

Continued Excellence







OUR VISION IS

to Create Opportunities for
the Future.

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

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

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01

Company Review

06 Corporate Information

CORPORATE INFORMATION

Board of Directors

Mr. Jahangir Khan Tareen
Director

Mukhdoom Syed Ahmad Mahmud
Director / Chairman

Mr. Raheel Masud
Director / Chief Executive

Mrs. Samira Mahmud

Mr. Ijaz Ahmed

Mr. Asim Nisar Bajwa

Mr. Zafar Iqbal

Chief Operating Officer

Rana Nasim Ahmed

Group Director (Finance) & CFO

Mr. Muhammad Rafique

Company Secretary / Legal Head

Mr. Maqsood Ahmad Malhi

Audit Committee

Mr. Zafar Iqbal
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

Habib Bank Limited

Askari Bank Limited

Standard Chartered Bank (Pakistan)
Limited

National Bank of Pakistan

Allied Bank Limited

Soneri Bank Limited

Pak Kuwait Investment Company Limited
Pak Oman Investment Company Limited
Pak Brunei Investment Company Limited
Pak Libya Holding Company Limited
United Bank Limited

Islamic

Dubai Islamic Bank Pakistan Limited
MCB Islamic Bank Limited
Bank Alfalah Limited
BankIslami (Pakistan) Limited
Askari Bank Limited
National Bank of Pakistan
Meezan Bank Limited



Auditors

Riaz Ahmad, Saqib, Gohar & Co.
Chartered Accountants



Registered Office

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



Legal Advisor

Cornelius, Lane & Mufti



Mills

- 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.



Web Presence

www.jdw-group.com



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DIRECTORS' REVIEW

Dear Shareholders,

We, on behalf of the Board of Directors of JDW Sugar Mills Limited, are pleased to present the Condensed interim financial statements of the Company for the half year ended on March 31, 2022 which has been duly reviewed by the external Auditors.

During the period under review, the Company has earned net profit after tax amounting to Rs. 3,192 million as against net profit after tax Rs. 83 million in the corresponding period, resultantly earnings per share of the Company have improved to Rs. 53.39 from Rs. 1.40. The main reason for low profitability in the comparative period was booking of a huge write off of Rs. 3,326 million on account of sharing of fixed energy receivables over and above the plant factor of 45%, whereas in the current period better profitability is mainly attributable to sale of carry over sugar stocks at better sugar prices, initially favorable sugar & molasses prices, better results of Co-Generation operations and turnaround of Corporate Farms in view of favorable sugarcane prices and better yield per acre. Previously sugarcane support prices never supported the corporate farming structure in Pakistan as in comparison to informal cultivation of sugarcane by the growers there was a mismatch between cost and prices of the sugarcane for the corporate set up. If sugarcane prices continued to be remained like this and prices of fuel & Agri inputs remained sustainable, the Corporate Farms will keep on showing better results in future as well.

Deharki Sugar Mills (Pvt.) Limited, a 100% owned subsidiary of the Company earned profit after tax amounting to Rs. 181 million as compared to profit after tax Rs. 200 million in the same period last year.

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

- For the crushing season 2021-22 which concluded on different dates for all the units and following operating results were achieved:

Operating Results

		2021-22				2020-21			
		JDW-I	JDW-II	JDW-III	COMBINED	JDW-I	JDW-II	JDW-III	COMBINED
Sugarcane Crushed	M.Tons	3,311,789	2,408,562	2,091,205	7,811,556	2,537,605	1,621,775	1,411,576	5,570,956
Sugar Production	M.Tons	336,630	235,506	209,498	781,634	255,396	159,800	140,946	556,142
Sucrose Recovery	%age	10.16	9.78	10.02	10.01	10.06	9.85	9.99	9.98
Molasses Production	M. Tons	154,024	118,060	98,732	370,816	112,167	78,991	65,104	256,262
Molasses Recovery	%age	4.65	4.90	4.72	4.75	4.42	4.87	4.61	4.60

The Crushing season 2021-22 was started on 15 November 2021 in our both units in Punjab and on 21 November 2021 in our JDW unit III in Sindh. Sugarcane crushed this time by the Company was 40% higher than last year whereas sugar production was 41% higher with just 3 bps increases in the sucrose recovery this time. The crop size for the current crushing season was approx. 36% higher than the last year and the Country has produced 7.842 million tons of sugar as compared to 5.619 million tons in the last crushing season which is approx. 40% higher than the last crushing season.

DSML being wholly owned subsidiary of the Company has achieved the following operating results during crushing season 2021-22.

		2021-22	2020-21
Sugarcane Crushed	M.Tons	1,953,090	1,270,152
Sugar Production	M.Tons	196,560	125,757
Sucrose Recovery	%age	10.06	9.90
Molasses Production	M. Tons	93,291	60,000
Molasses Recovery	%age	4.78	4.72

For DSML, this time crushing season was started on 21 November 2021 and there has been 54% increase in the sugarcane crushing whereas increase in sugar production was 56% with 16 bps increase in the sucrose recovery.

For the crushing season 2021-22, notified support prices of sugarcane have been revised to Rs. 225 from Rs. 200 per 40 kgs by the Provincial Govt. in Punjab whereas it was increased to Rs. 250 from Rs. 202 per 40 kgs in the Province of Sindh whereas despite bumper sugarcane crop in the country there was a price war for sugarcane during first half of the crushing season for reasons still unknown. The actual average sugarcane cost was approx. Rs. 250 per 40 kgs which resulted in increasing the sugar production cost. This cost component alone constitutes approx. 82% of the total production cost of the sugar so any variation in this cost has major impact on cost of production. On group basis approximately Rs. 3.41 billion was extra paid to growers over and above the enhanced support prices as stated earlier. Growers were happy for getting better sugarcane prices and timely payments of their produce 100% through their bank accounts only. Growers now have started enjoying payments through their bank accounts on accounts of various comforts available in this system.

Despite reduction in the long term loans the finance cost of the Company has increased by Rs. 173 million due to higher mark-up rates during the period under review & more utilization of working capital loans. Subsequent to the period end, State Bank of Pakistan has increased the discount rate to 13.75% per annum which will further escalate the financial cost of the group companies in years to come.

In compliance with Master Agreement" and "EPA Amendment Agreement signed with CPPA-G on 12 February

2021, balance 60% payment amounting to Rs. 1,225 million was received on 29 November 2021 which as before was consisted of 1/3rd cash payment, 1/3rd by issuance of Sukuk Bonds of 5 years' tenor and 1/3rd by issuance of Pakistan Investment Bonds (PIBs) of 10 years' period. Now the terms of Master Agreement have been fully implemented and also reflected in the Tariff. However, our major issue of bagasse pricing is still unresolved which we are planning to take up with National Electric Power Regulatory Authority (NEPRA) to resolve this issue out of Court. Rationalization of bagasse pricing is the key for the viability of co-generation power projects because the bagasse price Rs. 2,750 per ton without sales tax and subsequent increase of 2% after every two years suggested and being implemented currently by NEPRA will resultantly cause closure of bagasse-based power projects in foreseeable period. Current market prices of bagasse are around Rs. 4,000 per ton inclusive of sales tax. One can easily see how this emerging business in sugar industry is being pushed towards financial unviability. After hydel and gas-based Tariffs, Tariff of bagasse-based power projects is most economical and 3rd lowest Tariff plus also a clean energy produced from indigenous fuel.

Other Salient Features:

- The balance sheet size has increased to Rs. 69 billion from Rs. 36 billion. Accumulated reserves are approximately 28 times of the paid-up capital of the Company.
- In view of the above referred financial results all major key financial covenants' have improved and maintained as were in the comparative period and yearend financial results of 30th September 2021. The Company is fulfilling it's all financial obligations on time and enjoys cordial relationship with all the financial institutions it's dealing with.
- Federal Board of Revenue "FBR" has issued Sales Tax General Order No. 05 of 2021-22 on 11 November 2021, with subject of Implementation of Track & Trace System. As per order, no sugar bags shall be allowed to be removed from production site or factory without affixation of Tax Stamps / Unique Identification Marking (UIMs) with effect from 11 November 2021, which are to be obtained / procured from FBR Licensed vendor only. FBR has achieved marvelous success in the implementation of Track & Trace System and results are quite satisfactory. We congratulate FBR on achieving this milestone which will result in giving level playing fields to fully compliant sugar mills and substantial increase in the revenue of FBR. Now FBR should also find out practical ways out to document the sugar trade which is another uphill task.
- As usual growers' payment has remained our top priority being one of the main keys of our success. This was the 4th consecutive crushing season in which all the growers of the Company were successfully fully paid through bank accounts throughout the season which was 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.
- Alhamdulillah, VIS Credit Rating Company Limited (VIS) has upgraded the entity ratings of JDW Sugar Mills Limited (JDWS) from 'A/A-2' (Single A/A-Two) to 'A+/A-1' (Single A Plus/A-One) on 15 April 2022. The medium to long-term rating of 'A+' denotes good credit quality coupled with adequate protection factors. Moreover, risk factors may vary with possible changes in the economy. The short-term rating of 'A-1' denotes high certainty of timely payment, excellent liquidity factors and supported by good fundamental protection factors. Outlook on the assigned ratings is 'Stable'.
- In view of better profitability, the Board of Directors is pleased to announce interim cash dividend of Rs. 7.50 per share i.e. 75% per share for the half year ended 31 March 2022 (31 March 21: Rs. Nil).
- Financial year 2021-2022 seems to be more challenging where cost of production was higher due to increase in support prices in the both provinces as stated above whereas due to more production, sugar prices have crashed to around Rs. 80 per kg which for most of the sugar mills is below the sugar production cost. Due to surplus sugar in the country, sugar industry wants the Govt to allow export of sugar for some quantity and also create strategic reserve of sugar stocks of 5 to 6 lacs tons by purchasing through Trading Corporation of Pakistan to bring sugar prices upward at sustainable level to rescue sugar industry from any crisis.
- With the grace of Allah, we are maintaining continued good performance. JDW Group which was previously highly leveraged has managed its debt very effectively and efficiently during last couple of years. We will focus more on further reduction of debt to reduce the financial charges but State Bank of Pakistan (SBP) has recently increased base rate twice firstly by 250 bps and recently by 150 bps raising it to 13.75 % consequently markup rates have gone up which will result in increasing the financial cost of the Company. We, however, will continue to borrow short term loans as per our requirements to meet working capital needs specially to ensure timely payments to growers. Unsustainable sugar prices as explained above are the potential threat which can have negative impact on the profitability of the company in the 2nd half of the accounting year.

12 فروری 2021 کو پی پی اے- جی کے ساتھ دستخط کیے گئے ماسٹر ایگریمنٹ اور پی پی اے امینٹمنٹ ایگریمنٹ کے مطابق 1,225 ملین روپے کی بقیہ 60 فیصد ادائیگی 29 نومبر 2021 کو وصول ہوگئی۔ جبکہ اس سے قبل یہ ادائیگی ایک تہائی نقد ادائیگی، ایک تہائی 5 سال کیلئے سٹاک بانڈز کے اجراء اور ایک تہائی 10 سال کیلئے پاکستان انویسٹمنٹ بانڈز کے اجراء پر مشتمل تھی۔ اب ماسٹر ایگریمنٹ کی شرائط پر مکمل عملدرآمد ہو چکا ہے اور یہ ٹریف میں بھی واضح ہے۔ تاہم ہمارا بیگاس پرائسنگ کا بڑا مسئلہ حال مل طلب ہے اور ہم اس مسئلے کو عدالت سے باہر نبھانے کے ساتھ حل کرنے کا سوچ رہے ہیں۔ کو جنریشن پاور پراجیکٹس پر عملدرآمد کیلئے بیگاس پرائسنگ کی Rationalization لازمی ہے کیونکہ اس وقت نیچر کی جانب سے 2,750 روپے فی ٹن (بغیر سٹریٹنگس) کی بیگاس پرائس جس میں ہر دو سال بعد 2 فیصد اضافہ ہوگا، تجویز کی گئی ہے اور اس کا نتیجہ مستقبل قریب میں بیگاس بیسڈ پاور پراجیکٹس کی بندش کی صورت میں سامنے آئے گا۔ بیگاس کی موجودہ مارکیٹ قیمت 4,000 روپے فی ٹن (بشمول سٹریٹنگس) ہے۔ اس سے کوئی بھی شخص اندازہ لگا سکتا ہے کہ کس طرح چینی کی صنعت کو مالی مشکلات سے دوچار کیا جا رہا ہے۔ ہائڈل اور گیس بیسڈ ٹریف کے بعد، بیگاس بیسڈ پاور پراجیکٹس کا ٹریف کم خرچ اور تیسرا سب سے کم ٹریف ہے، جبکہ اس سے مقامی فیول سے صاف انرجی کی پیداوار بھی ممکن ہوتی ہے۔

ہماری نمایاں خصوصیات

ٹیلیفون شیٹ کا حجم 36 ارب روپے سے بڑھ کر 69 ارب روپے ہو گیا ہے اور جمع شدہ ریزرو اضافہ سرمائے کا 28 گنا ہو گئے ہیں۔

