

## 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

Makhdoom Syed Ahmad Mahmud

Director / Chairman

Mr. Raheel Masud

Chief Executive

Mrs. Samira Mahmud

Syed Mustafa Mehmud

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

Pak Kuwait Investment Company  
Limited

Askari Bank Limited

Standard Chartered Bank (Pakistan)  
Limited

National Bank of Pakistan

Allied Bank Limited

Soneri Bank 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



## 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 Lалуwali, Near Village  
Islamabad, District Ghotki.



## Web Presence

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



02





# DIRECTORS' REVIEW

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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, 2023 which has been duly reviewed by the external Auditors.

During the period under review despite 22% increase in the net sales of the Company which increased from Rs. 30 billion to Rs. 37 billion there has been 64% reduction in the net profitability after tax which dropped from Rs. 3,192 million to Rs. 1,155 million, resultantly earnings per share of the Company have come down to Rs. 19.65 from Rs. 53.39 in the corresponding period last year. Gross profit ratio has also decreased from 18% to 14%. The profitability achieved in the current period has come from sugar and co-gen divisions whereas corporate farms have shown negative results this time. Main reasons for drop in the profitability are summarized below:

- I. Unfavorable sugar prices because of surplus carryover sugar stocks of approx. 1 million tons from last year available at start of the crushing season 2022-23. Delayed decision by the Federal Government for export of sugar coupled with inadequate permission for export i.e., just 250,000 tons has depressed the local sugar prices.
- II. Besides increase in other factory overheads i.e., salaries & wages, packing material cost, oil & lubricants and chemicals there was also substantial increase in the procurement cost of sugarcane which resulted in eroding the profitability of the Company. Provincial Governments continue to increase the support prices of sugarcane every year without giving any support to the sugar industry to keep sugar prices at a level where these prices can support increase in the support prices. Provinces simply claim that it's a subject of the Federal Government.
- III. Other income has also substantially decreased from Rs. 1,177 million to Rs. 411 million mainly due to net fair value loss of crop at the point of harvest caused by reduction in yield per acre. Financial results of the corporate farms are negative this time.
- IV. Another main reason is 84% increase in the financial charges of the Company which increased from Rs. 1,309 million to Rs. 2,410 million caused by higher markup rates and more working capital was needed to ensure timely payments to growers.

Daharki Sugar Mills (Pvt.) Limited (DSML), a 100% owned subsidiary of the Company has earned profit after tax amounting to Rs. 354 million as compared to profit after tax Rs. 181 million in the same period last year. Increase in the profitability is 95% despite more than 180% increase in the net sales of the Company which has increased from Rs. 4.5 billion to Rs. 12.6 billion. Increase in net profit of DSML was not in line with increase in net sales due to the same reasons as given in paragraphs i), ii) and iv) above.

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

- For the crushing season 2022-23 which concluded on different dates for all the units and following operating results were achieved:

## Operating Results

		2022-23				2021-22			
		JDW-I	JDW-II	JDW-III	COMBINED	JDW-I	JDW-II	JDW-III	COMBINED
Sugarcane Crushed	M.Tons	2,698,673	2,003,727	1,724,264	6,426,664	3,311,789	2,408,562	2,091,205	7,811,556
Sugar Production	M.Tons	303,372	212,016	179,585	694,973	336,630	235,506	209,498	781,634
Sucrose Recovery	%age	11.24	10.58	10.41	10.81	10.16	9.78	10.02	10.01
Molasses Production	M.Tons	116,964	86,953	76,170	280,087	156,887	124,116	102,488	383,491
Molasses Recovery	%age	4.33	4.34	4.42	4.36	4.74	5.15	4.90	4.91

The Crushing season 2022-23 was started on 25 November 2022 in our units in Punjab and in Sindh Unit III was started on 28 November 2022 (Comparatively in 2021-22: crushing season was started in Punjab Units on 15 November 2021 and in Sindh Unit III on 21 November 2021). Sugarcane crushed this time by the Company was 18% lesser than last year whereas sugar production was 11% decrease due to 81 bps increase in the sucrose recovery this time. One thing is worth noting that 10 days delay in start of crushing season 2022-23 has resulted in achieving increase in the sucrose recovery so the best time to start crushing season every year is the last week of November which can give at-least 300,000 tons extra sugar production to the country. The crop size for crushing season 2022-23 was lesser than last year due to 2022 floods in the province of Sindh. Also, growers have experienced low yield per acre ranging from 10% to 20% from area to area. Better sucrose recoveries and more area under cultivation were the positive factors which mitigated to a large extent the negative impact of floods and low yields per acre and the country was able to produce 6.7 million tons of sugar as compared to 7.84 million tons in the last crushing season i.e., 15% drop over last crushing season.

DSML being wholly owned subsidiary of the Company has achieved the following operating results during crushing season 2022-23.

		2022-23	2021-22
Sugarcane Crushed	M.Tons	1,585,515	1,953,090
Sugar Production	M.Tons	165,410	196,560
Sucrose Recovery	%age	10.43	10.06
Molasses Production	M.Tons	70,147	96,603
Molasses Recovery	%age	4.42	4.95

For DSML, this time crushing season was started on 27 November 2022 and there has been 19% decrease in the sugarcane crushing whereas decrease in sugar production was 16% due to 37 bps increase in the sucrose recovery.

For crushing season 2022-23, notified support prices of sugarcane have again been increased to Rs. 300 from Rs. 225 per 40 kgs in the province of Punjab and to Rs. 302 from Rs. 250 per 40 kgs in Sindh. This increase in support price of sugarcane ultimately increased the production cost of the sugar. Prices of sugarcane which is a major cost component are determined & announced by the Provincial Governments every year whereas prices of sugar are left on the market forces causing big issue for the sugar industry. Administration in Punjab does not even believe and let the market operate based on market forces and start taking coercive measures to curb the sugar prices. Gap between prices of imported sugar and local sugar is widening substantially giving incentive to sugar smuggling. The replacement cost of sugar is more than Rs. 250 per kg as against ex-mill price of around Rs. 110 per kg in the local market. Government needs to stabilize sugar prices by taking various measures to reduce the gap between imported and local sugar prices so that growers can get better prices of their produce according to the international prices of the commodity and sugar industry can make reasonable profits.

#### Other Salient Features:

- The balance sheet size has increased to Rs. 78 billion from Rs. 46 billion. Accumulated reserves are approximately 27 times of the paid-up capital of the Company.
- On Group basis an amount of Rs. 405 million is also due from the Government of Sindh on account of subsidy for sugar exports made in the year 2017-18. Sugar Mills in Sindh province has filed a petition in Sindh High Court for recovery of this amount from the Sindh Government. Approx. Rs. 3 billion of all sugar mills in Sindh is stuck up causing liquidity issues for the mills. Federal Government and Government of Punjab have already released their share of export subsidies almost five (05) years ago. Sugar mills in Sindh have filed a writ petition in the Sindh High Court for recovery of this amount and Honorable Sindh High Court has recently ordered the Sindh Government for release of funds during first quarter of the financial year.

- The Company is fulfilling it's all financial obligations on time and enjoys cordial relationship with all the financial institutions it's dealing with.
- As usual growers' payment has remained our top priority being one of the main keys of our success. Despite difficult and most un-favorable circumstances for the sugar industry we are still making growers' payment on priority even in the 5th consecutive crushing season through their bank accounts and our efforts are very well appreciated by the growers. Company also 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.
- VIS Credit Rating Company Limited (VIS) has reaffirmed the entity ratings of JDW Sugar Mills Limited (JDWS) at 'A+ /A-1' (Single A Plus/A-One) on 17 May 2023. 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. 10 per share i.e., 100% (31 March 22: Rs. 7.50) per share for the half year ended 31 March 2023.
- Financial year 2022-2023 seems to be more challenging due to prevailing economic conditions of the country, increase in discount rate by SBP is causing drastic increase in the finance cost of the Company, hipper inflation and increase in sugarcane support prices by the provinces have substantially increased the production cost of sugar with no adequate corresponding increase in the sugar prices.
- With the grace of Allah, we are maintaining continued good performance and want to focus more on reduction of our debt to further reduce the financial cost of the Company but from November 2021 onwards State Bank of Pakistan (SBP) has increased discount rate from time to time and now it has increased from 8.75% to 21% per annum, consequently markup rates have substantially gone up at an unsustainable level which will adversely affect the profitability of the Company in future.

29 May 2023  
Lahore

Chief Executive

Director

- VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) نے 17 مئی 2023ء کو JDW شوگر ملز لمیٹڈ (JDWS) کی ادارہ جاتی درجہ بندی کی A+/A-1 (سنگل اے پلس/اے-ون) سے توثیق کی ہے۔ ’A+‘ کی وسط سے طویل مدتی درجہ بندی اچھی کریڈٹ کوالٹی اور معقول حقائق حوالہ کی نشاندہی کرتی ہے۔ مزید برآں، خطرات کے حوالہ معیشت میں مثبت تبدیلیوں کے ساتھ تبدیل ہو سکتے ہیں۔ ’اے-ون‘، قلیل مدتی درجہ بندی بروقت ادائیگی پر پختہ یقین، بہترین گلوڈیڈٹی حوالہ اور بہتر بنیادی حقائق حوالہ کی نشاندہی کرتی ہے۔ مقررہ کردہ درجہ بندی کی آؤٹ لک ’مستحکم‘ ہے۔
- بہتر منافع کی روٹینی میں، بورڈ آف ڈائریکٹرز 31 مارچ 2023ء کو اختتام پذیر نصف سال کے لئے 10 روپے فی حصص یعنی 100% (31 مارچ 2022ء: 7.50 روپے) عبوری منافع منقسمہ کا اعلان کرتے ہیں۔
- مالیاتی سال 2022-2023ء ملک میں جاری معاشی بحران کے باعث مزید مشکلات کا سال رہے گا۔ SBP کے ڈسکاؤنٹ ریٹ میں اضافہ کمپنی کی قرضوں کی لاگت میں بے انتہا اضافہ کا باعث بن رہا ہے۔ افراط زر کی بلند شرح اور صوبوں کی جانب سے گئے کی سپورٹ پر اس میں اضافہ نے کمپنی کی قیمتوں میں نسبتاً غیر موافق اضافے کے ساتھ کمپنی کی پیداواری لاگت میں نمایاں اضافہ کیا ہے۔
- الحمد للہ، ہم اچھی کارکردگی جاری رکھے ہوئے ہیں اور اپنے قرضوں میں کمی پر بھرپور توجہ دے رہے ہیں تاکہ کمپنی کی قرضوں کی لاگت میں مزید کمی لائی جاسکے۔ البتہ نومبر 2021ء سے اسٹیٹ بینک آف پاکستان (SBP) نے وقفہ فوقتاً ڈسکاؤنٹ ریٹ میں اضافہ کیا اور اب اس میں 8.75% سے 21% سالانہ اضافہ ہو چکا ہے۔ جس کے نتیجے میں مارک اپ ریٹ ناقابل برداشت سطح تک بڑھ گیا ہے جو مستقبل میں کمپنی کے منافع پر اثر انداز ہوگا۔

پیداوار کا باعث بن سکتا ہے۔ سال 2022ء میں صوبہ سندھ میں سیلاب کے باعث گزشتہ برس کے مقابلے میں کرشنگ سیزن 2022-23 کے لئے فصلوں کا سائز کم تھا۔ مزید یہ کہ، کاشتکاروں کو بھی علاقوں کے مطابق 10% سے 20% کم فی ایکڑ پیداوار کا سامنا کرنا پڑا۔ سکروز کی بہتر میٹریوری اور زیادہ زیر کاشت رقبہ مثبت پہلو تھے جس سے سیلاب کے منفی اثرات اور فی ایکڑ کم پیداوار سے کسی حد تک مقابلہ کرنے میں مدد ملی۔ اس طرح ملک بھر میں گزشتہ کرشنگ سیزن میں 7.84 بلین ٹن پیداوار کے مقابلے میں 6.7 بلین ٹن چینی پیدا ہوئی جو گزشتہ کرشنگ سیزن سے 15% فی صد کم ہے۔

کمپنی کی کلی ملکتی ذیلی کمپنی کی حیثیت سے DSML نے کرشنگ سیزن 2022-23ء کے دوران مندرجہ ذیل آپریٹنگ نتائج حاصل کئے۔

2021-22	2022-23		
1,953,090	1,585,515	میٹرک ٹن	گنے کی یہائی
196,560	165,410	میٹرک ٹن	چینی کی پیداوار
10.06	10.43	فیصد %	چینی کی پیداواری تناسب
96,603	70,147	میٹرک ٹن	راب کی پیداوار
4.95	4.42	فیصد %	راب کی پیداواری تناسب

DSML کے لئے اس مرتبہ کرشنگ سیزن کا آغاز 27 نومبر 2022ء کو ہوا اور گنے کی کرشنگ میں 19% کمی کا سامنا کیا اور سکروز ریکورڈ میں 37bps اضافہ کے باعث چینی کی پیداوار میں 16% کمی واقع ہوئی۔

