

## Continued Excellence





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# Corporate Information

## Board of Directors

Mukhdoom Syed Ahmed Mahmud  
Director/Chairman

Mr. Jahangir Khan Tareen  
Director/Chief Executive

Mrs. Sameera Mahmud  
Mr. Ejaz Ahmed Phulpoto  
Mr. Raheal Masud  
Mr. Asim Nisar Bajwa  
Mr. Zafar Iqbal

## Chief Operating Officer

Rana Nasim Ahmed

## Group Director (Finance), CFO & Company Secretary

Mr. Muhammad Rafique

## Audit Committee

Mr. Asim Nisar Bajwa  
Chairman / Member

Mr. Raheal Masud  
Member

Mr. Zafar Iqbal  
Member

## HR & R Committee

Mr. Ejaz Ahmed Phulpoto  
Chairman / Member

Mr. Raheal Masud  
Member

Mr. Zafar Iqbal  
Member

## Auditors

KPMG Taseer Hadi & Co.  
Chartered Accountants

## Registrar

Corplink (Private) Ltd.

## Legal Advisor

Cornelius, Lane & Mufti

## Bankers

Faysal Bank Limited  
The Bank of Punjab  
MCB Bank Limited  
United Bank Limited  
Allied Bank Limited  
BankIslami Pakistan Limited  
Standard Chartered Bank (Pakistan) Limited  
Barclays Bank Plc.  
Askari Bank Limited  
Soneri Bank Limited  
Meezan Bank Limited  
Habib Bank Limited  
Silk Bank Limited  
Habib Metropolitan Bank Limited  
National Bank of Pakistan

## Registered Office

17-Abid Majeed Road,  
Lahore Cantonment, Lahore

## Mills

### Unit-I

Mauza Shirin, Jamal Din Wali,  
Distt. Rahim Yar Khan

### Unit-II

Machi Goth, Sadiqabad,  
Distt. Rahim Yar Khan

### Unit-III

Mauza Luluwali, Near Village  
Islamabad, Distt. Ghotki

## Web Presence

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

# Brief Review

## Dear Shareholders,

I am pleased to present the unaudited accounts of the Company for the nine months period ended on 30 June, 2014.

During this period the Company has earned profit after tax amounting to Rs. 698 million as compared to a profit after tax Rs. 1,056 million in the same period last year with gross sales of Rs. 24.04 billion and Rs. 22.70 billion respectively. Resultantly the earnings per share have decreased from Rs. 17.67 to Rs. 11.68. Gross profit ratio has also dropped from 13.49% to 11.51%. The main reasons for reduction in profitability are decrease in sucrose recoveries of all the four units of sugar division, losses suffered by corporate farms due to lower yield per acre caused by heavy frost attack, increase in financial charges caused by more borrowings due to acquisition of sugarcane cultivation business and massive BMR, higher cost of sugarcane per kg of sugar produced and lower average sales price of sugar.

- Other points of your interest are that the balance sheet size has increased from Rs. 24 billion to Rs. 40 billion. Share capital and reserves have increased from Rs. 5.5 billion to Rs. 5.8 billion. Current and debt equity ratios have not shown any improvement due to more borrowings as explained above. Increase in other income is due to gain on sale of a property. Reduction in selling and marketing expenses is due to lower export as compared to corresponding period. There has been increase in revenue from sale of electricity. Due to continuous investment on steam economy more bagasse was saved during the crushing season which is being used to operate the co-gen plants during the on-going off season.
- Growers as usual were happy with our consistent policy of making prompt payments. Despite extremely unfavorable business conditions for sugar industry we had been able to clear all growers' payments on time which on group basis were around Rs. 31 billion. This has given encouragement to growers to give priority to cultivate sugarcane crop. The company has also financially supported its growers by arranging and providing them agri loans in the form of seeds, fertilizers, pesticides and agri implements etc.
- The process of installation of two Co-gen projects of 26 MW each at JDW Unit II (Sadiqabad) and JDW Unit III (Ghotki) was initiated during last quarter of calendar year 2012 out of which project at JDW Unit II has been fully completed where trial run was started during last week of May, 2014