اوپر بیان کیے ہوئے مالیاتی نتائج کی وجہ سے پچھلے سال کی نسبت مالیاتی معاہدوں کی تاخیر شرح میں بہتری آئی ہے اور ادارہ اپنی تمام مالیاتی معاہدے پورے کر رہا ہے اور مالیاتی اداروں سے اچھے تعلقات قائم کئے ہوئے ہیں۔

11 نومبر 2021 کو فوڈ ریل بورڈ آف ریونیو نے سٹریٹنگس جنرل آرڈر نمبر 05 برائے 2021-22 جاری کیا جس کا مقصد ٹریک اینڈ ٹریلس سسٹم کا نافذ تھا۔ اس آرڈر کے مطابق 11 نومبر 2021 سے کوئی بھی چینی کی پوری وڈیشن سائٹ یا ٹیکسٹری سے اس وقت تک باہر نہیں جائے گی جب تک اس پریکٹس سٹیپ / یونیک آئیڈنٹی فیکیشن مارکنگ (UIMs) موجود نہیں ہوگی جو کہ صرف ایف بی آر کے انٹرنس یافتہ وینڈر سے حاصل کیا جاسکتا ہے۔ ایف بی آر نے ٹریک اینڈ ٹریلس سسٹم میں نمایاں کامیابی حاصل کی ہے اور اس کے نتائج انتہائی شاندار ہیں۔ ہم اس سنگ میل کو عبور کرنے پر ایف بی آر کو مبارکباد پیش کرتے ہیں کیونکہ اس کی بدولت ناصر تمام شوگر ملوں کو مساوی مواقع دستیاب آئیں گے بلکہ ایف بی آر کی آمدن میں بھی خاطر خواہ اضافہ ہوگا۔ اب ایف بی آر چینی کی دستاویزی تجارت کیلئے عملی طریقہ کار تلاش کرنا ہوں گے جو کہ بلاشبہ ایک اور مشکل کام ہے۔

ہمیشہ کی طرح کاشتکاروں کو بروقت ادائیگی ہمارا اولین ترجیح رہی اور بلاشبہ یہ ہماری کامیابی کا بھی سب سے بڑا راز ہے۔ ہم مسلسل چوتھے کرشک میزن میں تمام کاشتکاروں کو ترجیحی بنیادوں پر بینک کے ذریعے ادائیگیاں کر رہے ہیں اور کسانوں کی طرف سے ہماری ان کاوشوں کو بھروسہ ادا جا رہا ہے۔ کہنی باقاعدگی سے اپنے کاشتکاروں کو مالی امداد اور تکنیکی معاونت فراہم کرتی ہے۔ ان پالیسیوں اور ترجیحی رویے کی بدولت کہنی اور کاشتکاروں کے مابین خوشگوار تعلقات کی فضا قائم رہتی ہے۔

الحمد للہ رواں سال 15 اپریل 2022 کو VIS کریڈٹ ریٹنگ کہنی نے بے ڈی ڈی بیو کی ریٹنگ کو برحاکر A+/A-1 (Single A plus/A-One) کر دی ہے۔ بے ڈی ڈی بیو کو Outlook بھی 'Stable' دی ہے۔

رواں چھ ماہی کے بہترین منافع کی بنیاد پر بورڈ آف ڈائریکٹرز نے 7.50 روپے فی شیئر عبوری کیش ڈیویڈنڈ دینے کا اعلان کیا ہے جبکہ پچھلے سال اسی چھ ماہی میں کوئی عبوری کیش ڈیویڈنڈ نہیں دیا گیا تھا۔

مالی سال 2021-22 مزید کٹھن دکھائی دیتا ہے جہاں پیداواری لاگت میں اضافہ گئے کی سپورٹ راکس میں اضافے کی وجہ سے ہے وہیں چینی کی وافر پیداواری کی وجہ سے چینی کی قیمت بھی انتہائی کم ہو کر تقریباً 80 روپے فی ٹون گرام ہو گئی ہے جو کہ کافی ملکی پیداواری لاگت سے بھی کم ہے ملک میں زیادہ چینی کی پیداواری کی وجہ سے حکومت نے 65 تا 68 ٹن Buffer شوگر سٹاکس کے بعد چینی کی برآمد کی اجازت دینی چاہیے تاکہ اس صنعت کو بچایا جاسکے اور چینی کی قیمتوں کو استحکام دیا جاسکے۔

اللہ تعالیٰ کے فضل و کرم سے ہم اچھی کارکردگی کا سلسلہ برقرار رکھے ہوئے ہیں۔ بے ڈی ڈی بیو گروپ جو کہ ماضی میں قرضہ دار رہا ہے، گزشتہ چند سالوں میں اپنے اس قرضے کو وء ٹراور بھر پورا انداز میں ادا کر رہا ہے۔ ہم مالی اخراجات میں کمی لانے کیلئے قرضہ کی کمی پر توجہ مرکوز رکھیں گے مگر ملٹ پیٹ آف پاکستان نے حالیہ دونوں میں دو دفعہ بیس ریٹ میں 250 اور 150 bps تک اضافہ کیا ہے جس کی وجہ سے مارک اپ میں اضافہ ہوگا جو کہ کہنی کے مالی اخراجات میں اضافہ کا سبب بنے گا۔ مارک اپ میں اس سے زیادہ اضافہ کہنی کے منافع کی شرح پر بہت بڑے طریقے سے اثر انداز ہوگا۔ تاہم کہنی ورلڈ کپل کی ضروریات اور کاشتکاروں کو بروقت ادائیگیاں یقینی بنانے کیلئے کم مدتی قرضہ جاتی کا حصول جاری رکھے گی۔ رواں سال کی دوسری چھ ماہی میں چینی کی غیر مستحکم قیمتیں کہنی کے منافع پر منفی اثرات مرتب کر سکتی ہیں۔

لاہور

۳۰ مئی ۲۰۲۲

چیف ایگزیکٹو

ڈائریکٹر

ڈائریکٹرز کا جائزہ

ڈائریکٹرز انتہائی مسرت کے ساتھ کمپنی کی عبوری مالیاتی رپورٹ برائے ششماہی 31 مارچ 2022 پیش کرتے ہیں۔ مندرجہ رپورٹ بیرونی آڈیٹرز سے پڑتا شدہ ہے۔

زیر جائزہ مدت کے دوران کمپنی نے 1,192 ملین روپے خالص منافع بعد از ٹیکس کمایا جبکہ گزشتہ اسی مدت کے دوران یہ اعداد و شمار 83 ملین روپے خالص منافع بعد از ٹیکس کی صورت میں تھے۔ نتیجتاً کمپنی کی فی شیئر آمدن 1.40 روپے کے منافع سے بڑھ کر 53.39 روپے منافع ہو گئی۔ اس تقابلی مدت میں کم منافع کی بنیادی وجہ 45 فیصد پلانٹ ٹیکسز سے زائد انرجی وصولیوں کی مد میں 3,326 ملین روپے کی منسوختی تھی جبکہ رواں سال منافع کی بڑی وجہ carry over کیے گئے سٹاک کی اچھی قیمت پر فروخت Co-Gen کے بہتر نتائج اور نئی قیمتوں اور نئی ایکڑ زیادہ پیداوار کی بدولت کارپوریٹ فارمز میں بڑا بدلاؤ تھے۔ ماضی میں گئے کی قیمتوں نے کبھی بھی پاکستان میں گنے کی روایتی کاشت کے مقابلہ میں کارپوریٹ فارمنگ کے ڈھانچہ کو ترجیح نہیں دی اور بہتر مالی نتائج دکھانے میں یہ ہمیشہ پیچھے رہیں۔ اگر گنے کی قیمت ایسے ہی رہی اور اس کے ساتھ ساتھ تیل اور زرعی سامان کی قیمتوں میں رد و بدل نہ ہوا تو مستقبل میں کارپوریٹ فارمز میں بہتر نتائج دیں گے۔

کمپنی کے مکمل ملکیتی ذیلی ادارہ ڈھری شوگر ملز (پرائیویٹ) لمیٹڈ نے 181 ملین روپے بعد از ٹیکس منافع کمایا جبکہ گزشتہ سال کے اسی دورانیہ میں یہ بعد از ٹیکس منافع 200 ملین روپے تھا۔

روان چھ ماہی کے بنیادی نکات نیچے مختصر اُموجود ہیں:

چاروں ہنٹ میں سال 2021-22 کے گنے کی کرشنگ کا آغا مختلف تاریخوں میں ہوا اور اس سے مندرجہ ذیل نتائج حاصل ہوئے:

2020-2021				2021-2022			
مجموعہ	JDW-3	JDW-2	JDW-1	مجموعہ	JDW-3	JDW-2	JDW-1
5,570,956	1,411,576	1,621,775	2,537,605	7,811,556	2,091,205	2,408,562	3,311,789
میٹرک ٹن				میٹرک ٹن			
556,142	140,946	159,800	255,396	781,634	209,498	235,506	336,630
چینی کی پیداوار				چینی کی پیداوار			
9.98	9.99	9.85	10.06	10.01	10.02	9.78	10.16
فیصد %				فیصد %			
256,262	65,104	78,991	112,167	370,816	98,732	118,060	154,024
میٹرک ٹن				میٹرک ٹن			
4.60	4.161	4.87	4.42	4.75	4.72	4.90	4.65
فیصد %				فیصد %			

روان سال گنے کی کرشنگ پچھلے کرشنگ سیزن سے 40% زیادہ ہوئی ہے جبکہ چینی کی پیداوار بھی 41% زیادہ ہوئی ہے۔ اس سال ملکی سطح پر چینی کی پیداوار تقریباً 40% اضافے کے ساتھ 7,842 ملین ٹن ہوئی ہے جبکہ پچھلے سال چینی کی پیداوار 5,619 ملین ٹن تھی چینی کی پیداوار میں اضافے کی بنیادی وجہ تقریباً 36% گنے کی فصل میں اضافہ ہے۔

ڈھری شوگر ملز پرائیویٹ لمیٹڈ کمپنی جو کہ 100% ذیلی ملکیت ہے اس کے کرشنگ سیزن 2021-22 کے آپریٹنگ نتائج مندرجہ ذیل ہیں:-

2020-21		2021-22	
1,270,152	میٹرک ٹن	1,953,090	میٹرک ٹن
125,757	میٹرک ٹن	196,560	میٹرک ٹن
9.90	فیصد %	10.06	فیصد %
60,000	میٹرک ٹن	93,291	میٹرک ٹن
4.72	فیصد %	4.78	فیصد %

روان سال ڈھری نے کرشنگ سیزن کا آغاز 2 نومبر 2021 کو کیا تھا اور رواں سال 54% اضافی گنے کی کرشنگ سے 56% زیادہ چینی کی پیداوار حاصل کی۔

کرشنگ سیزن 2021-22 کیلئے گنے کی سپورٹ پرائس پنجاب میں 200 روپے فی چالیس کلوگرام سے بڑھا کر 225 فی چالیس کلوگرام اور سندھ میں 202 روپے فی چالیس کلوگرام سے بڑھا کر 250 روپے فی چالیس کلوگرام کر دی گئی ہے۔ ملک میں گنے کی بہتر فصل کے باوجود گنے کی خریداری میں سیزن کے پہلے ہاف میں ایک پرائس وارنٹرز آئی جسکی وجہ سے اب تک نامعلوم ہے رواں سال گنے کی Actual Average Price تقریباً 250 روپے فی کلوگرام رہی جسکے نتیجے میں چینی کی پیداواری لاگت میں اضافہ ہوا۔ گنے کی لاگت ٹول چینی کی پیداواری لاگت کا تقریباً 82% ہے۔ جس میں کوئی تبدیلی بھی چینی کی پیداواری لاگت پر اثر انداز ہوئی ہے۔ بے ڈی ڈبلیو گروپ نے گنے کی خریداری پر سکانوں کو تقریباً 3.41 ملین روپے گنے کی سپورٹ پرائس کے علاوہ اضافی ادا کیے۔ سکان اتنی اچھی قیمت اور 100% بروقت ادائیگی بینکوں کے ذریعے ہونے پر بہت خوش تھے۔ سکان اب بینکوں کے ذریعے ادائیگی کو انجوائے کر رہے ہیں۔

روان سال میں کمپنی کے طویل مدتی قرضوں میں کمی کے باوجود مالیاتی اخراجات میں 173 ملین روپے کا اضافہ ہوا ہے جسکی بنیادی وجہ شرح سود اور ورگنگ کیپٹل قرضوں میں اضافہ ہے رواں سال مالیاتی اخراجات میں مزید اضافہ متوقع ہے۔ جسکی وجہ اسٹیٹ بینک آف پاکستان کا ڈی-کاونٹ ریٹ میں اضافہ ہے۔

03

Condensed Interim Unconsolidated Financial Statements

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INDEPENDENT AUDITORS'

Review Report to the Members of JDW Sugar Mills Limited

Report on Review of Condensed Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of **JDW Sugar Mills Limited** as at 31 March 2022 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the condensed interim unconsolidated financial statements for the half year then ended (here-in-after referred to as "condensed interim unconsolidated financial statements"). Management is responsible for the preparation and presentation of these condensed interim unconsolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim unconsolidated financial statements based on our review. The figures of the condensed interim unconsolidated statement of profit or loss and condensed interim unconsolidated statement of comprehensive income for the quarters ended 31 March 2022 and 31 March 2021 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 March 2022.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim unconsolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion


Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim unconsolidated financial statements are not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