کرشنگ سیزن 2022-23ء کے لئے صوبہ پنجاب میں گنے کی مقرر کردہ سپورٹ پرائس میں 225 روپے فی من سے 300 روپے فی من میں اور صوبہ سندھ میں 250 روپے فی من سے 302 روپے فی من میں اضافہ کر دیا گیا۔ گنے کی سپورٹ پرائس میں اس اضافے نے چینی کی پیداواری لاگت میں اضافہ کر دیا۔ گنے کی قیمتوں کا اعلان، جولاگت کا بڑا اور اہم جزو ہے، ہر سال صوبائی حکومتیں کرتی ہیں جب کہ چینی کی قیمتوں کا دار و مدار منڈی کے عوامل پر ہے جس نے شوگر انڈسٹری کے لئے بڑا مسئلہ پیدا کر دیا ہے۔ پنجاب کی انتظامیہ یقین نہیں رکھتی اور منڈی کے عوامل پر منڈی کو آپر بیٹ کرنے کے لئے چھوڑ دیا ہے جب کہ چینی کی قیمتوں کو قابو کرنے کے لئے جبری اقدامات شروع کر دیئے گئے ہیں۔ درآمدی چینی اور مقامی چینی کی قیمتوں میں فرق بڑھتا جا رہا ہے جس کے باعث چینی کی سوگلائگ کو ہوا مل رہی ہے۔ مقامی منڈی میں 110 روپے فی ٹون چینی کی ایکس مل پرائس کے مقابلے میں چینی کی متبادل قیمت 250 روپے فی ٹون سے زائد ہے۔ حکومت کو متعدد اقدامات کر کے چینی کی قیمتوں میں استحکام لانا ہو گا تاکہ درآمدی اور مقامی چینی کی قیمتوں میں فرق کم کیا جاسکے تاکہ کاشتکار اجناس کی بین الاقوامی قیمتوں کے مطابق اپنی فصلوں کی بہتر قیمت حاصل کر سکیں اور شوگر انڈسٹری موافق منافع حاصل کر سکے۔

## دیگر نمایاں خصوصیات

- بیلنس شیٹ کا سائز 46 بلین روپے سے بڑھ کر 78 بلین روپے ہو گیا ہے۔ مجموعی ذخائر کمپنی کے ادائیدہ سرمایہ سے تقریباً 27 گنا زیادہ ہیں۔
- گروپ کی بنیاد پر سال 2017-18 کے دوران چینی کی برآمدات کے لئے سبسڈی کی بابت حکومت سندھ سے 405 بلین روپے واجب الوصول ہیں۔ صوبہ سندھ کی شوگر ملوں نے حکومت سندھ سے اس رقم کی وصولی کے لئے سندھ ہائی کورٹ میں پٹیشن دائر کر رکھی ہے۔ سندھ کی تمام شوگر ملوں کے تقریباً 3 بلین روپے پھنسے ہوئے ہیں جس کے باعث ملوں کو لیکوڈیٹی مسائل کا سامنا ہے۔ وفاقی حکومت اور حکومت پنجاب نے تقریباً پانچ (05) برس قبل برآمدی سبسڈی کی بابت اپنا حصہ جاری کر دیا ہے۔ سندھ کی شوگر ملوں نے اس رقم کی وصولی کے لئے سندھ ہائی کورٹ میں درخواست دائر کر رکھی ہے اور فاضل سندھ ہائی کورٹ نے اپنے حالیہ حکم میں حکومت سندھ کو مالیاتی سال کی پہلی سہ ماہی میں رقم جاری کرنے کا حکم دیا ہے۔
- کمپنی اپنے قرضوں کی بابت تمام تر واجبات بروقت ادا کر رہی ہے اور اپنے ساتھ کام کرنے والے مالیاتی اداروں کے ساتھ خوشگوار تعلقات سے لطف اندوز ہو رہی ہے۔
- معمول کی طرح ہمارے اہم وسائل میں سے ایک کاشتکاروں کی ادائیگی ہماری اولین ترجیح ہے۔ شوگر انڈسٹری کے لئے مشکل ترین اور نامساعد حالات کے باوجود ہم مسلسل پانچ کرشنگ سیزن سے ترجیحی بنیادوں پر کاشتکاروں کو ان کے بینک اکاؤنٹ میں بروقت ادائیگی کر رہے ہیں جس کو کاشتکاروں سے بہت سراہا ہے۔ کمپنی باقاعدگی سے اپنے کاشتکاروں کو مالیاتی معاوضت اور تکنیکی سپورٹ فراہم کرتی ہے۔ ان پالیسیوں اور کاشتکاروں کے ساتھ امتیازی سلوک کے باعث کمپنی کے ان کے ساتھ خوشگوار تعلقات قائم ہیں۔

# ڈائریکٹرز کا جائزہ

## عزیز تحص داران،

ہم، JDW شوگر ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے، بیرونی آڈیٹرز کی باقاعدہ جامع نظر ثانی کے بعد 31 مارچ 2023ء کو اختتام پذیر نصف سال کے لئے کمپنی کی عبوری مالیاتی اسٹیٹمنٹس اذراہستہ پیش کرتے ہیں۔

کمپنی کی خالص سبز میں 30 بلین روپے سے 37 بلین روپے یعنی 22% اضافہ کے باوجود بر جائزہ مدت کے دوران ٹیکس کے بعد کمپنی کے خالص منافع میں 3,192 بلین روپے سے 1,155 بلین روپے یعنی 64 فی صد کمی واقع ہوئی جس کے باعث کمپنی کی فی حصص آمدنی گذشتہ برس کی اسی مدت میں 53.39 روپے سے کم ہو کر 19.65 روپے تک گر گئی۔ کل منافع کا تناسب بھی 18% سے کم ہو کر 14% ہو گیا۔ حالیہ مدت کے دوران حاصل منافع شوگر اور کوہین ڈیویژن سے ممکن ہوا جبکہ اس وقت کارپوریٹ فارمنے ضمنی نتائج ظاہر کئے۔ نفع میں کمی کی وجوہات کا خلاصہ حسب ذیل ہے:

- i. کرشنگ سیزن 2022-23 کے آغاز پر گذشتہ برس کے 1 بلین ٹن دستیاب چینی کے باعث شوگر کی غیر موافق قیمتیں، چینی کی برآمد کے لئے وفاقی حکومت کے تاخیری فیصلے اور نامناسب مقدار پر برآمدات یعنی صرف 250,000 ٹن نے چینی کی مقامی قیمتوں کو کم کر دیا۔
- ii. تنخواہوں اور مزدوری، پیکنگ میٹریل کی لاگت اور آئل، لبریکیشن اور کیمیکلز جیسے دیگر فیکٹری اخراجات میں اضافہ کے علاوہ گنے کی قیمت میں بھی نمایاں اضافہ نظر آیا جس کے نتیجے میں کمپنی کے منافع میں کمی واقع ہوئی۔ صوبائی حکومتیں سپورٹ پرائس میں اضافہ سے نبرد آزما ہونے کے لئے چینی کی قیمتوں کی مد میں شوگر انڈسٹری کو کسی قسم کا سہارا دینے بغیر ہر سال گنے کی سپورٹ پرائس میں مسلسل اضافہ کر رہی ہیں۔ صوبے دہائی کرتے ہیں کہ یہ وفاقی حکومت کا دائرہ اختیار ہے۔
- iii. فی ایکڑ پیداوار میں کمی کے باعث کٹائی کے موقع پر فصلوں کی خالص فیبر و لیٹو میں خسارے کے باعث دیگر آمدنی میں بھی 1,177 بلین روپے کے مقابلے میں 411 بلین روپے کی نمایاں کمی واقع ہوئی۔ اس مرتبہ کارپوریٹ فارم کے مالیاتی نتائج منفی ہیں۔
- iv. دوسری بڑی وجہ زیادہ شرح سود اور کاشت کاروں کو بروقت ادائیگی کے لئے درکار زیادہ سرمایے کے باعث کمپنی کے مالیاتی اخراجات میں 1,309 بلین روپے سے 2,410 بلین روپے یعنی 84% اضافہ ہے۔

کمپنی کی 100 فی صد ملکیتی ڈبلیو جی ڈی شوگر ملز (پرائیویٹ) لمیٹڈ (DSML) نے گذشتہ برس کی اسی مدت میں 181 بلین روپے کی نسبت 354 بلین روپے منافع علاوہ ٹیکس حاصل کیا۔ کمپنی کی خالص سبز میں 180% سے زائد اضافہ کے باوجود نفع میں 95% اضافہ ہوا جو 4.5 بلین روپے سے بڑھ کر 12.6 بلین روپے ہو گیا۔ DSML کے خالص منافع میں اضافہ مذکورہ بالا پیرا گراف i، ii اور iv میں بیان کردہ وجوہات کے باعث خالص سبز میں اضافہ سے مطابقت نہیں رکھتا۔

- 2022-23 کرشنگ سیزن کے لئے، جو تمام پائپس میں مختلف تاریخوں میں شروع ہوا، آپریٹنگ نتائج حسب ذیل ہیں:

## آپریٹنگ نتائج

مجموعہ	2021-22				2022-23			
	JDW-3	JDW-2	JDW-1	مجموعہ	JDW-3	JDW-2	JDW-1	
گنے کی کرشنگ (ہائی)	7,811,556	2,091,205	2,408,562	3,311,789	6,426,664	1,724,264	2,003,727	2,698,673
چینی کی پیداوار	781,634	209,498	235,506	336,630	694,973	179,585	212,016	303,372
چینی کی پیداواری تناسب	10.01	10.02	9.78	10.16	10.81	10.41	10.58	11.24
راب کی پیداوار	383,491	102,488	124,116	156,887	280,087	76,170	86,953	116,964
راب کی پیداواری تناسب	4.91	4.90	5.15	4.74	4.36	4.42	4.34	4.33

ہمارے پنجاب کے پائپس میں کرشنگ سیزن 2022-23 کا آغاز 25 نومبر 2022ء اور سندھ کے پائپ III میں کرشنگ سیزن کا آغاز 28 نومبر 2022ء کو ہوا (سال 2021-22ء میں کرشنگ سیزن کا آغاز 15 نومبر 2021ء اور سندھ کے پائپ III میں 21 نومبر 2021ء کو ہوا تھا)۔ گذشتہ برس کی نسبت کمپنی نے اس مرتبہ 18% کم گنا کرش کیا جبکہ اس مرتبہ سکروز ریکوری میں 81 bps اضافے کے باعث چینی کی پیداوار میں 11% کمی واقع ہوئی۔ ایک کٹنا انتہائی قابل ذکر ہے کہ کرشنگ سیزن 2022-23ء کے آغاز میں 10 یوم کی تاخیر سکروز ریکوری میں اضافہ کا باعث بنی لہذا کرشنگ سیزن کے آغاز کا بہترین وقت نومبر کا آخری ہفتے سے جولائی کو چینی کی کم از کم 300,000 ٹن اضافی

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# 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 2023 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 2023 and 31 March 2022 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 2023.

#### 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.

#### Basis for Qualified Conclusion

Based on information provided to us by management of the Company and referring to note 7.3 of the condensed interim unconsolidated financial statements, the Company was not in compliance with certain financial / non-financial covenant of the financial Institutions as define in the loan agreements. However, the Company has not classified non-current maturity of such financing as current liability under the requirement of International Accounting Standards 1 'Presentation of Financial Statements' which constitutes a departure from IFRSs. The Company's accounting record indicate that, had management classified its long term liabilities as current liabilities pursuant to such breach of covenants, total current liabilities would be increased by Rs. 5,154 million as at 31 March 2023.

#### Qualified Conclusion

Based on our review, with the exception of the matter described in the preceding paragraph, 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.

29 May 2023  
Lahore

UDIN: RR2023100980uG7Sf3BC

**RIAZ AHMAD, SAQIB, GOHAR & CO.**  
Chartered Accountants

Building No.35 - D / E, Ali Block, New Garden Town, Lahore.  
Tel: (92-42) 35940246-7.



