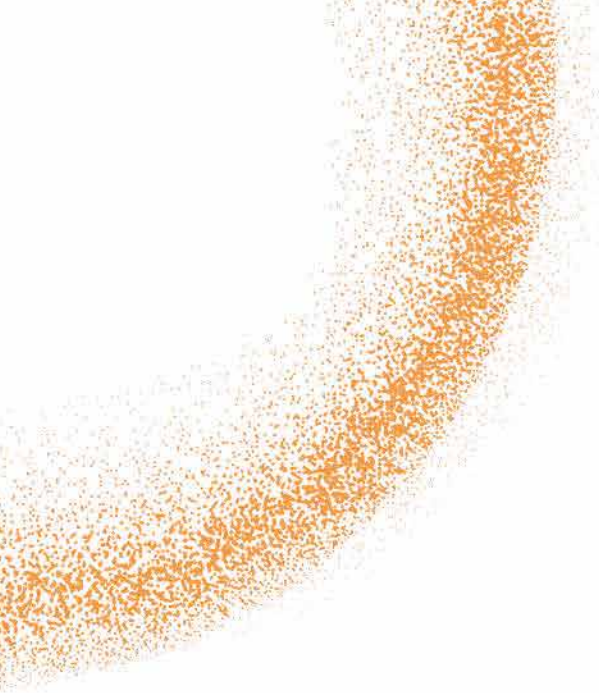


## Continued Excellence





# 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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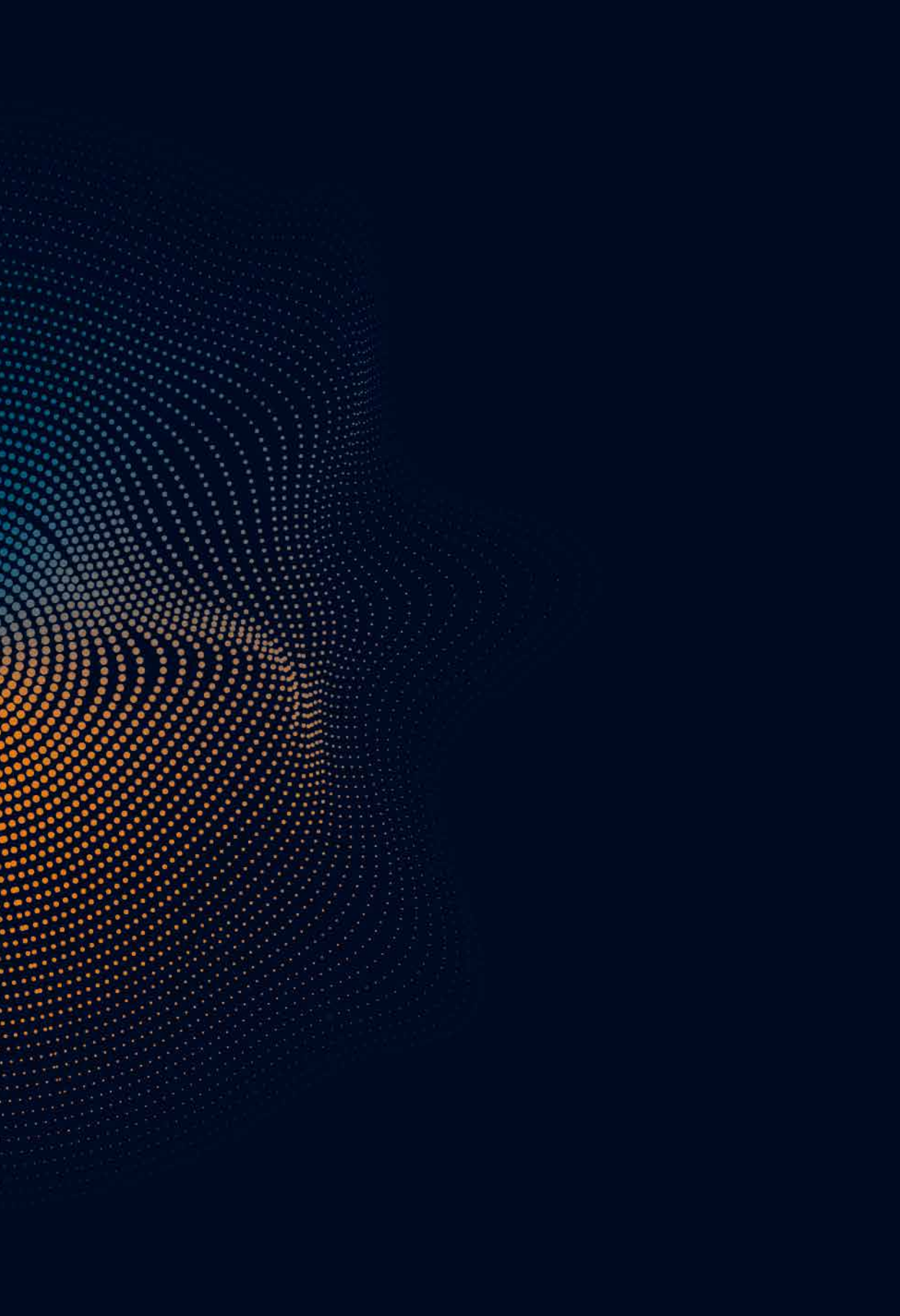
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01

## COMPANY REVIEW

06 Corporate Information

# CORPORATE INFORMATION

## Board of Directors

Mr. Jahangir Khan Tareen

**Director**

Mukhdoom Syed Ahmed Mahmud

**Director / Chairman**

Mr. Raheal Masud

**Director / Chief Executive**

Mrs. Samira Mahmud

Mr. Ijaz Ahmed

Mr. Asim Nisar Bajwa

Mr. Qasim Hussain Safdar

## Chief Operating Officer

Rana Nasim Ahmed

## Group Director (Finance) & CFO

Mr. Muhammad Rafique

## Company Secretary

Mr. Maqsood Ahmad Malhi

## Audit Committee

Mr. Qasim Hussain Safdar

**Chairman / Member**

Mrs. Samira Mahmud

**Member**

Mr. Ijaz Ahmed

**Member**

## HR & R Committee

Mr. Asim Nisar Bajwa

**Chairman / Member**

Mrs. Samira Mahmud

**Member**

Mr. Ijaz Ahmed

**Member**

## Nomination Committee

Mr. Jahangir Khan Tareen

**Chairman / Member**

Mr. Asim Nisar Bajwa

**Member**

## Risk Management Committee

Mr. Jahangir Khan Tareen

**Chairman / Member**

Mr. Asim Nisar Bajwa

**Member**

## Registrar

Corplink (Pvt.) Limited

## Bankers

**Conventional**

MCB Bank Limited

The Bank of Punjab

Allied Bank Limited

Askari Bank Limited

Habib Bank Limited

Standard Chartered Bank  
(Pakistan) Limited

National Bank of Pakistan

Pak Oman Investment Company  
Limited

Soneri Bank Limited

United Bank Limited

Pak Kuwait Investment Company  
Limited

Pak Brunei Investment Company  
Limited

JS Bank Limited

Habib Metropolitan Bank Limited

## Islamic

Dubai Islamic Bank Pakistan  
Limited

Faysal Bank Limited

MCB Islamic Bank Limited

Bank Alfalah Limited

BankIslami (Pakistan) Limited

Meezan Bank Limited

Askari Bank Limited

National Bank of Pakistan



## Auditors

Riaz Ahmad, Saqib, Gohar & Co.  
Chartered Accountants



## Legal Advisor

Cornelius, Lane & Mufti



## Web Presence

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





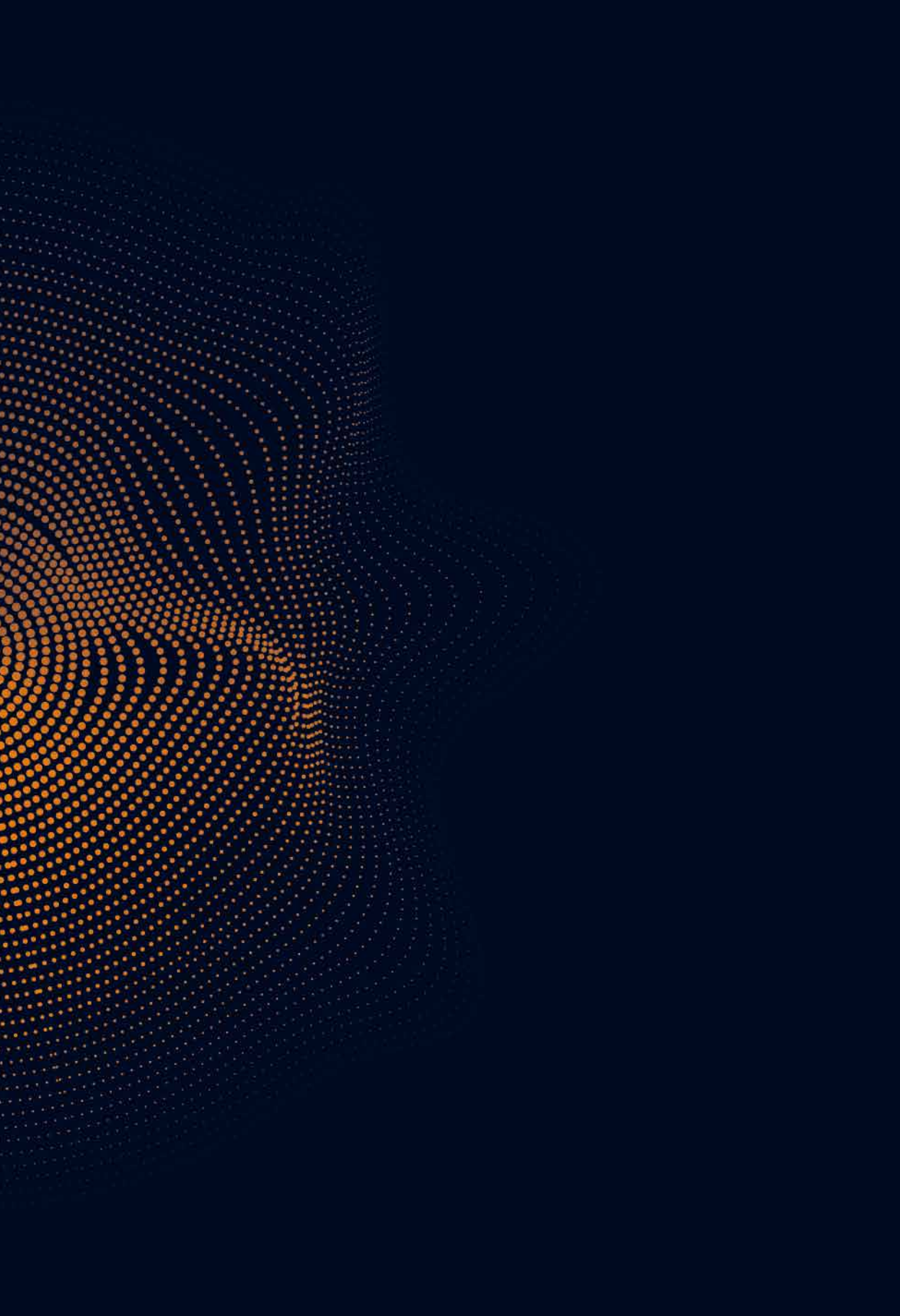
#### Registered Office

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



#### Mills

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



02

## DIRECTORS' REVIEW

10 Directors' Review

# DIRECTORS' REVIEW

## 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 nine months period ended on 30 June 2021.

During period under review, the Company has earned net profit after tax amounting to Rs. 1,487 million as compared to net profit after tax Rs. 623 million resultantly earnings per share of the Company in the current period is Rs. 24.88 as compared to Rs. 10.42 in the same period last year, which is mainly attributable to reduction in financial charges and sale of carryover sugar stocks.

### Other points of your interest are narrated below:

- Besides 14% increase in the gross turnover of the Company there has also been improvement in the gross profit margin compared to same period last year which has resulted in getting better financial results.
- The finance cost of the Company for the current period has significantly decreased by Rs. 1,159 million i.e., 39% over comparative period being result of lower mark-up rates and repayment of debt.
- The balance sheet size has increased to Rs. 45 billion from Rs. 41 billion. Accumulated reserves are approximately 18 times of the paid-up capital of the Company.
- During period under review, key financial covenants have shown improvement as compared to last period which are expected to improve further subsequently. The Company is fulfilling its all financial obligations on time and enjoys cordial relationship with all the financial institutions it's dealing with.
- In connection to the energy payments of the Company's two bagasse-based Co-Gen Power Projects of 26.35 MW each from Central Power Purchasing Agency ("CPPA-G") and revision in tariff components, after negotiations with the Committee notified by the Government of Pakistan during August 2020, we executed "Master Agreement" and "EPA Amendment Agreement" on 12 February 2021 with CPPA-G. As agreed in Master Agreement, the outstanding amount as on 30 November 2020 which in our case was Rs. 2,042 million will be paid in two tranches i.e., 40% of the amount which we have already received on 04 June 2021 and balance 60% will be received in December this year. Each instalment consists of 1/3rd cash payment, 1/3rd by issuance of Sukuk Bonds of 5 to 10 years' tenor and 1/3rd by issuance of Pakistan Investment Bonds (PIBs) of 10 years' period. Further, the Company has, in the larger National Interest, voluntarily agreed to provide certain concessions which also includes foregoing 70% of fixed energy payment for energy dispatched above the annual 45% plant factor effective from Commercial Operation Dates. Resultantly, an amount of Rs. 3,326 million against fixed energy receivables has been written off in the accounts under review.

### Other Salient Features:

- As usual growers' payment has remained our top priority being one of the main keys of our success, this year also on Group basis growers' payments have been fully paid off for the crushing season 2020-21 despite stuck up of huge funds with Government of Sindh and CPPA-G on account of sugar export subsidy & sale of energy respectively. This

was the 3rd consecutive crushing season in which all the growers of the Company were successfully paid through their bank accounts throughout the season and thereafter which was very well appreciated by the growers. Growers were extremely happy for getting higher sugarcane rates and timely payments through their bank accounts. Company regularly provides financial assistance and technical support to its growers. Due to these policies and preferential treatment with growers, the Company enjoys excellent relationship with them.

- Government of Pakistan has introduced following measures for Sugar Industry vide Finance Act 2021:
  - Inclusion of sugar in third schedule of Sales Tax Act, 1990, through this amendment sales tax will be paid on retail price of sugar except where it is supplied as an industrial raw material to pharmaceutical, beverage and confectionary industries.
  - Government has reduced minimum tax liability u/s 113 from 1.50% to 1.25% of Net Sales.
  - In view of our negotiations referred above FBR has resolved long outstanding tax issues of bagasse-based Co-Generation projects having one or more boilers of not less than 60 bar (kg/CM<sup>3</sup>) pressure each commissioned after the first day of January 2013 by making following amendments in the Income Tax Ordinance to bring these projects at par with other IPPs:
    - Profits and gains generated from bagasse-based Co-Generation power project have been exempted from payment of income tax;
    - Applicability of minimum tax u/s 113 on receipts from sale of electricity from bagasse-based Co-Generation power project have been exempted;
    - Exemption from withholding tax u/s 148 on import of plant and machinery for setting up of a bagasse-based cogeneration power project;
    - Reduction in income tax rate on dividend to 7.5% from 15% declared by bagasse-based Co-Generation power project;
- We are maintaining continued good performance and want to focus more on reduction of debt to further reduce the financial charges and sugarcane development in the vicinity of all our mills by introducing new varieties & working more on pest controls. Reduction in the markup rates by SBP has started benefiting the whole industry in the country, the continuity of which is absolutely important for generating more business and economic activities through industrialization.