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

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

30 May 2022
Lahore


Riaz Ahmad, Saqib, Gohar & Company
Chartered Accountants

RIAZ AHMAD, SAQIB, GOHAR & CO.
Chartered Accountants

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A member of  **agn**
INTERNATIONAL

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

As at 31 March 2022

	Note	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 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		15,765,387,717	13,171,462,931
		<u>17,041,471,255</u>	<u>14,447,546,469</u>
NON-CURRENT LIABILITIES			
Long term finances - secured	7	7,941,325,127	8,995,865,407
Lease liabilities	8	1,519,145,970	1,313,728,626
Retirement benefits		13,087,344	55,987,252
Deferred income - Government grant		—	685,215
		<u>9,473,558,441</u>	<u>10,366,266,500</u>
CURRENT LIABILITIES			
Short term borrowings	9	21,092,420,743	3,015,112,876
Current portion of non-current liabilities		4,037,503,136	4,167,790,367
Trade and other payables	10	8,049,001,567	2,199,533,008
Advances from customers	11	8,134,154,281	1,064,373,067
Unclaimed dividend		36,684,810	33,748,830
Accrued profit / interest / mark-up		681,505,127	251,304,750
		<u>42,031,269,664</u>	<u>10,731,862,898</u>
CONTINGENCIES AND COMMITMENTS			
	12	<u>68,546,299,360</u>	<u>35,545,675,867</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	19,468,438,922	19,670,791,623
Right-of-use assets	14	2,276,816,394	1,836,163,006
Investment property		185,854,012	185,854,012
Intangibles		611,710,239	612,730,104
Long term investments	15	1,084,012,500	1,084,012,500
Long term deposits		104,893,371	95,186,741
Deferred taxation		137,521,436	368,027,550
		<u>23,869,246,874</u>	<u>23,852,765,536</u>
CURRENT ASSETS			
Right-of-use assets	14	17,199,234	43,462,361
Short term investments	15	651,994,491	651,994,491
Lease receivables		42,922,983	69,633,908
Biological assets	16	518,645,443	2,335,200,206
Stores, spare parts and loose tools		2,427,039,018	1,381,816,893
Stock-in-trade	17	33,043,086,396	1,880,461,902
Trade receivables	18	5,116,171,958	4,195,841,481
Advances, deposits, prepayments and other receivables	19	2,369,947,885	596,888,246
Advance tax - net		121,888,791	290,291,164
Cash and bank balances	20	368,156,287	247,319,679
		<u>44,677,052,486</u>	<u>11,692,910,331</u>
		<u>68,546,299,360</u>	<u>35,545,675,867</u>

The annexed notes from 1 to 29 form an integral part of this condensed interim unconsolidated financial statements.

Chief Financial Officer

Chief Executive

Director

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

For the half year and quarter ended 31 March 2022

	Note	Six months ended		Three months ended	
		31-Mar-22 Rupees	31-Mar-21 Rupees	31-Mar-22 Rupees	31-Mar-21 Rupees
Gross revenue		33,604,778,230	32,855,744,337	21,896,209,338	17,498,422,141
Sales tax and commission		(3,757,300,560)	(3,727,513,224)	(2,396,006,647)	(1,864,377,015)
Revenue from contracts with customers	21	29,847,477,670	29,128,231,113	19,500,202,691	15,634,045,126
Cost of revenue		(24,436,054,824)	(24,359,564,330)	(15,659,823,574)	(13,844,197,269)
Gross profit		5,411,422,846	4,768,666,783	3,840,379,117	1,789,847,857
Administrative expenses		(1,125,489,760)	(1,006,914,455)	(595,139,022)	(562,120,480)
Selling expenses		(32,711,688)	(23,885,728)	(18,736,041)	(14,590,025)
Other income	22	1,177,218,725	920,598,072	597,469,591	379,945,514
Other expenses	23	(261,208,480)	(3,363,982,362)	(178,827,509)	(4,196,600)
		(242,191,203)	(3,474,184,473)	(195,232,981)	(200,961,591)
Profit from operations		5,169,231,643	1,294,482,310	3,645,146,136	1,588,886,266
Finance cost		(1,309,067,062)	(1,136,090,613)	(858,451,837)	(669,390,382)
Profit before taxation		3,860,164,581	158,391,697	2,786,694,299	919,495,884
Taxation		(668,473,185)	(74,995,596)	(513,423,478)	(209,553,307)
Profit for the period		3,191,691,396	83,396,101	2,273,270,821	709,942,577
Earnings per share - basic and diluted		53.39	1.40	38.03	11.88

The annexed notes from 1 to 29 form an integral part of this condensed interim unconsolidated financial statements.

Chief Financial Officer

Chief Executive

Director

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

For the half year and quarter ended 31 March 2022

	Six months ended		Three months ended	
	31-Mar-22 Rupees	31-Mar-21 Rupees	31-Mar-22 Rupees	31-Mar-21 Rupees
Profit for the period	3,191,691,396	83,396,101	2,273,270,821	709,942,577
Other comprehensive income for the period	–	–	–	–
Total comprehensive income for the period	3,191,691,396	83,396,101	2,273,270,821	709,942,577

The annexed notes from 1 to 29 form an integral part of this condensed interim unconsolidated financial statements.

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

For the half year ended 31 March 2022

	Note	31-Mar-22 Rupees	31-Mar-21 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		3,860,164,581	158,391,697
Adjustments for non-cash income and expenses:			
Finance cost		1,305,794,692	1,136,090,613
Depreciation of operating fixed assets		920,005,671	768,736,814
Depreciation of right-of-use assets		528,181,435	439,405,929
Workers' Profit Participation Fund		206,035,396	8,506,536
Sugarcane roots written off		158,778,802	301,411,540
Staff retirement benefits		122,909,194	66,177,934
Workers' Welfare Fund		41,348,515	3,232,484
Loss on acknowledged receipts		13,159,419	–
Amortization of transaction cost		3,272,370	3,272,370
Amortization of intangible assets		1,019,864	1,019,864
Assets written off		332,498	–
Liabilities no longer payable written back		(29,572,047)	–
Gain on disposal of operating fixed assets		(38,672,772)	(19,203,297)
Net fair value gain on biological assets		(59,061,852)	(67,895,573)
Gain on derecognition of right-of-use assets		(75,381,913)	–
Interest income		(98,513,101)	(1,688,730)
Fair value gain on initial recognition of agricultural produce		(860,452,455)	(727,907,521)
Trade receivables written off		–	3,325,977,231
		2,139,183,716	5,237,136,194
		5,999,348,297	5,395,527,891
Working capital changes:			
Stores, spare parts and loose tools		(1,045,222,125)	(114,428,788)
Stock-in-trade		(31,162,624,494)	(16,933,959,196)
Biological assets		2,305,771,443	1,797,484,728
Lease receivables		26,710,925	–
Advances, deposits, prepayments and other receivables		(1,719,959,971)	(167,706,645)
Trade receivables		(855,202,730)	(307,800,433)
Trade and other payables		5,954,079,534	716,291,980
Advances from customers		7,069,781,214	3,120,162,850
		(19,426,666,204)	(11,889,955,504)
		(13,427,317,907)	(6,494,427,613)
Cash used in operations			
Taxes paid		(322,190,753)	(553,968,768)
Staff retirement benefits paid		(182,793,141)	(160,044,716)
Interest income received		20,225,935	1,688,730
Workers' Welfare Fund paid		(29,572,047)	–
Workers' Profit Participation Fund paid		(261,795,163)	(129,154,026)
		(776,125,169)	(841,478,780)
Net cash used in operating activities		(14,203,443,076)	(7,335,906,393)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of operating fixed assets		54,888,450	32,412,825
Capital expenditure		(627,241,757)	(437,721,516)
Long term deposits – net		(9,706,630)	2,979,030
Advances for future issuance of shares		–	(760,000)
Net cash used in investing activities		(582,059,937)	(403,089,661)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances – net		(1,204,352,326)	315,257,834
Short term borrowings – net		17,405,324,244	11,124,401,472
Financial charges paid as:			
- finance cost		(769,617,575)	(897,801,620)
- Interest on lease liability		(109,249,110)	(83,385,072)
Principal portion of lease liability paid		(492,918,605)	(480,709,204)
Dividend paid		(594,830,630)	(28,575)
Net cash generated from financing activities		14,234,355,998	9,977,734,835
Net (decrease) / increase in cash and cash equivalents		(551,147,015)	2,238,738,781
Cash and cash equivalents at beginning of the period		(1,198,314,704)	(3,225,170,679)
Cash and cash equivalents at end of the period		(1,749,461,719)	(986,431,898)
Cash and cash equivalents comprise of the following:			
– Cash and bank balances	20	368,156,287	231,165,207
– Running finances and morabaha finances	9.2 & 9.5	(2,117,618,006)	(1,217,597,105)
		(1,749,461,719)	(986,431,898)

The annexed notes from 1 to 29 form an integral part of this condensed interim unconsolidated financial statements.

Chief Financial Officer

Chief Executive

Director

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

For the half year ended 31 March 2022

	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 2020	597,766,610	678,316,928	8,296,557,525	8,974,874,453		9,572,641,063
Total comprehensive income for the period	–	–	83,396,101	83,396,101		83,396,101
Balance as at 31 March 2021	597,766,610	678,316,928	8,379,953,626	9,058,270,554		9,656,037,164
Balance as at 01 October 2021	597,766,610	678,316,928	13,171,462,931	13,849,779,859		14,447,546,469
Total comprehensive income for the period	–	–	3,191,691,396	3,191,691,396		3,191,691,396
Transaction with owners of the Company:						
Final dividend for the year ended						
30 September 2021 @ Rs. 10.00 per share	–	–	(597,766,610)	(597,766,610)		(597,766,610)
Balance as at 31 March 2022	597,766,610	678,316,928	15,765,387,717	16,443,704,645		17,041,471,255

The annexed notes from 1 to 29 form an integral part of this condensed interim unconsolidated financial statements.

Chief Financial Officer

Chief Executive

Director

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

For the half year ended 31 March 2022

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 activities of the Company is production and sale of crystalline sugar including its by-products i.e. molasses, bagasse and mud, generation of electricity and managing corporate farms. The geographical locations and addresses of the Company's business units, including production facilities are as under:

- Head office and registered office: 17 - Abid Majeed Road, Lahore Cantonment, Lahore, Pakistan
- Unit-I: Mauza Shirin, Jamal Din Wali, District Rahim Yar Khan
- Unit-II: Machi Goth, Sadiqabad, District Rahim Yar Khan
- Unit-III: Village Luluwali, District Ghotki
- Corporate farms - Punjab Zone
- Corporate farms - Sindh Zone

2 BASIS OF PREPARATION

2.1 Basis of accounting

2.1.1 These condensed interim unconsolidated financial statements comprise of the condensed interim unconsolidated statement of financial position of the Company as at 31 March 2022 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows and together with the notes forming part thereof for the half year ended 31 March 2022.

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 and disclosures required for full annual financial statements and should be read in conjunction with the annual audited financial statements for the year ended 30 September 2021.

2.1.4 Comparative unconsolidated statement of financial position numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 September 2021, whereas comparative figures of unconsolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows are stated from unaudited condensed interim unconsolidated financial statements of the Company for the half year ended 31 March 2021.

- 2.1.5** These condensed interim unconsolidated financial statements are unaudited, however, have been subjected to limited scope review by the external auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and section 237 of the Companies Act, 2017.
- 2.1.6** These condensed interim unconsolidated financial statements are presented in Pakistani Rupees (Rs. / Rupees) which is the Company's functional and presentation currency.

3 USE OF ESTIMATES AND JUDGMENTS

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

In preparing these 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 2021.

4 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

- 4.1** The accounting policies and the methods of computation adopted in the preparation of these 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 2021.

Referred to note 51.1 to the annual audited unconsolidated financial statements for the year ended 30 September 2021, the Securities and Exchange Commission of Pakistan (SECP) has designated the Company and its wholly owned subsidiary company, Deharki Sugar Mills (Private) Limited as "a Group" for Group Taxation on 27 December 2021. There is no change in accounting policy for taxation as stated in note 4.9 to the annual audited unconsolidated financial statements for the year ended 30 September 2021 except as detailed below:

Group taxation

The Company is taxed as a one fiscal unit along with its wholly own subsidiary company under section 59AA of the Income Tax Ordinance, 2001. Current and deferred income taxes are recognised by each entity within the group, regardless of who has the legal rights for the recovery of tax. However, current tax liability / receivable is shown by the Company as it has legal obligation / right of recovery of tax upon submission of group annual income tax return. Balances among the group entities as a result of Group taxation is shown as tax recoverable / payable to the respective group entity.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after 01 October 2021, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim unconsolidated financial statements.

5 SEASONALITY OF OPERATIONS

Due to seasonal nature of sugar and corporate farms segments, 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.