Riaz Ahmad, Saqib, Gohar & Company  
Chartered Accountants

A member of **agn**  
INTERNATIONAL

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

As at 31 March 2023

	Note	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	6	577,766,610	597,766,610
Share premium reserve		678,316,928	678,316,928
Accumulated profit		15,189,400,771	15,628,973,589
		<u>16,445,484,309</u>	<u>16,905,057,127</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term finances - secured	7	5,754,099,655	6,256,153,949
Lease liabilities	8	1,453,627,302	1,829,057,614
Retirement benefits		-	23,650,196
Deferred taxation		231,878,971	246,261,269
		<u>7,439,605,928</u>	<u>8,355,123,028</u>
<b>CURRENT LIABILITIES</b>			
Short term borrowings	9	27,087,774,091	11,034,338,292
Current portion of non-current liabilities		3,364,116,342	3,801,685,517
Trade and other payables	10	4,807,500,659	3,027,697,166
Advances from customers	11	17,526,904,272	2,518,090,144
Unclaimed dividend		43,954,135	40,640,932
Accrued profit / interest / mark-up		1,068,278,322	812,967,857
		<u>53,898,527,821</u>	<u>21,235,419,908</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	12	<u>77,783,618,058</u>	<u>46,495,600,063</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	13	20,428,738,722	19,335,452,013
Right-of-use assets	14	1,747,346,382	1,598,855,840
Investment property	15	317,840,212	185,854,012
Intangibles		609,670,511	610,690,376
Long term investments	16	1,084,012,500	1,084,012,500
Long term deposits		121,889,591	94,827,518
		<u>24,309,497,918</u>	<u>22,909,692,259</u>
<b>CURRENT ASSETS</b>			
Right-of-use assets	14	332,223,944	730,292,317
Short term investments	16	1,010,926,445	651,994,491
Biological assets	17	885,568,203	2,855,032,666
Stores, spare parts and loose tools		2,909,311,283	1,916,458,645
Stock-in-trade	18	40,535,871,106	12,145,780,400
Trade receivables		5,755,582,371	3,551,542,437
Advances, deposits, prepayments and other receivables	19	1,353,649,747	1,098,333,227
Advance tax - net		157,747,226	346,779,028
Cash and bank balances	20	533,239,815	289,694,593
		<u>53,474,120,140</u>	<u>23,585,907,804</u>
		<u>77,783,618,058</u>	<u>46,495,600,063</u>

The annexed notes from 1 to 30 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 2023

	Note	Six months ended		Three months ended	
		31-Mar-23 Rupees	31-Mar-22 Rupees	31-Mar-23 Rupees	31-Mar-22 Rupees
<b>Gross revenue</b>		40,318,859,466	33,604,778,230	23,626,351,860	21,896,209,338
Sales tax and commission		(3,872,447,956)	(3,757,300,560)	(1,860,152,315)	(2,396,006,647)
<b>Revenue from contracts with customers</b>	21	36,446,411,510	29,847,477,670	21,766,199,545	19,500,202,691
Cost of revenue		(31,428,089,612)	(24,436,054,824)	(18,411,345,690)	(15,659,823,574)
<b>Gross profit</b>		5,018,321,898	5,411,422,846	3,354,853,855	3,840,379,117
Administrative expenses		(1,339,321,093)	(1,125,489,760)	(772,816,498)	(595,139,022)
Selling expenses		(43,915,548)	(32,711,688)	(28,309,288)	(18,736,041)
Other income	22	410,872,822	1,177,218,725	322,841,767	597,469,591
Other expenses	23	(87,171,480)	(261,208,480)	(73,555,385)	(178,827,509)
		(1,059,535,299)	(242,191,203)	(551,839,404)	(195,232,981)
<b>Profit from operations</b>		3,958,786,599	5,169,231,643	2,803,014,451	3,645,146,136
Finance cost		(2,409,542,973)	(1,309,067,062)	(1,510,857,215)	(858,451,837)
<b>Profit before taxation</b>		1,549,243,626	3,860,164,581	1,292,157,236	2,786,694,299
Taxation		(394,402,053)	(668,473,185)	(592,167,335)	(513,423,478)
<b>Profit for the period</b>		1,154,841,573	3,191,691,396	699,989,901	2,273,270,821
<b>Earnings per share - basic and diluted</b>	24	19.65	53.39	12.11	38.03

The annexed notes from 1 to 30 form an integral part of this condensed interim unconsolidated financial statements.

CONDENSED INTERIM UNCONSOLIDATED  
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
For the half year and quarter ended 31 March 2023

	Six months ended		Three months ended	
	31-Mar-23 Rupees	31-Mar-22 Rupees	31-Mar-23 Rupees	31-Mar-22 Rupees
<b>Profit for the period</b>	1,154,841,573	3,191,691,396	699,989,901	2,273,270,821
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>1,154,841,573</b>	<b>3,191,691,396</b>	<b>699,989,901</b>	<b>2,273,270,821</b>

The annexed notes from 1 to 30 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 2023

	Note	31-Mar-23 Rupees	31-Mar-22 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		1,549,243,626	3,860,164,581
<b>Adjustments for non-cash income and expenses:</b>			
Finance cost		2,406,270,601	1,305,794,692
Depreciation of operating fixed assets		1,194,105,937	920,005,671
Depreciation of right-of-use assets		434,576,321	528,181,435
Sugarcane roots written off		185,609,872	158,778,802
Staff retirement benefits		143,435,189	122,909,194
Workers' Profit Participation Fund		81,820,755	206,035,396
Workers' Welfare Fund		5,350,725	41,348,515
Amortization of transaction cost		3,272,372	3,272,370
Amortization of intangible assets		1,019,865	1,019,864
Gain on disposal of operating fixed assets		(15,933,910)	(38,672,772)
Foreign exchange gain		(26,904,469)	-
Net fair value gain on biological assets		(118,115,944)	(59,061,852)
Interest income		(171,635,959)	(98,513,101)
Reversal of impairment loss on FPML		(358,931,954)	-
Loss on acknowledged receipts		-	13,159,419
Assets written off		-	332,498
Gain on derecognition of right-of-use assets		-	(75,381,913)
Liabilities no longer payable written back		-	(29,572,047)
		3,763,939,401	2,999,636,171
		5,313,183,027	6,859,800,752
<b>Working capital changes:</b>			
Advances from customers		15,008,814,128	7,069,781,214
Trade and other payables		2,139,428,925	5,954,079,534
Biological assets		1,588,504,971	1,445,318,988
Advances, deposits, prepayments and other receivables		(75,219,039)	(1,719,959,971)
Stores, spare parts and loose tools		(992,852,638)	(1,045,222,125)
Trade receivables		(2,021,251,607)	(855,202,730)
Stock-in-trade		(28,390,090,706)	(31,162,624,494)
Lease receivables		-	26,710,925
		(12,742,665,966)	(20,287,118,659)
<b>Cash used in operations</b>		<b>(7,429,482,939)</b>	<b>(13,427,317,907)</b>
Interest income received		15,752,101	20,225,935
Staff retirement benefits paid		(166,712,952)	(182,793,141)
Taxes paid		(399,850,030)	(322,190,753)
Workers' Profit Participation Fund paid		(447,169,345)	(261,795,163)
Workers' Welfare Fund paid		-	(29,572,047)
		(997,980,226)	(776,125,169)
<b>Net cash used in operating activities</b>		<b>(8,427,463,165)</b>	<b>(14,203,443,076)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(2,019,991,355)	(627,241,757)
Proceeds from sale of operating fixed assets		23,294,083	54,888,450
Right-of-use assets		(15,550,216)	-
Long term deposits - net		(27,062,073)	(9,706,630)
Investment property		(93,282,100)	-
<b>Net cash used in investing activities</b>		<b>(2,132,591,661)</b>	<b>(582,059,937)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term finances - net		(903,105,576)	(1,204,352,326)
Short term borrowings - net		17,370,507,707	17,405,324,244
Financial charges paid as:			
- finance cost		(1,999,448,848)	(769,617,575)
- interest on lease liability		(154,783,660)	(109,249,110)
Principal portion of lease liability paid		(581,396,479)	(492,918,605)
Buy back of shares		(892,206,128)	-
Dividend paid		(718,895,060)	(594,830,630)
<b>Net cash generated from financing activities</b>		<b>12,120,671,956</b>	<b>14,234,355,998</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1,560,617,130</b>	<b>(551,147,015)</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>(2,291,362,215)</b>	<b>(1,198,314,704)</b>
<b>Cash and cash equivalents at end of the period</b>		<b>(730,745,085)</b>	<b>(1,749,461,719)</b>
<b>Cash and cash equivalents comprise of the following:</b>			
- Cash and bank balances	20	533,239,815	368,156,287
- Running finances and morabaha finances	9.2	(1,263,984,900)	(2,117,618,006)
		(730,745,085)	(1,749,461,719)

The annexed notes from 1 to 30 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 2023

	Share capital		Capital		Reserves		Total equity	
	Rupees	Rupees	Share premium	Rupees	Revenue	Accumulated profit	Rupees	Rupees
					Rupees			
<b>Balance as at 01 October 2021 (audited)</b>	597,766,610	678,316,928		13,171,462,931	13,849,779,859		14,447,546,469	
<b>Total comprehensive income for the period</b>								
Profit for the period	-	-		3,191,691,396	3,191,691,396		3,191,691,396	
Other comprehensive income for the period	-	-		-	-		-	
<b>Transaction with owners of the Company recognised directly into equity</b>								
Final dividend for the year ended 30 September 2021 @ Rs. 10 per share	-	-		(597,766,610)	(597,766,610)		(597,766,610)	
<b>Balance as at 31 March 2022 (un-audited)</b>	597,766,610	678,316,928		15,765,387,717	16,443,704,645		17,041,471,255	
<b>Balance as at 01 October 2022 (audited)</b>	597,766,610	678,316,928		15,628,973,589	16,307,290,517		16,905,057,127	
<b>Total comprehensive income for the period</b>								
Profit for the period	-	-		1,154,841,573	1,154,841,573		1,154,841,573	
Other comprehensive income for the period	-	-		-	-		-	
<b>Transaction with owners of the Company recognised directly into equity</b>								
Final dividend for the year ended 30 September 2022 @ Rs. 12.50 per share	-	-		(722,208,263)	(722,208,263)		(722,208,263)	
Own shares purchased and cancelled during the period	(20,000,000)	-		(872,206,128)	(872,206,128)		(892,206,128)	
<b>Balance as at 31 March 2023 (un-audited)</b>	577,766,610	678,316,928		15,189,400,771	15,867,717,689		16,445,484,309	

The annexed notes from 1 to 30 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 2023

## 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 principal activities of the Company are 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, Punjab
- Unit-II: Machi Goth, Sadiqabad, District Rahim Yar Khan, Punjab
- Unit-III: Village Lалуwali, District Ghotki, Sindh
- 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 2023 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 2023.

**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 2022.

**2.1.4** Comparative unconsolidated statement of financial position numbers is extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 September 2022, whereas comparative figures of unconsolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows are stated from unaudited condensed interim financial statements of the Company for the half year ended 31 March 2022.

- 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 judgments, estimates and assumptions.

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 2022.

### **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 2022.

#### **4.2 Change in accounting standards, interpretations and amendments to published accounting and reporting standards**

##### **4.2.1 Amendments to published accounting and reporting standards which became effective during the period:**

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim unconsolidated financial statements.

##### **4.2.2 Amendments to published accounting and reporting standards that are not yet effective:**

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after October 01, 2023. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim unconsolidated financial statements except for the following:

The SECP through SRO 67(I)/2023 dated 20 January 2023, partially modified its previous SRO 1177(I)/2021 dated 13 September 2021 and notified that the requirements contained in IFRS 9 with respect to the application of ECL shall not be applicable till 31 December 2024 and that such companies shall follow relevant requirement of IAS 39 in respect of financial assets due from Government of Pakistan during the exemption period. Accordingly, the Company has not followed the requirement of IFRS 9 with respect to application of ECL in respect of trade debts due from CPPA-G in these condensed interim unconsolidated financial statements.

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

For the half year ended 31 March 2023

The Management of the Company believes that the application of this ECL model will not have any material impact on the Company.

## 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.

Note	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
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## 6. SHARE CAPITAL

<b>6.1</b>	<b>Authorized share capital</b>		
	75,000,000 (30 September 2022: 75,000,000)		
	voting ordinary shares of Rs. 10 each	750,000,000	750,000,000
	25,000,000 (30 September 2022: 25,000,000)		
	preference shares of Rs. 10 each	250,000,000	250,000,000
		<u>1,000,000,000</u>	<u>1,000,000,000</u>
<b>6.2</b>	<b>Issued, subscribed and paid up share capital</b>		
	32,145,725 (30 September 2022: 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 2022: 27,630,936)		
	voting bonus shares of Rs. 10 each		
	fully paid	276,309,360	276,309,360
	Buy back of 2,000,000 (30 September 2022: Nil) ordinary shares having face value of Rs. 10 each	6.2.1	
		(20,000,000)	-
		<u>577,766,610</u>	<u>597,766,610</u>

**6.2.1** In pursuant of the special resolution passed by the shareholders of the Company at extraordinary general meeting held on November 03, 2022, authorizing the Company to buy-back the shares under Section 88 of the Companies Act, 2017 read in conjunction with the Listing Companies (Buy Back of Shares) Regulations, 2019. The Company with the approval of the shareholders accorded to buy back upto to a maximum of its 2,000,000 issued, subscribed and paid-up ordinary shares having face value Rs. 10 through the Pakistan Stock Exchange Limited at the spot/ current price prevailing during purchase period. The Company has bought back its all 2,000,000 ordinary shares from its shareholders till dated 02 January 2023. Consequently, paid up capital of the Company has been reduced to Rs. 577,766,610 divided into 57,776,661 ordinary shares of face value of Rs. 10 each.