ان مذاکرات کے پیش نظر جن کا اوجہ والدین کیا گیا ہے ایف بی آر نے عرصے دراز سے بگس سے بھلی بنانے والے منصوبوں (جن کا ایک یا زیادہ ہوا کمر ساٹھ بار سے کم تھ ہوں اور جو 01 جنوری 2013 کے بعد استعمال میں آئے ہوں) کو درپیش ٹیکس مسائل کے حل کے لیے اس بار کے سالانہ ٹیکس آرڈیننس میں مندرجہ ذیل تبدیلیوں کی ہیں تاکہ انھیں دیگر آئی جیز کے برابر لایا جاسکے۔

بگس بیڈ کو جنریشن پراجیکٹ کے منافع اور فوائد کو ٹیکس سے مستثنیٰ کر دیا گیا ہے۔

بگس بیڈ کو جنریشن پراجیکٹس کی بھلی کی قابل ٹیکس فروخت کی وصولی کو سیکشن 113 کے عمومی ٹیکس سے استثنیٰ دیا گیا ہے۔

بگس بیڈ کو جنریشن پراجیکٹس لگانے کے لیے پلانٹ اور دیگر مشینری کی برآمدات کو سیکشن 148 سے بھی استثنیٰ مل گیا ہے۔

بگس بیڈ کو جنریشن پراجیکٹس کے ڈیوڈینڈ پر انکم ٹیکس کی شرح کو 15 فیصد سے کم کر کے 7.5 فیصد کر دیا گیا ہے۔

ہم اچھی کارکردگی کو برقرار رکھے ہوئے ہیں اور اپنی مالیاتی لاگت کو مزید کم کرنے کے لیے قرض میں کی بر زیادہ وجہ مرکوز کرنا چاہتے ہیں اور یہ چاہتے ہیں کہ اپنی ملوں کے گرد و نواح میں گئے کی نئی اقسام متعارف کروائیں اور کیڑوں پر قابو پانے پر مزید کام کریں۔ اسٹیٹ بینک کے ذریعہ مارک اپ نرخوں میں کمی نے ملک کی پوری صنعت کو فائدہ پہنچانا شروع کر دیا ہے، جس کا تسلسل صنعت کاری کے ذریعہ زیادہ کاروباری اور معاشی سرگرمیاں پیدا کرنے کے لیے بیجدا ہم ہے۔ آنے والے بجٹ میں کم سے کم ٹرن اوور ٹیکس کی شرح میں کمی بھی صنعت کو زیادہ ریلیف دے سکتی ہے۔

لاہور

۲۸ جولائی ۲۰۲۱

ڈائریکٹر

چیف ایگزیکٹو



## ڈائریکٹرز کا جائزہ

ڈائریکٹرز انتہائی مسرت کے ساتھ کمپنی کی عبوری مالیاتی رپورٹ برائے نو مئی 30 جون 2021 پیش کرتے ہیں۔

رواں نو مئی کے بنیادی نکات نیچے مختصراً موجود ہیں:

زیر جائزہ دورانے میں کمپنی نے بعد از ٹیکس 1,487 ملین روپے کا خالص منافع کمایا جبکہ گزشتہ سال اسی دورانے میں کمپنی نے 623 ملین روپے کا خالص منافع کمایا تھا جس کے نتیجے میں فی حصص آمدن 10.42 روپے سے بڑھ کر 24.88 روپے فی حصص ہو گئی ہے۔ جس کی بنیادی وجہ مالیاتی اخراجات میں کمی اور پیبلے سے موجودگی کی فروخت ہے۔

گزشتہ سال کے اسی دورانے کے مقابلے میں کمپنی کے خام فرائیڈ ہوا جس کی بدولت کمپنی کے خام منافع میں بہتری آئی اور کمپنی نے بہتر مالیاتی نتائج حاصل کیے۔

گزشتہ سال کی نسبت اس سال کے پیبلے نو مئی کے دوران کمپنی کے مالیاتی اخراجات میں 1,159 ملین روپے کی نمایاں کمی آئی جو کہ گزشتہ سال کے مقابلے میں 39% کم ہے اور یہ کمی شرح سود میں کمی اور قرضوں کی ادائیگی کی بدولت ہوئی۔

ٹیلیفون شیٹ کا حجم 141 ارب روپے سے بڑھ کر 45 ارب روپے ہو گیا ہے اور جمع شدہ ریزرو اور شدہ سرمائے کا 18 گنا ہو گئے ہیں۔

مندرجہ بالا بہتر مالیاتی نتائج کی بدولت کمپنی گزشتہ سال کے اسی دورانے سے مقابلتا بہتر مالیاتی نتائج فراہم کر سکی ہے۔ کمپنی اپنی تمام مالیاتی ذمہ داریوں سے بروقت عمدہ برآوری ہے اور تمام مالیاتی اداروں سے بہترین تعلقات قائم کیے ہوئے ہے۔

اگست 2020 کے دوران آزاد فنانسی بکلی پروڈیوسرں کے ساتھ کمپنی برائے مذاکرات کے ساتھ معاہدہ نامے پر دستخط کرنے کے بعد کمپنی کے 26.35 میگا واٹ کے دو پاور پروڈیکشنز کی بکلی کی بنیاد پائی گئی ہے۔ شملک اور نصیر آباد میں ترمیم کے بعد نمبر 12 فروری 2021 کو سی بی پی اے۔ جی کے ساتھ "اسٹریٹجک سینٹ" اور "ای سی پی اے" ترمیمی معاہدہ کیا۔ جیسا کہ بائیں معاہدے میں اتفاق ہوا، 30 نومبر 2020 کو 2,042 ملین روپے کی بنیاد پر جو ہمارے معاملے میں واجب الوصول بھی کی ادائیگی دو قسطوں میں ہوگی، جون میں متوقع رقم کا چالیس فیصد 4 جون 2021 کو ادا کیا جا چکا ہے اور بقیہ ساٹھ فیصد بکلی قسط کی ادائیگی کے چھ ماہ کے بعد اس سال دسمبر کے اختتام تک ادا کی جائے گی۔ ہر قسط کی ایک تہائی نقد ادائیگی پر مشتمل ہوگی، ایک تہائی 5 سے 10 سال تک کے سکوک بانڈز کے اجراء اور بقیہ ایک تہائی پاکستان انویسٹمنٹ بانڈز کے نو سالہ بلز کی صورت میں ادا ہوگی۔ مزید برآں، کمپنی نے، بڑے قومی مفاد میں، رضا کارانہ طور پر کچھ مراعات دینے پر اتفاق کیا ہے جس میں کمرشل آپریشن کی تاریخوں سے مؤثر 45 فیصد پلانٹ ٹھہرے بھی زیادہ توانائی کے لئے بھیجے جانے والے مقررہ توانائی کی ادائیگی 70 کا فیصد بھی شامل ہے۔ نتیجہ کے طور پر فکسڈ انٹری ویری ایبل کی مد میں قابل وصول 3,326 ملین روپے کو حسابات سے خارج کیا گیا۔

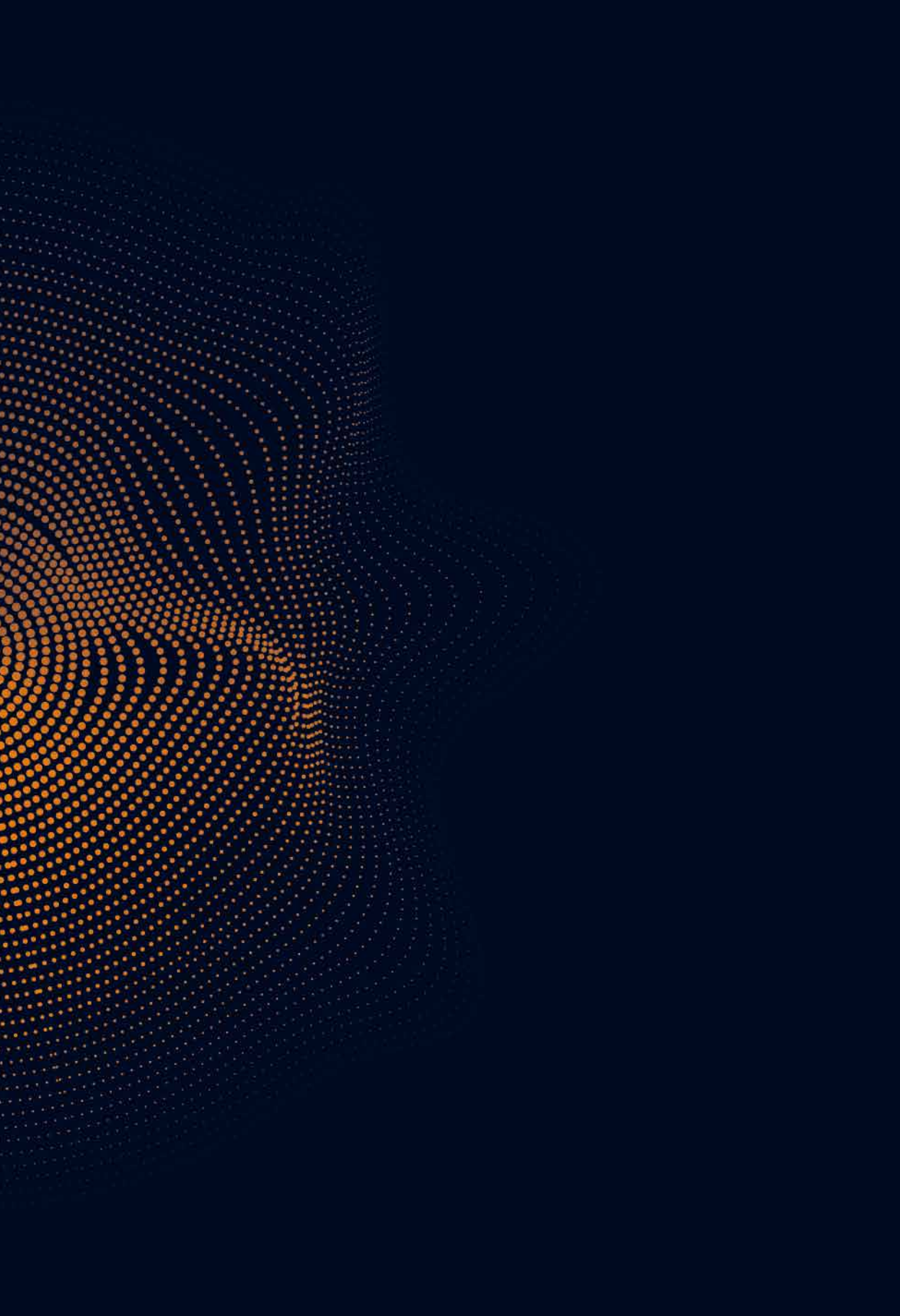
### ہماری نمایاں خصوصیات

ہمیشہ کی طرح، گنتی کی خریداری کی بروقت ادائیگیاں مقرر کردہ نرخوں پر کرنا ہماری اولین ترجیح ہے اور یہی ہماری کامیابی کی بنیادی وجہ ہے۔ چینی کی برآمدی سبسڈی اور بکلی کی فروخت کی مد میں حکومت سے ملنے والی ادائیگیاں کی عدم فراہمی کے باوجود رواں سال 2021-2020 کے دوران کسانوں کے تمام واجبات بذریعہ بینک اکاؤنٹ ادا کئے گئے جسے کسانوں نے بہت سراہا۔ یہ مسلسل تیس سال تھا کہ کسانوں کو ادائیگی بذریعہ بینک کی گئی۔ کاشتکار گنتی، بہتر قیمت اور بذریعہ بینک اکاؤنٹ بروقت ادائیگی کی وجہ سے بہت خوش ہیں۔ کمپنی باقاعدگی سے کسانوں کو مالیاتی قرضے، بیج، زرعی آلات فراہم کرتی ہے جو کسانوں کے ساتھ خوشگوار تعلقات استوار رکھنے میں مددگار ثابت ہوتے ہیں۔

حکومت پاکستان نے چینی کی صنعت میں معاشی ایکٹ 2021 کے تحت مندرجہ ذیل تہدیلیاں متعارف کروائی ہیں۔

چینی کو بیکس ٹیکس ایکٹ 1990 کے تیسرے شیڈول میں شامل کر دیا گیا ہے۔ اس تبدیلی کے ذریعے چینی کے پرچون نرخوں پر بیکس وصول کیا جائے گا ما سوائے کہ جب اسے صنعتی خام مال کے طور پر ادویات سازی، مشروبات سازی اور ٹیکسٹائل میں استعمال کیا جائے۔

حکومت نے نیٹ سٹل پر عمومی ٹیکس کی شرح 1.50 فیصد سے کم کر کے 1.25 فیصد کر دی ہے۔



# 03

## CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

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**CONDENSED INTERIM UNCONSOLIDATED  
STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
As at 30 June 2021

|   | Note | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |
|---|------|-------------------------------------|----------------------------------|
| <b>EQUITY AND LIABILITIES</b>                         |      |                                     |                                  |
| <b>SHARE CAPITAL AND RESERVES</b>                     |      |                                     |                                  |
| Share capital   | 6    | 597,766,610                         | 597,766,610                      |
| Share premium reserve                                 |      | 678,316,928                         | 678,316,928                      |
| Accumulated profit                                    |      | 9,784,002,232                       | 8,296,557,525                    |
|   |      | <u>11,060,085,770</u>               | <u>9,572,641,063</u>             |
| <b>NON-CURRENT LIABILITIES</b>                        |      |                                     |                                  |
| Long term finances - secured                          | 7    | 9,729,511,948                       | 11,482,527,333                   |
| Lease liabilities                                     | 8    | 1,309,067,704                       | 766,591,223                      |
| Deferred taxation                                     |      | 1,017,812,933                       | 994,001,202                      |
| Retirement benefits                                   |      | 22,122,689                          | 104,616,023                      |
| Deferred income - Government grant                    |      | 3,401,983                           | 18,022,964                       |
|   |      | <u>12,081,917,257</u>               | <u>13,365,758,745</u>            |
| <b>CURRENT LIABILITIES</b>                            |      |                                     |                                  |
| Short term borrowings                                 | 9    | 12,437,104,166                      | 9,307,988,486                    |
| Current portion of non-current liabilities            |      | 4,512,556,638                       | 3,560,121,140                    |
| Trade and other payables                              | 10   | 3,498,760,188                       | 2,251,687,573                    |
| Advances from customers                               | 11   | 852,231,043                         | 2,678,183,171                    |
| Unclaimed dividend                                    |      | 33,870,755                          | 33,943,018                       |
| Accrued profit / interest / mark-up                   |      | 484,690,143                         | 322,559,265                      |
|   |      | <u>21,819,212,933</u>               | <u>18,154,482,653</u>            |
| <b>CONTINGENCIES AND COMMITMENTS</b>                  |      |                                     |                                  |
|   | 12   | <u>44,961,215,960</u>               | <u>41,092,882,461</u>            |
| <b>ASSETS</b>   |      |                                     |                                  |
| <b>NON-CURRENT ASSETS</b>                             |      |                                     |                                  |
| Property, plant and equipment                         | 13   | 20,097,373,773                      | 20,772,422,620                   |
| Right-of-use assets                                   | 14   | 1,856,702,453                       | 1,157,421,198                    |
| Investment property                                   |      | 185,854,012                         | 185,854,012                      |
| Intangibles   |      | 613,240,035                         | 614,769,832                      |
| Long term investments                                 | 15   | 1,084,012,500                       | 1,083,252,500                    |
| Long term deposits                                    |      | 53,144,462                          | 57,116,542                       |
|   |      | <u>23,890,327,235</u>               | <u>23,870,836,704</u>            |
| <b>CURRENT ASSETS</b>                                 |      |                                     |                                  |
| Right-of-use assets                                   | 14   | 33,129,839                          | 19,040,329                       |
| Short term investments                                | 15   | 570,053,405                         | 570,053,405                      |
| Biological assets                                     | 16   | 1,204,183,695                       | 1,820,115,980                    |
| Stores, spare parts and loose tools                   |      | 1,547,487,083                       | 1,540,502,239                    |
| Stock-in-trade  | 17   | 10,232,523,326                      | 3,985,441,491                    |
| Trade receivables                                     |      | 6,293,217,376                       | 8,451,790,699                    |
| Advances, deposits, prepayments and other receivables |      | 561,077,153                         | 513,874,445                      |
| Advance tax - net                                     |      | 446,606,950                         | 192,647,995                      |
| Cash and bank balances                                | 18   | 182,609,898                         | 128,579,174                      |
|   |      | <u>21,070,888,725</u>               | <u>17,222,045,757</u>            |
|   |      | <u>44,961,215,960</u>               | <u>41,092,882,461</u>            |

