
Kathai-II Hydro (Private) Limited ("KHL")	14.1	–	–
JDW Power (Private) Limited ("JDWPL")	14.2	–	–
		–	–
Less: Classified under current assets under current assets as short term investments			
JDW Power (Private) Limited ("JDWPL")	14.2	–	–
		–	–
14.1 Khatai-II Hydro (Private) Limited - ("KHL")			
250 (30 September 2020: 250) fully paid shares of Rs. 10 each			
Equity held 20% (30 September 2020: 20%)		–	2,500
Share of loss for the quarter / year		–	(2,500)
Balance as at the end of the quarter / year	14.1.1	–	–
14.1.1 Post acquisition reserves restricted to the cost of investment, therefore share of accumulated losses as at quarter ended on 31 December 2020 amounting to Rs. 244,756 (30 September 2020: Rs. 105,855) has not been taken under equity method.			

	Note	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees
14.2 JDW Power (Private) Limited ("JDWPL")			
9,000,000 (30 September 2020: 9,000,000)			
fully paid shares of Rs. 10 each			
Equity held 47.37% (30 September 2020: 47.37%)		90,000,000	90,000,000
Less: Accumulated impairment allowance		(90,000,000)	(90,000,000)
Balance as at the end of the quarter / year	14.2.1	—	—

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

15 BIOLOGICAL ASSETS

The fair value of biological assets as at 31 December 2020 is Rs. 914 million (30 September 2020: Rs. 1,820 million). In absence of active market for standing sugarcane and other crops, the fair value measurement for the standing crop has been categorized as Level 3 fair value based on the inputs to the valuation techniques used. Fair value has been determined on the basis of a discounted cash flow model. The valuation model considers the present value of net cash flows expected to be generated by the plantation. The cash flow projections include specific estimates for next period which mainly include crop's expected yield. The expected cash flows are discounted using a risk adjusted discount rate. The valuation technique and significant unobservable inputs include valued plantation, estimated yield per acre, estimated future sugarcane and risk adjusted discount rate.

	Note	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees
16 CASH AND BANK BALANCES			
Current accounts			
Balance with islamic banks		356,431,784	32,131,162
Balance with conventional banks		1,412,455,076	279,733,002
		1,768,886,860	311,864,164
Saving accounts			
Deposit with conventional banks	16.1	1,035,789	384,683
		1,769,922,649	312,248,847
Cash in hand		63,012,762	5,755,225
		1,832,935,411	318,004,072

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

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

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17 REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue based on:

	31-Dec-20 Rupees	31-Dec-19 Rupees
17.1 Segments		
Sugar		
Sugar - local	12,466,185,923	13,042,984,733
Molasses - by product	1,769,552,464	958,549,834
Agri Inputs	287,465	2,010,909
Bagasse - by product	—	202,511,940
	14,236,025,852	14,206,057,416
Co-Generation Power	928,659,800	572,452,567
Corporate Farms	11,774,766	12,500
	15,176,460,418	14,778,522,483
17.2 Timing of revenue recognition		
Products transferred at a point in time	14,247,800,618	14,206,069,916
Products transferred over time	928,659,800	572,452,567
	15,176,460,418	14,778,522,483

18 OTHER INCOME

This mainly includes mark-up on delayed payment from CPPA-G of Rs. 51 million (31 December 2019: Rs. nil), mud sale of Rs. 76 million (31 December 2019: Rs. 51 million) and fair value gain at the point of harvest of Rs. 455 million (31 December 2019: Rs. nil).

19 OTHER EXPENSES

This mainly includes impairment allowance of Rs. 3,323 million (31 December 2019: Rs. nil) which is recognised against fixed energy receivable from Central Power Purchasing Agency (Guarantee) Limited according to the terms agreed in Memorandum of Understanding (MoU) between the Company and the Committee for Negotiations with Independent Private Power Producers (notified by Government of Pakistan). The Holding Company has, in the larger National Interest, voluntarily agreed to provide certain concessions which includes foregoing 70% of fixed energy payment for energy dispatched above the annual 45% plant factor effective from Commercial Operation Dates.