	Note	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
<b>7. LONG TERM FINANCES - SECURED</b>			
Mark-up bearing finances from conventional banks	7.1	8,012,590,006	8,794,166,670
Islamic mode of financing	7.2	395,634,621	520,435,905
		8,408,224,627	9,314,602,575
<b>Less: Transaction cost</b>			
Balance as at 01 October		(28,192,726)	(34,755,446)
Amortization of transaction cost		3,272,372	6,562,720
Balance at end of the period / year		(24,920,354)	(28,192,726)
		8,383,304,273	9,286,409,849
<b>Current maturity presented under current liabilities:</b>			
Mark-up bearing finances from conventional banks		(2,441,903,335)	(2,780,653,333)
Islamic mode of financing		(187,301,283)	(249,602,567)
	7.3	(2,629,204,618)	(3,030,255,900)
	7.4	5,754,099,655	6,256,153,949
<b>7.1 Mark-up bearing finances from conventional banks</b>			
Balance at beginning of the period / year		8,794,166,670	11,552,789,191
Finances received during the period / year	7.1.1	1,000,000,000	1,000,000,000
Repayments during the period / year		(1,781,576,664)	(3,758,622,521)
		8,012,590,006	8,794,166,670
<b>7.1.1 Finances received during the period</b>			
	Markup basis	Duration	Grace period
Allied Bank Limited	*3mk + 0.50	1.5 Years	01 Year
			Amount Rupees
			1,000,000,000
			* 3 mk i.e. 3 months KIBOR
<b>7.2 Islamic mode of financing</b>			
Balance at beginning of the period / year		520,435,905	832,538,469
Repayments during the period / year		(124,801,284)	(312,102,564)
		395,634,621	520,435,905

**7.3** In accordance with the terms of agreements with the Bank of Punjab – Led Syndicate (as referred in note 8.1 to the audited unconsolidated financial statements for the year ended 30 September 2022) and Allied Bank Limited as referred in note 7.1.1, the Company is required to comply with certain financial and non-financial covenants. The Company was not in compliance with non-financial covenant towards the Bank of Punjab – Led Syndicate regarding breach of dividend distribution conditions and financial covenants towards Allied Bank Limited regarding service coverage ratio and current ratio as define in the loan agreements. However, pursuant to breach of such covenants, the Company has not classified its non-current liabilities of respective lenders amounting to Rs. 5,154 million into current liabilities in accordance with IFRSs.

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

For the half year ended 31 March 2023

- 7.4 As at 31 March 2023, 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 2022: Rs. 20,268 million) and personal guarantees of sponsor directors of the Company.

	Note	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
<b>8. LEASE LIABILITIES</b>			
Balance at beginning of the period / year		2,600,487,231	2,104,109,093
Additions during the period / year		153,534,787	1,314,109,525
Finance cost regarding lease arrangement		154,783,660	260,253,949
Impact of modification/remeasurement		15,913,487	51,986,278
Lease payments / adjustments		(736,180,139)	(957,555,198)
Impact of early termination		–	(172,416,416)
	8.1	2,188,539,026	2,600,487,231
Less: Current maturity presented under current liabilities		(734,911,724)	(771,429,617)
<b>Balance at end of the period / year</b>		<b>1,453,627,302</b>	<b>1,829,057,614</b>

- 8.1 These includes lease obligation of Rs. 8.223 million (30 September 2022: Rs. 7.876 million) towards Deharki Sugar Mills (Private) Limited, a wholly owned subsidiary of the Company.

These also includes Rs. 499.379 million and Rs. 89.640 million (30 September 2022: Rs. 398.707 million and Rs. 13.531 million) outstanding under Diminishing Musharakah financing arrangement and conventional banks respectively.

	Note	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
<b>9. SHORT TERM BORROWINGS</b>			
<b>Mark-up based borrowings from conventional banks - secured</b>			
Cash finances	9.1	14,794,489,026	5,965,974,626
Running finances	9.2	1,263,984,900	2,581,056,808
Finance against trust receipts	9.3	139,822,829	229,447,425
		16,198,296,755	8,776,478,859
<b>Islamic mode of financing - secured</b>			
Salam / Istisna / Musawamah / Tijarah finances	9.4	8,389,477,336	2,257,859,433
<b>Borrowings from related party - unsecured</b>			
Deharki Sugar Mills (Private) Limited	9.5	2,500,000,000	–
		27,087,774,091	11,034,338,292

- 9.1 The Company has availed cash finance facilities from various banks aggregated to Rs. 15,400 million (30 September 2022: Rs. 10,950 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 2022: one to three months KIBOR plus 50 to 100 bps per annum) on utilized limits.

- 9.2** The Company has obtained running finance facilities aggregating to Rs. 2,771 million (30 September 2022: Rs. 2,771 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 2022: 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 2022: Rs. 380 million). It carries mark-up ranging from one to six months KIBOR plus 100 bps per annum (30 September 2022: one to six months KIBOR plus 100 bps per annum).
- 9.4** The Company has obtained Salam / Istisna / Musawamah / Tijarah financing facilities from various banks and financial institutions aggregating to Rs. 9,185 million (30 September 2022: Rs. 8,384 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 2022: three to six months KIBOR plus 50 to 100 bps per annum).
- 9.5** The Company has entered into agreements with the Deharki Sugar Mills (Private) Limited, a wholly owned subsidiary, to obtain and provide the short term advance/ loan up to aggregate amount to Rs. 4.5 billion and Rs. Nil (30 September 2022: Rs. 2.5 billion and Rs. 3 billion), for period of one year respectively. Mark up is payable and receivable on quarterly basis at the average borrowing rate of the respective lender ranging from 16.68% to 17.80% per annum and Nil (30 September 2022: 8.78 % to 11.48 % and 11.46 % to 15.95 % per annum) respectively.
- 9.6** The available facilities for opening letters of credit and guarantee as on the reporting date aggregate to Rs. 1,650 million (30 September 2022: Rs. 1,650 million) which includes Rs. 380 million (30 September 2022: Rs. 380 million) sub-limit of FATR facility. Further, facilities of amounting Rs. 530 million (30 September 2022: Rs. 100 million) remain unutilized as on reporting date.
- 9.7** The securities offered are the same as disclosed in the audited unconsolidated financial statements of the Company for the year ended 30 September 2022.

## 10. TRADE AND OTHER PAYABLES

Balance as at 31 March 2023 mainly includes payable to trade creditors aggregates to Rs. 3,454 million (30 September 2022: Rs. 1,366 million).

## 11. ADVANCES FROM CUSTOMERS

Balance as at 31 March 2023 mainly includes advances received from customers against sale of sugar aggregates to Rs. 16,035 million (30 September 2022: Rs. 1,988 million).

## 12. CONTINGENCIES AND COMMITMENTS

### 12.1 Contingencies

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 2022, except as disclosed below:

- 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

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

For the half year ended 31 March 2023

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 2022). However, during the period, the Company has regularised crushing capacities of its Unit I and Unit II as determined by the Committee under Punjab Industries (Control on Establishment & Enlargement) Ordinance, 1963 (Amendment) Act, 2022. 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 18 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 18 August 2020 before the Honorable Supreme Court of Pakistan. The Company has a good prima facie case.

**12.1.2** Guarantees issued by the banks on behalf of the Company in favor of various parties as at the reporting date amounts to Rs. 750 million (30 September 2022: Rs. 799 million).

**12.1.3** Counter guarantee given by the Company to various banks against growers financing facilities as at the reporting date amounts to Rs. nil (30 September 2022: Rs. 3,145 million).

**12.1.4** The Company has issued cross corporate guarantees of Rs. 944 million (30 September 2022: Rs. 944 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-23 Rupees	(Audited) 30-Sep-22 Rupees
<b>12.2 Commitments</b>		
<b>12.2.1</b> Letters of credit for import of machinery and its related components	179,837,063	404,899,443

**12.2.2** Commitments in respect of operation and maintenance cost of Co - Generation Power Plants contracted for but not incurred as at 31 March 2023 amounts to Rs. 53.46 million (30 September 2022: Rs. nil).

	Note	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
<b>13. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	13.1	19,462,458,064	19,068,801,186
Capital work in progress	13.2	895,231,410	196,702,905
Stores, spare parts and loose tools held for capital expenditure		71,049,248	69,947,922
		20,428,738,722	19,335,452,013

	Note	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
<b>13.1 Operating fixed assets</b>			
Net book value at beginning of the period / year		19,068,801,186	19,522,518,881
Additions during the period / year		1,317,867,611	1,046,583,143
Transfer to investment property	15	(38,704,100)	–
Transfer from right-of-use assets - net book value		2,477,062	38,838,956
Disposals / adjustments during the period / year - net book value		(192,953,194)	(156,983,394)
Depreciation charged during the period / year		(695,030,501)	(1,382,156,400)
<b>Net book value at end of the period / year</b>		<b>19,462,458,064</b>	<b>19,068,801,186</b>
<b>13.2 Capital work in progress</b>			
Opening balance		196,702,905	60,266,380
Additions during the period / year		1,100,563,759	875,475,342
Transfers made during the period / year		(402,035,254)	(739,038,817)
<b>Closing balance</b>		<b>895,231,410</b>	<b>196,702,905</b>

	Note	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
<b>14. RIGHT-OF-USE ASSETS</b>			
Net book value at beginning of the period / year		2,329,148,157	1,879,625,367
Additions during the period / year		171,562,065	1,321,368,896
Transfer to operating fixed assets - net book value		(2,477,062)	(38,838,956)
Depreciation charged during the period / year		(434,576,321)	(788,767,522)
Deletions / derecognition during the period / year		–	(96,225,906)
Impact of modification / remeasurement		15,913,487	51,986,278
<b>Net book value at end of the period / year</b>	14.1	<b>2,079,570,326</b>	<b>2,329,148,157</b>
Less: Current maturity presented under current assets		(332,223,944)	(730,292,317)
		<b>1,747,346,382</b>	<b>1,598,855,840</b>
<b>14.1 The right-of-use assets relate to following type of assets:</b>			
Land		1,497,062,340	1,813,183,236
Vehicles		524,446,739	460,168,274
Buildings		58,061,247	55,796,647
<b>Total right-of-use assets</b>		<b>2,079,570,326</b>	<b>2,329,148,157</b>

	Note	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
<b>15. INVESTMENT PROPERTY</b>			
Opening balance		185,854,012	185,854,012
Additions during the period / year		93,282,100	–
Transfers made during the period / year	13.1	38,704,100	–
<b>Closing balance</b>		<b>317,840,212</b>	<b>185,854,012</b>

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

For the half year ended 31 March 2023

	Note	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
<b>16. LONG TERM INVESTMENTS</b>			
Investment in subsidiary companies - unquoted	16.1	2,094,936,445	1,736,004,491
Investment in associated companies - unquoted	16.2	2,500	2,500
		2,094,938,945	1,736,006,991
<b>Less: Classified under current assets as short term investments</b>			
Faruki Pulp Mills Limited ("FPML")		(1,010,926,445)	(651,994,491)
JDW Power (Private) Limited ("JDWPL")		-	-
		(1,010,926,445)	(651,994,491)
<b>Classified under non-current assets</b>			
		1,084,012,500	1,084,012,500
<b>16.1 Investment in subsidiary companies - unquoted</b>			
<b>Deharki Sugar Mills (Private) Limited ("DSML")</b>			
104,975,000 (30 September 2022: 104,975,000) fully paid shares of Rs. 10 each			
Equity held 100% (30 September 2022: 100%)		1,049,750,000	1,049,750,000
<b>Faruki Pulp Mills Limited ("FPML")</b>			
310,892,638 (30 September 2022: 310,892,638) fully paid ordinary shares of Rs. 10 each			
Equity held 57.67% (30 September 2022: 57.67%)		3,154,426,383	3,154,426,383
Accumulated impairment allowance	16.1.1	(2,143,499,938)	(2,502,431,892)
		1,010,926,445	651,994,491
<b>Sadiqabad Power (Private) Limited ("SPL")</b>			
1,694,500 (30 September 2022: 1,694,500) fully paid shares of Rs. 10 each			
Equity held 100% (30 September 2022: 100%)		16,945,000	16,945,000
<b>Ghotki Power (Private) Limited ("GPL")</b>			
1,731,500 (30 September 2022: 1,731,500) fully paid shares of Rs. 10 each			
Equity held 100% (30 September 2022: 100%)		17,315,000	17,315,000
		2,094,936,445	1,736,004,491
	Note	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
<b>16.1.1 Accumulated impairment allowance</b>			
Opening balance		2,502,431,892	2,502,431,892
Reversal of prior periods impairment loss	16.1.1.1	(358,931,954)	-
<b>Closing balance</b>		<b>2,143,499,938</b>	<b>2,502,431,892</b>

16.1.1.1 Referring to note 24.1.1.1 to the audited unconsolidated financial statements for the year ended 30 September 2022, the management of FPML has initiated the tendering process for disposal of assets of FPML under guideline set by the FPML's Board. During the period, the FPML has executed such tendering process through the all assets sale agreement except land with a prospective buyer against sale consideration of Rs. 1,600 million. Accordingly, impairment loss amounting to Rs. 359 million recognised in prior periods has been reversed.

	Note	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
<b>16.2 Investment in associated companies - unquoted</b>			
<b>Kathai-II Hydro (Private) Limited ("KHL")</b>			
250 (30 September 2022: 250) fully paid shares of Rs. 10 each			
Equity held 20% (30 September 2022: 20%)		2,500	2,500
<b>JDW Power (Private) Limited ("JDWPL")</b>			
9,000,000 (30 September 2022: 9,000,000) fully paid shares of Rs. 10 each			
Equity held 47.37% (30 September 2022: 47.37%)		90,000,000	90,000,000
Accumulated impairment allowance		(90,000,000)	(90,000,000)
	16.2.1	-	-
		2,500	2,500

16.2.1 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.

## 17. 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. 718 million (31 March 2022: Rs. 425 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. 2,853 million from level 3 and transfer in of other crops amounting to Rs. 167.5 million into Level 3 has been made during the period respectively (31 March 2022: Rs. 2,333 million and Rs. 94 million).