The annexed notes from 1 to 27 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 nine months period and quarter ended 30 June 2021**

|   | Note | Nine months ended   |                     | Three months ended  |                     |
|---|------|---------------------|---------------------|---------------------|---------------------|
|   |      | 30-Jun-21<br>Rupees | 30-Jun-20<br>Rupees | 30-Jun-21<br>Rupees | 30-Jun-20<br>Rupees |
| <b>Gross revenue</b>                          |      | 50,683,890,153      | 44,435,059,968      | 17,828,145,816      | 15,857,280,306      |
| Sales tax and commission                      |      | (6,095,092,448)     | (5,934,502,278)     | (2,367,579,224)     | (2,300,258,692)     |
| <b>Revenue from contracts with customers</b>  | 19   | 44,588,797,705      | 38,500,557,690      | 15,460,566,592      | 13,557,021,614      |
| Cost of revenue                               |      | (36,690,841,101)    | (32,829,672,354)    | (12,331,276,771)    | (11,582,349,910)    |
| <b>Gross profit</b>                           |      | 7,897,956,604       | 5,670,885,336       | 3,129,289,821       | 1,974,671,704       |
| Administrative expenses                       |      | (1,434,856,973)     | (1,257,191,232)     | (427,942,518)       | (403,600,768)       |
| Selling expenses                              |      | (30,246,427)        | (53,911,867)        | (6,360,699)         | (6,761,000)         |
| Other income                                  | 20   | 989,359,805         | 107,129,478         | 68,761,733          | 28,775,981          |
| Other expenses                                | 21   | (3,509,932,622)     | (480,863,547)       | (145,950,260)       | (46,115,112)        |
|   |      | (3,985,676,217)     | (1,684,837,168)     | (511,491,744)       | (427,700,899)       |
| <b>Profit from operations</b>                 |      | 3,912,280,387       | 3,986,048,168       | 2,617,798,077       | 1,546,970,805       |
| Finance cost                                  |      | (1,786,465,501)     | (2,945,223,808)     | (650,374,888)       | (1,046,185,473)     |
| <b>Profit before taxation</b>                 |      | 2,125,814,886       | 1,040,824,360       | 1,967,423,189       | 500,785,332         |
| Taxation                                      |      | (638,370,179)       | (418,199,090)       | (563,374,583)       | (257,662,926)       |
| <b>Profit for the period</b>                  |      | 1,487,444,707       | 622,625,270         | 1,404,048,606       | 243,122,406         |
| <b>Earnings per share - basic and diluted</b> |      | 24.88               | 10.42               | 23.49               | 4.07                |

The annexed notes from 1 to 27 form an integral part of this condensed interim unconsolidated financial statements.

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

For the nine months period and quarter ended 30 June 2021

|  | Nine months ended    |                     | Three months ended   |                     |
|--|----------------------|---------------------|----------------------|---------------------|
|  | 30-Jun-21<br>Rupees  | 30-Jun-20<br>Rupees | 30-Jun-21<br>Rupees  | 30-Jun-20<br>Rupees |
| <b>Profit for the period</b>                     | 1,487,444,707        | 622,625,270         | 1,404,048,606        | 243,122,406         |
| Other comprehensive income for the period        | –                    | –                   | –                    | –                   |
| <b>Total comprehensive income for the period</b> | <b>1,487,444,707</b> | <b>622,625,270</b>  | <b>1,404,048,606</b> | <b>243,122,406</b>  |

The annexed notes from 1 to 27 form an integral part of this condensed interim unconsolidated financial statements.

Chief Financial Officer

Chief Executive

Director



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

For the nine months period ended 30 June 2021

|   | Note      | 30-Jun-21<br>Rupees | 30-Jun-20<br>Rupees |
|---|-----------|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                       |           |                     |                     |
| Profit before taxation  |           | 2,125,814,886       | 1,040,824,360       |
| <b>Adjustments for non-cash income and expenses:</b>              |           |                     |                     |
| Trade receivables written off                                     |           | 3,325,977,231       | –                   |
| Finance cost  |           | 1,786,465,501       | 2,945,223,808       |
| Depreciation of operating fixed assets                            |           | 1,031,213,130       | 1,097,950,236       |
| Depreciation of right-of-use assets                               |           | 460,859,667         | 35,754,922          |
| Sugarcane roots written off                                       |           | 301,335,578         | 214,249,480         |
| Workers' Profit Participation Fund                                |           | 114,168,361         | 55,898,193          |
| Staff retirement benefits   |           | 97,706,549          | 92,471,913          |
| Workers' Welfare Fund   |           | 43,383,977          | 21,241,313          |
| Amortization of transaction cost                                  |           | 4,908,555           | –                   |
| Amortization of intangible assets                                 |           | 1,529,796           | 1,529,796           |
| Assets written off  |           | 9,326               | 917,595             |
| Fair value gain on initial recognition of agricultural produce    |           | (794,392,252)       | –                   |
| Gain on disposal of operating fixed assets                        |           | (33,235,804)        | (16,951,368)        |
| Interest income   |           | (6,286,252)         | –                   |
| Provision for doubtful advances                                   |           | –                   | 21,007,177          |
| Impairment allowance against sugar export subsidy and trade debts |           | –                   | 373,877,382         |
| Provision for obsolescence  |           | –                   | 142,792,482         |
|   |           | 6,333,643,363       | 4,985,962,929       |
|   |           | 8,459,458,249       | 6,026,787,289       |
| <b>Working capital changes:</b>                                   |           |                     |                     |
| Stores, spare parts and loose tools                               |           | (6,984,844)         | (59,597,722)        |
| Stock-in-trade  |           | (6,247,081,835)     | (2,834,115,960)     |
| Biological assets   |           | 1,410,324,537       | 915,862,553         |
| Advances, deposits, prepayments and other receivables             |           | (47,202,708)        | (137,066,028)       |
| Trade receivables   |           | (1,167,403,908)     | (1,772,697,669)     |
| Trade and other payables  |           | 1,238,577,721       | 508,572,422         |
| Advances from customers   |           | (1,825,952,128)     | (4,638,602,668)     |
|   |           | (6,645,723,165)     | (8,017,645,072)     |
| <b>Cash generated from / (used in) operations</b>                 |           | 1,813,735,084       | (1,990,857,783)     |
| Taxes paid  |           | (868,517,403)       | (234,827,515)       |
| Staff retirement benefits paid                                    |           | (187,137,904)       | (70,752,248)        |
| Interest income received  |           | 6,286,252           | –                   |
| Workers' Profit Participation Fund paid                           |           | (129,154,026)       | (12,634,718)        |
|   |           | (1,178,523,081)     | (318,214,481)       |
| <b>Net cash generated from / (used in) operations</b>             |           | 635,212,003         | (2,309,072,264)     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                       |           |                     |                     |
| Capital expenditure   |           | (696,178,382)       | (350,376,902)       |
| Advances for future issuance of shares                            |           | (760,000)           | (1,000,000)         |
| Long term deposits - net  |           | 3,972,080           | 2,065,975           |
| Investment made in associate                                      |           | –                   | (2,500)             |
| Proceeds from disposal of operating fixed assets                  |           | 49,898,169          | 25,008,119          |
|   |           | (643,068,133)       | (324,305,308)       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                       |           |                     |                     |
| Long term finances - net  |           | (869,188,890)       | 4,372,295,382       |
| Short term borrowings - net                                       |           | 4,610,518,079       | 2,665,127,943       |
| Financial charges paid as:  |           |                     |                     |
| - finance cost  |           | (1,496,212,561)     | (2,453,054,482)     |
| - interest on lease liability                                     |           | (128,122,065)       | (131,661,092)       |
| Principal portion of lease liability paid                         |           | (573,633,047)       | (516,720,896)       |
| Dividend paid   |           | (72,263)            | (595,411,605)       |
| <b>Net cash generated from financing activities</b>               |           | 1,543,289,253       | 3,340,575,250       |
| <b>Net increase in cash and cash equivalents</b>                  |           | 1,535,433,123       | 707,197,678         |
| <b>Cash and cash equivalents at beginning of the period</b>       |           | (3,225,170,679)     | (3,539,932,772)     |
| <b>Cash and cash equivalents at end of the period</b>             |           | (1,689,737,556)     | (2,832,735,094)     |
| <b>Cash and cash equivalents comprise of the following:</b>       |           |                     |                     |
| - Cash and bank balances  | 18        | 182,609,898         | 374,771,159         |
| - Running / Morabaha / Karobar / Musharakah finances              | 9.2 & 9.5 | (1,872,347,454)     | (3,207,506,253)     |
|   |           | (1,689,737,556)     | (2,832,735,094)     |

The annexed notes from 1 to 27 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 nine months period ended 30 June 2021

|   | Share capital | Reserves      |                    |        |                | Total equity   |
|---|---------------|---------------|--------------------|--------|----------------|----------------|
|   |               | Capital       | Revenue            |        | Total reserves |                |
|   |               | Share premium | Accumulated profit |        |                |                |
|   | Rupees        | Rupees        | Rupees             | Rupees | Rupees         | Rupees         |
| Balance as at 01 October 2019             | 597,766,610   | 678,316,928   | 7,496,780,938      |        | 8,175,097,866  | 8,772,864,476  |
| Total comprehensive income for the period | –             | –             | 622,625,270        |        | 622,625,270    | 622,625,270    |
| Transaction with owners of the Company:   |               |               |                    |        |                |                |
| Final dividend for the year ended         |               |               |                    |        |                |                |
| 30 September 2019 @ Rs. 10.00 per share   | –             | –             | (597,766,610)      |        | (597,766,610)  | (597,766,610)  |
| Balance as at 30 June 2020                | 597,766,610   | 678,316,928   | 7,521,639,598      |        | 8,199,956,526  | 8,797,723,136  |
| Balance as at 01 October 2020             | 597,766,610   | 678,316,928   | 8,296,557,525      |        | 8,974,874,453  | 9,572,641,063  |
| Total comprehensive income for the period | –             | –             | 1,487,444,707      |        | 1,487,444,707  | 1,487,444,707  |
| Balance as at 30 June 2021                | 597,766,610   | 678,316,928   | 9,784,002,232      |        | 10,462,319,160 | 11,060,085,770 |

The annexed notes from 1 to 27 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 nine months period ended 30 June 2021

## 1 REPORTING ENTITY

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

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

## 2 BASIS OF PREPARATION

### 2.1 Basis of accounting

**2.1.1** These condensed interim unconsolidated financial statements comprise of the condensed interim unconsolidated statement of financial position of the Company as at 30 June 2021 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of cash flows and condensed interim unconsolidated statement of changes in equity and together with the notes forming part thereof for the nine months period ended 30 June 2021.

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

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

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

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

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

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

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

For the nine months period ended 30 June 2021

**2.1.6** These condensed interim unconsolidated financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

## 3 USE OF ESTIMATES AND JUDGMENTS

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

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

## 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 2020.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after 01 October 2020, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim unconsolidated financial statements.

## 5 SEASONALITY OF OPERATIONS

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

|   | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |
|---|-------------------------------------|----------------------------------|
| <b>6 SHARE CAPITAL</b>                                  |                                     |                                  |
| <b>6.1 Authorized share capital</b>                     |                                     |                                  |
| 75,000,000 (30 September 2020: 75,000,000)              |                                     |                                  |
| ordinary shares of Rs. 10 each                          | 750,000,000                         | 750,000,000                      |
| 25,000,000 (30 September 2020: 25,000,000)              |                                     |                                  |
| preference shares of Rs. 10 each                        | 250,000,000                         | 250,000,000                      |
|   | <u>1,000,000,000</u>                | <u>1,000,000,000</u>             |
| <b>6.2 Issued, subscribed and paid up share capital</b> |                                     |                                  |
| 32,145,725 (30 September 2020: 32,145,725)              |                                     |                                  |
| ordinary shares of Rs. 10 each fully paid in cash       | 321,457,250                         | 321,457,250                      |
| 27,630,936 (30 September 2020: 27,630,936)              |                                     |                                  |
| voting bonus shares of Rs. 10 each fully paid           | 276,309,360                         | 276,309,360                      |
|   | <u>597,766,610</u>                  | <u>597,766,610</u>               |

|   | Note                    | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |               |
|---|-------------------------|-------------------------------------|----------------------------------|---------------|
| 7 LONG TERM FINANCES - SECURED  |                         |                                     |                                  |               |
| Mark-up bearing finances from conventional banks / financial institutions     | 7.1                     | 12,570,171,588                      | 13,626,959,838                   |               |
| Islamic mode of financing   | 7.2                     | 905,355,777                         | 717,756,419                      |               |
|   |                         | 13,475,527,365                      | 14,344,716,257                   |               |
| Current maturity presented under current liabilities:                         |                         |                                     |                                  |               |
| Mark-up bearing finances from conventional banks / financial institutions     |                         | (3,387,086,571)                     | (2,685,652,808)                  |               |
| Islamic mode of financing   |                         | (322,519,235)                       | (135,217,950)                    |               |
|   |                         | (3,709,605,806)                     | (2,820,870,758)                  |               |
| Less: Transaction cost  |                         | (41,318,166)                        | (45,975,000)                     |               |
| Add: Amortization of transaction cost   |                         | 4,908,555                           | 4,656,834                        |               |
|   |                         | (36,409,611)                        | (41,318,166)                     |               |
|   | 7.4                     | 9,729,511,948                       | 11,482,527,333                   |               |
| 7.1 Mark-up bearing finances from conventional banks / financial institutions |                         |                                     |                                  |               |
| Balance at beginning of the period / year                                     |                         | 13,626,959,838                      | 6,326,126,662                    |               |
| Finances received during the period / year                                    | 7.1.1                   | 613,194,018                         | 11,619,943,509                   |               |
| Repayments / adjustment during the period / year                              |                         | (1,669,982,268)                     | (4,319,110,333)                  |               |
|   |                         | 12,570,171,588                      | 13,626,959,838                   |               |
| 7.1.1 Finances received during the period                                     |                         |                                     |                                  |               |
|   | Markup basis            | Duration                            | Grace period                     | Amount Rupees |
| Pak Libya Holding Co. Limited   | *3mk + 1.00             | 05 Years                            | 0.5 Year                         | 450,000,000   |
| Habib Bank Limited - SBP Refinance Scheme                                     | **SBP Rate + 1.50       | 2.5 Years                           | 0.5 Year                         | 163,194,018   |
|   |                         |                                     |                                  | 613,194,018   |
| *3 mk i.e. 3 months KIBOR   |                         |                                     |                                  |               |
| **SBP rate i.e. 0%  |                         |                                     |                                  |               |
|   | Note                    | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |               |
| 7.2 Islamic mode of financing   |                         |                                     |                                  |               |
| Balance at beginning of the period / year                                     |                         | 717,756,419                         | 2,709,682,703                    |               |
| Finances received during the period / year                                    | 7.2.1                   | 250,000,000                         | -                                |               |
| Repayments during the period / year   |                         | (62,400,642)                        | (1,991,926,284)                  |               |
|   |                         | 905,355,777                         | 717,756,419                      |               |
| 7.2.1 Finances received during the period                                     |                         |                                     |                                  |               |
|   | Profit / Interest basis | Duration                            | Grace period                     | Amount Rupees |
| Bank Islami Pakistan Limited  | 3mk + 1.25              | 05 Years                            | 01 Year                          | 250,000,000   |

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

For the nine months period ended 30 June 2021

**7.3** During the period, the Company continued the arrangement with Habib Bank Limited for obtaining term finance facility under Refinance Scheme for payment of Wages & Salaries by the State Bank of Pakistan (SBP) at subsidized rate, earmarked from running and cash finance limit, which is repayable in 8 quarterly installments to a commercial bank under the SBP Refinance Scheme. There is no change in the status of measurement of such loan as set out in note 8.2 to the Company's unconsolidated financial statements for the year ended 30 September 2020. This grant is conditional subject to fulfillment of certain conditions as mentioned in the SBP Refinance Scheme.