# Brief Review

and in a period of less than two weeks commissioning of the plant was successfully achieved on June 11, 2014. Since commissioning the plant at JDW II is running at full capacity without any major issues. Co-gen plant at JDW-III is expected to be fully completed and commissioned any time during August, 2014. We have obtained long term loan of Rs. 4.3 billion from MCB/UBL led consortium to set up these projects. Running of these pioneer projects throughout the year will result in improving the profitability of the Company.

- In view of the addition of two Co-gen projects in the system as stated above, the Board of Directors is pleased to announce interim cash dividend for the period under review of Rs. 2.00 per share i.e., 20 % which is being done first time in the dividend history of the company.
- Surplus sugar production with no timely permissions for export has put tremendous pressure on prices of this commodity causing heavy losses to the sugar industry. TCP in pursuance to Govt. policies has stopped buying sugar to maintain its strategic reserve and as of today TCP has just less than 50,000 tons of sugar in its stocks. Buying of sugar by TCP always resulted in easing out the cash flows problems of the industry resultantly growers payments are stuck up and majority of the sugar mills are unable to make payments to its growers. Heavy overdue amounts approx Rs. 3 billion of freight subsidy on export of sugar in previous years are not being released by the TDAP creating more cash flow issues for the industry. Imposition of 15 % regulatory duty on export of molasses is also causing heavy losses to the sugar mills having no distillery set up. For coming crushing season the sugarcane crop in the country is expected to be lower by 10% to 15 % as growers are shifting to other crops due to stuck up payments, no increase in the support prices of sugarcane and experience of low yield per acre caused by heavy frost attack.

For & on behalf of the Board

23 July 2014  
Lahore

**JAHANGIR KHAN TAREEN**  
Chief Executive





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

For the nine months period ended 30 June 2014

# Condensed Interim Unconsolidated Balance Sheet (Un-audited)

## As at 30 June 2014

	Note	30-Jun-14 (Un-audited) Rupees	30-Sep-13 (Audited) Rupees
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	6	597,766,610	597,766,610
Reserves		5,230,425,100	4,891,150,343
		<u>5,828,191,710</u>	<u>5,488,916,953</u>
<b>NON CURRENT LIABILITIES</b>			
Redeemable capital - secured		305,555,555	222,243,482
Long term loans - secured		7,539,993,837	4,292,190,749
Liabilities against assets subject to finance lease		522,890,421	438,881,076
Deferred taxation		1,732,216,039	1,732,216,039
Staff retirement benefits		52,125,205	44,694,419
		<u>10,152,781,057</u>	<u>6,730,225,765</u>
<b>CURRENT LIABILITIES</b>			
Short term borrowings - secured		16,209,913,061	6,834,453,702
Current portion of non current liabilities		1,492,484,554	1,616,577,269
Trade and other payables		5,233,928,367	2,789,427,156
Interest and mark-up accrued		660,597,596	302,120,164
		<u>23,596,923,578</u>	<u>11,542,578,291</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	<u>39,577,896,345</u>	<u>23,761,721,009</u>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	8	16,012,077,336	10,072,777,111
Intangible asset		19,026,034	-
Investment property		173,026,730	693,855,251
Investments	9	3,094,398,050	1,610,250,000
Long term advances		1,254,664,960	1,650,553,280
Goodwill		608,310,693	608,310,693
Long term deposits		90,871,377	85,380,307
		<u>21,252,375,180</u>	<u>14,721,126,642</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		1,168,745,882	588,561,594
Stock in trade		10,793,871,866	3,324,048,252
Biological assets		1,380,137,632	-
Trade debts - unsecured, considered good		576,404,819	239,661,016
Advances, deposits, prepayments and other receivables		3,996,572,392	4,426,525,555
Tax refund due from Government		130,111,974	220,443,055
Cash and bank balances		279,676,600	41,354,895
Non current asset held for sale	10	-	200,000,000
		<u>18,325,521,165</u>	<u>9,040,594,367</u>
		<u>39,577,896,345</u>	<u>23,761,721,009</u>

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial information.