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

For the half year ended 31 March 2023

## 17.1 Valuation techniques and significant unobservable inputs

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

	Unit	31-Mar-23		31-Mar-22	
		Wheat	Mustard	Wheat	Mustard
<b>Valued plantations (Actual)</b>					
- Punjab Zone	Acres	217	237	89	254
- Sindh Zone	Acres	811	129	949	54
<b>Estimated future production costs and costs to sell</b>					
- Punjab Zone	Rs. per Acres	7,000	4,316	3,456	3,579
- Sindh Zone	Rs. per Acres	5,000	–	3,456	–
<b>Estimated yield per acre</b>					
- Punjab Zone	Maunds	35	13	31	13
- Sindh Zone	Maunds	35	8	35	7
<b>Harvest age</b>					
	Months	5-6	5-6	5-6	5-6
<b>Estimated future market price per maunds</b>					
- Punjab Zone	Rupees	3,900	8,000	2,200	5,500
- Sindh Zone	Rupees	4,000	7,500	2,200	5,000
<b>Risk - adjusted discount rate</b>					
	% per month	0.89%	0.89%	0.98%	0.98%

## 17.2 Sensitivity analysis

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

	31-Mar-23		31-Mar-22	
	Rupees	Rupees	Rupees	Rupees
Decrease of 10% in expected average yield per acre	(14,205,936)	(3,198,632)	(7,837,508)	(2,014,268)
Increase of 10% in discount rate	(135,642)	(30,771)	(74,214)	(19,086)
			<b>(Un-audited)</b>	<b>(Audited)</b>
			<b>31-Mar-23</b>	<b>30-Sep-22</b>
			<b>Rupees</b>	<b>Rupees</b>

## 18. STOCK-IN-TRADE

Sugar - finished goods	37,021,166,440	11,509,245,669
Molasses - by product	2,151,755,395	–
Bagasse - by product	1,288,520,554	574,591,236
Mud - by product	74,428,717	61,943,495
	<u>40,535,871,106</u>	<u>12,145,780,400</u>

## 19. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

It includes, the Company's share amounting to Rs. 325.483 million (30 September 2022: Rs. 145.386 million) under group taxation, as explained in note 4.9.3 to the audited unconsolidated financial statements for the year ended 30 September 2022, after netting of advance tax as receivable from the wholly own Subsidiary Company - Deharki Sugar Mills (Pvt.) Limited.

Note	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
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## 20. CASH AND BANK BALANCES

<b>Current accounts</b>			
Balance with conventional banks		158,386,375	247,262,956
Balance with islamic banks		343,369,031	36,393,785
		501,755,406	283,656,741
<b>Saving accounts</b>			
Deposit with conventional banks	20.1	1,699,010	1,780,395
		503,454,416	285,437,136
<b>Cash in hand</b>			
		29,785,399	4,257,457
		533,239,815	289,694,593

20.1 The balances in savings accounts are placed under mark-up arrangements and bear mark-up ranging from 13.50 % to 15.50 % per annum (30 September 2022: 5.50% to 13.50 % per annum).

## 21. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue based on:

Note	Six months ended		Three months ended		
	31-Mar-23 Rupees	31-Mar-22 Rupees	31-Mar-23 Rupees	31-Mar-22 Rupees	
<b>21.1 Segments</b>					
<b>Sugar</b>					
Sugar	21.1.1	22,365,952,158	19,861,158,718	11,622,876,564	12,504,284,170
Molasses - by product		6,065,170,028	4,898,192,757	4,445,835,099	3,387,135,151
Agri Inputs		2,994,325,825	1,795,613,362	2,993,955,370	1,795,137,862
Bagasse - by product		475,954,801	-	151,348,203	-
Mud - by product		410,187,424	314,322,404	299,306,965	208,447,789
		32,311,590,236	26,869,287,241	19,513,322,201	17,895,004,972
<b>Co-Generation Power</b>	21.2	2,265,033,837	1,583,452,822	1,055,975,759	938,008,185
<b>Corporate Farms</b>		1,869,787,437	1,394,737,607	1,196,901,585	667,189,534
		36,446,411,510	29,847,477,670	21,766,199,545	19,500,202,691
<b>21.1.1 Sugar</b>					
Local		20,153,746,318	19,861,158,718	9,410,670,724	12,504,284,170
Export	21.1.1.1	2,212,205,840	-	2,212,205,840	-
		22,365,952,158	19,861,158,718	11,622,876,564	12,504,284,170

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

For the half year ended 31 March 2023

	Six months ended		Three months ended	
	31-Mar-23 Rupees	31-Mar-22 Rupees	31-Mar-23 Rupees	31-Mar-22 Rupees
<b>21.1.1 Geographic markets</b>				
Asia	1,930,324,240	–	1,930,324,240	–
Africa	281,881,600	–	281,881,600	–
	2,212,205,840	–	2,212,205,840	–
<b>21.2 Co-Generation Power</b>				
Variable energy price	1,269,383,098	933,711,396	638,683,595	582,313,205
Fixed energy price	995,650,739	649,741,426	417,292,164	355,694,980
	2,265,033,837	1,583,452,822	1,055,975,759	938,008,185
<b>21.3 Timing of revenue recognition</b>				
Products transferred at a point in time	34,181,377,673	28,264,024,848	20,710,223,786	18,562,194,506
Products transferred over time	2,265,033,837	1,583,452,822	1,055,975,759	938,008,185
	36,446,411,510	29,847,477,670	21,766,199,545	19,500,202,691

## 22. OTHER INCOME

This mainly includes fair value loss on initial recognition of agricultural produce of Rs. 495 million (31 March 2022: Gain of Rs. 860 million), net fair value gain on biological assets of Rs. 118 million (31 March 2022: Rs. 59 million), markup on delayed payment from CPPA-G of Rs. 156 million (31 March 2022: Rs. 78 million), reversal of impairment loss on FPML of Rs. 359 million (31 March 2022: Rs. Nil), scrap sale of Rs. 161 million (31 March 2022: Rs. 3 million) and gain on disposal of operating fixed assets of Rs. 16 million (31 March 2022: Rs. 39 million).

## 23. OTHER EXPENSES

This mainly includes provision for Workers' Profit Participation Fund and Workers' Welfare Fund.

## 24. EARNINGS PER SHARE - BASIC AND DILUTED

	Six months ended		Three months ended	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
<b>24.1 Basic earnings per share</b>				
Profit for the period (Rupees)	1,154,841,573	3,191,691,396	699,989,901	2,273,270,821
Weighted average number of ordinary shares (Numbers)	58,782,861	59,776,661	57,794,261	59,776,661
<b>Earnings per share - Basic (Rupees)</b>	19.65	53.39	12.11	38.03

**24.2** A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at 31 March 2023 and 2022 which would have any effect on the profit per share if the option to convert is exercised.

## 25. TRANSACTIONS WITH RELATED PARTIES

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

Name of Company	Relationship	Nature of Transactions	31-Mar-23	31-Mar-22
			Rupees	Rupees
i) <b>Deharki Sugar Mills (Pvt.) Limited</b>	<b>Subsidiary Company</b> (Equity held 100 percent)	Sale of sugarcane	1,864,713,977	1,391,398,732
		Short term advances paid	1,315,700,000	4,170,000,000
		Short term advances received	3,815,700,000	1,315,000,000
		Markup expense on short term advances - net	126,569,314	15,459,241
		Purchase of bagasse	398,088,352	-
		Payment made against purchase of bagasse	605,417,914	-
		Sale of stores, spare parts and loose tools	7,836,042	5,996,101
		Reimbursement on use of the Company's aircraft	12,698,405	4,149,690
		Rent on land acquired on lease	4,033,464	4,033,464
		Purchase of property, plant and equipment	-	15,857,080
		Others	1,557,241	2,268,703
ii) <b>JDW Aviation (Pvt.) Limited</b>	<b>Associated Company</b> (Common directorship)	Reimbursement of expenses	1,765,500	1,915,617
iii) <b>Lahore Flying Club (Guarantee) Limited</b>	<b>Associated Company</b> (Related party)	Services rendered against aircraft hangar	172,009	615,779
iv) <b>Post Employment Benefits Plans</b>	<b>Other Related parties</b>	Provident fund contribution	128,156,748	126,805,889
		Payment to recognised gratuity fund	38,556,204	55,987,252
		Short term advances	85,326,192	-
v) <b>Key Management Personnel</b>	<b>Key management</b>	Directors' remuneration and allowances	429,666,670	422,768,335
		Dividend paid	68,367,263	54,673,810
		Reimbursement of expenses	3,532,856	-

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

For the half year ended 31 March 2023

## 26. 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 16).

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

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

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

**Level 3:** Unobservable inputs for the asset or liability.

During the period, there were no transfers amongst levels during the period except as disclosed in note 17.

## 27. 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 2022.

## 28. DATE OF AUTHORIZATION

These condensed interim unconsolidated financial statements have been approved by the Board of Directors of the Company and authorized for issue on 29 May 2023.

## 29. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever considered necessary, for the purposes of comparison and better presentation to comply with the requirements of the accounting and reporting standards as applicable in Pakistan, however, no significant re-arrangements and re-classification have been made during the period.

## 30. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors of the Company in its meeting held on 29 May 2023 declared interim cash dividend of Rs. 10 (100%) per share for the half year ended 31 March 2023 (31 March 22: Rs. 7.5 (75%) 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 2023.

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 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. On March 25, 2020 the FPML through a special resolution passed in its Extraordinary General Meeting had 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 that year and the said arrangement was re-approved by the FPML shareholders in its EOGM held on 13 December 2021. However, during the current period, the management of FPML has initiated the tendering process for disposal of assets of FPML under guideline set by the FPML's Board. During the period, the FPML has executed such tendering process through the all assets sale agreement except land with a prospective buyer against sale consideration of Rs. 1,600 million.

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.

The Holding Company acquired the 20% shareholding in Kathai-II Hydro (Private) Limited ("the Associate") on 12 November 2019. The Associate is a private limited company incorporated in Pakistan on 27 August 2012 under the repealed Companies Ordinance, 1984. The principal activity of the associate is to generate, distribute and sell electricity.

It is being confirmed that to the best of our knowledge, these condensed interim consolidated financial statements for the half year ended 31 March 2023 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-23	31-Mar-22
	(Rs in million)	
Gross Revenue	52,500	37,226
Revenue from Contracts with Customers	46,885	32,966
Profit from Operations	4,522	5,551
Profit before Tax	1,738	3,972
Profit after Tax	1,673	3,364

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

29 May 2023  
Lahore

Chief Executive

Director

# ڈائریکٹرز کا جائزہ

ڈائریکٹرز خوشی کے ساتھ ہے ڈی ڈبلیو شوگر ملز اور اس کے زیریں ادارے ڈہری شوگر ملز پر انیویسٹ لمیٹڈ، فاروقی پلپ لمیٹڈ، صادق آباد پاور پرائیویٹ لمیٹڈ، گھوٹکی پاور پرائیویٹ لمیٹڈ اور سنسک ادارے سے ڈی ڈبلیو پاور پرائیویٹ لمیٹڈ، کٹھالی ہائیڈرو-11 پرائیویٹ لمیٹڈ کی مالیاتی رپورٹ برائے چھٹی ماہی 31 مارچ 2023 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 چھنی بنانا اور بیچنا ہے۔ اس ذیلی کمپنی کے 100 فیصد حصص ڈی ڈبلیو کے پاس ہیں۔

فاروقی پلپ لمیٹڈ کو پبلک لمیٹڈ کمپنی کے طور پر قائم کیا گیا تھا۔ اس ادارے کا بنیادی کام بیہر 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۔ رواں مالی سال میں کمپنی کی ناقص کاروباری حالت کو مد نظر رکھتے ہوئے فاروقی پلپ کمپنی کی مینجمنٹ نے خاص قرارداد اپنی ایکٹر آرڈینری جنرل میٹنگ منعقدہ 25 مارچ 2020 کو منظور کی۔ جس میں کمپنی کے اثاثے فروخت کرنے کی منظوری دی گئی۔ اثاثوں کی فروخت کا طریقہ کار تمام ضروری اقدامات مکمل کرنے کے بعد تکسٹ یا حصوں میں ہونا تھا جو کہ کروٹا وائرس کی وجہ سے پائیکٹیل نہ پاسکا بعد از اس 13 دسمبر 2021 کو حصص داروں نے دوبارہ منظوری دے دی۔ رواں سال میں فاروقی پلپ لمیٹڈ نے اثاثوں کی فروخت کیلئے ٹینڈر کا اجراء کر دیا تھا اور بعد از اس اثاثوں کی فروخت کا معاہدہ بھی طے پا گیا اور معاہدے کی کل قیمت فروخت 1600 ملین روپے مقرر ہوئی۔

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

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

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

ہم اس بات کی تصدیق کرتے ہیں کہ ہماری بہترین معلومات کے مطابق یہ چھ ماہی مالیاتی رپورٹ برائے 31 مارچ 2023 پاکستان میں منظور شدہ اکاؤنٹنگ سٹینڈرڈ کے مطابق ہے اور اپنے تمام اثاثوں، واجبات اور مالیاتی پوزیشن کی سچی اور منصفانہ تصویر پیش کر رہی ہے۔

مالیاتی نتائج مندرجہ ذیل ہیں:

31 مارچ 2022	31 مارچ 2023	ملین روپے
37,226	52,500	مجموعی فروخت
32,966	46,885	خالص فروخت
5,551	4,522	کارکردگی منافع
3,972	1,738	قبل از ٹیکس منافع
3,364	1,673	بعد از ٹیکس منافع