**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 Company amounting to Rs. 20,374 million (30 September 2020: Rs.19,439 million) and personal guarantees of sponsor directors of the Company.

|  | Note | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |
|--|------|-------------------------------------|----------------------------------|
| <b>8 LEASE LIABILITIES</b>                                 |      |                                     |                                  |
| Balance at beginning of the period / year                  |      | 1,460,474,747                       | 224,596,749                      |
| Impact of initial application of IFRS 16                   |      | –                                   | 1,508,973,262                    |
| Adjusted balance as at 01 October                          |      | 1,460,474,747                       | 1,733,570,011                    |
| Additions during the period / year                         |      | 1,236,639,090                       | 398,032,110                      |
| Early termination / remeasurement of lease liabilities     |      | (41,941,349)                        | (1,219,120)                      |
| Finance cost regarding lease arrangement                   |      | 113,136,000                         | 165,857,652                      |
| Lease payments / adjustments                               |      | (686,769,047)                       | (835,765,906)                    |
|  | 8.1  | 2,081,539,441                       | 1,460,474,747                    |
| Less: Current maturity presented under current liabilities |      | (772,471,737)                       | (693,883,524)                    |
| <b>Balance at end of the period / year</b>                 |      | <b>1,309,067,704</b>                | <b>766,591,223</b>               |

**8.1** This includes Rs. 236.93 million and Rs. 65.93 million (30 September 2020: Rs. 194.97 million and Rs. 56.80 million) outstanding under Diminishing Musharakah financing arrangement and conventional banks respectively.

|   | Note | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |
|---|------|-------------------------------------|----------------------------------|
| <b>9 SHORT TERM BORROWINGS</b>                                    |      |                                     |                                  |
| <b>Mark-up based borrowings from conventional banks - secured</b> |      |                                     |                                  |
| Cash finances   | 9.1  | 2,905,141,019                       | 1,823,866,061                    |
| Running finances  | 9.2  | 1,647,347,454                       | 2,053,749,853                    |
| Finance against trust receipts                                    | 9.3  | 5,241,068                           | 76,872,572                       |
|   |      | 4,557,729,541                       | 3,954,488,486                    |
| <b>Islamic mode of financing - secured</b>                        |      |                                     |                                  |
| Salam / Istisna / Musawamah finances                              | 9.4  | 6,354,374,625                       | 1,433,500,000                    |
| Morabaha / Karobar / Musharakah finances                          | 9.5  | 225,000,000                         | 1,300,000,000                    |
|   |      | 6,579,374,625                       | 2,733,500,000                    |
| <b>Borrowings from related party - unsecured</b>                  |      |                                     |                                  |
| Deharki Sugar Mills (Private) Limited                             | 9.6  | 1,300,000,000                       | 2,620,000,000                    |
|   |      | 12,437,104,166                      | 9,307,988,486                    |



- 9.1** The mark-up rate applicable during the period ranges from one to three months KIBOR plus 50 to 125 bps per annum (30 September 2020: one to three months KIBOR plus 20 to 100 bps per annum).
- 9.2** The mark-up rate applicable during the period ranges from one to three months KIBOR plus 75 to 100 bps per annum (30 September 2020: one to three months KIBOR plus 65 to 100 bps per annum).
- 9.3** The mark-up rate applicable during the period ranges from one to six months KIBOR plus 100 to 250 bps per annum (30 September 2020: one to six months KIBOR plus 100 bps per annum).
- 9.4** The mark-up rate applicable during the period ranges from three to six months KIBOR plus 50 to 100 bps per annum (30 September 2020: three to twelve months KIBOR plus 20 to 100 bps per annum).
- 9.5** The mark-up rate applicable during the period ranges from three to twelve months KIBOR plus 75 to 100 bps per annum (30 September 2020: three to six months KIBOR plus 75 to 100 bps per annum).
- 9.6** This represents interest bearing advance received from Deharki Sugar Mills (Private) Limited, a wholly owned subsidiary, to meet working capital requirements at an average interest rate ranges from 8.26% to 8.57% per annum (30 September 2020: 8.05% to 14.86% per annum).
- 9.7** The available facilities for opening letters of credit and guarantee as on the reporting date aggregate to Rs. 1,650 million (30 September 2020: Rs. 1,277 million) of which facilities unutilized as on the reporting date amounting to Rs. 761 million (30 September 2020: Rs. 350 million).
- 9.8** The securities offered are the same as disclosed in the audited unconsolidated financial statements of the Company for the year ended 30 September 2020.

## **10 TRADE AND OTHER PAYABLES**

Balance as at 30 June 2021 mainly includes payable to trade creditors aggregates to Rs. 1,226 million (30 September 2020: Rs. 1,208 million).

## **11 ADVANCES FROM CUSTOMERS**

Balance as at 30 June 2021 mainly includes advances received from customers against sale of sugar aggregates to Rs. 791 million (30 September 2020: Rs. 1,531 million).

## **12 CONTINGENCIES AND COMMITMENTS**

### **12.1 Contingencies**

- 12.1.1** The Ministry of Interior (GoP) had constituted the Inquiry Commission under the Pakistan Commission of Inquiry Act, 2017 dated 16 March 2020 to probe into the increase in sugar prices in the country. The Commission of Inquiry selected 10 units of sugar mills including 3 units of the Company, accordingly report of the Inquiry Commission has been issued dated 21 May 2020. The Commission of Inquiry in its report has highlighted discrepancies with respect to Benami Transactions (Prohibition) Act, 2017 with respect to the standard business practice of Pakistan sugar industry. The Commission of Inquiry has revealed that names of the brokers may be masked, by the sugar mills, and there is risk of

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

For the nine months period ended 30 June 2021

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 45 of unconsolidated financial statements for the year ended 30 September 2020) and claimed that such enhancement and enlargement was made in the period of ban on capacity enhancement / enlargement. (Show cause notices have already been issued by the Directorate of Industries, Punjab for both Units I and II way back in 2014 and matter is still pending). Pakistan Sugar Mills Association (PSMA) along with its member sugar mills, including the Company, filed writ petition before the Honorable Islamabad High Court (IHC) challenging the initiation of inquiry, Constitution of the Commission Inquiry and all action taken pursuant thereto. Vide short order dated 20 June 2020 the writ petition was disposed off and the Commission's report upheld. PSMA along with its member sugar mills, including the Company, challenged the order before the Division Bench of IHC in Intra Court Appeal (ICA) No. 156 of 2020. This ICA was dismissed on 08 August 2020. Subsequent to year end, on 26 October 2020, PSMA and the Company filed Civil Petition for to Leave to Appeal (CPLA) No. 2697 of 2020 against the judgment dated 08 August 2020 before the Honorable Supreme Court of Pakistan. The Company has a good prime facie case.

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

**12.1.3** During the period, the Company has received various notices from Competition Commission of Pakistan under section 30 of the Competition Act, 2010. The management of the Company, based on its discussion with legal consultants, is confident that the ultimate outcome of this case will be in Company's favor.

**12.1.4** Guarantees issued by the banks on behalf of the Company in favor of various parties as at the reporting date amounts to Rs. 758 million (30 September 2020: Rs. 672 million).

**12.1.5** Counter guarantee given by the Company to the bankers on account of agricultural loan as at the reporting date amounts to Rs. 2,531 million (30 September 2020: Rs. 1,800 million).

**12.1.6** Guarantees issued by the banks on behalf of the Company in favor of Sadiqabad Power (Private) Limited and Ghotki Power (Private) Limited, wholly owned subsidiary companies, as at the reporting date aggregate amounts to Rs. 36 million (30 September 2020: Rs. 37 million).

|  | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |
|--|-------------------------------------|----------------------------------|
| <b>12.2 Commitments</b>  |                                     |                                  |
| <b>12.2.1</b> Letters of credit for import of machinery and its related components | 88,526,040                          | 111,385,896                      |

|  | Note | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |
|--|------|-------------------------------------|----------------------------------|
| <b>13 PROPERTY, PLANT AND EQUIPMENT</b>                          |      |                                     |                                  |
| Operating fixed assets   | 13.1 | 19,849,413,991                      | 20,619,247,850                   |
| Capital work in progress   | 13.2 | 155,495,328                         | 14,599,420                       |
| Stores, spare parts and loose tools held for capital expenditure |      | 92,464,454                          | 138,575,350                      |
|  |      | <u>20,097,373,773</u>               | <u>20,772,422,620</u>            |
| <b>13.1 Operating fixed assets</b>                               |      |                                     |                                  |
| Net book value at beginning of the period / year                 |      | 20,619,247,850                      | 21,365,668,172                   |
| Additions during the period / year                               |      | 479,955,860                         | 1,026,561,181                    |
| Transfer from right-of-use assets - net book value               |      | 11,282,862                          | 5,036,112                        |
| Deletions during the period / year - net book value              |      | (318,007,269)                       | (227,628,177)                    |
| Depreciation charged / capitalized for the period / year         |      | (943,065,312)                       | (1,358,910,729)                  |
| Impact of adoption of IFRS 16                                    |      | –                                   | (230,182,809)                    |
| Transfer from investment property during the period / year       |      | –                                   | 38,704,100                       |
| <b>Net book value at end of the period / year</b>                |      | <u>19,849,413,991</u>               | <u>20,619,247,850</u>            |
| <b>13.2 Capital work in progress</b>                             |      |                                     |                                  |
| Opening balance  |      | 14,599,420                          | 464,469,761                      |
| Additions during the period / year                               |      | 159,062,544                         | 491,528,872                      |
| Transfers made during the period / year                          |      | (18,166,636)                        | (941,399,213)                    |
| <b>Closing balance</b>   |      | <u>155,495,328</u>                  | <u>14,599,420</u>                |
|  | Note | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |

|   |      |                      |                      |
|---|------|----------------------|----------------------|
| <b>14 RIGHT-OF-USE ASSETS</b>                                     |      |                      |                      |
| Net book value at beginning of the period / year                  |      | 1,176,461,527        | –                    |
| Additions during the period / year                                |      | 1,187,435,562        | 404,764,454          |
| Deletions / adjustments during the period / year - net book value |      | (35,211,958)         | (462,019)            |
| Transfer to operating fixed assets - net book value               |      | (11,282,862)         | (5,036,112)          |
| Depreciation charged for the period / year                        |      | (427,569,977)        | (489,753,189)        |
| Impact of adoption of IFRS 16                                     |      | –                    | 1,266,948,393        |
| <b>Net book value at end of the period / year</b>                 | 14.1 | <u>1,889,832,292</u> | <u>1,176,461,527</u> |
| Less: Current maturity presented in current assets                |      | <u>(33,129,839)</u>  | <u>(19,040,329)</u>  |
|   |      | <u>1,856,702,453</u> | <u>1,157,421,198</u> |

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

For the nine months period ended 30 June 2021

|   | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |
|---|-------------------------------------|----------------------------------|
| <b>14.1 The right-of-use assets relate to following type of assets:</b> |                                     |                                  |
| Land  | 1,530,203,292                       | 839,299,150                      |
| Vehicles  | 303,173,940                         | 253,601,056                      |
| Building  | 56,455,060                          | 83,561,321                       |
| <b>Total right-of-use assets</b>  | <b>1,889,832,292</b>                | <b>1,176,461,527</b>             |

|  | Note | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |
|--|------|-------------------------------------|----------------------------------|
|--|------|-------------------------------------|----------------------------------|

## 15 LONG TERM INVESTMENTS

|   |      |                      |                      |
|---|------|----------------------|----------------------|
| Investment in subsidiary companies - unquoted | 15.1 | 1,654,063,405        | 1,653,303,405        |
| Investment in associated companies - unquoted | 15.2 | 2,500                | 2,500                |
|   |      | <b>1,654,065,905</b> | <b>1,653,305,905</b> |

### Less: Classified under current assets as short term investments

|                                       |                      |                      |
|---------------------------------------|----------------------|----------------------|
| Faruki Pulp Mills Limited ("FPML")    | (570,053,405)        | (570,053,405)        |
| JDW Power (Private) Limited ("JDWPL") | —                    | —                    |
|                                       | <b>(570,053,405)</b> | <b>(570,053,405)</b> |

### Classified under non-current assets

|  |                      |                      |
|--|----------------------|----------------------|
|  | <b>1,084,012,500</b> | <b>1,083,252,500</b> |
|--|----------------------|----------------------|

### 15.1 Investment in subsidiary companies - unquoted Deharki Sugar Mills (Private) Limited ("DSML")

|  |               |               |
|--|---------------|---------------|
| 104,975,000 (30 September 2020: 104,975,000)<br>fully paid shares of Rs. 10 each |               |               |
| Equity held 100% (30 September 2020: 100%)                                       | 1,049,750,000 | 1,049,750,000 |

### Faruki Pulp Mills Limited ("FPML")

|   |                    |                    |
|---|--------------------|--------------------|
| 310,892,638 (30 September 2020: 310,892,638)<br>fully paid ordinary shares of Rs. 10 each |                    |                    |
| Equity held 57.67% (30 September 2020: 57.67%)  | 3,154,426,383      | 3,154,426,383      |
| Accumulated impairment allowance  | (2,584,372,978)    | (2,584,372,978)    |
|   | <b>570,053,405</b> | <b>570,053,405</b> |

### Sadiqabad Power (Private) Limited ("SPL")

|  |                   |                   |
|--|-------------------|-------------------|
| 1,694,500 (30 September 2020: 1,000,100)<br>fully paid shares of Rs. 10 each |                   |                   |
| Equity held 100% (30 September 2020: 100%)                                   |                   |                   |
| Cost as at 01 October  | 10,001,000        | 10,001,000        |
| Share issued during the period / year:                                       |                   |                   |
| 694,400 (30 September 2020: nil)   |                   |                   |
| From opening advances  | 6,549,000         | —                 |
| From further advances given during the period / year                         | 395,000           | —                 |
|  | <b>6,944,000</b>  | <b>—</b>          |
| Advances for future issuance of shares                                       | —                 | 6,549,000         |
|  | <b>16,945,000</b> | <b>16,550,000</b> |

|   | Note   | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |
|---|--------|-------------------------------------|----------------------------------|
| <b>Ghotki Power (Private) Limited ("GPL")</b>             |        |                                     |                                  |
| 1,731,500 (30 September 2020: 1,000,100)                  |        |                                     |                                  |
| fully paid shares of Rs. 10 each                          |        |                                     |                                  |
| Equity held 100% (30 September 2020: 100%)                |        |                                     |                                  |
| Cost as at 01 October                                     |        | 10,001,000                          | 10,001,000                       |
| Share issued during the period / year:                    |        |                                     |                                  |
| 731,400 (30 September 2020: nil)                          |        |                                     |                                  |
| From opening advances                                     |        | 6,949,000                           | –                                |
| From further advances given during the period / year      |        | 365,000                             | –                                |
|   |        | 7,314,000                           | –                                |
| Advances for future issuance of shares                    |        | –                                   | 6,949,000                        |
|   |        | 17,315,000                          | 16,950,000                       |
|   |        | 1,654,063,405                       | 1,653,303,405                    |
| <b>15.2 Investment in associated companies - unquoted</b> |        |                                     |                                  |
| <b>Kathai-II Hydro (Private) Limited ("KHL")</b>          |        |                                     |                                  |
| 250 (30 September 2020: 250)                              |        |                                     |                                  |
| fully paid shares of Rs. 10 each                          |        |                                     |                                  |
| Equity held 20% (30 September 2020: 20%)                  |        | 2,500                               | 2,500                            |
| <b>JDW Power (Private) Limited ("JDWPL")</b>              |        |                                     |                                  |
| 9,000,000 (30 September 2020: 9,000,000)                  |        |                                     |                                  |
| fully paid shares of Rs. 10 each                          |        |                                     |                                  |
| Equity held 47.37% (30 September 2020: 47.37%)            |        | 90,000,000                          | 90,000,000                       |
| Accumulated impairment allowance                          |        | (90,000,000)                        | (90,000,000)                     |
|   | 15.2.1 | –                                   | –                                |
|   |        | 2,500                               | 2,500                            |

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

## 16 BIOLOGICAL ASSETS

The fair value of biological assets is carried at the accumulated costs incurred, 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 and categorized as Level 2. Due to seasonal nature of sugarcane crop, a transfer between Level 3 to Level 2 of Rs. 1,204 million has been made during the period.