20 BUSINESS SEGMENTS INFORMATION

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

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

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

20.2.1	Segment revenues & results	Sugar		Co-Generation segment		Corporate Farms segment		Others		Inter Segment Reconciliation		Total	
		31-Dec-20 Rupees	31-Dec-19 Rupees	31-Dec-20 Rupees	31-Dec-19 Rupees	31-Dec-20 Rupees	31-Dec-19 Rupees	31-Dec-20 Rupees	31-Dec-19 Rupees	31-Dec-20 Rupees	31-Dec-19 Rupees	31-Dec-20 Rupees	31-Dec-19 Rupees
	Net external revenues	14,236,025,832	14,206,057,416	928,659,800	572,452,567	11,774,766	12,500	-	-	-	-	15,176,460,418	14,778,522,483
	Inter-segment revenues	573,972,267	355,761,338	540,827,000	349,402,181	2,230,903,364	1,471,065,237	-	-	(3,345,702,631)	(2,176,228,756)	-	-
	Reportable segment revenue	14,809,998,119	14,561,818,754	1,469,486,800	921,854,748	2,242,678,130	1,471,077,737	-	-	(3,345,702,631)	(2,176,228,756)	15,176,460,418	14,778,522,483
	Segment profit / (loss) before tax	1,909,635,035	486,302,240	(2,600,562,561)	54,449,006	227,993,652	(102,625,428)	(892,245)	(5,917,283)	-	-	(463,897,119)	432,008,555

20.2.2 Inter-segment sales and purchases

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

20.2.3 Basis of inter-segment pricing

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

20.2.4 Segment assets & liabilities of continuing operations

20.2.4	Segment assets & liabilities of continuing operations	Sugar		Co-Generation segment		Corporate Farms segment		Others		Inter Segment Reconciliation		Total	
		(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees	(Un-audited) 31-Dec-20 Rupees	(Audited) 30-Sep-20 Rupees
	Total assets for reportable segment	33,811,273,966	30,763,525,228	9,441,232,033	13,048,606,545	5,916,520,525	8,358,739,817	9,355,519	9,490,623	(3,345,702,631)	(6,534,393,159)	45,832,679,432	45,645,960,054
	Total liabilities for reportable segment	36,867,960,410	37,466,397,545	1,105,629,869	2,572,100,630	1,274,057,702	1,355,963,721	360,342	292,202	(3,345,702,631)	(6,534,393,159)	35,402,295,682	34,800,360,939

20.3 Reconciliation of reportable segment profit or loss

Total (loss) / profit before tax for reportable segments

Unallocated corporate income / (expense)

Consolidated (loss) / profit after tax from continuing operations

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

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21 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:

	31-Dec-20 (Un-audited)					
	Carrying Amount		Fair Value			
	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
Note	(Rupees)					
On-Balance sheet financial instruments						
Financial assets measured at fair value						
Financial assets not measured at fair value						
	55,856,962	-	55,856,962	-	-	-
	4,443,198,151	-	4,443,198,151	-	-	-
	602,717,128	-	602,717,128	-	-	-
	1,832,935,411	-	1,832,935,411	-	-	-
21.1	6,934,707,652	-	6,934,707,652	-	-	-
Financial liabilities measured at fair value						
Financial liabilities not measured at fair value						
	-	16,794,268,350	16,794,268,350	-	-	-
	-	7,533,476,220	7,533,476,220	-	-	-
	-	1,433,186,807	1,433,186,807	-	-	-
	-	332,828,523	332,828,523	-	-	-
	-	2,339,861,194	2,339,861,194	-	-	-
	-	33,914,443	33,914,443	-	-	-
21.1	-	28,467,535,537	28,467,535,537	-	-	-

Fair value measurement of financial instruments

30-Sep-20 - (Audited)						
Note	Carrying Amount		Fair Value			
	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees)					
On-Balance sheet financial instruments						

21.1 The Group has not disclosed the fair values of these financial assets and liabilities as these are for short term or repriced over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

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

For the quarter ended 31 December 2020

22 TRANSACTIONS WITH RELATED PARTIES

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

Name of Company	Relationship	Nature of Transactions	31-Dec-20 Rupees	31-Dec-19 Rupees
JDW Aviation (Pvt.) Limited	Associated Company (Common directorship)	Reimbursement of expenses	1,126,430	1,660,512
Post Employment Contribution Plan		Provident fund contribution	59,253,709	50,441,612
		Payment to recognized gratuity fund	104,636,635	1,000,000
Directors and Key Management Personnel		Directors' remuneration and allowances	231,018,334	132,646,667
		Consultancy services	3,225,531	3,003,720
	Khatai-II Hydro (Pvt) Limited	Investment in shares	–	2,500

23 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 consolidated financial statements 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 audited annual financial statements as at 30 September 2020.

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

24 DATE OF AUTHORIZATION

This condensed interim consolidated financial statements has been approved by the Board of Directors and authorized for issue on 29 January 2021.

25 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework.

26 EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

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

Chief Financial Officer

Chief Executive

Director



FARMERS' FIRST CHOICE

www.jdw-group.com



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