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

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

As at 31 March 2023

	Note	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	6	577,766,610	597,766,610
Share premium reserve		678,316,928	678,316,928
Accumulated profit		17,382,369,048	17,521,680,614
Equity attributable to owners of the Holding Company		18,638,452,586	18,797,764,152
Non-controlling interest		592,763,060	374,672,247
		19,231,215,646	19,172,436,399
<b>NON-CURRENT LIABILITIES</b>			
Long term finances - secured	7	6,917,497,116	7,686,703,300
Lease liabilities	8	1,473,724,877	1,846,353,605
Deferred taxation		387,367,526	380,933,944
Retirement benefits		–	23,650,196
		8,778,589,519	9,937,641,045
<b>CURRENT LIABILITIES</b>			
Short term borrowings - secured	9	31,170,320,515	14,830,264,117
Current portion of non-current liabilities		3,970,120,492	4,385,280,678
Trade and other payables	10	5,761,721,311	3,427,848,539
Advances from customers	11	20,699,606,783	3,291,833,080
Unclaimed dividend		43,954,135	40,640,932
Accrued profit / interest / mark-up		1,336,381,110	1,043,339,635
		62,982,104,346	27,019,206,981
Liabilities classified as held for sale		634,903,429	36,593,732
		63,617,007,775	27,055,800,713
<b>CONTINGENCIES AND COMMITMENTS</b>			
	12	91,626,812,940	56,165,878,157
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	13	23,965,847,198	22,913,520,193
Right-of-use assets	14	1,764,720,051	1,623,707,863
Investment property		317,840,212	185,854,012
Intangibles		609,680,318	610,702,115
Long term investments	15	–	–
Long term deposits		124,877,391	97,494,818
		26,782,965,170	25,431,279,001
<b>CURRENT ASSETS</b>			
Right-of-use assets	14	339,748,094	730,292,317
Short term investment	15	–	–
Biological assets	16	885,568,203	2,855,032,666
Stores, spare parts and loose tools		3,401,540,337	2,217,524,718
Stock-in-trade	17	49,271,284,493	17,918,960,986
Trade receivables		6,262,577,267	3,920,509,349
Advances, deposits, prepayments and other receivables		1,259,900,586	1,106,464,947
Advance tax - net		533,370,576	596,663,748
Cash and bank balances	18	812,708,896	440,945,386
		62,766,698,452	29,786,394,117
Assets classified as held for sale		2,077,149,318	948,205,039
		64,843,847,770	30,734,599,156
		91,626,812,940	56,165,878,157

The annexed notes from 1 to 29 form an integral part of these 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 2023

	Note	Six months ended		Three months ended	
		31-Mar-23 Rupees	31-Mar-22 Rupees	31-Mar-23 Rupees	31-Mar-22 Rupees
<b>Continuing Operations:</b>					
<b>Gross revenue</b>		52,499,881,763	37,225,863,106	29,844,182,982	22,916,075,905
Sales tax and commission		(5,614,896,934)	(4,260,234,805)	(2,719,956,745)	(2,477,828,270)
<b>Revenue from contracts with customers</b>	19	46,884,984,829	32,965,628,301	27,124,226,237	20,438,247,635
Cost of revenue		(40,413,594,625)	(26,777,263,754)	(22,884,704,548)	(16,536,156,157)
<b>Gross profit</b>		6,471,390,204	6,188,364,547	4,239,521,689	3,902,091,478
Administrative expenses		(1,848,287,350)	(1,515,226,556)	(1,065,780,278)	(798,208,512)
Selling expenses		(50,198,094)	(40,762,398)	(32,465,888)	(23,844,457)
Other income	20	78,325,042	1,198,045,798	(15,633,702)	601,503,158
Other expenses	21	(128,922,653)	(278,968,639)	(100,669,204)	(162,516,406)
		(1,949,083,055)	(636,911,795)	(1,214,549,072)	(383,066,217)
<b>Profit from operations</b>		4,522,307,149	5,551,452,752	3,024,972,617	3,519,025,261
Share of loss of associate		-	-	-	-
Finance cost		(2,784,268,269)	(1,578,958,680)	(1,736,932,537)	(1,079,599,373)
<b>Profit before taxation</b>		1,738,038,880	3,972,494,072	1,288,040,080	2,439,425,888
Taxation		(595,479,825)	(607,493,606)	(707,079,313)	(306,757,954)
<b>Profit from continuing operations</b>		1,142,559,055	3,365,000,466	580,960,767	2,132,667,934
<b>Discontinued Operations:</b>					
Profit/(loss) from discontinued operations - net of tax		530,634,582	(1,383,096)	532,886,713	(985,378)
<b>Profit for the period</b>		1,673,193,637	3,363,617,370	1,113,847,480	2,131,682,556
<b>Attributable to:</b>					
Owners of the Holding Company		1,455,102,824	3,364,185,822	894,831,041	2,132,087,546
Non-controlling Interest		218,090,813	(568,452)	219,016,439	(404,990)
		1,673,193,637	3,363,617,370	1,113,847,480	2,131,682,556
<b>Earnings per share - basic &amp; diluted</b>					
Continuing operations		19.44	56.29	10.05	35.68
Discontinued operations		5.31	0.00	5.43	0.00
<b>Attributable to owners of the Holding Company</b>	22	24.75	56.29	15.48	35.68

The annexed notes from 1 to 29 form an integral part of these 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 2023

	Six months ended		Three months ended	
	31-Mar-23 Rupees	31-Mar-22 Rupees	31-Mar-23 Rupees	31-Mar-22 Rupees
<b>Profit for the period</b>	1,673,193,637	3,363,617,370	1,113,847,480	2,131,682,556
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>1,673,193,637</u>	<u>3,363,617,370</u>	<u>1,113,847,480</u>	<u>2,131,682,556</u>
<b>Attributable to:</b>				
Owners of the Holding Company	1,455,102,824	3,364,185,822	894,831,041	2,132,087,546
Non-controlling Interest	218,090,813	(568,452)	219,016,439	(404,990)
	<u>1,673,193,637</u>	<u>3,363,617,370</u>	<u>1,113,847,480</u>	<u>2,131,682,556</u>

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

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

For the half year ended 31 March 2023

	Note	31-Mar-23 Rupees	31-Mar-22 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		1,738,038,880	3,972,494,072
<b>Adjustments for non-cash and other items:</b>			
Finance cost		2,780,157,785	1,578,958,680
Depreciation of operating fixed assets		1,278,419,184	576,280,956
Depreciation of right-of-use assets		437,710,525	528,181,435
Sugarcane roots written off		185,609,872	158,778,802
Staff retirement benefits		160,440,987	136,789,585
Workers' Profit Participation Fund		111,685,472	212,540,401
Workers' Welfare Fund		17,237,181	44,549,349
Amortization of transaction cost		4,110,484	4,110,482
Amortization of intangible assets		1,021,797	1,022,747
Gain on disposal of operating fixed assets		(15,933,910)	(38,689,685)
Foreign exchange gain		(26,904,469)	-
Fair value gain on biological assets		(118,115,944)	(59,061,852)
Interest income		(196,719,629)	(123,554,445)
Loss on acknowledged receipts		-	13,159,419
Assets written off		-	332,498
Liabilities no longer payable written back		-	(29,572,047)
Gain on derecognition of right-of-use assets		-	(75,381,913)
		4,618,719,335	2,928,444,412
		6,356,758,215	6,900,938,484
<b>Working capital changes:</b>			
Advances from customers		17,407,773,703	7,449,674,767
Trade and other payables		2,472,167,251	6,834,545,524
Biological assets		1,588,504,971	1,445,318,988
Advances, deposits, prepayments and other receivables		(153,435,649)	1,082,196,680
Stores, spare parts and loose tools		(1,184,015,618)	(1,058,744,123)
Trade receivables		(1,951,950,029)	(57,804,078)
Stock-in-trade		(31,352,323,507)	(40,939,238,805)
Lease receivables		-	26,710,925
		(13,173,278,878)	(25,217,340,122)
		(6,816,520,663)	(18,316,401,638)
<b>Cash used in operations</b>			
Interest income received		40,835,771	45,267,279
Workers' Welfare Fund paid		(10,155,396)	(29,572,047)
Staff retirement benefits paid		(185,807,047)	(198,502,040)
Workers' Profit Participation Fund paid		(457,342,712)	(284,120,342)
Taxes paid		(525,529,723)	(322,190,750)
		(1,137,999,107)	(789,117,900)
		(7,954,519,770)	(19,105,519,538)
<b>Net cash used in operating activities</b>			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(2,062,506,787)	(208,042,750)
Proceeds from sale of operating fixed assets		23,294,083	68,629,077
Right-of-use assets		(15,550,216)	-
Long term deposits - net		(27,382,573)	(10,216,630)
Investment property		(93,282,100)	-
		(2,175,427,593)	(149,630,303)
<b>Net cash used in investing activities</b>			
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term finances - net		(1,151,095,577)	(1,392,710,491)
Short term borrowings - net		17,699,784,868	22,492,675,221
Financial charges paid as:			
- finance cost		(2,335,991,182)	(900,133,119)
- interest on lease liability		(154,783,660)	(109,249,110)
Principal portion of lease liability paid		(585,373,918)	(492,918,605)
Buy back of shares		(892,206,128)	-
Dividend paid		(718,895,060)	(594,830,630)
		11,861,439,343	19,002,833,266
<b>Net cash generated from financing activities</b>			
<b>Net increase / (decrease) in cash and cash equivalents</b>			
<b>Cash and cash equivalents at beginning of the period</b>			
<b>Cash and cash equivalents at end of the period</b>			
<b>Cash and cash equivalents comprise of the following:</b>			
- Cash and bank balances	18	812,708,896	492,118,530
- Running finances	9.2	(1,282,187,755)	(2,150,551,354)
		(469,478,859)	(1,658,432,824)

The annexed notes from 1 to 29 form an integral part of these 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 2023

	Reserves				Equity attributable to the owners of the Holding Company		Non-controlling Interest		Total Equity	
	Capital		Revenue		Rupees		Rupees		Rupees	
	Share capital	Share premium	Share	Accumulated profit	Total reserves	Rupees	Rupees	Rupees	Rupees	Rupees
<b>Balance as at 01 October 2021 (audited)</b>	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			
<b>Total comprehensive income for the period</b>										
Profit for the period	-	-	3,364,185,822	3,364,185,822	3,364,185,822	(568,452)	3,363,617,370			
Other comprehensive income for the period	-	-	-	-	-	-	-			
<b>Transaction with owners of the holding company</b>										
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)			
<b>Balance as at 31 March 2022 (un-audited)</b>	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			
<b>Balance as at 01 October 2022 (audited)</b>	597,766,610	678,316,928	17,521,680,614	18,199,997,542	18,797,764,152	374,672,247	19,172,436,399			
<b>Total comprehensive income for the period</b>										
Profit for the period	-	-	1,455,102,824	1,455,102,824	1,455,102,824	218,090,813	1,673,193,637			
Other comprehensive income for the period	-	-	-	-	-	-	-			
<b>Transaction with owners of the holding company</b>										
Final cash dividend for the year ended 30 September 2022 @ Rs. 12.50 per share	(20,000,000)	-	(722,208,262)	(722,208,262)	(722,208,262)	-	(722,208,262)			
Own shares purchased and cancelled during the period	(20,000,000)	-	(872,206,128)	(872,206,128)	(892,206,128)	-	(892,206,128)			
<b>Balance as at 31 March 2023 (un-audited)</b>	577,766,610	678,316,928	17,382,369,048	18,060,685,976	18,638,452,586	592,763,060	19,231,215,646			

The annexed notes from 1 to 29 form an integral part of these 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 2023

## 1. CORPORATE AND GENERAL INFORMATION

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

	(Un-audited) 31-Mar-23	(Audited) 30-Sep-22
	Holding percentage	
<b>JDW Group</b>		
<b>Holding Company</b>		
JDW Sugar Mills Limited		
<b>Subsidiaries:</b>		
Deharki Sugar Mills (Private) Limited - ("DSML")	100%	100%
Sadiqabad Power (Private) Limited - ("SPL")	100%	100%
Ghotki Power (Private) Limited - ("GPL")	100%	100%
Faruki Pulp Mills Limited - ("FPML")	57.67%	57.67%
<b>Associates:</b>		
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** Deharki Sugar Mills (Private) Limited - "DSML" ("the Subsidiary Company") was incorporated in Pakistan on 14 July 2010 as a private limited company. The registered office of DSML is situated at 17-Abid Majeed Road, Lahore Cantonment, Lahore, Pakistan. The principal activity of DSML is manufacturing and sale of crystalline sugar 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, 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. Accordingly, separate financial statements of FPML have been prepared on non-going concern basis. On 25 March 2020, the FPML through a special resolution passed in its Extraordinary General Meeting had 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 that year and the said arrangement was re-approved by the FPML shareholders in its EOGM held on 13 December 2021. However, during the current period, the management of FPML has initiated the tendering process for disposal of assets of FPML under guideline set by the FPML's Board. During the period, the FPML has executed such tendering process through the all assets sale agreement except land with a prospective buyer against sale consideration of Rs. 1,600 million. As a result, the Group's operations have been divided into Continuing and Discontinued operations in accordance with the

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

For the half year ended 31 March 2023

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.