|                          | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |
|--------------------------|-------------------------------------|----------------------------------|
| <b>17 STOCK-IN-TRADE</b> |                                     |                                  |
| Sugar                    | 9,633,768,588                       | 3,675,127,479                    |
| Bagasse - by product     | 556,682,650                         | 310,314,012                      |
| Mud - by product         | 42,072,088                          | –                                |
|                          | 10,232,523,326                      | 3,985,441,491                    |

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

For the nine months period ended 30 June 2021

|                                  | Note | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |
|----------------------------------|------|-------------------------------------|----------------------------------|
| <b>18 CASH AND BANK BALANCES</b> |      |                                     |                                  |
| <b>Current accounts</b>          |      |                                     |                                  |
| Balance with conventional banks  |      | 131,164,694                         | 121,049,340                      |
| Balance with islamic banks       |      | 45,017,788                          | 2,688,984                        |
|                                  |      | 176,182,482                         | 123,738,324                      |
| <b>Saving accounts</b>           |      |                                     |                                  |
| Deposit with conventional banks  | 18.1 | 281,014                             | 321,377                          |
|                                  |      | 176,463,496                         | 124,059,701                      |
| <b>Cash in hand</b>              |      |                                     |                                  |
|                                  |      | 6,146,402                           | 4,519,473                        |
|                                  |      | 182,609,898                         | 128,579,174                      |

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

|   | Note   | Nine months ended   |                     | Three months ended  |                     |
|---|--------|---------------------|---------------------|---------------------|---------------------|
|   |        | 30-Jun-21<br>Rupees | 30-Jun-20<br>Rupees | 30-Jun-21<br>Rupees | 30-Jun-20<br>Rupees |
| <b>19 REVENUE FROM CONTRACTS WITH CUSTOMERS</b> |        |                     |                     |                     |                     |
| <b>Disaggregation of revenue based on:</b>      |        |                     |                     |                     |                     |
| <b>19.1 Segments</b>                            |        |                     |                     |                     |                     |
| <b>Sugar</b>                                    |        |                     |                     |                     |                     |
| Sugar   | 19.1.1 | 33,111,436,896      | 28,819,376,906      | 12,807,196,305      | 11,668,044,049      |
| Molasses - by product                           |        | 5,307,623,544       | 3,452,256,002       | 1,160,244,055       | 25,950,411          |
| Agri Inputs                                     |        | 1,943,141,357       | 1,688,748,793       | 390,899,882         | 498,996,691         |
| Mud - by product                                |        | 224,082,204         | 186,671,511         | 1,256,588           | 7,717,325           |
| Bagasse - by product                            |        | 29,301,056          | 195,650,716         | 29,301,056          | 15,262,106          |
|   |        | 40,615,585,057      | 34,342,703,928      | 14,388,897,886      | 12,215,970,582      |
| <b>Co-Generation Power</b>                      | 19.1.2 | 2,797,625,561       | 3,025,714,599       | 973,499,933         | 1,271,892,248       |
| <b>Corporate Farms</b>                          |        | 1,175,587,087       | 1,132,139,163       | 98,168,773          | 69,158,784          |
|   |        | 44,588,797,705      | 38,500,557,690      | 15,460,566,592      | 13,557,021,614      |
| <b>19.1.1 Sugar</b>                             |        |                     |                     |                     |                     |
| Local   |        | 33,111,436,896      | 28,660,277,081      | 12,807,196,305      | 11,668,044,049      |
| Export - Asia                                   |        | -                   | 159,099,825         | -                   | -                   |
|   |        | 33,111,436,896      | 28,819,376,906      | 12,807,196,305      | 11,668,044,049      |
| <b>19.1.2 Co-Generation Power</b>               |        |                     |                     |                     |                     |
| Variable energy price                           |        | 1,706,463,553       | 1,496,438,448       | 657,122,889         | 638,475,216         |
| Fixed energy price                              |        | 1,091,162,008       | 1,529,276,151       | 316,377,044         | 633,417,032         |
|   |        | 2,797,625,561       | 3,025,714,599       | 973,499,933         | 1,271,892,248       |
| <b>19.2 Timing of revenue recognition</b>       |        |                     |                     |                     |                     |
| Products transferred at a point in time         |        | 41,791,172,144      | 35,474,843,091      | 14,487,066,659      | 12,285,129,366      |
| Products transferred over time                  |        | 2,797,625,561       | 3,025,714,599       | 973,499,933         | 1,271,892,248       |
|   |        | 44,588,797,705      | 38,500,557,690      | 15,460,566,592      | 13,557,021,614      |



## 20 OTHER INCOME

This mainly includes markup on delayed payment from CPPA-G of Rs. 69 million (30 June 2020: Rs. nil), scrap sale of Rs. 36 million (30 June 2020: Rs. 63 million), fair value gain on initial recognition of agricultural produce of Rs. 794 million (30 June 2020: Rs. nil) and gain on disposal of operating fixed assets of Rs. 33 million (30 June 2020: Rs. 17 million).

## 21 OTHER EXPENSES

This mainly includes amount written off against fixed energy receivables from Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) amounting to Rs. 3,326 million (30 June 2020: Rs. nil) according to the terms agreed in Master and EPA Amendment Agreement between the Company and the CPPA-G. The Company has, in the larger National Interest, voluntarily agreed to provide certain concessions which includes foregoing 70% of fixed energy payment for energy dispatched above the annual 45% plant factor effective from Commercial Operation Date.

## 22 TRANSACTIONS WITH RELATED PARTIES

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

| Name                                     | Relationship                                    | Nature of Transactions                             | 30-Jun-21<br>Rupees | 30-Jun-20<br>Rupees |
|--|---|--|---------------------|---------------------|
| i) Deharki Sugar Mills<br>(Pvt.) Limited | Subsidiary Company<br>(Equity held 100 percent) | Sale of sugarcane                                  | 1,048,539,359       | 1,026,269,504       |
|  |   | Short term advances paid                           | 1,320,000,000       | 7,501,368,000       |
|  |   | Short term advances received                       | –                   | 8,961,168,000       |
|  |   | Purchase of bagasse                                | 290,989,085         | 472,425,293         |
|  |   | Markup expense on short<br>term advances           | 121,589,206         | 171,993,238         |
|  |   | Purchase of stores, spare<br>parts and loose tools | 99,541,406          | 46,418,354          |
|  |   | Reimbursement on use of<br>the Company's aircraft  | 15,973,505          | 15,689,848          |
|  |   | Sale of stores, spare parts<br>and loose tools     | 14,092,065          | 14,041,859          |
|  |   | Rent on land acquired on lease                     | 6,438,975           | 6,438,975           |
| ii) Sadiqabad Power<br>(Pvt.) Limited    | Subsidiary Company<br>(Equity held 100 percent) | Shares issued                                      | 6,944,000           | –                   |
|  |   | Advances for future issuance<br>of shares          | 395,000             | 1,000,000           |
| iii) Ghotki Power<br>(Pvt.) Limited      | Subsidiary Company<br>(Equity held 100 percent) | Shares issued                                      | 7,314,000           | –                   |
|  |   | Advances for future issuance<br>of shares          | 365,000             | –                   |

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

For the nine months period ended 30 June 2021

| Name  | Relationship                                       | Nature of Transactions                    | 30-Jun-21<br>Rupees | 30-Jun-20<br>Rupees |
|---|--|---|---------------------|---------------------|
| iv) JDW Aviation<br>(Pvt.) Limited            | Associated Company<br>(Due to common directorship) | Reimbursement of expenses                 | 3,062,788           | 3,249,012           |
| v) Post Employment<br>Benefits Plan           | Other related parties                              | Provident fund contribution               | 164,926,129         | 143,448,672         |
|   |  | Payment to recognised<br>gratuity fund    | 104,674,839         | 1,036,059           |
|   |  | Short term advances                       | 185,000,000         | 820,000,000         |
|   |  | Markup on short term advances             | 128,376             | 8,487,466           |
| vi) Directors and Key<br>Management Personnel |  | Directors' remuneration<br>and allowances | 522,800,002         | 467,180,003         |
|   | Key Management                                     | Consultancy services                      | 10,670,280          | 9,898,391           |
|   | Kathai-II Hydro (Pvt.) Limited                     | Investment in shares                      | –                   | 2,500               |

## 23 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in these condensed interim unconsolidated 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 subsidiary companies and associates are carried at cost (for details, refer to note 15).

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

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

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

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

During the period, there were no transfers between level 2 and level 3 fair value measurement.

## 24 FINANCIAL RISK MANAGEMENT

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

## 25 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 28 July 2021.

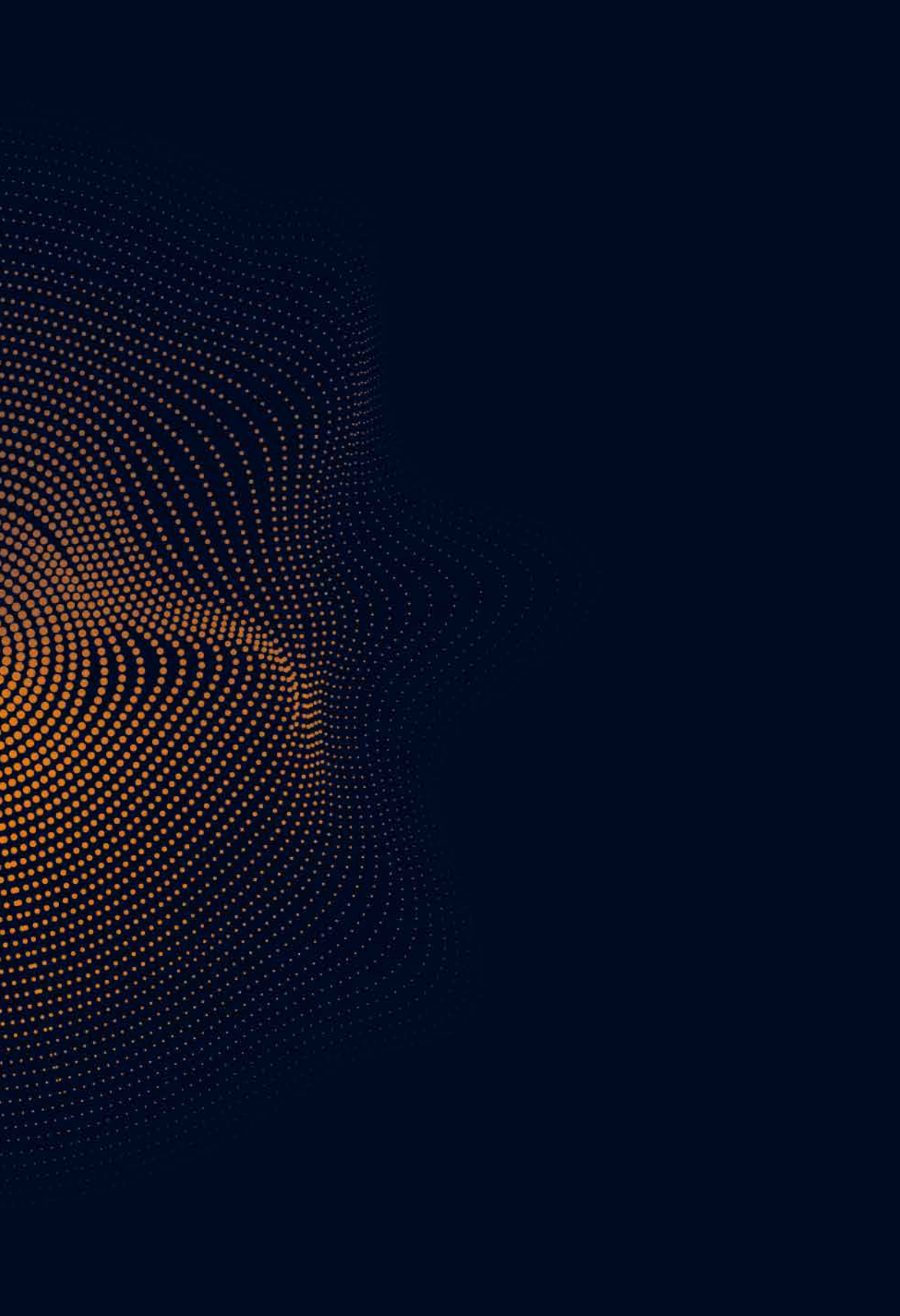
## **26 CORRESPONDING FIGURES**

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

Sale of Mud - a by product, amounting to Rs. 187 million, previously classified under other income, has now been classified as revenue from contracts with customers under respective heads (refer note 19.1) for the purpose of better presentation.

## **27 EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE**

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



# 04

## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

|    |  |
|----|--|
| 36 | Directors' Review                              |
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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 nine months period ended 30 June 2021.

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

Faruki Pulp Mills Limited ("FPML") was incorporated in Pakistan on 20 October 1991 as a public limited company, with the primary objective to manufacture and sale of paper pulp. The Holding Company holds 57.67% shares of the Subsidiary Company. Further FPML has been, for the considerable number of years, unable to commence its commercial operations and considering this fact management of subsidiary company has principally decided not to inject further funds in the company as significant capital expenditure are required. Moreover, keeping in view commercial viability of the plant as well as the substantial accumulated losses the management of the Subsidiary Company has determined that the company might not be able to realize its assets and discharge its liabilities in the normal course of business. During the last year, the FPML through a special resolution passed in its Extraordinary General Meeting held on 25 March 2020 resolved to dispose of its property, plant and equipment either in parts or in their entirety to prospective buyers after due process.

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

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

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

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

It is being confirmed that to the best of our knowledge, these condensed interim consolidated financial statements for the nine months period ended 30 June 2021 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:

|                                       | 30-Jun-21       | 30-Jun-20 |
|---------------------------------------|-----------------|-----------|
|                                       | (Rs in million) |           |
| Gross Revenue                         | 59,347          | 50,514    |
| Revenue from Contracts with Customers | 51,998          | 43,630    |
| Profit from Operations                | 4,629           | 4,418     |
| Profit before Tax                     | 2,637           | 1,154     |
| Profit after Tax                      | 1,866           | 721       |

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.