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

For the half year ended 31 March 2022

		(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
6 SHARE CAPITAL			
6.1 Authorized share capital			
75,000,000 (30 September 2021: 75,000,000)			
voting ordinary shares of Rs. 10 each		750,000,000	750,000,000
25,000,000 (30 September 2021: 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 2021: 32,145,725)			
voting ordinary shares of Rs. 10 each fully paid in cash		321,457,250	321,457,250
27,630,936 (30 September 2021: 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-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
7 LONG TERM FINANCES - SECURED			
Mark-up bearing finances from conventional banks	7.1	10,516,489,422	11,552,789,191
Islamic mode of financing	7.2	676,487,187	832,538,469
		<u>11,192,976,609</u>	<u>12,385,327,660</u>
Less: Transaction cost		(34,755,446)	(41,318,166)
Add: Amortization of transaction cost		3,272,370	6,562,720
		<u>(31,483,076)</u>	<u>(34,755,446)</u>
		<u>11,161,493,533</u>	<u>12,350,572,214</u>
Current maturity presented under current liabilities:			
Mark-up bearing finances from conventional banks / financial institutions		(2,939,315,838)	(3,042,604,239)
Islamic mode of financing		(280,852,568)	(312,102,568)
		<u>(3,220,168,406)</u>	<u>(3,354,706,807)</u>
	7.3	<u>7,941,325,127</u>	<u>8,995,865,407</u>
7.1 Mark-up bearing finances from conventional banks			
Balance at beginning of the period / year		11,552,789,191	13,626,959,838
Finances received during the period / year	7.1.1	1,000,000,000	656,668,183
Repayments during the period / year		(2,036,299,769)	(2,730,838,830)
		<u>10,516,489,422</u>	<u>11,552,789,191</u>

7.1.1 Finances received during the period

	Markup basis	Duration	Grace period	Amount Rupees
Allied Bank Limited	*3mk + 0.50	1.5 Years	1 Year	1,000,000,000

* 3 mk i.e. 3 months KIBOR

	(Un-audited) 31-March-21 Rupees	(Audited) 30-Sep-21 Rupees
7.2 Islamic mode of financing		
Balance at beginning of the period / year	832,538,469	717,756,419
Finances received during the period / year	–	250,000,000
Repayments during the period / year	(156,051,282)	(135,217,950)
	676,487,187	832,538,469

- 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 Company amounting to Rs. 20,268 million (30 September 2021: Rs. 20,374 million) and personal guarantees of sponsor directors of the Company.

	Note	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
8 LEASE LIABILITIES			
Balance at beginning of the period / year		2,104,109,093	1,460,474,747
Additions during the period / year		93,973,222	1,405,892,658
Finance cost regarding lease arrangement		109,249,110	178,103,402
Impact of modification/remeasurement		782,918,999	(9,423,355)
Lease payments / adjustments		(602,167,715)	(889,296,947)
Impact of early termination		(159,716,671)	(41,641,412)
	8.1	2,328,366,038	2,104,109,093
Less: Current maturity presented under current liabilities		(809,220,068)	(790,380,467)
Balance at end of the period / year		1,519,145,970	1,313,728,626

- 8.1** These includes lease obligation of Rs. 15.767 million (30 September 2021: Rs. 15.102 million) towards Deharki Sugar Mills (Private) Limited, a wholly owned subsidiary of the Company.

These also includes Rs. 433.469 million and Rs. 19.753 million (30 September 2021: Rs. 424.124 million and Rs. 26.991 million) outstanding under Diminishing Musharakah financing arrangement and conventional banks respectively.

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

For the half year ended 31 March 2022

	Note	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
9 SHORT TERM BORROWINGS			
Mark-up based borrowings from conventional banks - secured			
Cash finances	9.1	10,949,914,660	499,908,687
Running finances	9.2	2,117,618,006	1,220,634,383
Finance against trust receipts	9.3	148,113,473	69,569,806
		13,215,646,139	1,790,112,876
Islamic mode of financing - secured			
Salam / Istisna / Musawamah finances	9.4	7,876,774,604	–
Morabaha / Karobar / Musharakah finances	9.5	–	225,000,000
		7,876,774,604	225,000,000
Borrowings from related party - unsecured			
Deharki Sugar Mills (Private) Limited	9.6	–	1,000,000,000
		21,092,420,743	3,015,112,876

- 9.1** The Company has availed cash finance facilities from various banks aggregated to Rs. 10,950 million (30 September 2021: Rs. 9,200 million). The mark-up rates applicable during the period ranges from one to three months KIBOR plus 50 to 100 bps per annum (30 September 2021: one to three months KIBOR plus 50 to 125 bps per annum) on utilized limits.
- 9.2** The Company has obtained running finance facilities aggregating to Rs. 2,771 million (30 September 2021: Rs. 1,771 million). The mark-up rates applicable during the period ranges from one to three months KIBOR plus 75 to 100 bps per annum (30 September 2021: one to three months KIBOR plus 75 to 100 bps per annum).
- 9.3** The limit of finance against trust receipt facility is Rs. 380 million (30 September 2021: Rs. 380 million). It carries mark-up ranging from one to six months KIBOR plus 100 bps per annum (30 September 2021: one to six months KIBOR plus 100 bps per annum).
- 9.4** The Company has obtained Salam / Istisna / Musawamah financing facilities from various banks and financial institutions aggregating to Rs. 8,385 million (30 September 2021: Rs. 6,510 million). The mark-up rates applicable during the period ranging from three to six months KIBOR plus 50 to 100 bps per annum (30 September 2021: three to six months KIBOR plus 50 to 100 bps per annum).
- 9.5** The Company has not obtained Morabaha / Karobar / Musharakah finance facilities during current period (30 September 2021: Rs. 225 million). The mark-up rates applicable during the previous year ranges from three to twelve months KIBOR plus 75 to 100 bps per annum.
- 9.6** This represents interest bearing loan received from Deharki Sugar Mills (Private) Limited, a wholly owned subsidiary, to meet working capital requirements at an average interest rate of 8.78% to 11.48% per annum (30 September 2021: 8.26% to 8.57% per annum).

- 9.7** The available facilities for opening letters of credit and guarantee as on the reporting date aggregate to Rs. 1,650 million (30 September 2021: Rs. 1,550 million) which includes Rs. 380 million (30 September 2021: Rs. 250 million) sub-limit of FATR facility. Further, facilities of amounting Rs. 400 million (30 September 2021: Rs. 300 million) remain unutilized as on reporting date.
- 9.8** The securities offered are the same as disclosed in the audited unconsolidated financial statements of the Company for the year ended 30 September 2021.

10 TRADE AND OTHER PAYABLES

Balance as at 31 March 2022 mainly includes payable to trade creditors and growers aggregates to Rs. 2,508 million and Rs. 3,666 million respectively (30 September 2021: Rs. 1,032 million and Rs. nil).

11 ADVANCES FROM CUSTOMERS

Balance as at 31 March 2022 mainly includes advances received from customers against sale of sugar aggregates to Rs. 6,232 million (30 September 2021: Rs. 36 million).

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

12.1.1 The Ministry of Interior (GoP) had constituted the Inquiry Commission under the Pakistan Commission of Inquiry Act, 2017 dated 16 March 2020 to probe into the increase in sugar prices in the country. The Commission of Inquiry selected 10 units of sugar mills including 3 units of the Company, accordingly report of the Inquiry Commission has been issued dated 21 May 2020. The Commission of Inquiry in its report has highlighted discrepancies with respect to Benami Transactions (Prohibition) Act, 2017 with respect to the standard business practice of Pakistan sugar industry. The Commission of inquiry has revealed that names of the brokers may be masked, by the sugar mills, and there is risk of sales in benami / fictitious names. The Commission of Inquiry in its report has also highlighted discrepancies in crushing capacity of the Company (refer to note 47 to the annual audited unconsolidated financial statements for the year ended 30 September 2021) and claimed that such enhancement and enlargement was made in the period of ban on capacity enhancement/enlargement. (Show cause notices have already been issued by the Directorate of Industries, Punjab for both Units I and II of the Company way back in 2014 and matter is still pending). In addition to above, Pakistan Sugar Mills Association (PSMA) along with its member sugar mills, including the Company, filed writ petition before the Honorable Islamabad High Court (IHC) challenging the initiation of inquiry, Constitution of the Commission Inquiry and all action taken pursuant thereto. Vide short order dated 20 June 2020 the writ petition was disposed off and the commission's report upheld. PSMA along with its member sugar mills, including the Company, challenged the order before the Division Bench of IHC in Intra Court Appeal (ICA) No. 156 of 2020. This ICA was dismissed on 08 August 2020. Thereafter, on 26 October 2020, PSMA and the Company filed Civil Petition for to Leave to Appeal (CPLA) No. 2697 of 2020 against the judgment dated 08 August 2020 before the Honorable Supreme Court of Pakistan. The Company has a good prima facie case.

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

For the half year ended 31 March 2022

12.1.2 There is no material change in the status of other contingencies from the preceding audited unconsolidated financial statements of the Company for the year ended 30 September 2021, except for the contingencies, guarantees and commitments as disclosed below:

12.1.3 The Competition Commission of Pakistan (CCoP) issued a show cause notice dated November 04, 2020 to all sugar mills for contravention of Competition Act, 2010 on account of anti-market behavior, sharing of sensitive information between mills and distorting fair market competition.

The Company along with other sugar mills also submitted its reply on October, 2021 and joined the CCoP proceedings to defend itself through its Counsels. The thorough proceedings of CCoP ended up in tie whereby two split decisions dated August 06, 2021 and August 12, 2021 were passed by 02 members in mills favor and other 02 members against the mills. Subsequently, the Chairperson CCoP used her prerogative to break the tie and used her casting vote whereby, order dated August 13, 2021 was passed adversely against all sugar mills for pecuniary actions. The CCoP also imposed penalties on all sugar mills. As per CCoP decision, a maximum penalty of Rs. 8,237 million was imposed on the Company.

The Company along with other sugar mills of Punjab challenged the said Decision dated August 13, 2021 before the Lahore High Court, Lahore in Writ Petitions on the grounds that the Chairperson is not empowered to use casting vote in judicial proceedings. The Lahore High Court, Lahore suspended the order dated August 13, 2021 and restrained CCoP from initiating recovery proceedings. The Writ Petition is pending Adjudication. Moreover, Sugar Mills have also filed Appeals before Competition Appellate Tribunal against the CCoP Order.

12.1.4 Guarantees issued by the banks on behalf of the Company in favor of various parties as at the reporting date amounts to Rs. 757 million (30 September 2021: Rs. 758 million).

12.1.5 Counter guarantee given by the Company to the bankers on account of agricultural loan as at the reporting date amounts to Rs. 2,520 million (30 September 2021: Rs. 2,520 million).

12.1.6 Guarantees issued by the banks on behalf of the Company in favor of Sadiqabad Power (Private) Limited and Ghotki Power (Private) Limited, wholly owned subsidiary companies, as at the reporting date aggregate amounts to nil. (30 September 2021: Rs. 38 million).

12.1.7 The Company has issued cross corporate guarantees of Rs. 4,095 million (30 September 2021: Rs. 751 million) on behalf of Deharki Sugar Mills (Private) Limited - wholly owned subsidiary, to secure the obligations of subsidiary company towards their lenders.

	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
12.2 Commitments		
12.2.1 Letters of credit for import of machinery and its related components	50,309,014	201,323,470

	Note	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
13 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	13.1	18,910,663,279	19,522,518,881
Capital work in progress	13.2	477,388,018	60,266,380
Stores, spare parts and loose tools held for capital expenditure		80,387,625	88,006,362
		<u>19,468,438,922</u>	<u>19,670,791,623</u>
13.1 Operating fixed assets			
Net book value at beginning of the period / year		19,522,518,881	20,619,247,850
Additions during the period / year		217,738,888	682,275,681
Transfer from right-of-use assets - net book value		6,581,437	14,116,680
Disposals / adjustments during the period / year - net book value		(175,327,010)	(420,600,489)
Depreciation charged / capitalized during the period / year		(660,848,917)	(1,360,067,731)
Impairment charged during the period / year		–	(12,453,110)
Net book value at end of the period / year		<u>18,910,663,279</u>	<u>19,522,518,881</u>
13.2 Capital work in progress			
Opening balance		60,266,380	14,599,420
Additions during the period / year		497,890,933	563,007,941
Transfers made during the period / year		(80,769,295)	(517,340,981)
Closing balance		<u>477,388,018</u>	<u>60,266,380</u>
	Note	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
14 RIGHT-OF-USE ASSETS			
Net book value at beginning of the period / year		1,879,625,367	1,176,461,527
Additions during the period / year		79,135,721	1,404,385,002
Transfer to operating fixed assets - net book value		(6,581,437)	(14,116,680)
Depreciation charged during the period / year		(357,040,562)	(576,415,656)
Deletions / derecognition during the period / year		(84,042,460)	(32,325,447)
Impact of modification / remeasurement		782,918,999	(9,423,355)
Derecognition due to sublease		–	(68,940,024)
Net book value at end of the period / year	14.1	<u>2,294,015,628</u>	<u>1,879,625,367</u>
Less: Current maturity presented in current assets		(17,199,234)	(43,462,361)
		<u>2,276,816,394</u>	<u>1,836,163,006</u>
14.1 The right-of-use assets relate to following type of assets:			
Land		1,774,093,466	1,362,720,555
Vehicles		465,619,478	471,458,460
Buildings		54,302,684	45,446,352
Total right-of-use assets		<u>2,294,015,628</u>	<u>1,879,625,367</u>