- 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 2023 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 2023.

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 2022.

- 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 2022, 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 2022.
- 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 2022.

### 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 2022.

#### **4.2 Change in accounting standards, interpretations and amendments to published accounting and reporting standards**

##### **4.2.1 Amendments to published accounting and reporting standards which became effective during the period:**

There were certain amendments to accounting and reporting standards which became mandatory for the Group during the period. However, the amendments did not have any significant impact on the financial reporting of the Group and, therefore, have not been disclosed in these condensed interim consolidated financial statements.

##### **4.2.2 Amendments to published accounting and reporting standards that are not yet effective:**

There are certain amendments to the accounting and reporting standards that will be mandatory for the Groups's annual accounting periods beginning on or after October 01, 2023. However, these amendments will not have any significant impact on the financial reporting of the Group and, therefore, have not been disclosed in these condensed interim consolidated financial statements except for the following:

The SECP through SRO 67(I)/2023 dated 20 January 2023, partially modified its previous SRO 1177(I)/2021 dated 13 September 2021 and notified that the requirements contained in IFRS 9 with respect to the application of ECL shall not be applicable till 31 December 2024 and that such companies shall follow relevant requirement of IAS 39 in respect of financial assets due from Government of Pakistan during the exemption period. Accordingly, the Holding Company has not followed the requirement of IFRS 9 with respect to application of ECL in

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

For the half year ended 31 March 2023

respect of trade debts due from CPPA-G in these condensed interim consolidated financial statements. The Management of the Holding Company believes that the application of this ECL model will not have any material impact on the Holding Company.

## 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.

(Un-audited)  
31-Mar-23  
Rupees

(Audited)  
30-Sep-22  
Rupees

## 6. SHARE CAPITAL

6.1	Authorized capital		
	75,000,000 (30 September 2022: 75,000,000)		
	voting ordinary shares of Rs. 10 each	750,000,000	750,000,000
	25,000,000 (30 September 2022: 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 2022: 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 2022: 27,630,936)		
	voting bonus shares of Rs. 10 each fully paid	276,309,360	276,309,360
	Buy back of 2,000,000 (30 September		
	2022: Nil) ordinary shares having face		
	value of Rs. 10 each	(20,000,000)	-
		<u>577,766,610</u>	<u>597,766,610</u>

**6.2.1** In pursuant of the special resolution passed by the shareholders of the Holding Company at extraordinary general meeting held on November 03, 2022, authorizing the Holding Company to buy-back the shares under Section 88 of the Companies Act, 2017 read in conjunction with the Listing Companies (Buy Back of Shares) Regulations, 2019. The Holding Company with the approval of the shareholders accorded to buy back upto to a maximum of its 2,000,000 issued, subscribed and paid-up ordinary shares having face value Rs. 10 through the Pakistan Stock Exchange Limited at the spot/current price prevailing during purchase period. The Holding Company has bought back its all 2,000,000 ordinary shares from its shareholders till dated 02 January 2023. Consequently, paid up capital of the Holding Company has been reduced to Rs. 577,766,610 divided into 57,776,661 ordinary shares of face value of Rs. 10 each.

	Note	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
<b>7. LONG TERM FINANCES - SECURED</b>			
Mark-up bearing finances from conventional banks	7.1	9,405,850,001	10,279,166,666
Islamic mode of financing	7.2	770,634,621	1,051,685,905
		10,176,484,622	11,330,852,571
<b>Less: Transaction cost</b>			
Balance as at 01 October		(35,413,371)	(43,656,920)
Amortization of transaction cost		4,110,483	8,243,549
Balance at end of the period / year		(31,302,888)	(35,413,371)
		10,145,181,734	11,295,439,200
<b>Current maturity presented under current liabilities:</b>			
Mark-up bearing finances from conventional banks		(2,790,383,335)	(3,046,633,333)
Islamic mode of financing		(437,301,283)	(562,102,567)
	7.3	(3,227,684,618)	(3,608,735,900)
	7.4	6,917,497,116	7,686,703,300
<b>7.1 Mark-up bearing finances from conventional banks</b>			
Balance at beginning of the period / year		10,279,166,666	13,241,278,239
Finances received during the period / year	7.1.1	1,000,000,000	1,000,000,000
Repayments during the period / year		(1,873,316,665)	(3,962,111,573)
		9,405,850,001	10,279,166,666
<b>7.1.1 Finances received during the period</b>			
	Markup basis	Duration	Grace period
Allied Bank Limited	*3mk + 0.50	1.5 Years	01 Year
			Amount Rupees
			1,000,000,000
			*3 mk i.e. 3 months KIBOR
<b>7.2 Islamic mode of financing</b>			
Balance at beginning of the period / year		1,051,685,905	1,645,038,469
Repayments during the period / year		(281,051,284)	(593,352,564)
		770,634,621	1,051,685,905

**7.3** In accordance with the terms of agreements with the Bank of Punjab – Led Syndicate (as referred in note 8.1 to the audited consolidated financial statements for the year ended 30 September 2022) and Allied Bank Limited as referred in note 7.1.1, the Holding Company is required to comply with certain financial and non-financial covenants. The Holding Company was not in compliance with non-financial covenant towards the Bank of Punjab – Led Syndicate regarding breach of dividend distribution conditions and financial covenants towards Allied Bank Limited regarding service coverage ratio and current ratio as define in the loan agreements. However, pursuant to breach of such covenants, the Holding Company has not classified its non-current liabilities of respective lenders amounting to Rs. 5,154 million into current liabilities in accordance with IFRSs.

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

For the half year ended 31 March 2023

- 7.4 Long term finances are secured against ranking / joint parri passu charge over all present and future fixed assets including land, building, plant and machinery of the Group amounting to Rs. 23,869 million (30 September 2022: Rs 23,869 million) and personal guarantees of sponsor Directors of the Group.

	Note	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
<b>8. LEASE LIABILITIES</b>			
Balance at beginning of the period / year		2,622,898,383	2,104,109,093
Additions during the period / year		161,648,787	1,338,362,504
Finance cost regarding lease arrangement		156,877,771	261,513,480
Impact of remeasurement of lease liabilities		15,913,487	51,986,278
Lease payments / adjustments		(741,177,677)	(960,656,556)
Impact of early termination		–	(172,416,416)
		<u>2,216,160,751</u>	<u>2,622,898,383</u>
Less: Current maturity presented under current liabilities		(742,435,874)	(776,544,778)
<b>Balance at end of the period / year</b>	8.1	<u>1,473,724,877</u>	<u>1,846,353,605</u>

- 8.1 This includes Rs. 522.69 million and Rs. 89.85 million (30 September 2022: Rs. 416.27 million and Rs. 13.53 million) outstanding under Diminishing Musharakah financing arrangement and conventional banks respectively.

	Note	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
<b>9. SHORT TERM BORROWINGS - SECURED</b>			
<b>Mark-up based borrowings from conventional banks</b>			
Cash finances	9.1	19,259,044,691	9,235,755,370
Running finances	9.2	1,282,187,755	2,641,916,225
Finance against trust receipts	9.3	139,822,829	270,733,089
		<u>20,681,055,275</u>	<u>12,148,404,684</u>
<b>Islamic mode of financing</b>			
Salam / Istisna / Musawamah finances	9.4	10,489,265,240	2,681,859,433
		<u>31,170,320,515</u>	<u>14,830,264,117</u>

- 9.1 The Group has availed cash finance facilities from various banks aggregated to Rs. 20,050 million (30 September 2022: Rs. 15,000 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 2022: one to three months KIBOR plus 20 to 100 bps per annum) on utilized limits.
- 9.2 The Group has obtained running finance facilities aggregating to Rs. 2,921 million (30 September 2022: Rs. 2,921 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 2022: 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 2022: Rs. 580 million). It carries mark-up ranging from one to six months KIBOR plus 100 bps per annum (30 September 2022: one to six months KIBOR plus 100 bps per annum).

- 9.4 The Group has obtained Salam / Istisna / Musawamah / Tijarah financing facilities from various banks and financial institutions aggregating to Rs. 11,285 million (30 September 2022: Rs. 10,584 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 2022: One to six months KIBOR plus 50 to 100 bps per annum).
- 9.5 The available facilities for opening letters of credit and guarantee as on the reporting date aggregate to Rs. 2,050 million (30 September 2022: Rs. 2050 million) which includes Rs. 580 million (30 September 2022: Rs. 580 million) sublimit of FATR facility and bank guarantee. Further, facilities of amounting Rs. 100 million (30 September 2022: Rs. 100 million) remain unutilized as on reporting date.
- 9.6 The securities offered are the same as disclosed in the audited consolidated financial statements of the Group for the year ended 30 September 2022.

## 10. TRADE AND OTHER PAYABLES

Balance as at 31 March 2023 mainly includes payable to trade creditors aggregates to Rs. 3,923 million (30 September 2022: Rs. 1,624 million).

## 11. ADVANCES FROM CUSTOMERS

Balance as at 31 March 2023 mainly includes advances received from customers against sale of sugar aggregates to Rs. 18,897 million (30 September 2022: Rs. 2,731 million).

## 12. CONTINGENCIES AND COMMITMENTS

### 12.1 Contingencies

There is no material change in the status of contingencies from the preceding audited consolidated financial statements of the Group for the year ended 30 September 2022, except for the guarantees and commitments as disclosed below:

- 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 2022). However, during the period, the Holding Company has regularised crushing capacities of its Unit I and Unit II as determined by the Committee under Punjab Industries (Control on Establishment & Enlargement) Ordinance, 1963 (Amendment) Act, 2022. In addition to above, Pakistan Sugar Mills Association (PSMA) along with its member sugar mills, including the Holding Company and its Subsidiary Company - DSML, filed writ petition before the Honorable Islamabad High Court (IHC) challenging the initiation of inquiry, Constitution of the Commission of 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 18 August 2020. Thereafter, on 26 October 2020, PSMA and the Holding Company and DSML filed Civil Petition for Leave to Appeal (CPLA) No. 2697 of 2020 against the judgment dated 18 August 2020 before the Honorable Supreme Court of Pakistan. The Holding Company and DSML has a good prima facie case.

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For the half year ended 31 March 2023

**12.1.2** Guarantees issued by the banks on behalf of the Group in favor of various parties as at the reporting date amounts to Rs. 850 million (30 September 2022: Rs. 899 million).

**12.1.3** Counter guarantee given by the Group to various banks against growers financing facilities as at the reporting date amounts to Rs. nil (30 September 2022: Rs. 3,395 million).

**12.1.4** The Holding Company has issued cross corporate guarantees of Rs. 944 million (30 September 2022: Rs. 944 million) on behalf of Deharki Sugar Mills (Private) Limited - wholly owned subsidiary, to secure the obligations of subsidiary company towards their lenders.

	<b>(Un-audited) 31-Mar-23 Rupees</b>	<b>(Audited) 30-Sep-22 Rupees</b>
<b>12.2 Commitments</b>		
<b>12.2.1</b> Letters of credit for import of machinery and its related components		
Holding Company - JDWSML	179,837,063	404,899,443
Subsidiary Company - DSML	4,180,480	94,096,363
	<u>184,017,543</u>	<u>498,995,806</u>

**12.2.2** Commitments in respect of operation and maintenance cost of Co - Generation Power Plants contracted for but not incurred as at 31 March 2023 amounts to Rs. 53.46 million (30 September 2022: Rs. nil).

	<b>Note</b>	<b>(Un-audited) 31-Mar-23 Rupees</b>	<b>(Audited) 30-Sep-22 Rupees</b>
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## 13. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	13.1	22,964,930,912	22,595,408,838
Capital work in progress	13.2	911,810,451	224,145,180
Stores, spare parts and loose tools held for capital expenditure		89,105,835	93,966,175
		<u>23,965,847,198</u>	<u>22,913,520,193</u>
<b>13.1 Operating fixed assets</b>			
Net book value as at beginning of the period / year		22,595,408,838	23,211,878,042
Additions during the period / year		1,377,207,943	1,058,658,526
Transfer to investment property		(38,704,100)	-
Transfer from right-of-use asset - net book value		2,477,062	38,838,956
Deletions during the period / year - net book value		(192,953,194)	(156,750,033)
Depreciation charged / capitalized for the period / year		(778,505,635)	(1,557,216,653)
<b>Net book value at end of the period / year</b>		<u>22,964,930,912</u>	<u>22,595,408,838</u>

	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
<b>13.2 Capital work in progress</b>		
Opening balance	224,145,180	60,266,380
Additions during the period / year	1,100,563,759	902,917,617
Transfers made during the period / year	(412,898,488)	(739,038,817)
<b>Closing balance</b>	<b>911,810,451</b>	<b>224,145,180</b>

	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
<b>Note</b>		

#### 14. RIGHT-OF-USE ASSETS

Net book value at beginning of the period / year		2,354,000,180	1,879,625,367
Additions during the period / year		174,742,065	1,347,769,875
Transfer to operating fixed assets - net book value		(2,477,062)	(38,838,956)
Depreciation charged during the period / year		(437,710,525)	(790,316,478)
Deletions during the period / year		-	(96,225,906)
Impact of remeasurement		15,913,487	51,986,278
<b>Net book value at end of the period / year</b>	14.1	<b>2,104,468,145</b>	<b>2,354,000,180</b>
Less: Current maturity presented under current assets		(339,748,094)	(730,292,317)
		<b>1,764,720,051</b>	<b>1,623,707,863</b>

#### 14.1 The right-of-use assets relate to following type of assets:

Land		1,497,062,340	1,813,183,236
Vehicles		545,716,321	479,786,028
Buildings		61,689,484	61,030,916
<b>Total right-of-use assets</b>		<b>2,104,468,145</b>	<b>2,354,000,180</b>

	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
<b>Note</b>		

#### 15. LONG TERM INVESTMENTS

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

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

For the half year ended 31 March 2023

	Note	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
<b>15.1 Khatai-II Hydro (Private) Limited - ("KHL")</b>			
250 (30 September 2022: 250) fully paid shares of Rs. 10 each			
Equity held 20% (30 September 2022: 20%)		2,500	2,500
Share of post acquisition reserve		(2,500)	(2,500)
<b>Balance as at the end of the period / year</b>	15.1.1	-	-

15.1.1 Equity method has been applied on unaudited financial statements for the period ended 31 March 2023 (30 September 2022). Post acquisition reserves restricted to the cost of investment, therefore share of loss amounted to Rs. 259,065 (30 September 2022: Rs.204,831) for the period has not taken under equity method.