Lahore  
28 July 2021

Chief Executive

Director

## ڈائریکٹرز کا جائزہ

ڈائریکٹرز خوشی کے ساتھ ہے ڈی ڈبلیو شوگر ملز اور اسکے زیریں ادارے ڈہری شوگر ملز پرائیویٹ لمیٹڈ، فاروقی پاپ ملز لمیٹڈ، صادق آباد پاور پرائیویٹ لمیٹڈ، گھوگی پاور پرائیویٹ لمیٹڈ اور منسلک ادارے ہے ڈی ڈبلیو پاور پرائیویٹ لمیٹڈ، کٹھانی ہائیڈرو-11 پرائیویٹ لمیٹڈ کی مالیاتی رپورٹ برائے پہلی نو ماہی 30 جون 2021 پیش کر رہے ہیں۔

ڈہری شوگر ملز پرائیویٹ لمیٹڈ کمپنی کو 14 جولائی 2010 کو قائم کیا گیا تھا۔ اس ذیلی ادارے کا بنیادی کام گنے سے چھنی بنانا اور بیچنا ہے۔ اس ذیلی کمپنی کے 100 فیصد حصص ہے ڈی ڈبلیو کے پاس ہیں۔

فاروقی پاپ ملز لمیٹڈ کو 20 اکتوبر 1991 کو پبلک لمیٹڈ کمپنی کے طور پر قائم کیا گیا تھا۔ اس ادارے کا بنیادی کام پیپ بنانا اور بیچنا ہے۔ کمپنی اب تک کاروباری سرگرمی شروع نہیں کر سکی ہے۔ اس ذیلی کمپنی کے 57.67 فیصد حصص ہے ڈی ڈبلیو کے پاس ہیں۔ پچھلے مالی سال میں کمپنی کی ناقص کاروباری حالت کو مد نظر رکھتے ہوئے فاروقی پاپ کمپنی کی مینجمنٹ نے خاص قرارداد اپنی ایکسٹرا آڈیٹری جزل مینٹنگ منعقدہ 25 مارچ 2020 کو منظور کی۔ جس میں کمپنی کے اثاثے فروخت کرنے کی منظوری دی گئی۔ اثاثوں کی فروخت کا طریقہ کار تمام ضروری اقدامات مکمل کرنے کے بعد یکمشت یا حصوں میں ہوگا۔

گھوگی پاور پرائیویٹ لمیٹڈ کمپنی کو 15 دسمبر 2016 کو قائم کیا گیا تھا۔ اس ادارے کا بنیادی کام بجلی پیدا کرنا اور بیچنا ہوگا۔ اس ذیلی کمپنی کے 100 فیصد حصص ہے ڈی ڈبلیو کے پاس ہیں۔

صادق آباد پاور پرائیویٹ لمیٹڈ کمپنی کو 16 دسمبر 2016 کو قائم کیا گیا تھا۔ اس ادارے کا بنیادی کام بجلی پیدا کرنا اور بیچنا ہوگا۔ اس ذیلی کمپنی کے 100 فیصد حصص ہے ڈی ڈبلیو کے پاس ہیں۔

جے 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 ہے ڈی ڈبلیو کے پاس ہیں۔

کٹھانی ہائیڈرو-11 پرائیویٹ لمیٹڈ کمپنی کو 27 اگست 2012 کو قائم کیا گیا تھا۔ اس ادارے کا بنیادی کام بجلی پیدا کرنا اور بیچنا ہے۔ اس کمپنی کے 20 فیصد حصص ہے 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 نو ماہی مالیاتی رپورٹ برائے 30 جون 2021 پاکستان میں منظور شدہ اکاؤنٹنگ سٹینڈرڈز کے مطابق ہے اور اپنے تمام اثاثوں، واجبات اور مالیاتی پوزیشن کی سچی اور منصفانہ تصویر پیش کر رہی ہے۔

مالیاتی نتائج مندرجہ ذیل ہیں:

| 30 جون 2020 | 30 جون 2021 |                   |
|-------------|-------------|-------------------|
|             |             | ملین روپے         |
| 50,514      | 59,347      | مجموعی فروخت      |
| 43,630      | 51,998      | خالص فروخت        |
| 4,418       | 4,629       | کارکردگی منافع    |
| 1,154       | 2,637       | قبل از ٹیکس منافع |
| 721         | 1,866       | بعد از ٹیکس منافع |

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



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

As at 30 June 2021

|   | Note | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |
|---|------|-------------------------------------|----------------------------------|
| <b>EQUITY AND LIABILITIES</b>                         |      |                                     |                                  |
| <b>SHARE CAPITAL AND RESERVES</b>                     |      |                                     |                                  |
| Share capital   | 6    | 597,766,610                         | 597,766,610                      |
| Share premium reserve                                 |      | 678,316,928                         | 678,316,928                      |
| Accumulated profit                                    |      | 11,951,280,254                      | 10,084,649,740                   |
| Equity attributable to owners of the Holding Company  |      | 13,227,363,792                      | 11,360,733,278                   |
| Non-controlling interest                              |      | 380,178,819                         | 380,384,451                      |
|   |      | 13,607,542,611                      | 11,741,117,729                   |
| <b>NON-CURRENT LIABILITIES</b>                        |      |                                     |                                  |
| Long term finances - secured                          | 7    | 11,902,277,513                      | 13,693,321,658                   |
| Lease liabilities                                     | 8    | 1,309,067,704                       | 766,591,223                      |
| Deferred taxation                                     |      | 1,195,649,589                       | 1,050,724,523                    |
| Retirement benefits                                   |      | 22,122,689                          | 104,616,023                      |
| Deferred income - Government grant                    |      | 3,903,627                           | 19,411,355                       |
|   |      | 14,433,021,122                      | 15,634,664,782                   |
| <b>CURRENT LIABILITIES</b>                            |      |                                     |                                  |
| Short term borrowings - secured                       | 9    | 13,480,898,638                      | 7,680,241,848                    |
| Current portion of non-current liabilities            |      | 4,928,346,799                       | 3,781,258,895                    |
| Trade and other payables                              | 10   | 3,806,635,066                       | 2,820,956,936                    |
| Advances from customers                               | 11   | 1,093,614,304                       | 4,514,941,936                    |
| Unclaimed dividend                                    |      | 33,870,755                          | 33,943,018                       |
| Accrued profit / interest / mark-up                   |      | 586,595,701                         | 364,353,524                      |
|   |      | 23,929,961,263                      | 19,195,696,157                   |
| Liabilities classified as held for sale               |      | 37,774,276                          | 38,967,238                       |
|   |      | 23,967,735,539                      | 19,234,663,395                   |
| <b>CONTINGENCIES AND COMMITMENTS</b>                  |      |                                     |                                  |
|   | 12   | 52,008,299,272                      | 46,610,445,906                   |
| <b>ASSETS</b>   |      |                                     |                                  |
| <b>NON-CURRENT ASSETS</b>                             |      |                                     |                                  |
| Property, plant and equipment                         | 13   | 23,848,382,563                      | 24,651,487,525                   |
| Right-of-use assets                                   | 14   | 1,856,702,453                       | 1,157,421,198                    |
| Investment property                                   |      | 185,854,012                         | 185,854,012                      |
| Intangibles   |      | 613,259,712                         | 614,795,982                      |
| Long term investments                                 | 15   | -                                   | -                                |
| Long term deposits                                    |      | 53,208,462                          | 57,180,542                       |
|   |      | 26,557,407,202                      | 26,666,739,259                   |
| <b>CURRENT ASSETS</b>                                 |      |                                     |                                  |
| Right-of-use assets                                   | 14   | 33,129,839                          | 19,040,329                       |
| Short term investment                                 | 15   | -                                   | -                                |
| Biological assets                                     | 16   | 1,204,183,695                       | 1,820,115,980                    |
| Stores, spare parts and loose tools                   |      | 1,819,687,329                       | 1,778,983,572                    |
| Stock-in-trade  | 17   | 12,761,495,327                      | 4,709,113,989                    |
| Trade receivables                                     |      | 6,575,519,427                       | 8,742,611,307                    |
| Advances, deposits, prepayments and other receivables |      | 1,234,636,988                       | 1,325,352,644                    |
| Advance tax - net                                     |      | 635,069,606                         | 266,007,902                      |
| Cash and bank balances                                | 18   | 224,386,291                         | 318,004,072                      |
|   |      | 24,488,108,502                      | 18,979,229,795                   |
| Assets classified as held for sale                    |      | 962,783,568                         | 964,476,852                      |
|   |      | 25,450,892,070                      | 19,943,706,647                   |
|   |      | 52,008,299,272                      | 46,610,445,906                   |

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

Chief Financial Officer

Chief Executive

Director

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

For the nine months period and quarter ended 30 June 2021

|  |      | Nine months ended   |                     | Three months ended  |                     |
|--|------|---------------------|---------------------|---------------------|---------------------|
|  | Note | 30-Jun-21<br>Rupees | 30-Jun-20<br>Rupees | 30-Jun-21<br>Rupees | 30-Jun-20<br>Rupees |
| <b>Continuing Operations</b>                             |      |                     |                     |                     |                     |
| Gross revenue  |      | 59,346,683,178      | 50,513,727,056      | 20,767,162,970      | 17,686,417,146      |
| Sales tax and commission                                 |      | (7,349,010,498)     | (6,883,917,523)     | (2,796,303,482)     | (2,559,292,853)     |
| Revenue from contracts with customers                    | 19   | 51,997,672,680      | 43,629,809,533      | 17,970,859,488      | 15,127,124,293      |
| Cost of revenue  |      | (42,784,854,058)    | (37,295,164,069)    | (14,322,375,214)    | (12,910,560,759)    |
| Gross profit   |      | 9,212,818,622       | 6,334,645,464       | 3,648,484,274       | 2,216,563,534       |
| Administrative expenses                                  |      | (2,049,433,090)     | (1,421,637,335)     | (567,616,418)       | (473,613,269)       |
| Selling expenses   |      | (36,450,857)        | (58,782,509)        | (7,430,590)         | (7,657,458)         |
| Other income   | 20   | 1,050,872,644       | 165,573,162         | 84,192,500          | 49,429,342          |
| Other expenses   | 21   | (3,548,815,888)     | (601,445,429)       | (167,641,526)       | (55,046,365)        |
|  |      | (4,583,827,191)     | (1,916,292,111)     | (658,496,034)       | (486,887,750)       |
| Profit from operations                                   |      | 4,628,991,431       | 4,418,353,353       | 2,989,988,240       | 1,729,675,784       |
| Share of loss of associate                               |      | –                   | (751,016)           | –                   | (248,650)           |
| Finance cost   |      | (1,992,236,871)     | (3,264,048,107)     | (736,667,378)       | (1,142,036,503)     |
| Profit before taxation                                   |      | 2,636,754,560       | 1,153,554,230       | 2,253,320,862       | 587,390,631         |
| Taxation   |      | (769,829,356)       | (432,206,798)       | (668,856,477)       | (280,927,006)       |
| Profit from continuing operations                        |      | 1,866,925,204       | 721,347,432         | 1,584,464,385       | 306,463,625         |
| <b>Discontinued Operations</b>                           |      |                     |                     |                     |                     |
| Loss from discontinued operations - net of tax           |      | (500,322)           | –                   | (914,897)           | –                   |
| Profit for the period                                    |      | 1,866,424,882       | 721,347,432         | 1,583,549,488       | 306,463,625         |
| <b>Attributable to:</b>                                  |      |                     |                     |                     |                     |
| Owners of the Holding Company                            |      | 1,866,630,514       | 722,728,270         | 1,583,925,511       | 305,918,534         |
| Non-controlling Interest                                 |      | (205,632)           | (1,380,838)         | (376,023)           | 545,091             |
|  |      | 1,866,424,882       | 721,347,432         | 1,583,549,488       | 306,463,625         |
| <b>Earnings / (loss) per share - basic &amp; diluted</b> |      |                     |                     |                     |                     |
| Continuing operations                                    |      | 31.23               | 12.07               | 26.51               | 5.13                |
| Discontinued operations                                  |      | (0.00)              | –                   | (0.01)              | –                   |
| Attributable to owners of the Holding Company            |      | 31.23               | 12.07               | 26.50               | 5.13                |

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

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

For the nine months period and quarter ended 30 June 2021

|  | Nine months ended    |                     | Three months ended   |                     |
|--|----------------------|---------------------|----------------------|---------------------|
|  | 30-Jun-21<br>Rupees  | 30-Jun-20<br>Rupees | 30-Jun-21<br>Rupees  | 30-Jun-20<br>Rupees |
| <b>Profit for the period</b>                     | 1,866,424,882        | 721,347,432         | 1,583,549,488        | 306,463,625         |
| Other comprehensive income for the period        | –                    | –                   | –                    | –                   |
| <b>Total comprehensive income for the period</b> | <b>1,866,424,882</b> | <b>721,347,432</b>  | <b>1,583,549,488</b> | <b>306,463,625</b>  |
| <b>Attributable to:</b>                          |                      |                     |                      |                     |
| Owners of the Holding Company                    | 1,866,630,514        | 722,728,270         | 1,583,925,511        | 305,918,534         |
| Non-controlling Interest                         | (205,632)            | (1,380,838)         | (376,023)            | 545,091             |
|  | <b>1,866,424,882</b> | <b>721,347,432</b>  | <b>1,583,549,488</b> | <b>306,463,625</b>  |

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

Chief Financial Officer

Chief Executive

Director

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

For the nine months period ended 30 June 2021

|   | Note      | 30-Jun-21<br>Rupees | 30-Jun-20<br>Rupees |
|---|-----------|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                       |           |                     |                     |
| Profit before taxation  |           | 2,636,754,560       | 1,153,554,230       |
| <b>Adjustments for non-cash and other items:</b>                  |           |                     |                     |
| Trade receivables written off                                     |           | 3,325,977,231       | –                   |
| Finance cost  |           | 1,992,236,871       | 3,264,024,481       |
| Depreciation of operating fixed assets                            |           | 1,170,172,741       | 1,242,539,881       |
| Depreciation of right-of-use assets                               |           | 460,859,667         | 35,754,922          |
| Sugarcane roots written off                                       |           | 301,335,578         | 214,249,480         |
| Workers' Profit Participation Fund                                |           | 141,706,799         | 62,480,414          |
| Staff retirement benefits   |           | 114,654,107         | 105,373,132         |
| Workers' Welfare Fund   |           | 53,848,583          | 29,394,422          |
| Amortization of transaction cost                                  |           | 6,165,723           | –                   |
| Amortization of intangible assets                                 |           | 1,536,268           | 1,539,456           |
| Prior year provision of Workers' Welfare Fund                     |           | 880,223             | –                   |
| Assets written off  |           | 9,326               | 917,595             |
| Fair value gain on initial recognition of agricultural produce    |           | (794,392,252)       | –                   |
| Interest income   |           | (41,785,907)        | –                   |
| Gain on disposal of operating fixed assets                        |           | (33,235,804)        | (11,455,084)        |
| Impairment allowance against sugar export subsidy and trade debts |           | –                   | 472,914,282         |
| Provision for obsolescence  |           | –                   | 142,792,482         |
| Provision for doubtful advances                                   |           | –                   | 21,651,571          |
|   |           | 6,699,969,154       | 5,582,177,034       |
|   |           | 9,336,723,714       | 6,735,731,264       |
| <b>Working capital changes:</b>                                   |           |                     |                     |
| Stores, spare parts and loose tools                               |           | (40,703,757)        | (34,759,768)        |
| Stock-in-trade  |           | (8,052,381,338)     | (4,574,814,101)     |
| Biological assets   |           | 1,410,324,537       | 915,862,553         |
| Advances, deposits, prepayments and other receivables             |           | 1,860,515,656       | (280,010,700)       |
| Trade receivables   |           | (1,449,874,436)     | (1,192,954,923)     |
| Trade and other payables  |           | 1,306,959,481       | 656,409,591         |
| Advances from customers   |           | (3,421,327,632)     | (3,571,544,815)     |
|   |           | (8,386,487,489)     | (8,081,812,163)     |
|   |           | 950,236,225         | (1,346,080,899)     |
| <b>Cash generated from / (used in) operations</b>                 |           |                     |                     |
| Taxes paid  |           | (993,965,996)       | (400,812,010)       |
| Staff retirement benefits paid                                    |           | (206,119,055)       | (83,181,798)        |
| Interest income received  |           | 41,785,907          | –                   |
| Workers' Welfare Fund paid  |           | (55,128,962)        | (57,709,568)        |
| Workers' Profit Participation Fund paid                           |           | (150,767,267)       | (12,634,718)        |
|   |           | (1,364,195,373)     | (554,338,094)       |
|   |           | (413,959,148)       | (1,900,418,993)     |
| <b>Net cash used in operations</b>                                |           |                     |                     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                       |           |                     |                     |
| Capital expenditure   |           | (707,081,877)       | (390,488,466)       |
| Proceeds from sale of operating fixed assets                      |           | 49,898,169          | 40,411,818          |
| Long term deposits - net  |           | 3,972,080           | 2,065,975           |
| <b>Net cash used in investing activities</b>                      |           | (653,211,628)       | (348,010,673)       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                       |           |                     |                     |
| Long term finances - net  |           | (713,603,793)       | 4,446,770,382       |
| Short term borrowings - net                                       |           | 5,804,108,367       | 2,926,586,887       |
| Financial charges paid as:  |           |                     |                     |
| - finance cost  |           | (1,641,872,627)     | (2,606,743,452)     |
| - interest on lease liability                                     |           | (128,122,065)       | (131,661,092)       |
| Principal portion of lease liability paid                         |           | (573,633,047)       | (516,720,897)       |
| Dividend paid   |           | (72,263)            | (595,411,605)       |
| <b>Net cash generated from financing activities</b>               |           | 2,746,804,572       | 3,522,820,223       |
| <b>Net increase in cash and cash equivalents</b>                  |           | 1,679,633,796       | 1,274,390,557       |
| <b>Cash and cash equivalents at beginning of the period</b>       |           | (3,535,745,781)     | (4,321,614,816)     |
| <b>Cash and cash equivalents at end of the period</b>             |           | (1,856,111,985)     | (3,047,224,259)     |
| <b>Cash and cash equivalents comprise of the following:</b>       |           |                     |                     |
| - Cash and bank balances  | 18        | 224,386,291         | 676,279,162         |
| - Running / Morabaha / Karobar / Musharakah finances              | 9.2 & 9.5 | (2,080,498,276)     | (3,723,503,421)     |
|   |           | (1,856,111,985)     | (3,047,224,259)     |