## Condensed Interim Unconsolidated Profit and Loss Account (Un-audited) For the nine months period and quarter ended 30 June 2014

	Note	Nine months ended		Quarter ended	
		30-Jun-14 Rupees	30-Jun-13 Rupees	30-Jun-14 Rupees	30-Jun-13 Rupees
<b>Gross sales</b>		24,039,880,843	22,700,482,625	10,591,494,420	8,877,212,378
FED, Sales tax and others		(1,289,440,814)	(964,936,500)	(602,969,095)	(415,374,534)
<b>Net sales</b>	12	22,750,440,029	21,735,546,125	9,988,525,325	8,461,837,844
Cost of sales		(20,130,885,520)	(18,803,302,683)	(8,845,773,614)	(7,485,541,704)
<b>Gross profit</b>		2,619,554,509	2,932,243,442	1,142,751,711	976,296,140
Administrative expenses		(399,225,730)	(372,558,620)	(130,539,949)	(133,139,778)
Selling expenses		(117,750,447)	(232,120,605)	(60,068,138)	(119,433,762)
		(516,976,177)	(604,679,225)	(190,608,087)	(252,573,540)
<b>Operating profit</b>		2,102,578,332	2,327,564,217	952,143,624	723,722,600
Other expenses		(59,192,992)	(109,440,870)	(19,657,813)	(29,842,884)
Other income		234,832,196	115,291,358	191,890,360	41,508,816
Finance cost		(1,361,206,328)	(831,969,765)	(630,015,692)	(350,428,917)
		(1,185,567,124)	(826,119,277)	(457,783,145)	(338,762,985)
<b>Profit before taxation</b>		917,011,208	1,501,444,940	494,360,479	384,959,615
Taxation		(219,076,485)	(445,092,844)	(130,350,893)	(128,941,761)
<b>Profit after taxation</b>		697,934,723	1,056,352,096	364,009,586	256,017,854
<b>Basic earnings per share</b>		11.68	17.67	6.09	4.28

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial information.

## Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited) For the nine months period and quarter ended 30 June 2014

	Nine months ended		Quarter ended	
	30-Jun-14 Rupees	30-Jun-13 Rupees	30-Jun-14 Rupees	30-Jun-13 Rupees
<b>Profit for the period</b>	697,934,723	1,056,352,096	364,009,586	256,017,854
<b>Other comprehensive income</b>	–	–	–	–
<b>Total comprehensive income</b>	<u>697,934,723</u>	<u>1,056,352,096</u>	<u>364,009,586</u>	<u>256,017,854</u>

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial information.