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

For the half year ended 31 March 2022

	Note	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
15 LONG TERM INVESTMENTS			
Investment in subsidiary companies - unquoted	15.1	1,736,004,491	1,736,004,491
Investment in associated companies - unquoted	15.2	2,500	2,500
		1,736,006,991	1,736,006,991
Less: Classified under current assets as short term investments			
Faruki Pulp Mills Limited ("FPML")		(651,994,491)	(651,994,491)
JDW Power (Private) Limited ("JDWPL")		—	—
		(651,994,491)	(651,994,491)
Classified under non-current assets			
		1,084,012,500	1,084,012,500
15.1 Investment in subsidiary companies - unquoted			
Deharki Sugar Mills (Private) Limited ("DSML")			
104,975,000 (30 September 2021: 104,975,000)			
fully paid shares of Rs. 10 each			
Equity held 100% (30 September 2021: 100%)			
		1,049,750,000	1,049,750,000
Faruki Pulp Mills Limited ("FPML")			
310,892,638 (30 September 2021: 310,892,638)			
fully paid ordinary shares of Rs. 10 each			
Equity held 57.67% (30 September 2021: 57.67%)			
		3,154,426,383	3,154,426,383
Accumulated impairment allowance			
		(2,502,431,892)	(2,502,431,892)
		651,994,491	651,994,491
Sadiqabad Power (Private) Limited ("SPL")			
1,694,500 (30 September 2021: 1,694,500)			
fully paid shares of Rs. 10 each			
Equity held 100% (30 September 2021: 100%)			
		16,945,000	10,001,000
Investment made during the period / year			
		—	6,944,000
		16,945,000	16,945,000
Ghotki Power (Private) Limited ("GPL")			
1,731,500 (30 September 2021: 1,731,500)			
fully paid shares of Rs. 10 each			
Equity held 100% (30 September 2021: 100%)			
		17,315,000	10,001,000
Investment made during the period / year			
		—	7,314,000
		17,315,000	17,315,000
		1,736,004,491	1,736,004,491
15.2 Investment in associated companies - unquoted			
Kathai-II Hydro (Private) Limited ("KHL")			
250 (30 September 2021: 250)			
fully paid shares of Rs. 10 each			
Equity held 20% (30 September 2021: 20%)			
		2,500	2,500
JDW Power (Private) Limited ("JDWPL")			
9,000,000 (30 September 2021: 9,000,000)			
fully paid shares of Rs. 10 each			
Equity held 47.37% (30 September 2021: 47.37%)			
		90,000,000	90,000,000
Accumulated impairment allowance			
		(90,000,000)	(90,000,000)
	15.2.1	—	—
		2,500	2,500

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

16 BIOLOGICAL ASSETS

The fair value of standing sugarcane other than wheat and mustard crop (other crops) is carried at the accumulated costs amounting to Rs. 425 million (31 March 2021: Rs. 417 million), which approximate the fair value since little biological transformation has taken place due to the seasonal nature of the crop and the impact of the transformation on price is not expected to be material. While in absence of active market for wheat and mustard crops, the fair value measurement for the standing crop has been categorized as Level 3 fair value based on the inputs to the valuation techniques used. Fair value has been determined on the basis of a discounted cash flow model. The valuation model considers the present value of net cash flows expected to be generated by the plantation. The cash flow projections include specific estimates for next period which mainly include crop's expected yield and price. 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 production costs and costs to sell and risk adjusted discount rate. Due to seasonal nature of sugarcane and other crops, a transfer out of sugarcane amounting to Rs. 2,333 million from level 3 and transfer in of other crops amounting to Rs. 94 million into Level 3 has been made during the period respectively (31 March 2021: Rs. 1,816 million and Rs. 95 million).

16.1 Valuation techniques and significant unobservable inputs

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

	Unit	31 Mar 2022		31 Mar 2021	
		Wheat	Mustard	Wheat	Mustard
Valued plantations (Actual)					
- Punjab Zone	Acres	89	254	151	342
- Sindh Zone	Acres	949	54	886	59
Estimated production costs and costs to sell					
- Punjab Zone	Rs. per Acres	3,456	3,579	2,381	1,998
- Sindh Zone	Rs. per Acres	3,456	–	2,619	681
Estimated yield per acre					
- Punjab Zone	Maunds	31	13	30	13
- Sindh Zone	Maunds	35	7	40	5
Harvest age	Months	5-6	5-6	5-6	5-6
Estimated future market price per maunds					
- Punjab Zone	Rupees	2,200	5,500	1,800	4,230
- Sindh Zone	Rupees	2,200	5,000	2,000	3,500
Risk - adjusted discount rate	% per month	0.98%	0.98%	0.91%	0.91%

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

For the half year ended 31 March 2022

16.2 Sensitivity analysis

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

	31-Mar-22 Rupees	31-Mar-22 Rupees	31-Mar-21 Rupees	31-Mar-21 Rupees
Decrease of 10% in expected average yield per acre	(7,837,508)	(2,014,268)	(7,827,036)	(1,895,785)
Increase of 10% in discount rate	(74,214)	(19,086)	(75,050)	(19,081)
			(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees

17 STOCK-IN-TRADE

Sugar - finished goods	28,631,084,741	1,636,244,037
Molasses - by product	2,525,041,930	—
Bagasse - by product	1,510,935,707	232,354,110
Mud - by product	70,001,056	11,863,755
Sugar - work-in-process	230,360,432	—
Molasses - work-in-process	75,662,530	—
	33,043,086,396	1,880,461,902

18 TRADE RECEIVABLES

This includes Rs. 571 million (30 September 2021: Rs. nil) due from Deharki Sugar Mills (Private) Limited, a wholly owned subsidiary, against sale of sugarcane.

19 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

This includes interest bearing advance amounted to Rs. 1,855 million (30 September 2021: Rs. Nil) due from Deharki Sugar Mills (Private) Limited, a wholly owned subsidiary and carry interest rate 11.46% per annum (30 September 2021: Nil).

	Note	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
20 CASH AND BANK BALANCES			
Current accounts			
Balance with conventional banks		132,843,911	227,418,794
Balance with islamic banks		196,922,182	14,200,107
		329,766,093	241,618,901
Saving accounts			
Deposit with conventional banks	20.1	4,167,292	1,868,139
		333,933,385	243,487,040
Cash in hand			
		34,222,902	3,832,639
		368,156,287	247,319,679

20.1 The balances in saving accounts carry mark-up at 5.75% to 8.25% per annum (30 September 2021: 5.5% per annum).

21 REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue based on:

	Note	Six months ended		Three months ended	
		31-Mar-22 Rupees	31-Mar-21 Rupees	31-Mar-22 Rupees	31-Mar-21 Rupees
21.1 Segments					
Sugar					
Sugar - local		19,861,158,718	20,304,240,591	12,504,284,170	10,067,996,030
Molasses - by product		4,898,192,757	4,147,379,489	3,387,135,151	2,713,041,373
Agri Inputs		1,795,613,362	1,552,241,475	1,795,137,862	1,551,988,510
Mud - by product		314,322,404	222,825,616	208,447,789	158,331,977
		26,869,287,241	26,226,687,171	17,895,004,972	14,491,357,890
Co-Generation Power	21.1.1	1,583,452,822	1,824,125,628	938,008,185	895,465,828
Corporate Farms		1,394,737,607	1,077,418,314	667,189,534	247,221,408
		29,847,477,670	29,128,231,113	19,500,202,691	15,634,045,126
21.1.1 Co-Generation Power					
Variable energy price		933,711,396	1,049,340,664	582,313,205	560,429,912
Fixed energy price		649,741,426	774,784,964	355,694,980	335,035,916
		1,583,452,822	1,824,125,628	938,008,185	895,465,828
21.2 Timing of revenue recognition					
Products transferred at a point in time		28,264,024,848	27,304,105,485	18,562,194,506	14,738,579,298
Products transferred over time		1,583,452,822	1,824,125,628	938,008,185	895,465,828
		29,847,477,670	29,128,231,113	19,500,202,691	15,634,045,126

22 OTHER INCOME

This mainly includes fair value gain on initial recognition of agricultural produce of Rs. 860 million (31 March 2021: Rs. 728 million), net fair value gain on biological assets of Rs. 59 million (31 March 2021: Rs. 68 million), markup on delayed payment from CPPA-G of Rs. 78 million (31 March 2021: Rs. 69 million), net scrap sale of Rs. 3 million (31 March 2021: Rs. 21 million) and gain on disposal of operating fixed assets of Rs. 39 million (31 March 2021: Rs. 19 million).

23 OTHER EXPENSES

This mainly includes Rs. 3,326 million which was written off in half year ended 31 March 2021 against fixed energy receivables from Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) according to the terms agreed in Master and EPA Amendment Agreement between the Company and the CPPA-G.

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

For the half year ended 31 March 2022

24 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 related parties	Relationship	Nature of transactions	31-Mar-22 Rupees	31-Mar-21 Rupees
i)	Deharki Sugar Mills (Pvt.) Limited	Subsidiary Company (Equity held 100 percent)	Sale of sugarcane	1,391,398,732	1,048,539,359
			Short term advances paid	4,170,000,000	660,000,000
			Short term advances received	1,315,000,000	-
			Markup expense on short term advances - net	15,459,241	86,489,656
			Purchase of property, plant and equipment	15,857,080	-
			Sale of stores, spare parts and loose tools	5,996,101	7,985,859
			Reimbursement on use of the Company's aircraft	4,149,690	10,426,286
			Rent on land acquired on lease	4,033,464	4,292,650
			Purchase of store, spare parts and loose tools	-	99,541,406
			Others	2,268,703	3,967,530
ii)	Sadiqabad Power (Pvt.) Limited	Subsidiary Company (Equity held 100 percent)	Advances for future issuance of shares	-	395,000
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	1,915,617	2,189,338
v)	Lahore Flying Club (Guarantee) Limited	Associated Company (Related party)	Services rendered against aircraft hangar	615,779	870,843
vi)	Post Employment Benefit Plans	Related Parties	Provident fund contribution	126,805,889	110,770,919
			Payment to recognised gratuity fund	55,987,252	104,659,256
vii)	Key Management Personnel	Key Management	Directors' remuneration and allowances	422,768,335	371,623,335
			Dividend paid	267,029,390	-
			Consultancy services	-	7,196,328

25 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of all financial assets and liabilities reflected in these condensed interim unconsolidated financial statements approximate their fair values except investment in subsidiary companies and associates are carried at cost less accumulated impairment loss (for details, refer to note 15).

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

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

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

Level 3: Unobservable inputs for the asset or liability.

There were no transfers amongst levels during the period.

26 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 2021.

27 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 30 May 2022.

28 CORRESPONDING FIGURES

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

29 EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors of the Company in its meeting held on 30 May 2022 declared interim cash dividend of Rs. 7.5 (75%) per share for the half year ended 31 March 2022 (31 March 21: Rs. Nil per share).



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Condensed Interim Consolidated Financial Statements

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DIRECTORS' REVIEW

on Condensed Interim Consolidated Financial Statements

The Directors are pleased to present the Condensed Interim Consolidated Financial Statements of JDW Sugar Mills Limited ("the Holding Company"), its Subsidiary Companies; Deharki Sugar Mills (Private) Limited, Faruki Pulp Mills Limited, Sadiqabad Power (Private) Limited and Ghotki Power (Private) Limited ("the Group") and its Associated Companies; JDW Power (Private) Limited and Kathai-II Hydro (Private) Limited for the half year ended 31 March 2022.

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

Faruki Pulp Mills Limited ("FPML") was incorporated in Pakistan on 20 October 1991 as a public limited company, with the primary objective to manufacture and sale of paper pulp. The Holding Company holds 57.67% shares of the Subsidiary Company. Further FPML has been, for the considerable number of years, unable to commence its commercial operations and considering this fact management of subsidiary company has principally decided not to inject further funds in the company as significant capital expenditure are required. Moreover, keeping in view commercial viability of the plant as well as the substantial accumulated losses the management of the Subsidiary Company has determined that the company might not be able to realize its assets and discharge its liabilities in the normal course of business. In year ended on 30 September 2020, the FPML through a special resolution passed in its Extraordinary General Meeting held on 25 March 2020 resolved to dispose of its property, plant and equipment either in parts or in their entirety to prospective buyers after due process, but due to COVID-19 Situation in the country this was not completed during the current year and the said arrangement was re-approved by the FPML shareholders in its EOGM held on 13 December 2021. We intend to complete this process in the calendar year 2022.

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

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

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

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

It is being confirmed that to the best of our knowledge, these condensed interim consolidated financial statements for the half year ended 31 March 2022 give a true and fair view of the assets, liabilities, financial position and financial results of the Group and are in conformity with approved accounting standards as applicable in Pakistan.

Financial Overview

The consolidated financial results are as follows:

	31-Mar-22	31-Mar-21
	(Rs in million)	
Gross Revenue	37,226	38,579
Revenue from Contracts with Customers	32,966	34,027
Profit from Operations	5,551	1,639
Profit before Tax	3,972	383
Profit after Tax	3,365	282

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.