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

Chief Financial Officer

Chief Executive

Director

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

For the nine months period ended 30 June 2021

|   | Reserves              |                            |                | Equity attributable to owners of the Holding Company | Non-controlling interest | Total       |                |
|---|-----------------------|----------------------------|----------------|--|--------------------------|-------------|----------------|
|   | Capital Share premium | Revenue Accumulated profit | Total reserves |  |                          |             |                |
|   | Share capital         | Rupees                     | Rupees         | Rupees   | Rupees                   | Rupees      |                |
| <b>Balance as at 01 October 2019</b>                                      | 597,766,610           | 678,316,928                | 9,119,187,967  | 9,797,504,895  | 10,395,271,505           | 376,342,331 | 10,771,613,836 |
| Total comprehensive income for the period                                 | -                     | -                          | 722,728,270    | 722,728,270  | 722,728,270              | (1,380,838) | 721,347,432    |
| <b>Transaction with owners of the Holding Company</b>                     |                       |                            |                |  |                          |             |                |
| Final dividend for the year ended 30 September 2019 @ Rs. 10.00 per share | -                     | -                          | (597,766,610)  | (597,766,610)  | (597,766,610)            | -           | (597,766,610)  |
| <b>Balance as at 30 June 2020</b>   | 597,766,610           | 678,316,928                | 9,244,149,627  | 9,922,466,555  | 10,520,233,165           | 374,961,493 | 10,895,194,658 |
| <b>Balance as at 01 October 2020</b>                                      | 597,766,610           | 678,316,928                | 10,084,649,740 | 10,762,966,668                                       | 11,360,733,278           | 380,384,451 | 11,741,117,729 |
| Total comprehensive income for the period                                 | -                     | -                          | 1,866,630,514  | 1,866,630,514  | 1,866,630,514            | (205,632)   | 1,866,424,882  |
| <b>Balance as at 30 June 2021</b>   | 597,766,610           | 678,316,928                | 11,951,280,254 | 12,629,597,182                                       | 13,227,363,792           | 380,178,819 | 13,607,542,611 |

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

Chief Financial Officer

Chief Executive

Director

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

For the nine months period ended 30 June 2021

## 1 CORPORATE AND GENERAL INFORMATION

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

|  | (Un-audited)<br>30-Jun-21 | (Audited)<br>30-Sep-20 |
|--|---------------------------|------------------------|
|  | 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, electricity generation and managing corporate farms.

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

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

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

For the nine months period ended 30 June 2021

- 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 30 June 2021 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 nine months period ended 30 June 2021.

**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 required for full annual audited consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements for the year ended 30 September 2020.

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



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

**2.1.6** These condensed interim consolidated financial statements are presented in Pak 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 2020.

### 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 2020.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after 01 October 2020, but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in these condensed interim consolidated financial statements.

### 5 SEASONALITY OF OPERATIONS

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

|  | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |
|--|-------------------------------------|----------------------------------|
|--|-------------------------------------|----------------------------------|

### 6 SHARE CAPITAL

|   |               |               |
|---|---------------|---------------|
| <b>6.1 Authorized capital</b>                     |               |               |
| 75,000,000 (30 September 2020: 75,000,000)        |               |               |
| ordinary shares of Rs. 10 each                    | 750,000,000   | 750,000,000   |
| 25,000,000 (30 September 2020: 25,000,000)        |               |               |
| preference shares of Rs. 10 each                  | 250,000,000   | 250,000,000   |
|   | 1,000,000,000 | 1,000,000,000 |
| <b>6.2 Issued, subscribed and paid-up capital</b> |               |               |
| 32,145,725 (30 September 2020: 32,145,725)        |               |               |
| ordinary shares of Rs. 10 each fully paid in cash | 321,457,250   | 321,457,250   |
| 27,630,936 (30 September 2020: 27,630,936)        |               |               |
| voting bonus shares of Rs. 10 each fully paid     | 276,309,360   | 276,309,360   |
|   | 597,766,610   | 597,766,610   |

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

For the nine months period ended 30 June 2021

|   | Note              | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |               |
|---|-------------------|-------------------------------------|----------------------------------|---------------|
| 7 LONG TERM FINANCES - SECURED  |                   |                                     |                                  |               |
| Mark-up bearing finances from conventional banks / financial institutions     | 7.1               | 14,290,301,106                      | 15,379,004,257                   |               |
| Islamic mode of financing   | 7.2               | 1,780,355,777                       | 1,405,256,419                    |               |
|   |                   | 16,070,656,883                      | 16,784,260,676                   |               |
| Current maturity presented under current liabilities:                         |                   |                                     |                                  |               |
| Mark-up bearing finances from conventional banks / financial institutions     |                   | (3,534,500,389)                     | (2,778,820,599)                  |               |
| Islamic mode of financing   |                   | (588,144,235)                       | (260,217,950)                    |               |
|   |                   | (4,122,644,624)                     | (3,039,038,549)                  |               |
| Less: Transaction cost  |                   | (51,900,469)                        | (57,750,000)                     |               |
| Add: Amortization of transaction cost   |                   | 6,165,723                           | 5,849,531                        |               |
|   |                   | (45,734,746)                        | (51,900,469)                     |               |
|   | 7.4               | 11,902,277,513                      | 13,693,321,658                   |               |
| 7.1 Mark-up bearing finances from conventional banks / financial institutions |                   |                                     |                                  |               |
| Balance at beginning of the period / year                                     |                   | 15,379,004,257                      | 6,556,126,662                    |               |
| Finances received during the period / year                                    | 7.1.1             | 649,736,527                         | 13,361,987,929                   |               |
| Repayments / adjustments during the period / year                             |                   | (1,738,439,678)                     | (4,539,110,334)                  |               |
|   |                   | 14,290,301,106                      | 15,379,004,257                   |               |
| 7.1.1 Finances received during the period                                     |                   |                                     |                                  |               |
|   | Markup basis      | Duration                            | Grace period                     | Amount Rupees |
| Pak Libya Holding Company Limited   | *3mk + 1.00       | 05 Years                            | 0.5 Year                         | 450,000,000   |
| Habib Bank Limited - SBP Refinance Scheme                                     | **SBP Rate + 1.50 | 2.5 Years                           | 0.5 Year                         | 163,194,018   |
| United Bank Limited - SBP Refinance Scheme                                    | SBP Rate + 3.00   | 02 Years                            | 0.25 Year                        | 36,542,509    |
|   |                   |                                     |                                  | 649,736,527   |
| *3 mk i.e. 3 months KIBOR   |                   |                                     |                                  |               |
| **SBP rate i.e. 0%  |                   |                                     |                                  |               |
|   | Note              | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |               |
| 7.2 Islamic mode of financing   |                   |                                     |                                  |               |
| Balance at beginning of the period / year                                     |                   | 1,405,256,419                       | 4,740,932,703                    |               |
| Finances received during the period / year                                    | 7.2.1             | 500,000,000                         | –                                |               |
| Repayments during the period / year   |                   | (124,900,642)                       | (3,335,676,284)                  |               |
|   |                   | 1,780,355,777                       | 1,405,256,419                    |               |

### 7.2.1 Finances received during the period

|                              | Profit / Interest<br>basis | Duration | Grace<br>period | Amount<br>Rupees |
|------------------------------|----------------------------|----------|-----------------|------------------|
| Bank Islami Pakistan Limited | 3mk + 1.25                 | 05 Years | 01 Year         | 500,000,000      |

**7.3** During the period, the Holding Company continued the arrangement with Habib Bank Limited and the Subsidiary Company - DSML with United Bank Limited for obtaining term finance facility under Refinance Scheme for payment of Wages & Salaries by the State Bank of Pakistan (SBP) at subsidized rate, earmarked from running and cash finance limit, which is repayable in 8 quarterly installments to a commercial bank under the SBP Refinance Scheme. There is no change in the status of measurement of such loans as set out in note 8.2 in the annual audited consolidated financial statements for the year ended 30 September 2020. This grant is conditional subject to fulfillment of certain conditions as mentioned in the SBP Refinance Scheme.

**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. 23,975 million (30 September 2020: Rs.22,879 million) and personal guarantees of sponsor directors of the Group.

|  | Note | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |
|--|------|-------------------------------------|----------------------------------|
| <b>8 LEASE LIABILITIES</b>                                 |      |                                     |                                  |
| Balance at beginning of the period / year                  |      | 1,460,474,747                       | 224,596,749                      |
| Impact of initial application of IFRS 16                   |      | —                                   | 1,508,973,262                    |
| Adjusted balance as at 01 October                          |      | 1,460,474,747                       | 1,733,570,011                    |
| Additions during the period / year                         |      | 1,236,639,090                       | 398,032,110                      |
| Early termination / remeasurement of lease liabilities     |      | (41,941,349)                        | (1,219,120)                      |
| Finance cost regarding lease arrangement                   |      | 113,136,000                         | 165,857,652                      |
| Lease payments / adjustments                               |      | (686,769,047)                       | (835,765,906)                    |
|  | 8.1  | 2,081,539,441                       | 1,460,474,747                    |
| Less: Current maturity presented under current liabilities |      | (772,471,737)                       | (693,883,524)                    |
| <b>Balance at end of the period / year</b>                 |      | <b>1,309,067,704</b>                | <b>766,591,223</b>               |

**8.1** This includes Rs. 236.93 million and Rs. 65.93 million (30 September 2020: Rs. 194.97 million and Rs. 56.80 million) outstanding under Diminishing Musharakah financing arrangement and conventional banks respectively.

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

For the nine months period ended 30 June 2021

|   | Note | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |
|---|------|-------------------------------------|----------------------------------|
| <b>9 SHORT TERM BORROWINGS - SECURED</b>                |      |                                     |                                  |
| <b>Mark-up based borrowings from conventional banks</b> |      |                                     |                                  |
| Cash finances   | 9.1  | 4,390,784,669                       | 1,823,866,061                    |
| Running finances  | 9.2  | 1,730,498,276                       | 2,053,749,853                    |
| Finance against trust receipts                          | 9.3  | 5,241,068                           | 82,925,934                       |
|   |      | 6,126,524,013                       | 3,960,541,848                    |
| <b>Islamic mode of financing</b>                        |      |                                     |                                  |
| Salam / Istisna / Musawamah finances                    | 9.4  | 7,004,374,625                       | 1,919,700,000                    |
| Morabaha / Karobar / Musharakah finances                | 9.5  | 350,000,000                         | 1,800,000,000                    |
|   |      | 7,354,374,625                       | 3,719,700,000                    |
|   |      | 13,480,898,638                      | 7,680,241,848                    |

- 9.1** The Group has obtained these facilities from various banks and financial institutions. The mark-up rates applicable during the period ranges from one to three months KIBOR plus 50 to 125 bps per annum (30 September 2020: one to three months KIBOR plus 20 to 100 bps per annum).
- 9.2** The mark-up rates applicable during the period ranges from one to three months KIBOR plus 75 to 100 bps per annum (30 September 2020: one to three months KIBOR plus 65 to 100 bps per annum).
- 9.3** The mark-up rate applicable during the period ranges from one to six months KIBOR plus 100 to 250 bps per annum (30 September 2020: one to six months KIBOR plus 100 bps per annum).
- 9.4** The mark-up rate applicable during the period ranges from three to six months KIBOR plus 50 to 100 bps per annum (30 September 2020: three to twelve months KIBOR plus 20 to 100 bps per annum).
- 9.5** The mark-up rate applicable during the period ranges from three to twelve months KIBOR plus 75 to 100 bps per annum (30 September 2020: three to six months KIBOR plus 75 to 100 bps per annum).
- 9.6** The available facilities for opening letters of credit and guarantee as on the reporting date aggregate to Rs. 2,050 million (30 September 2020: Rs. 1,577 million) of which facilities unutilized as on the reporting date amounting to Rs. 949 million (30 September 2020: Rs. 350 million).
- 9.7** The securities offered are the same as disclosed in the audited consolidated financial statements of the Group for the year ended 30 September 2020.

## 10 TRADE AND OTHER PAYABLES

Balance as at 30 June 2021 mainly includes payable to trade creditors aggregates to Rs. 1,520 million (30 September 2020: Rs. 1,403 million).

## 11 ADVANCES FROM CUSTOMERS

Balance as at 30 June 2021 mainly includes advances received from customers against sale of sugar aggregates to Rs. 1,010 million (30 September 2020: Rs. 2,499 million).

## 12 CONTINGENCIES AND COMMITMENTS

### 12.1 Contingencies

**12.1.1** The Ministry of Interior (GoP) had constituted the Inquiry Commission under the Pakistan Commission of Inquiry Act, 2017 dated 16 March 2020 to probe into the increase in sugar prices in the country. The Commission of Inquiry selected 10 units of sugar mills including 3 units of the Holding Company, accordingly report of the Inquiry Commission has been issued dated 21 May 2020. The Commission of Inquiry in its report has highlighted discrepancies with respect to Benami Transactions (Prohibition) Act, 2017 with respect to the standard business practice of Pakistan sugar industry. The Commission of Inquiry has revealed that names of the brokers may be masked, by the sugar mills, and there is risk of sales in benami / fictitious names. The Commission of Inquiry in its report has also highlighted discrepancies in crushing capacity of the Holding Company (refer to note 49 of consolidated financial statements for the year ended 30 September 2020) and claimed that such enhancement and enlargement was made in the period of ban on capacity enhancement / enlargement. (Show cause notices have already been issued by the Directorate of Industries, Punjab for both Units I and II of the Holding Company way back in 2014 and matter is still pending). Pakistan Sugar Mills Association (PSMA) along with its member sugar mills, including the Holding Company and DSML, filed writ petition before the Honorable Islamabad High Court (IHC) challenging the initiation of inquiry, Constitution of the Commission Inquiry and all action taken pursuant thereto. Vide short order dated 20 June 2020 the writ petition was disposed off and the Commission's report upheld. PSMA along with its member sugar mills, including the Holding Company and DSML, challenged the order before the Division Bench of IHC in Intra Court Appeal (ICA) No. 156 of 2020. This ICA was dismissed on 08 August 2020. Subsequent to year end, on 26 October 2020, PSMA, Holding Company and DSML filed Civil Petition for to Leave to Appeal (CPLA) No. 2697 of 2020 against the judgment dated 08 August 2020 before the Honorable Supreme Court of Pakistan. The Holding Company and DSML has a good prime facie case.

**12.1.2** There is no material change in the status of other contingencies from the preceding audited consolidated financial statements of the Group for the year ended 30 September 2020, except for the contingencies, guarantees and commitments as disclosed below:

**12.1.3** During the period, the Holding Company has received various notices from Competition Commission of Pakistan under section 30 of the Competition Act, 2010. The management of the Holding Company, based on its discussion with legal consultants, is confident that the ultimate outcome of this case will be in Holding Company's favor.

**12.1.4** Guarantees issued by the banks on behalf of the Holding Company and its Subsidiary Companies, SPL, GPL and DSML in favor of various parties as at the reporting date amounts to Rs. 994 million (30 September 2020: Rs. 809 million).

**12.1.5** Counter guarantee given by the Holding Company to the bankers on account of agricultural loan as at the reporting date amounts to Rs. 2,531 million (30 September 2020: Rs. 1,800 million).