	Note	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
<b>15.2 JDW Power (Private) Limited ("JDWPL")</b>			
9,000,000 (30 September 2022: 9,000,000) fully paid shares of Rs. 10 each			
Equity held 47.37% (30 September 2022: 47.37%)		90,000,000	90,000,000
Less: Accumulated impairment allowance		(90,000,000)	(90,000,000)
<b>Balance as at end of the period / year</b>	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. 718 million (31 March 2022: Rs. 425 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. 2,853 million from level 3 and transfer in of other crops amounting to Rs. 167.5 million into Level 3 has been made during the period respectively (31 March 2022: Rs. 2,333 million and Rs. 94 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-23		31-Mar-22	
		Wheat	Mustard	Wheat	Mustard
<b>Valued plantations (Actual)</b>					
- Punjab Zone	Acres	217	237	89	254
- Sindh Zone	Acres	811	129	949	54
<b>Estimated future production costs and costs to sell</b>					
- Punjab Zone	Rs. per Acres	7,000	4,316	3,456	3,579
- Sindh Zone	Rs. per Acres	5,000	–	3,456	–
<b>Estimated yield per acre</b>					
- Punjab Zone	Maunds	35	13	31	13
- Sindh Zone	Maunds	35	8	35	7
<b>Harvest age</b>	Months	5-6	5-6	5-6	5-6
<b>Estimated future market price per maunds</b>					
- Punjab Zone	Rupees	3,900	8,000	2,200	5,500
- Sindh Zone	Rupees	4,000	7,500	2,200	5,000
<b>Risk - adjusted discount rate</b>					
	% per month	0.89%	0.89%	0.98%	0.98%

## 16.2 Sensitivity analysis

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

	31-Mar-23		31-Mar-22	
	Rupees	Rupees	Rupees	Rupees
Decrease of 10% in expected average yield per acre	(14,205,936)	(3,198,632)	(7,837,508)	(2,014,268)
Increase of 10% in discount rate	(135,642)	(30,771)	(74,214)	(19,086)

**(Un-audited)**  
**31-Mar-23**  
**Rupees**

**(Audited)**  
**30-Sep-22**  
**Rupees**

## 17. STOCK-IN-TRADE

Sugar - finished goods	44,589,796,558	16,905,020,652
Bagasse - by product	2,045,281,853	935,260,218
Molasses - by product	2,560,282,395	–
Mud - by product	75,923,687	78,680,116
	<u>49,271,284,493</u>	<u>17,918,960,986</u>

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

For the half year ended 31 March 2023

	Note	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees
<b>18. CASH AND BANK BALANCES</b>			
<b>Current accounts</b>			
Balance with conventional banks		361,854,240	332,347,315
Balance with islamic banks		362,344,926	74,754,946
		724,199,166	407,102,261
<b>Saving accounts</b>			
Deposits with conventional banks	18.1	51,814,635	28,996,915
		776,013,801	436,099,176
<b>Cash in hand</b>			
		36,695,095	4,846,210
		812,708,896	440,945,386

18.1 The balances in savings accounts are placed under mark-up arrangements and bear mark-up ranging from 13.50 % to 15.50 % per annum (30 September 2022: 5.50% to 14.25 % per annum).

## 19. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue based on:

	Note	Six months ended		Three months ended	
		31-Mar-23 Rupees	31-Mar-22 Rupees	31-Mar-23 Rupees	31-Mar-22 Rupees
<b>19.1 Segments</b>					
<b>Sugar</b>					
Sugar	19.1.1	32,340,193,759	22,426,174,833	16,471,777,434	12,626,455,398
Molasses - by product		7,645,926,853	6,489,856,548	5,442,851,175	4,539,446,416
Bagasse - by product		475,954,801	-	151,348,199	-
Mud - by product		532,022,219	376,566,585	376,790,759	245,531,123
Agri Inputs		3,620,779,900	2,086,238,638	3,620,409,450	2,085,646,138
		44,614,877,532	31,378,836,604	26,063,177,018	19,497,079,075
<b>Co-Generation Power</b>	19.2	2,265,033,837	1,583,452,822	1,055,975,759	938,008,185
<b>Corporate Farms</b>		5,073,460	3,338,875	5,073,460	3,160,375
		46,884,984,829	32,965,628,301	27,124,226,237	20,438,247,635
<b>19.1.1 Sugar</b>					
Local		30,103,968,319	22,426,174,833	14,235,551,994	12,626,455,398
Export	19.1.1.1	2,236,225,440	-	2,236,225,440	-
		32,340,193,759	22,426,174,833	16,471,777,434	12,626,455,398

	Six months ended		Three months ended	
	31-Mar-23 Rupees	31-Mar-22 Rupees	31-Mar-23 Rupees	31-Mar-22 Rupees
<b>19.1.1 Geographic markets</b>				
Asia	1,954,343,840	–	1,954,343,840	–
Africa	281,881,600	–	281,881,600	–
	2,236,225,440	–	2,236,225,440	–
<b>19.2 Co-Generation Power</b>				
Variable energy price	1,269,383,098	933,711,396	638,683,595	582,313,205
Fixed energy price	995,650,739	649,741,426	417,292,164	355,694,980
	2,265,033,837	1,583,452,822	1,055,975,759	938,008,185
<b>19.3 Timing of revenue recognition</b>				
Products transferred at a point in time	44,619,950,992	31,382,175,479	26,068,250,478	19,500,239,450
Products transferred over time	2,265,033,837	1,583,452,822	1,055,975,759	938,008,185
	46,884,984,829	32,965,628,301	27,124,226,237	20,438,247,635

## 20. OTHER INCOME

This mainly includes fair value loss on initial recognition of agricultural produce of Rs. 495 million (31 March 2022: Gain of Rs. 860 million), net fair value gain on biological assets of Rs. 118 million (31 March 2022: Rs. 59 million), markup on delayed payment from CPPA-G of Rs. 156 million (31 March 2022: Rs. 78 million), scrap sale of Rs. 162 million (31 March 2022: Rs. 3 million) and gain on disposal of operating fixed assets of Rs. 16 million (31 March 2022: Rs. 39 million).

## 21. OTHER EXPENSES

This mainly includes provision for Workers' Profit Participation Fund and Workers' Welfare Fund.

## 22. EARNINGS PER SHARE - BASIC AND DILUTED

	Six months ended		Three months ended	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
<b>Profit from continuing operations (Rupees)</b>	1,142,559,055	3,365,000,466	580,960,767	2,132,667,934
Weighted average number of ordinary shares (Numbers)	58,782,861	59,776,661	57,794,261	59,776,661
<b>Basic earnings per share (Rupees)</b>	19.44	56.29	10.05	35.68

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

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	Six months ended		Three months ended	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Profit / (loss) from discontinued operations (Rupees)	312,543,769	(814,644)	313,870,274	(580,388)
Weighted average number of ordinary shares (Numbers)	58,782,861	59,776,661	57,794,261	59,776,661
Basic earnings / (loss) per share (Rupees)	5.31	0.00	5.43	0.00

22.1 A diluted earnings per share has not been presented as the Holding Company does not have any convertible instruments in issue as at 31 March 2023 and 2022 which would have any effect on the profit per share if the option to convert is exercised.

## 23. BUSINESS SEGMENTS INFORMATION

23.1 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
<b>Sugar</b>	Production and sale of crystalline sugar and other related joint and by-products.
<b>Co-Generation Power</b>	Generation and sale of electricity to Central Power Purchasing Agency (Guarantee) Limited.
<b>Corporate Farms</b>	Managing corporate farms for cultivation of sugarcane and small quantity of other crops.
<b>Others</b>	Projects under construction for manufacture / generation and sale of wood pulp and electricity. However, operation of paper pulp classified as disposal group.

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

	Sugar		Co-Generation segment		Corporate Farms segment		Others		Inter Segment Reconciliation		Total	
	31-Mar-23 Rupees	31-Mar-22 Rupees	31-Mar-23 Rupees	31-Mar-22 Rupees	31-Mar-23 Rupees	31-Mar-22 Rupees	31-Mar-23 Rupees	31-Mar-22 Rupees	31-Mar-23 Rupees	31-Mar-22 Rupees	31-Mar-23 Rupees	31-Mar-22 Rupees
<b>23.2.1 Segment revenues &amp; results</b>												
Net external revenues	44,614,877,532	31,378,836,604	2,265,033,837	1,583,452,822	5,073,460	3,338,875	-	-	-	-	46,884,984,829	32,955,828,301
Inter - segment revenues	1,354,009,584	1,183,882,396	980,822,691	1,260,474,837	3,983,242,674	4,431,749,975	-	-	(6,238,074,949)	(6,876,106,208)	-	-
Reportable segment revenue	45,968,887,116	32,562,729,000	3,245,856,528	2,843,927,659	3,988,316,134	4,435,079,850	-	-	(6,238,074,949)	(6,876,106,208)	46,884,984,829	32,955,828,301
Segment profit / (loss) before tax	1,192,680,719	2,109,873,504	1,325,428,588	1,196,206,538	(780,151,267)	674,478,799	(119,160)	(8,064,769)	-	-	1,738,039,880	3,972,494,072

23.2.2 Inter - segment sales and purchases

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

23.2.3 Basis of inter - segment pricing

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

23.2.4 Segment assets & liabilities of continuing operations

	Sugar		Co-Generation segment		Corporate Farms segment		Others		Total	
	(Un-audited) 31-Mar-23 Rupees	(Audited) 30-Sep-22 Rupees								
Total assets for reportable segment	76,839,719,336	41,421,865,239	6,847,112,271	6,451,554,109	5,881,908,062	7,343,242,138	826,452	1,011,612	89,369,556,141	55,217,873,118
Total liabilities for reportable segment	69,489,390,116	34,272,185,845	122,344,417	333,689,617	1,988,840,739	2,350,866,452	21,112	87,112	71,980,596,384	36,956,846,026

23.3 Reconciliation of reportable segment profit or loss

Total profit before tax for reportable segments	1,738,038,880	3,972,494,072
Unallocated corporate income / (expenses)	(595,479,825)	(607,493,606)
Consolidated profit after tax from continuing operations	1,142,559,055	3,365,000,466

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

For the half year ended 31 March 2023

## 24. TRANSACTIONS WITH RELATED PARTIES

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

Name of Company	Relationship	Nature of Transactions	31-Mar-23	31-Mar-22
			Rupees	Rupees
<b>JDW Aviation (Pvt.) Limited</b>	<b>Associated Company</b> (Common directorship)	Reimbursement of expenses	1,765,500	1,915,617
<b>Lahore Flying Club (Guarantee) Limited</b>	<b>Associated Company</b> (Related party)	Services rendered against aircraft hangar	172,009	615,779
<b>Post Employment Benefit Plans</b>	<b>Other Related Parties</b>	Provident fund contribution	166,519,545	157,818,790
		Payment to recognized gratuity fund	38,556,204	55,987,252
		Short term advances	85,326,192	-
<b>Key Management Personnel</b>	<b>Key management</b>	Directors' remuneration and allowances	688,000,005	681,101,670
		Dividend paid	68,367,263	54,673,810
		Reimbursement of expenses	3,532,856	-

## 25. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in these condensed interim consolidated financial statements approximate their fair values other than mentioned below. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment in associates are carried at cost (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 between level 2 and level 3 fair value measurement.

## **26. 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 2022.

## **27. DATE OF AUTHORIZATION**

These condensed interim consolidated financial statements have been approved by the Board of Directors and authorized for issue on 29 May 2023.

## **28. CORRESPONDING FIGURES**

Corresponding figures have been re-arranged and re-classified, wherever considered necessary, for the purposes of comparison and better presentation to comply with the requirements of the accounting and reporting standards as applicable in Pakistan, however, no significant re-arrangements and reclassification have been made during the period.

## **29. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE**

The Board of Directors of the Holding Company in its meeting held on 29 May 2023 declared interim cash dividend of Rs. 10 (100%) per share for the half year ended 31 March 2023 (31 March 22: Rs. 7.5 (75%) per share).









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