30 May 2022
Lahore

Chief Executive

Director

ڈائریکٹرز کا جائزہ

ڈائریکٹرز خوشی کے ساتھ ہے ڈی ڈبلیو شوگر ملز اور اسکے زیریں ادارے ڈہری شوگر ملز پرائیویٹ لمیٹڈ، فاروقی پلپ ملز لمیٹڈ، صادق آباد پاور پرائیویٹ لمیٹڈ، گھونکی پاور پرائیویٹ لمیٹڈ کی پہلی چھ ماہی 31 مارچ 2022 کی عبوری مالیاتی رپورٹ 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 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 ڈی ڈبلیو کے پاس ہیں۔

گھونکی 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 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 ڈی ڈبلیو کے پاس ہیں۔

ہم اس بات کی تصدیق کرتے ہیں کہ ہماری بہترین معلومات کے مطابق یہ چھ ماہی رپورٹ برائے 31 مارچ 2022 پاکستان میں منظور شدہ اکاؤنٹنگ سٹنڈرڈ کے مطابق ہے اور اپنے تمام اثاثوں، واجبات اور مالیاتی پوزیشن کی سچی اور مصفاہ تصور پیش کر رہی ہے۔

مالیاتی نتائج مندرجہ ذیل ہیں:

31 مارچ 2021	31 مارچ 2022	ملین روپے
38,579	37,226	مجموعی فروخت
34,027	32,966	خالص فروخت
1,639	5,551	کارکردگی منافع
383	3,972	قبل از ٹیکس منافع
282	3,365	بعد از ٹیکس منافع

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

۳۰ مئی ۲۰۲۲

ڈائریکٹر

چیف ایگزیکٹو

لاہور

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

As at 31 March 2022

	Note	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 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		17,460,321,306	14,693,902,094
Equity attributable to owners of the Holding Company		18,736,404,844	15,969,985,632
Non-controlling interest		375,505,825	376,074,277
		19,111,910,669	16,346,059,909
NON-CURRENT LIABILITIES			
Long term finances - secured	7	9,701,521,765	11,024,207,181
Lease liabilities	8	1,519,145,970	1,313,728,626
Deferred taxation		231,100,408	114,896,886
Retirement benefits		13,087,344	55,987,252
Deferred income - Government grant		–	865,645
		11,464,855,487	12,509,685,590
CURRENT LIABILITIES			
Short term borrowings - secured	9	27,386,760,821	3,433,591,564
Current portion of non-current liabilities		4,582,866,334	4,633,829,429
Trade and other payables	10	9,304,008,295	2,364,582,644
Advances from customers	11	8,856,991,094	1,408,574,415
Unclaimed dividend		36,684,810	33,748,830
Accrued profit / interest / mark-up		881,817,464	308,968,644
		51,049,128,818	12,183,295,526
Liabilities classified as held for sale		36,208,656	37,417,291
		51,085,337,474	12,220,712,817
CONTINGENCIES AND COMMITMENTS			
	12	81,662,103,630	41,076,458,316
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	23,085,760,853	23,377,311,554
Right-of-use assets	14	2,276,816,394	1,836,163,006
Investment property		185,854,012	185,854,012
Intangibles		611,724,876	612,747,625
Long term investments	15	–	–
Long term deposits		105,467,371	95,250,741
		26,265,623,506	26,107,326,938
CURRENT ASSETS			
Right-of-use assets	14	17,199,234	43,462,361
Short term investment	15	–	–
Biological assets	16	518,645,443	2,335,200,206
Lease receivables		42,922,983	69,633,908
Stores, spare parts and loose tools		2,708,001,375	1,649,257,253
Stock-in-trade	17	44,434,556,385	3,495,317,580
Trade receivables		4,842,092,834	4,496,926,781
Advances, deposits, prepayments and other receivables		1,172,900,302	1,256,355,084
Advance tax - net		218,194,904	386,597,266
Cash and bank balances	18	492,118,530	283,941,075
		54,446,631,990	14,016,691,514
Assets classified as held for sale		949,848,134	952,439,864
		55,396,480,124	14,969,131,378
		81,662,103,630	41,076,458,316

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

Chief Financial Officer

Chief Executive

Director

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

For the half year and quarter ended 31 March 2022

		Six months ended		Three months ended	
	Note	31-Mar-22 Rupees	31-Mar-21 Rupees	31-Mar-22 Rupees	31-Mar-21 Rupees
Continuing Operations:					
Gross revenue		37,225,863,106	38,579,520,208	22,916,075,905	21,075,147,567
Sales tax and commission		(4,260,234,805)	(4,552,707,016)	(2,477,828,270)	(2,300,518,833)
Revenue from contracts with customers	19	32,965,628,301	34,026,813,192	20,438,247,635	18,774,628,734
Cost of revenue		(26,777,263,754)	(28,462,478,844)	(16,536,156,157)	(16,711,582,202)
Gross profit		6,188,364,547	5,564,334,348	3,902,091,478	2,063,046,532
Administrative expenses		(1,515,226,556)	(1,481,816,672)	(798,208,512)	(861,911,021)
Selling expenses		(40,762,398)	(29,020,267)	(23,844,457)	(17,097,613)
Other income	20	1,198,045,798	966,680,144	601,503,158	419,095,538
Other expenses	21	(278,968,639)	(3,381,174,362)	(162,516,406)	1,457,828
		(636,911,795)	(3,925,331,157)	(383,066,217)	(458,455,268)
Profit from operations		5,551,452,752	1,639,003,191	3,519,025,261	1,604,591,264
Finance cost		(1,578,958,680)	(1,255,569,493)	(1,079,599,373)	(757,260,447)
Profit before taxation		3,972,494,072	383,433,698	2,439,425,888	847,330,817
Taxation		(607,493,606)	(100,972,879)	(306,757,954)	(179,645,633)
Profit from continuing operations		3,365,000,466	282,460,819	2,132,667,934	667,685,184
Discontinued Operations:					
(Loss) / profit from discontinued operations - net of tax		(1,383,096)	414,575	(985,378)	203,765
Profit for the period		3,363,617,370	282,875,394	2,131,682,556	667,888,949
Attributable to:					
Owners of the Holding Company		3,364,185,822	282,705,003	2,132,087,546	667,805,201
Non-controlling interest		(568,452)	170,391	(404,990)	83,748
		3,363,617,370	282,875,394	2,131,682,556	667,888,949
Earnings per share - basic & diluted					
Continuing operations		56.29	4.73	35.68	11.17
Discontinued operations		0.00	0.00	0.00	0.00
Attributable to owners of the Holding Company		56.29	4.73	35.68	11.17

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

Chief Financial Officer

Chief Executive

Director

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

For the half year and quarter ended 31 March 2022

	Six months ended		Three months ended	
	31-Mar-22 Rupees	31-Mar-21 Rupees	31-Mar-22 Rupees	31-Mar-21 Rupees
Profit for the period	3,363,617,370	282,875,394	2,131,682,556	667,888,949
Other comprehensive income for the period	–	–	–	–
Total comprehensive income for the period	3,363,617,370	282,875,394	2,131,682,556	667,888,949
Attributable to:				
Owners of the Holding Company	3,364,185,822	282,705,003	2,132,087,546	667,805,201
Non-controlling interest	(568,452)	170,391	(404,990)	83,748
	3,363,617,370	282,875,394	2,131,682,556	667,888,949

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

Chief Financial Officer

Chief Executive

Director

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

For the half year ended 31 March 2022

	Note	31-Mar-22 Rupees	31-Mar-21 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		3,972,494,072	383,433,698
Adjustments for non-cash and other items			
Finance cost		1,578,958,680	1,255,569,493
Depreciation of operating fixed assets		576,280,956	861,310,830
Depreciation of right-of-use assets		528,181,435	439,405,929
Workers' Profit Participation Fund		212,540,401	20,664,466
Sugarcane roots written off		158,778,802	301,411,540
Staff retirement benefits		136,789,585	77,605,468
Workers' Welfare Fund		44,549,349	8,266,554
Loss on acknowledged receipts		13,159,419	–
Amortization of transaction cost		4,110,482	4,110,482
Amortization of intangible assets		1,022,747	1,024,179
Assets written off		332,498	–
Liabilities no longer payable written back		(29,572,047)	–
Gain on disposal of operating fixed assets		(38,689,685)	(19,203,297)
Fair value gain on biological assets		(59,061,852)	(67,895,573)
Gain on derecognition of right-of-use assets		(75,381,913)	–
Interest income		(123,554,445)	(25,497,775)
Fair value gain on initial recognition of agricultural produce		(860,452,455)	(727,907,521)
Impairment allowance against doubtful trade receivables		–	3,325,977,231
		2,067,991,957	5,454,842,006
		6,040,486,029	5,838,275,704
Working capital changes			
Stores, spare parts and loose tools		(1,058,744,123)	(123,870,622)
Stock-in-trade		(40,939,238,805)	(20,799,186,706)
Biological assets		2,305,771,443	1,797,484,728
Advances, deposits, prepayments and other receivables		1,082,196,680	1,796,290,502
Lease receivables		26,710,925	–
Trade receivables		(57,804,078)	(391,440,039)
Trade and other payables		6,834,545,524	892,818,592
Advances from customers		7,449,674,767	2,748,116,208
		(24,356,887,667)	(14,079,787,337)
		(18,316,401,638)	(8,241,511,633)
Cash used in operations			
Taxes paid		(322,190,750)	(648,974,825)
Staff retirement benefits paid		(198,502,040)	(172,569,665)
Interest income received		45,267,279	25,497,775
Workers' Welfare Fund paid		(29,572,047)	–
Workers' Profit Participation Fund paid		(284,120,342)	(150,767,267)
		(789,117,900)	(946,813,982)
		(19,105,519,538)	(9,188,325,615)
Net cash used in operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(208,042,750)	(449,752,960)
Long term deposits - net		(10,216,630)	2,979,030
Proceeds from sale of operating fixed assets		68,629,077	32,412,825
Net cash used in investing activities		(149,630,303)	(414,361,105)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - net		(1,392,710,491)	564,657,331
Short term borrowings - net		22,492,675,221	13,174,233,938
Financial charges paid as:			
- finance cost		(900,133,119)	(967,592,511)
- interest on lease liability		(109,249,110)	(83,385,072)
Principal portion of lease liability paid		(492,918,605)	(480,709,204)
Dividend paid		(594,830,630)	(28,575)
Net cash generated from financing activities		19,002,833,266	12,207,175,907
Net (decrease) / increase in cash and cash equivalents		(252,316,575)	2,604,489,187
Cash and cash equivalents at beginning of the period		(1,406,116,249)	(3,535,745,781)
Cash and cash equivalents at end of the period		(1,658,432,824)	(931,256,594)
Cash and cash equivalents comprise of the following:			
- Cash and bank balances	18	492,118,530	433,648,833
- Running /Morabaha/Karobar/Musharakah finances	9.2 & 9.5	(2,150,551,354)	(1,364,905,427)
		(1,658,432,824)	(931,256,594)

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

Chief Financial Officer

Chief Executive

Director

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

For the half year ended 31 March 2022

	Reserves				Equity attributable to owners of the Holding Company	Non-controlling interest	Total
	Capital	Revenue		Total reserves			
	Share premium	Accumulated profit					
			Rupees				
Share capital	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 October 2020							
	597,766,610	678,316,928	10,084,649,740	10,762,966,668	11,360,733,278	380,384,451	11,741,117,729
Total comprehensive income for the period							
	-	-	282,705,003	282,705,003	282,705,003	170,391	282,875,394
Balance as at 31 March 2021							
	597,766,610	678,316,928	10,367,354,743	11,045,671,671	11,643,438,281	380,554,842	12,023,993,123
Balance as at 01 October 2021							
	597,766,610	678,316,928	14,693,902,094	15,372,219,022	15,969,985,632	376,074,277	16,346,059,909
Total comprehensive income for the period							
	-	-	3,364,185,822	3,364,185,822	3,364,185,822	(568,452)	3,363,617,370
Transaction with owners of the holding company							
Final cash dividend for the year ended							
30 September 2021 @ Rs. 10.00 per share							
	-	-	(597,766,610)	(597,766,610)	(597,766,610)	-	(597,766,610)
Balance as at 31 March 2022							
	597,766,610	678,316,928	17,460,321,306	18,138,638,234	18,736,404,844	375,505,825	19,111,910,669

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

Chief Financial Officer

Chief Executive

Director

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

For the half year ended 31 March 2022

1 CORPORATE AND GENERAL INFORMATION

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

	(Un-audited) 31-Mar-22	(Audited) 30-Sep-21
	Holding percentage	
JDW Group		
Holding Company		
JDW Sugar Mills Limited		
Subsidiaries:		
Deharkhi 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 including its by-products i.e. molasses, bagasse and mud, generation of electricity and managing corporate farms.

1.3 Deharkhi 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 including its by-products i.e. molasses, bagasse and mud.

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 14/4-Abid Majeed road, Lahore Cantonment, Lahore, Pakistan. 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 year ended on 30 September 2020, FPML through an extraordinary general meeting held on 25 March 2020, resolved to dispose of its property, plant and equipment either in parts or in their entirety to the prospective buyers after due process. As a result, the Group's operations have been divided into Continuing and Discontinued operations in accordance with the requirements of International Financial Reporting Standard (IFRS) 5, "Non-current Assets Held for Sale and Discontinued Operations". Paper Pulp business have been classified as Discontinued operations. Continuing operations include Sugar, Co-Generation Power and Corporate Farms business.

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

For the half year ended 31 March 2022

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

2 BASIS OF PREPARATION

2.1 Basis of accounting

2.1.1 These condensed interim consolidated financial statements comprises the condensed interim consolidated statement of financial position of the Group as at 31 March 2022 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 period ended 31 March 2022.