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

For the nine months period ended 30 June 2021

|  | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |
|--|-------------------------------------|----------------------------------|
| <b>12.2 Commitments</b>  |                                     |                                  |
| <b>12.2.1</b> Letters of credit for import of machinery and its related components |                                     |                                  |
| Holding Company - JDWSML   | 88,526,040                          | 111,385,896                      |
| Subsidiary Company - DSML  | 12,727,823                          | 21,661,010                       |
|  | <u>101,253,863</u>                  | <u>133,046,906</u>               |

|  | Note | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |
|--|------|-------------------------------------|----------------------------------|
|--|------|-------------------------------------|----------------------------------|

## 13 PROPERTY, PLANT AND EQUIPMENT

|  |      |                       |                       |
|--|------|-----------------------|-----------------------|
| Operating fixed assets   | 13.1 | 23,579,972,197        | 24,478,190,425        |
| Capital work in progress   | 13.2 | 155,495,328           | 14,599,420            |
| Stores, spare parts and loose tools held for capital expenditure |      | <u>112,915,038</u>    | <u>158,697,680</u>    |
|  |      | <u>23,848,382,563</u> | <u>24,651,487,525</u> |

|  |  |                       |                       |
|--|--|-----------------------|-----------------------|
| <b>13.1 Operating fixed assets</b>                         |  |                       |                       |
| Net book value as at beginning of the period / year        |  | 24,478,190,425        | 25,376,430,407        |
| Additions during the period / year                         |  | 490,531,102           | 1,139,581,453         |
| Transfer from right-of-use asset - net book value          |  | 11,282,862            | 5,036,112             |
| Deletions during the period / year - net book value        |  | (318,007,269)         | (228,493,582)         |
| Depreciation charged / capitalized for the period / year   |  | (1,082,024,923)       | (1,552,885,256)       |
| Impact of adoption of IFRS 16                              |  | –                     | (230,182,809)         |
| Transfer from investment property during the period / year |  | –                     | 38,704,100            |
| Classified as held for sale                                |  | –                     | (70,000,000)          |
| <b>Net book value at end of the period / year</b>          |  | <u>23,579,972,197</u> | <u>24,478,190,425</u> |

|   |  |                    |                   |
|---|--|--------------------|-------------------|
| <b>13.2 Capital work in progress</b>    |  |                    |                   |
| Opening balance                         |  | 14,599,420         | 4,436,379,855     |
| Additions during the period / year      |  | 159,062,544        | 461,693,021       |
| Transfers made during the period / year |  | (18,166,636)       | (1,035,388,205)   |
| Classified as held for sale             |  | –                  | (3,848,085,251)   |
| <b>Closing balance</b>                  |  | <u>155,495,328</u> | <u>14,599,420</u> |

|   | Note   | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |
|---|--------|-------------------------------------|----------------------------------|
| <b>14 RIGHT-OF-USE ASSETS</b>   |        |                                     |                                  |
| Net book value at beginning of the period / year                        |        | 1,176,461,527                       | –                                |
| Additions during the period / year                                      |        | 1,187,435,562                       | 404,764,454                      |
| Deletions / adjustments during the period / year - net book value       |        | (35,211,958)                        | (462,019)                        |
| Transfer to operating fixed assets - net book value                     |        | (11,282,862)                        | (5,036,112)                      |
| Depreciation charged for the period / year                              |        | (427,569,977)                       | (489,753,189)                    |
| Impact of adoption of IFRS 16   |        | –                                   | 1,266,948,393                    |
| <b>Net book value at end of the period / year</b>                       | 14.1   | <b>1,889,832,292</b>                | <b>1,176,461,527</b>             |
| Less: Current maturity presented under current assets                   |        | (33,129,839)                        | (19,040,329)                     |
|   |        | <b>1,856,702,453</b>                | <b>1,157,421,198</b>             |
| <b>14.1 The right-of-use assets relate to following type of assets:</b> |        |                                     |                                  |
| Land  |        | 1,530,203,292                       | 839,299,150                      |
| Vehicles  |        | 303,173,940                         | 253,601,056                      |
| Building  |        | 56,455,060                          | 83,561,321                       |
| <b>Total right-of-use assets</b>  |        | <b>1,889,832,292</b>                | <b>1,176,461,527</b>             |
|   | Note   | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |
| <b>15 LONG TERM INVESTMENTS</b>   |        |                                     |                                  |
| 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>                              |        | –                                   | –                                |
| <b>15.1 Khatai-II Hydro (Private) Limited - ("KHL")</b>                 |        |                                     |                                  |
| 250 (30 September 2020: 250) fully paid shares of Rs. 10 each           |        |                                     |                                  |
| Equity held 20% (30 September 2020: 20%)                                |        | –                                   | 2,500                            |
| Share of loss for the period / year                                     |        | –                                   | (2,500)                          |
| <b>Balance as at the end of the period / year</b>                       | 15.1.1 | <b>–</b>                            | <b>–</b>                         |

**15.1.1** Post acquisition reserves restricted to the cost of investment, therefore share of accumulated losses amounting to Rs. 389,938 (30 September 2020: Rs. 105,855) as at period ended on 30 June 2021 has not been taken under equity method.



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

For the nine months period ended 30 June 2021

|   | Note          | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |
|---|---------------|-------------------------------------|----------------------------------|
| <b>15.2 JDW Power (Private) Limited ("JDWPL")</b> |               |                                     |                                  |
| 9,000,000 (30 September 2020: 9,000,000)          |               |                                     |                                  |
| fully paid shares of Rs. 10 each                  |               |                                     |                                  |
| Equity held 47.37% (30 September 2020: 47.37%)    |               | 90,000,000                          | 90,000,000                       |
| Less: Accumulated impairment allowance            |               | (90,000,000)                        | (90,000,000)                     |
| <b>Balance as at end of the period / year</b>     | <b>15.2.1</b> | <b>–</b>                            | <b>–</b>                         |

**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 biological assets is carried at the accumulated costs incurred, 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 and categorized as Level 2. Due to seasonal nature of sugarcane crop, a transfer between Level 3 to Level 2 of Rs. 1,204 million has been made during the period.

|                          | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |
|--------------------------|-------------------------------------|----------------------------------|
| <b>17 STOCK-IN-TRADE</b> |                                     |                                  |
| Sugar                    | 11,935,354,751                      | 4,392,665,631                    |
| Bagasse - by product     | 768,180,806                         | 316,448,358                      |
| Mud - by product         | 57,959,770                          | –                                |
|                          | <b>12,761,495,327</b>               | <b>4,709,113,989</b>             |

|                                  | Note | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |
|----------------------------------|------|-------------------------------------|----------------------------------|
| <b>18 CASH AND BANK BALANCES</b> |      |                                     |                                  |
| <b>Current accounts</b>          |      |                                     |                                  |
| Balance with conventional banks  |      | 164,421,595                         | 279,733,002                      |
| Balance with islamic banks       |      | 45,435,250                          | 32,131,162                       |
|                                  |      | <b>209,856,845</b>                  | <b>311,864,164</b>               |
| <b>Saving accounts</b>           |      |                                     |                                  |
| Deposit with conventional banks  | 18.1 | 355,190                             | 384,683                          |
|                                  |      | <b>210,212,035</b>                  | <b>312,248,847</b>               |
| <b>Cash in hand</b>              |      | <b>14,174,256</b>                   | <b>5,755,225</b>                 |
|                                  |      | <b>224,386,291</b>                  | <b>318,004,072</b>               |

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

|  |        | Nine months ended   |                     | Three months ended  |                     |
|--|--------|---------------------|---------------------|---------------------|---------------------|
|  | Note   | 30-Jun-21<br>Rupees | 30-Jun-20<br>Rupees | 30-Jun-21<br>Rupees | 30-Jun-20<br>Rupees |
| 19 REVENUE FROM CONTRACTS WITH CUSTOMERS |        |                     |                     |                     |                     |
| Disaggregation of revenue based on:      |        |                     |                     |                     |                     |
| 19.1 Segments                            |        |                     |                     |                     |                     |
| Sugar                                    |        |                     |                     |                     |                     |
| Sugar                                    | 19.1.1 | 40,337,620,964      | 33,762,639,534      | 15,297,465,802      | 13,179,314,871      |
| Molasses - by product                    |        | 6,287,623,544       | 4,271,772,925       | 1,165,764,255       | 19,143,885          |
| Agri Inputs                              |        | 2,155,184,416       | 1,969,040,496       | 405,403,081         | 552,333,520         |
| Mud - by product                         |        | 263,269,411         | 230,718,418         | 1,256,588           | 7,717,325           |
| Bagasse - by product                     |        | 29,301,056          | 264,053,902         | 29,301,056          | 27,563,660          |
|  |        | 49,072,999,391      | 40,498,225,275      | 16,899,190,782      | 13,786,073,261      |
| Co-Generation Power                      | 19.1.2 | 2,797,625,561       | 3,025,714,599       | 973,499,933         | 1,271,892,248       |
| Corporate Farms                          |        | 127,047,728         | 105,869,659         | 98,168,773          | 69,158,784          |
|  |        | 51,997,672,680      | 43,629,809,533      | 17,970,859,488      | 15,127,124,293      |
| 19.1.1 Sugar                             |        |                     |                     |                     |                     |
| Local                                    |        | 40,337,620,964      | 33,603,539,709      | 15,297,465,802      | 13,020,215,046      |
| Export - Asia                            |        | –                   | 159,099,825         | –                   | 159,099,825         |
|  |        | 40,337,620,964      | 33,762,639,534      | 15,297,465,802      | 13,179,314,871      |
| 19.1.2 Co-Generation Power               |        |                     |                     |                     |                     |
| Variable energy price                    |        | 1,706,463,553       | 1,496,438,448       | 657,122,889         | 638,475,216         |
| Fixed energy price                       |        | 1,091,162,008       | 1,529,276,151       | 316,377,044         | 633,417,032         |
|  |        | 2,797,625,561       | 3,025,714,599       | 973,499,933         | 1,271,892,248       |
| 19.2 Timing of revenue recognition       |        |                     |                     |                     |                     |
| Products transferred at a point in time  |        | 49,200,047,119      | 40,604,094,934      | 16,997,359,555      | 13,855,232,045      |
| Products transferred over time           |        | 2,797,625,561       | 3,025,714,599       | 973,499,933         | 1,271,892,248       |
|  |        | 51,997,672,680      | 43,629,809,533      | 17,970,859,488      | 15,127,124,293      |

## 20 OTHER INCOME

This mainly includes markup on delayed payment from CPPA-G of Rs. 69 million (30 June 2020: Rs. nil), scrap sale of Rs. 67 million (30 June 2020: Rs. 63 million), fair value gain on initial recognition of agricultural produce of Rs. 794 million (30 June 2020: Rs. nil) and gain on disposal of operating fixed assets of Rs. 33 million (30 June 2020: Rs. 18 million).

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

For the nine months period ended 30 June 2021

## 21 OTHER EXPENSES

This mainly includes amount written off against fixed energy receivables from Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) amounting to Rs. 3,326 million (30 June 2020: Rs. nil) according to the terms agreed in Master and EPA Amendment Agreement between the Holding Company and the CPPA-G. The Holding Company has, in the larger National Interest, voluntarily agreed to provide certain concessions which includes foregoing 70% of fixed energy payment for energy dispatched above the annual 45% plant factor effective from Commercial Operation Date.

## 22 BUSINESS SEGMENTS INFORMATION

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

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

**22.2 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               |                     |
|--|---------------------|---------------------|-----------------------|---------------------|-------------------------|---------------------|---------------------|---------------------|------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 30-Jun-21<br>Rupees | 30-Jun-20<br>Rupees | 30-Jun-21<br>Rupees   | 30-Jun-20<br>Rupees | 30-Jun-21<br>Rupees     | 30-Jun-20<br>Rupees | 30-Jun-21<br>Rupees | 30-Jun-20<br>Rupees | 30-Jun-21<br>Rupees          | 30-Jun-20<br>Rupees | 30-Jun-21<br>Rupees | 30-Jun-20<br>Rupees | 30-Jun-21<br>Rupees | 30-Jun-20<br>Rupees |
| <b>22.2.1 Segment revenues &amp; results</b> |                     |                     |                       |                     |                         |                     |                     |                     |                              |                     |                     |                     |                     |                     |
| Net external revenues                        | 49,072,893,331      | 40,498,225,275      | 2,797,625,561         | 3,025,714,599       | 127,047,728             | 105,869,659         | -                   | -                   | -                            | -                   | 51,997,672,680      | 43,629,809,533      |                     |                     |
| Inter-segment revenues                       | 1,871,727,100       | 1,605,726,201       | 1,185,149,688         | 1,077,474,894       | 3,499,796,528           | 3,429,240,236       | -                   | -                   | (6,556,673,316)              | (6,112,441,331)     | -                   | -                   |                     |                     |
| Reportable segment revenue                   | 50,944,726,491      | 42,103,951,476      | 3,982,775,249         | 4,103,189,493       | 3,626,844,256           | 3,535,109,895       | -                   | -                   | (6,556,673,316)              | (6,112,441,331)     | 51,997,672,680      | 43,629,809,533      |                     |                     |
| Segment profit / (loss) before tax           | 4,084,919,503       | 55,913,998          | (1,780,824,570)       | 1,252,072,870       | 333,005,448             | (150,268,883)       | (945,821)           | (4,163,735)         | -                            | -                   | 2,636,754,560       | 1,153,554,200       |                     |                     |

**22.2.2 Inter-segment sales and purchases**

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

**22.2.3 Basis of inter-segment pricing**

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

**22.2.4 Segment assets & liabilities of continuing operations**

|  | Sugar                               |                                  | Co-Generation Segment               |                                  | Corporate Farms Segment             |                                  | Others                              |                                  | Inter Segment Reconciliation        |                                  |                                     |                                  | Total                               |                                  |
|--|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
|  | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees | (Un-audited)<br>30-Jun-21<br>Rupees | (Audited)<br>30-Sep-20<br>Rupees |
| Total assets for reportable segment      | 40,454,597,140                      | 30,763,525,228                   | 8,651,289,816                       | 13,048,605,545                   | 8,487,071,622                       | 8,358,739,817                    | 9,230,442                           | 9,490,623                        | (6,556,673,316)                     | (6,534,393,159)                  | 51,045,515,704                      | 45,645,969,054                   |                                     |                                  |
| Total liabilities for reportable segment | 40,709,294,677                      | 37,436,397,545                   | 2,278,660,048                       | 2,572,100,630                    | 1,931,483,134                       | 1,355,963,721                    | 217,842                             | 292,202                          | (6,556,673,316)                     | (6,534,393,159)                  | 38,862,962,385                      | 34,630,360,939                   |                                     |                                  |

**22.3 Reconciliation of reportable segment profit or loss**

|  |               |               |
|--|---------------|---------------|
| Total profit before tax for reportable segments          | 2,636,754,560 | 1,153,554,200 |
| Unallocated corporate expenses                           | (769,829,356) | (432,206,798) |
| Consolidated profit after tax from continuing operations | 1,866,925,204 | 721,347,402   |

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

For the nine months period ended 30 June 2021

## 23 TRANSACTIONS WITH RELATED PARTIES

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

| Name  | Relationship                          | Nature of Transactions                 | 30-Jun-21<br>Rupees | 30-Jun-20<br>Rupees |
|---|---------------------------------------|--|---------------------|---------------------|
| <b>JDW Aviation (Pvt.) Limited</b>            | <b>Associated Company</b>             | Reimbursement of expenses              | 3,062,788           | 3,249,012           |
|   | (Common directorship)                 |  |                     |                     |
| <b>Post Employment Benefits Plan</b>          |                                       | Provident fund contribution            | 202,888,430         | 168,667,022         |
|   |                                       | Payment to recognized gratuity fund    | 104,674,839         | 1,036,059           |
|   |                                       | Short term advances                    | 250,000,000         | 880,000,000         |
|   |                                       | Markup on short term advances          | 173,578             | 9,231,858           |
| <b>Directors and Key Management Personnel</b> |                                       | Directors' remuneration and allowances | 847,800,002         | 467,180,003         |
|   | <b>Key management</b>                 | Consultancy services                   | 10,670,280          | 9,898,391           |
|   | <b>Khatai-II Hydro (Pvt.) Limited</b> | Investment in shares                   | –                   | 2,500               |

## 24 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.

## 25 FINANCIAL RISK MANAGEMENT

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

## **26 DATE OF AUTHORIZATION**

These condensed interim consolidated financial statements have been approved by the Board of Directors and authorized for issue on 28 July 2021.

## **27 CORRESPONDING FIGURES**

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

Sale of Mud - a by product, amounting to Rs. 231 million, previously classified under other income, has now been classified as revenue from contracts with customers under respective heads (refer note 19.1) for the purpose of better presentation.

## **28 EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE**

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

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## Notes

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FARMERS' FIRST CHOICE

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