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

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

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

2.1.3 These condensed interim consolidated financial statements does not include all of the information and disclosures 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 2021.

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 2021, whereas comparative figures of statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity are stated from unaudited condensed interim consolidated financial statements of the Group for the period ended 31 March 2021.

2.1.5 These condensed interim consolidated financial statements are unaudited and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and section 237 of the Companies Act, 2017.

2.1.6 These condensed interim consolidated financial statements are presented in Pakistani Rupees (Rs. / Rupees) which is the Group's functional and presentation currency.

3 USE OF ESTIMATES AND JUDGMENTS

The preparation of these 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 these 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 2021.

4 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

4.1 The accounting policies and the methods of computation adopted in the preparation of these 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 2021.

Referred to note 55.1 to the annual audited consolidated financial statements for the year ended 30 September 2021, the Securities and Exchange Commission of Pakistan (SECP) has designated the Holding Company and its wholly owned subsidiary company, Deharki Sugar Mills (Private) Limited as "a Group" for Group Taxation on 27 December 2021. There is no change in accounting policy for taxation as stated in note 4.10 to the annual audited consolidated financial statements for the year ended 30 September 2021 except as detailed below:

Group taxation

The Holding Company is taxed as a one fiscal unit along with its wholly own subsidiary company under section 59AA of the Income Tax Ordinance, 2001. Current and deferred income taxes are recognised by each entity within the group, regardless of who has the legal rights for the recovery of tax. However, current tax liability / receivable is shown by the Holding Company as it has legal obligation / right of recovery of tax upon submission of group annual income tax return.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after 01 October 2021, but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in these condensed interim consolidated financial statements.

5 SEASONALITY OF OPERATIONS

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

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

For the half year ended 31 March 2022

		(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
6 SHARE CAPITAL			
6.1 Authorized capital			
75,000,000 (30 September 2021: 75,000,000)			
voting ordinary shares of Rs. 10 each		750,000,000	750,000,000
25,000,000 (30 September 2021: 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 2021: 32,145,725)			
voting ordinary shares of Rs. 10 each fully paid in cash		321,457,250	321,457,250
27,630,936 (30 September 2021: 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-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
7 LONG TERM FINANCES - SECURED			
Mark-up bearing finances from conventional banks / financial institutions	7.1	12,141,620,305	13,241,278,239
Islamic mode of financing	7.2	1,363,987,187	1,645,038,469
		<u>13,505,607,492</u>	<u>14,886,316,708</u>
Less: Transaction cost		(43,656,920)	(51,900,469)
Add: Amortization of transaction cost		4,110,482	8,243,549
		<u>(39,546,438)</u>	<u>(43,656,920)</u>
		<u>13,466,061,054</u>	<u>14,842,659,788</u>
Current maturity presented under current liabilities:			
Mark-up bearing finances from conventional banks / financial institutions		(3,171,186,721)	(3,225,100,039)
Islamic mode of financing		(593,352,568)	(593,352,568)
		<u>(3,764,539,289)</u>	<u>(3,818,452,607)</u>
	7.3	<u>9,701,521,765</u>	<u>11,024,207,181</u>
7.1 Mark-up bearing finances from conventional banks / financial institutions			
Balance at beginning of the period / year		13,241,278,239	15,379,004,257
Finances received during the period / year 7.1.1		1,000,000,000	696,358,939
Repayments / adjustments during the period / year		(2,099,657,934)	(2,834,084,957)
		<u>12,141,620,305</u>	<u>13,241,278,239</u>

7.1.1 Finances received during the period

	Markup basis	Duration	Grace period	Amount Rupees
Allied Bank Limited	*3mk + 0.50	1.5 Years	1 Year	1,000,000,000

*3 mk i.e. 3 months KIBOR

	(Un-audited) 31-March-21 Rupees	(Audited) 30-Sep-21 Rupees
7.2 Islamic mode of financing		
Balance at beginning of the period / year	1,645,038,469	1,405,256,419
Finances received during the period / year	–	500,000,000
Repayments during the period / year	(281,051,282)	(260,217,950)
	<u>1,363,987,187</u>	<u>1,645,038,469</u>

- 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 Group amounting to Rs. 23,869 million (30 September 2021: Rs 23,975 million) and personal guarantees of sponsor directors of the Group.

	Note	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
8 LEASE LIABILITIES			
Balance at beginning of the period / year		2,104,109,093	1,460,474,747
Additions during the period / year		93,973,222	1,405,892,658
Finance cost regarding lease arrangement		109,249,110	178,103,402
Impact of modification/remeasurement		782,918,999	(9,423,355)
Lease payments / adjustments		(602,167,715)	(889,296,947)
Impact of early termination		(159,716,671)	(41,641,412)
		<u>2,328,366,038</u>	<u>2,104,109,093</u>
Less: Current maturity presented under current liabilities		<u>(809,220,068)</u>	<u>(790,380,467)</u>
Balance at end of the period / year	8.1	<u>1,519,145,970</u>	<u>1,313,728,626</u>

- 8.1** This includes Rs. 433.469 million and Rs. 19.753 million (30 September 2021: Rs. 424.124 million and Rs. 26.991 million) outstanding under Diminishing Musharakah financing arrangement and conventional banks respectively.

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

For the half year ended 31 March 2022

	Note	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
9 SHORT TERM BORROWINGS - SECURED			
Mark-up based borrowings from conventional banks			
Cash finances	9.1	14,998,282,260	1,118,382,821
Running finances	9.2	2,150,551,354	1,340,057,324
Finance against trust receipts	9.3	161,443,013	83,026,419
		17,310,276,627	2,541,466,564
Islamic mode of financing			
Salam / Istisna / Musawamah finances	9.4	10,076,484,194	542,125,000
Morabaha / Karobar / Musharakah finances	9.5	–	350,000,000
		10,076,484,194	892,125,000
		27,386,760,821	3,433,591,564

- 9.1** The Group had availed cash finance facilities from various banks aggregated to Rs. 15,000 million (30 September 2021: Rs. 12,250 million). The mark-up rates applicable during the period ranges from one to three months KIBOR plus 20 to 100 bps per annum (30 September 2021: one to three months KIBOR plus 20 to 125 bps per annum) on utilized limits.
- 9.2** The Group has obtained running finance facilities aggregating to Rs. 2,921 million (30 September 2021: Rs. 1,921 million). The mark-up rates applicable during the period ranges from one to three months KIBOR plus 75 to 100 bps per annum (30 September 2021: one to three months KIBOR plus 75 to 100 bps per annum).
- 9.3** The limit of finance against trust receipt facility is Rs. 580 million (30 September 2021: Rs. 480 million). It carries mark-up ranging from one to six months KIBOR plus 100 bps per annum (30 September 2021: one to six months KIBOR plus 100 bps per annum).
- 9.4** The Group has obtained Salam / Istisna / Musawamah financing facilities from various banks and financial institutions aggregating to Rs. 10,585 million (30 September 2021: Rs. 8,085 million). The mark-up rates applicable during the period ranging from three to six months KIBOR plus 50 to 100 bps per annum (30 September 2021: three to six months KIBOR plus 50 to 100 bps per annum).
- 9.5** The Group has not obtained Morabaha / Karobar / Musharakah finance facilities during current period. (30 September 2021: Rs. 350 million). The mark-up rates applicable during the previous year ranges from three to twelve months KIBOR plus 75 to 100 bps per annum.
- 9.6** The available facilities for opening letters of credit and guarantee as on the reporting date aggregate to Rs. 2,050 million (30 September 2021: Rs. 1,950 million) which includes Rs. 350 million (30 September 2021: Rs. 450 million) sub-limit of FATR facility and bank guarantee. Further, facilities of amounting Rs. 400 million (30 September 2021: Rs. 300 million) remain unutilized as on reporting date.
- 9.7** The securities offered are the same as disclosed in the audited consolidated financial statements of the Group for the year ended 30 September 2021.

10 TRADE AND OTHER PAYABLES

Balance as at 31 March 2022 mainly includes payable to trade creditors and growers aggregates to Rs. 3,023 million and Rs. 4,173 million (30 September 2021: Rs. 1,302 million and Rs. nil).

11 ADVANCES FROM CUSTOMERS

Balance as at 31 March 2022 mainly includes advances received from customers against sale of sugar aggregates to Rs. 6,869 million (30 September 2021: Rs. 375 million).

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

12.1.1 The Ministry of Interior (GoP) had constituted the Inquiry Commission under the Pakistan Commission of Inquiry Act, 2017 dated 16 March 2020 to probe into the increase in sugar prices in the country. The Commission of Inquiry selected 10 units of sugar mills including 3 units of the Holding Company, accordingly report of the Inquiry Commission has been issued dated 21 May 2020. The Commission of Inquiry in its report has highlighted discrepancies with respect to Benami Transactions (Prohibition) Act, 2017 with respect to the standard business practice of Pakistan sugar industry. The Commission of inquiry has revealed that names of the brokers may be masked, by the sugar mills, and there is risk of sales in benami / fictitious names. The Commission of Inquiry in its report has also highlighted discrepancies in crushing capacity of the Holding Company (refer to note 51 to the annual audited consolidated financial statements for the year ended 30 September 2021) and claimed that such enhancement and enlargement was made in the period of ban on capacity enhancement/enlargement. (Show cause notices have already been issued by the Directorate of Industries, Punjab for both Units I and II of the Holding Company way back in 2014 and matter is still pending). In addition to above, Pakistan Sugar Mills Association (PSMA) along with its member sugar mills, including the Holding Company and DSML, filed writ petition before the Honorable Islamabad High Court (IHC) challenging the initiation of inquiry, Constitution of the Commission Inquiry and all action taken pursuant thereto. Vide short order dated 20 June 2020 the writ petition was disposed off and the commission's report upheld. PSMA along with its member sugar mills, including the Holding Company and DSML, challenged the order before the Division Bench of IHC in Intra Court Appeal (ICA) No. 156 of 2020. This ICA was dismissed on 08 August 2020. Subsequent to year end, on 26 October 2020, PSMA and the Holding Company and DSML has filed Civil Petition for to Leave to Appeal (CPLA) No. 2697 of 2020 against the judgment dated 08 August 2020 before the Honorable Supreme Court of Pakistan. The Holding Company and DSML has a good prima facie case.

12.1.2 There is no material change in the status of other contingencies from the preceding audited consolidated financial statements of the Group for the year ended 30 September 2021, except for the contingencies, guarantees and commitments as disclosed below:

12.1.3 The Competition Commission of Pakistan (CCoP) issued a show cause notice dated November 04, 2020 to all sugar mills for contravention of Competition Act, 2010 on account of anti-market behavior, sharing of sensitive information between mills and distorting fair market competition.

The Holding Company and its Subsidiary Company DSML along with other sugar mills also submitted its reply on October, 2021 and joined the CCoP proceedings to defend itself through its Counsels. The thorough proceedings of CCoP ended up in tie whereby two Split decisions dated August 06, 2021 and August 12, 2021 were passed by 02 members in mills favor and other 02 members against the mills. Subsequently, the Chairperson CCoP used her prerogative to break the tie and used her casting vote whereby, order dated August 13, 2021 was passed adversely against all sugar mills for pecuniary actions. The CCoP also imposed penalties on all sugar mills. As per CCoP decision, a maximum penalty of Rs. 8,237 million and Rs. 747 million was imposed on the Holding Company and DSML respectively.

The Holding Company and DSML along with other sugar mills of Punjab challenged the said Decision dated August 13, 2021 before the Lahore High Court, Lahore in Writ Petitions on the grounds that the Chairperson is not empowered to use casting vote in judicial proceedings. The Lahore High Court, Lahore suspended

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

For the half year ended 31 March 2022

the order dated August 13, 2021 and restrained CCoP from initiating recovery proceedings. The Writ Petition is pending Adjudication. Moreover, Sugar Mills have also filed Appeals before Competition Appellate Tribunal against the CCoP Order.

12.1.4 Guarantees issued by the banks on behalf of the Holding Company and its Subsidiary Company DSML in favor of various parties as at the reporting date amounts to Rs. 857 million (30 September 2021: Rs. 965 million).

12.1.5 Counter guarantee given by the Holding Company to the bankers on account of agricultural loan as at the reporting date amounts to Rs. 2,520 million (30 September 2021: Rs. 2,520 million).

12.1.6 Guarantees issued by the banks on behalf of the Holding 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 nil(30 September 2021: Rs. 38 million).

12.1.7 The Holding Company has issued cross corporate guarantees of Rs. 4,095 million (30 September 2021: Rs. 751 million) on behalf of Deharki Sugar Mills (Private) Limited - wholly owned subsidiary, to secure the obligations of subsidiary company towards their lenders.

	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
12.2 Commitments		
12.2.1 Letters of credit for import of machinery and its related components		
Holding Company - JDWSML	50,309,014	201,323,470
Subsidiary Company - DSML	–	19,553,572
	<u>50,309,014</u>	<u>220,877,042</u>

	Note	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
13 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	13.1	22,503,836,456	23,211,878,042
Capital work in progress	13.2	477,388,019	60,266,380
Stores, spare parts and loose tools held for capital expenditure		104,536,378	105,167,132
		<u>23,085,760,853</u>	<u>23,377,311,554</u>
13.1 Operating fixed assets			
Net book value as at beginning of the period / year		23,211,878,042	24,478,190,425
Additions during the period / year		221,849,535	678,558,599
Transfer from right-of-use asset - net book value		6,581,437	14,116,680
Deletions during the period / year - net book value		(189,050,729)	(393,603,387)
Impairment charged during the period / year		–	(19,407,735)
Depreciation charged / capitalized for the period / year		(747,421,829)	(1,545,976,540)
Net book value at end of the period / year		<u>22,503,836,456</u>	<u>23,211,878,042</u>

	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
13.2 Capital work in progress		
Opening balance	60,266,380	14,599,420
Additions during the period / year	497,890,933	563,007,941
Transfers made during the period / year	(80,769,294)	(517,340,981)
Closing balance	477,388,019	60,266,380

	Note	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
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14 RIGHT-OF-USE ASSETS

Net book value at beginning of the period / year		1,879,625,367	1,176,461,527
Additions during the period / year		79,135,721	1,404,385,002
Transfer to operating fixed assets - net book value		(6,581,437)	(14,116,680)
Depreciation charged for the period / year		(357,040,562)	(576,415,656)
Deletions / derecognition during the period / year		(84,042,460)	(32,325,447)
Impact of modification / remeasurement		782,918,999	(9,423,355)
Derecognition due to sublease		—	(68,940,024)
Net book value at end of the period / year	14.1	2,294,015,628	1,879,625,367

Less: Current maturity presented under current assets		(17,199,234)	(43,462,361)
		2,276,816,394	1,836,163,006

14.1 The right-of-use assets relate to following type of assets:			
Land		1,774,093,466	1,362,720,555
Vehicles		465,619,478	471,458,460
Buildings		54,302,684	45,446,352
Total right-of-use assets		2,294,015,628	1,879,625,367

	Note	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
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15 LONG TERM INVESTMENTS

Kathai-II Hydro (Private) Limited ("KHL")	15.1	—	—
JDW Power (Private) Limited ("JDWPL")	15.2	—	—
		—	—
Less: Classified under current assets as short term investments			
JDW Power (Private) Limited ("JDWPL")	15.2	—	—
Classified under non-current assets		—	—

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

For the half year ended 31 March 2022

	Note	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
15.1 Khatai-II Hydro (Private) Limited - ("KHL")			
250 (30 September 2021: 250) fully paid shares of Rs. 10 each			
Equity held 20% (30 September 2021: 20%)		2,500	2,500
Share of post acquisition reserve		(2,500)	(2,500)
Balance as at the end of the period / year	15.1.1	—	—

15.1.1 Equity method has been applied on unaudited financial statements for the period ended 31 March 2022 (30 September 2021). Post acquisition reserves restricted to the cost of investment, therefore share of loss amounted to Rs. 151,431 (30 September 2021: Rs.210,968) for the period has not taken under equity method.

	Note	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
15.2 JDW Power (Private) Limited ("JDWPL")			
9,000,000 (30 September 2021: 9,000,000) fully paid shares of Rs. 10 each			
Equity held 47.37% (30 September 2021: 47.37%)		90,000,000	90,000,000
Less: Accumulated impairment allowance		(90,000,000)	(90,000,000)
Balance as at end of the period / year	15.2.1	—	—

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

16 BIOLOGICAL ASSETS

The fair value of standing sugarcane other than wheat and mustard crop (other crops) is carried at the accumulated costs amounting to Rs. 425 million (31 March 2021: Rs. 417 million), which approximate the fair value since little biological transformation has taken place due to the seasonal nature of the crop and the impact of the transformation on price is not expected to be material. While in absence of active market for wheat and mustard crops, the fair value measurement for the standing crop has been categorized as Level 3 fair value based on the inputs to the valuation techniques used. Fair value has been determined on the basis of a discounted cash flow model. The valuation model considers the present value of net cash flows expected to be generated by the plantation. The cash flow projections include specific estimates for next period which mainly include crop's expected yield and price. 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 production costs and costs to sell and risk adjusted discount rate. Due to seasonal nature of sugarcane and other crops, a transfer out of sugarcane amounting to Rs. 2,333 million from level 3 and transfer in of other crops amounting to Rs. 94 million into Level 3 has been made during the period respectively (31 March 2021: Rs. 1,816 million and Rs. 95 million).

16.1 Valuation techniques and significant unobservable inputs

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

	Unit	31 Mar 2022		31 Mar 2021	
		Wheat	Mustard	Wheat	Mustard
Valued plantations (Actual)					
- Punjab Zone	Acre	89	254	151	342
- Sindh Zone	Acre	949	54	886	59
Projected production costs and costs to sell					
- Punjab Zone	Rs. per Acres	3,456	3,579	2,381	1,998
- Sindh Zone	Rs. per Acres	3,456	–	2,619	681
Estimated yield per acre					
- Punjab Zone	Maunds	31	13	30	13
- Sindh Zone	Maunds	35	7	40	5
Harvest age	Months	5-6	5-6	5-6	5-6
Estimated future market price per maunds					
- Punjab Zone	Rupees	2,200	5,500	1,800	4,230
- Sindh Zone	Rupees	2,200	5,000	2,000	3,500
Risk - adjusted discount rate	% per month	0.98%	0.98%	0.91%	0.91%

16.2 Sensitivity analysis

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

	31-Mar-22 Rupees	31-Mar-22 Rupees	31-Mar-21 Rupees	31-Mar-21 Rupees
Decrease of 10% in expected average yield per acre	(7,837,508)	(2,014,268)	(7,827,036)	(1,895,785)
Increase of 10% in discount rate	(74,214)	(19,086)	(75,050)	(19,081)

(Un-audited)
31-Mar-22
Rupees

(Audited)
30-Sep-21
Rupees

17 STOCK-IN-TRADE

Sugar - finished goods	39,006,473,089	3,230,570,741
Molasses - by product	2,786,183,130	–
Bagasse - by product	2,104,988,310	251,138,904
Mud - by product	103,033,886	13,607,935
Sugar - work-in-process	322,273,938	–
Molasses - work-in-process	111,604,032	–
	<u>44,434,556,385</u>	<u>3,495,317,580</u>

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

For the half year ended 31 March 2022

	Note	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
18 CASH AND BANK BALANCES			
Current accounts			
Balance with conventional banks		221,415,694	261,386,412
Balance with islamic banks		218,733,495	14,494,119
		440,149,189	275,880,531
Saving accounts			
Deposit with conventional banks	18.1	4,272,931	1,952,027
		444,422,120	277,832,558
Cash in hand			
		47,696,410	6,108,517
		492,118,530	283,941,075

18.1 The balances in saving accounts carry mark-up at 5.75% to 10% per annum (30 September 2021: 5.5% per annum).

19 REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue based on:

		Six months ended		Three months ended	
	Note	31-Mar-22 Rupees	31-Mar-21 Rupees	31-Mar-22 Rupees	31-Mar-21 Rupees
19.1 Segments					
Sugar					
Sugar - local		22,426,174,833	25,040,155,162	12,626,455,398	12,573,969,239
Molasses - by product		6,489,856,548	5,121,859,289	4,539,446,416	3,352,306,825
Agri Inputs		2,086,238,638	1,749,781,335	2,085,646,138	1,749,493,870
Mud - by product		376,566,585	262,012,823	245,531,123	186,288,783
		31,378,836,604	32,173,808,609	19,497,079,075	17,862,058,717
Co-Generation Power	19.1.1	1,583,452,822	1,824,125,628	938,008,185	895,465,828
Corporate Farms		3,338,875	28,878,955	3,160,375	17,104,189
		32,965,628,301	34,026,813,192	20,438,247,635	18,774,628,734
19.1.1 Co-Generation Power					
Variable energy price		933,711,396	1,049,340,664	582,313,205	560,429,912
Fixed energy price		649,741,426	774,784,964	355,694,980	335,035,916
		1,583,452,822	1,824,125,628	938,008,185	895,465,828
19.2 Timing of revenue recognition					
Products transferred at a point in time		31,382,175,479	32,202,687,564	19,500,239,450	17,879,162,906
Products transferred over time		1,583,452,822	1,824,125,628	938,008,185	895,465,828
		32,965,628,301	34,026,813,192	20,438,247,635	18,774,628,734

20 OTHER INCOME

This mainly includes fair value gain on initial recognition of agricultural produce of Rs. 860 million (31 March 2021: Rs. 728 million), net fair value gain on biological assets of Rs. 59 million (31 March 2021: Rs. 68 million), markup on delayed payment from CPPA-G of Rs. 78 million (31 March 2021: Rs. 69 million), net scrap sale of Rs. 3.5 million (31 March 2021: Rs. 50 million) and gain on disposal of operating fixed assets of Rs. 39 million (31 March 2021: Rs. 19 million).

21 OTHER EXPENSES

This mainly includes Rs. 3,326 million which was written off in half year ended 31 March 2021 against fixed energy receivables from Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) according to the terms agreed in Master and EPA Amendment Agreement between the Holding Company and the CPPA-G.

22 BUSINESS SEGMENTS INFORMATION

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

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

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

For the half year ended 31 March 2022

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

22.2.1	Segment revenues & results	Sugar		Co-Generation Segment		Corporate Farms Segment		Others		Inter Segment Reconciliation		Total	
		31-Mar-22 Rupees	31-Mar-21 Rupees	31-Mar-22 Rupees	31-Mar-21 Rupees	31-Mar-22 Rupees	31-Mar-21 Rupees	31-Mar-22 Rupees	31-Mar-21 Rupees	31-Mar-22 Rupees	31-Mar-21 Rupees	31-Mar-22 Rupees	31-Mar-21 Rupees
	Net external revenues	31,378,836,604	32,173,808,609	1,583,452,822	1,824,125,628	3,338,875	28,878,965	-	-	-	-	32,965,628,301	34,026,813,192
	Inter - segment revenues	1,183,892,396	1,336,376,052	1,260,474,837	1,166,602,805	4,431,740,975	3,499,796,528	-	-	(6,876,108,208)	(6,002,775,395)	-	-
	Reportable segment revenue	32,562,729,000	33,510,184,661	2,843,927,659	2,990,728,433	4,435,079,850	3,528,675,493	-	-	(6,876,108,208)	(6,002,775,395)	32,965,628,301	34,026,813,192
	Segment profit / (loss) before tax	2,109,873,504	1,985,986,926	1,196,206,538	(1,995,350,724)	674,478,799	393,722,088	(8,064,769)	(924,592)	-	-	3,972,494,072	383,433,698

22.2.2 Inter - segment sales and purchases

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

22.2.3 Basis of inter - segment pricing

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

22.2.4 Segment assets & liabilities of continuing operations

	Sugar	Co-Generation Segment		Corporate Farms Segment		Others		Total	
		(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees	(Un-audited) 31-Mar-22 Rupees	(Audited) 30-Sep-21 Rupees
Total assets for reportable segment	69,058,989,035	26,651,090,129	6,500,453,630	7,529,223,633	5,151,650,859	5,934,479,447	9,225,243	80,712,255,496	40,124,019,452
Total liabilities for reportable segment	60,204,435,599	22,851,369,934	1,607,700,533	76,180,736	2,148,767,081	81,092	78,592	62,513,994,305	24,692,981,116

22.3 Reconciliation of reportable segment profit or loss

		31-Mar-22		31-Mar-21	
		Rupees	Rupees	Rupees	Rupees
Total profit before tax for reportable segments		3,972,494,072	383,433,698		
Unallocated corporate expenses		(607,483,606)	(100,972,879)		
Consolidated profit after tax from continuing operations		3,365,000,466	282,460,819		

23 TRANSACTIONS WITH RELATED PARTIES

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

Name	Relationship	Nature of Transactions	31-Mar-22 Rupees	31-Mar-21 Rupees
JDW Aviation (Pvt.) Limited	Associated Company (Common directorship)	Reimbursement of expenses	1,915,617	2,189,338
Lahore Flying Club (Guarantee) Limited	Associated Company (Related party)	Services rendered against aircraft hangar	615,779	870,843
Post Employment Benefit Plans	Related Parties	Provident fund contribution	157,818,790	135,820,817
		Payment to recognized gratuity fund	55,987,252	104,659,256
Key Management Personnel	Key Management	Directors' remuneration and allowances	681,101,670	604,956,670
		Dividend paid	267,029,390	-
		Consultancy services	-	7,196,328

24 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of all financial assets and liabilities reflected in these condensed interim consolidated financial statements approximate their fair values except investment in associates are carried at cost less accumulated impairment loss (for details, refer to note 15).

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

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

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

Level 3: Unobservable inputs for the asset or liability.

During the period, there were no transfers amongst levels during the period.

25 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objective and policies are consistent with that disclosed in the audited annual consolidated financial statements of the Group for the year ended 30 September 2021.

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

For the half year ended 31 March 2022

26 DATE OF AUTHORIZATION

These condensed interim consolidated financial statements have been approved by the Board of Directors and authorized for issue on 30 May 2022.

27 CORRESPONDING FIGURES

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

28 EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors of the Holding Company in its meeting held on 30 May 2022 declared interim cash dividend of Rs. 7.5 (75%) per share for the half year ended 31 March 2022 (31 March 21: Rs. Nil per share).

Chief Financial Officer

Chief Executive

Director



FARMERS' FIRST CHOICE



www.jdw-group.com



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