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

## For the nine months period ended 30 June 2014

	30-Jun-14 Rupees	30-Jun-13 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	917,011,208	1,501,444,940
Adjustments for non cash and other items:		
Finance cost	1,361,206,328	831,969,765
Depreciation	474,699,028	374,423,160
Fair value loss on biological assets	121,277,680	-
Staff retirement benefits	80,444,785	64,688,311
Workers' profit participation fund	48,882,582	80,461,040
Workers' welfare fund	-	27,314,829
Profit on disposal of property, plant and equipment	(174,794,546)	(5,949,194)
Gain on sale of investment	(20,000,000)	-
Assets written off	94,922	-
	1,891,810,779	1,372,907,911
<b>Operating profit before working capital changes</b>	2,808,821,987	2,874,352,851
<b>(Increase)/ decrease in current assets</b>		
Stores, spares and loose tools	(580,184,288)	13,718,811
Stock in trade	(7,469,823,615)	(4,204,356,785)
Biological assets	(1,380,137,632)	-
Advances, deposits, prepayments and other receivables	427,582,043	1,819,307,393
Trade debts	(336,743,803)	(107,714,233)
	(9,339,307,295)	(2,479,044,814)
<b>Increase/ (decreased) in current liabilities</b>		
Trade and other payables	3,140,982,062	(92,615,852)
<b>Cash (used in)/ generated from operations</b>	(3,389,503,246)	302,692,185
Income tax paid	(126,045,178)	(135,960,957)
Workers' profit participation fund paid	(46,138,370)	(33,195,478)
Staff retirement benefits paid	(61,611,201)	(51,565,424)
	(233,794,749)	(220,721,859)
<b>Net cash (used in)/ generated from operations</b>	(3,623,297,995)	81,970,326
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment	(4,655,143,549)	(1,088,037,633)
Investment in associated company	(1,484,148,050)	(7,881,991)
Payment/ adjustment with respect to net assets acquired from JKFS	(1,767,475,990)	-
Advances to related parties	398,259,440	(1,125,233,072)
Proceeds realized from sale of property, plant and equipment	303,656,054	7,937,217
Long term deposits	(5,491,070)	17,079,926
Proceeds from sale of investment	220,000,000	-
<b>Net cash used in investing activities</b>	(6,990,343,165)	(2,196,135,553)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loans	3,183,448,457	(96,449,110)
Short term borrowings - net	9,251,366,643	3,688,405,317
Finance cost paid	(929,009,006)	(802,990,187)
Dividend paid	(350,199,425)	(355,137,913)
Lease rentals paid	(303,643,804)	(287,954,712)
<b>Net cash generated from financing activities</b>	10,851,962,865	2,145,873,395
<b>Net increase in cash and cash equivalents</b>	238,321,705	31,708,168
<b>Cash and cash equivalents at the beginning of the period</b>	41,354,895	11,382,760
<b>Cash and cash equivalents at the end of the period</b>	279,676,600	43,090,928

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial information.

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

## For the nine months period ended 30 June 2014

Share Capital	Reserves			Total Reserves	Total Equity
	Capital	Revenue	Accumulated Profit		
	Share Premium	Rupees			
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
597,766,610	678,316,928	3,646,970,561		4,325,287,489	4,923,054,099
–	–	(358,659,966)		(358,659,966)	(358,659,966)
–	–	1,056,352,096		1,056,352,096	1,056,352,096
597,766,610	678,316,928	4,344,662,691		5,022,979,619	5,620,746,229
597,766,610	678,316,928	4,212,833,415		4,891,150,343	5,488,916,953
–	–	(358,659,966)		(358,659,966)	(358,659,966)
–	–	697,934,723		697,934,723	697,934,723
597,766,610	678,316,928	4,552,108,172		5,230,425,100	5,828,191,710

**Balance as at 30 September 2012**

**Transactions with owners, recorded directly in equity:**

Final dividend @ Rs. 6.00 per share

Total comprehensive income for the period

**Balance as at 30 June 2013**

**Balance as at 30 September 2013**

**Transactions with owners, recorded directly in equity:**

Final dividend @ Rs. 6.00 per share

Total comprehensive income for the period

**Balance as at 30 June 2014**

The attached notes 1 to 16 form an integral part of this condensed interim unconsolidated financial information.

# Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

## For the nine months period ended 30 June 2014

### 1 STATUS AND NATURE OF BUSINESS

- 1.1** JDW Sugar Mills Limited (“the Company”) was incorporated in Pakistan on 31 May 1990 as a private limited company under the Companies Ordinance, 1984 and was subsequently converted into a public limited company on 24 August 1991. Shares of the Company are listed on the Karachi and Lahore Stock Exchanges. The registered office of the Company is situated at 17-Abid Majeed Road, Lahore Cantonment, Lahore. The Company is engaged in production and sale of crystalline sugar, generation and sale of electricity and managing corporate farms.
- 1.2** The Company has acquired sugarcane business of JK Farming Systems Limited (“a related party”) (“JKFS”) on 20 November 2013. The assets and liabilities have been transferred to the Group at fair values to comply with the requirements of Business Combinations “(IFRS-3)”. Fair values, duly determined by independent valuer and management, the assets and liabilities transferred to the Company are as follows:

	Note	Fair values as at 20-Nov-13 (Un-audited) Rupees
<b>Non current assets</b>		
Property, plant and equipment		
Operating fixed assets	8.1	1,216,474,025
Capital work in progress		2,572,408
		1,219,046,433
Intangible asset		20,397,279
		1,239,443,712
<b>Current assets</b>		
Stores, spares and loose tools		276,870,781
Biological assets		2,942,000,000
Advances, deposits, prepayments and other receivables		126,412,374
		3,345,283,155
<b>Total assets</b>		4,584,726,867
<b>Current liabilities</b>		
Trade creditors, accrued and other liabilities		(225,785,777)
<b>Net Assets transferred</b>		4,358,941,090
Purchase consideration		4,358,941,090
		-

The above figures are un-audited but have been examined by an independent firm of Chartered Accountants by performing agreed upon procedures.

# Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited) For the nine months period ended 30 June 2014

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

**2.1.1** This condensed interim unconsolidated financial information comprises the balance sheet of JDW Sugar Mills Limited ("the Company"), as at 30 June 2014 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof.

**2.1.2** This condensed interim unconsolidated financial information of the Company for the six months period ended 30 June 2014 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

**2.1.3** This condensed interim unconsolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 September 2013.

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

## 3 ESTIMATES

The preparation of the condensed interim unconsolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing the condensed interim unconsolidated financial information the significant judgments made by the management in applying accounting policies, key estimates and uncertainty includes:

- Residual value and useful life estimation of fixed assets
- Taxation
- Retirement and other benefits
- Provisions and contingencies

## 4 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

**4.1** Except as described below, the accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of annual financial statements for the year ended 30 September 2013.

### 4.2 Change in accounting policy

During the current period, the Company has adopted the amended version of IAS 19 Employee Benefits (amended 2011) and changed its basis for determining the income or expense related to defined benefits plans.

## Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited) For the nine months period ended 30 June 2014

Under IAS 19, the Company determines the net interest expense (income) for the period on the net defined benefit liability (asset) by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset) at the beginning of the annual period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. All the changes in the present value of defined benefit obligation are now recognized in statement of comprehensive income and the past service costs are recognized in profit and loss account, immediately in the period they occur. The change in accounting policy has been applied prospectively, being considered immaterial.

- 4.3** The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2014:

Standard or Interpretation	Effective date (accounting period beginning on or after)
IFRIC 21 - Levies	01 January 2014
IAS 32 - Financial Instruments: Presentation	01 January 2014
IAS 36 - Impairment of Assets	01 January 2014
IAS 39 - Financial Instruments: Recognition and Measurement	01 January 2014
IAS 19 - Employee Benefits	01 July 2014
Annual Improvements to IFRSs 2010-2012 and 2011-2013 Cycles	01 July 2014

- 5** The sugarcane crushing season starts from November and lasts till April each year.

	30-Jun-14 (Un-audited) Rupees	30-Sep-13 (Audited) Rupees
<b>6 SHARE CAPITAL</b>		
<b>6.1 Authorized capital</b>		
75,000,000 (30 September 2013: 75,000,000) voting ordinary shares of Rs. 10 each	750,000,000	750,000,000
25,000,000 (30 September 2013: 25,000,000) preference shares of Rs. 10 each	250,000,000	250,000,000
	<u>1,000,000,000</u>	<u>1,000,000,000</u>
<b>6.2 Issued, subscribed and paid up capital</b>		
32,145,725 (30 September 2013: 32,145,725) ordinary shares of Rs. 10 each fully paid in cash - voting	321,457,250	321,457,250
27,630,936 (30 September 2013: 27,630,936) bonus shares of Rs. 10 each fully paid bonus shares - voting	276,309,360	276,309,360
	<u>597,766,610</u>	<u>597,766,610</u>

**Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)**  
**For the nine months period ended 30 June 2014**

**7 CONTINGENCIES AND COMMITMENTS**

**7.1 Contingencies**

There is no material change in contingencies from the preceding annual published financial statements of the Company for the year ended 30 September 2013.

	Note	30-Jun-14 (Un-audited) Rupees	30-Sep-13 (Audited) Rupees
<b>7.1.1</b> Counter guarantees given on account of agricultural loan to growers		4,783,333,333	4,783,333,333
<b>7.1.2</b> Letters of guarantees in favour of various parties		338,996,573	123,978,742
<b>7.1.3</b> Cross corporate guarantees given by the Company to its bankers for Deharki Sugar Mills (Private) Limited (“DSML”)		380,319,248	380,319,248
<b>7.2 Commitments</b>			
Letters of credit for import of machinery and its related components		1,154,717,683	1,771,392,778
<b>8 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	8.1	12,348,038,725	8,153,098,012
Capital work in progress		3,664,038,611	1,919,679,099
		<u>16,012,077,336</u>	<u>10,072,777,111</u>
<b>8.1 Operating fixed assets</b>			
Net book value as at beginning of the period/year		8,153,098,012	7,856,588,719
Add: Additions during the period / year	8.1.1	3,059,249,001	818,697,075
Assets acquired from JKFS	1.2	1,216,474,025	-
Transferred from investment property		520,828,521	-
		12,949,649,559	8,675,285,794
Less: Disposals during the period/year - net book value		(126,911,806)	(13,971,790)
Depreciation charged during the period / year		(474,699,028)	(508,215,992)
		<u>(601,610,834)</u>	<u>(522,187,782)</u>
		<u>12,348,038,725</u>	<u>8,153,098,012</u>

**Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)**  
**For the nine months period ended 30 June 2014**

	Note	30-Jun-14 (Un-audited) Rupees	30-Sep-13 (Audited) Rupees
<b>8.1.1 Additions - cost</b>			
<b>Owned assets</b>			
Plant and machinery		2,680,491,004	342,340,426
Factory building on freehold land		211,849,368	27,610,260
Non factory building on freehold land		8,151,941	122,370,623
Motor vehicles		3,184,900	10,846,337
Electrical installation		23,496,946	6,192,032
Office equipment		4,493,168	7,096,113
Agri implements		1,964,000	695,521
Furniture and fixture		1,185,286	1,086,490
Roads and boundary wall		10,025,382	286,788
Tube well		345,790	-
Computers		3,252,957	2,503,307
Fire fighting equipment		44,945,259	-
Freehold land		-	4,391,886
Tools and equipment		-	1,967,360
		<u>2,993,386,001</u>	<u>527,387,143</u>
<b>Leased assets</b>			
Agri implements		3,960,000	45,538,000
Motor vehicles		61,903,000	70,401,852
Plant and machinery		-	175,370,080
		<u>65,863,000</u>	<u>291,309,932</u>
		<u>3,059,249,001</u>	<u>818,697,075</u>
<b>9 INVESTMENTS</b>			
Investment in subsidiary company	9.1	1,049,750,000	1,049,750,000
Investment in associated companies	9.2	2,044,648,050	560,500,000
		<u>3,094,398,050</u>	<u>1,610,250,000</u>
<b>9.1 Investment in subsidiary company - un quoted</b>			
<b>Deharki Sugar Mills (Private) Limited ("DSML")</b>			
104,975,000 (30 September 2013: 104,975,000) fully paid shares of Rs. 10 each			
Equity held 99.98% (30 September 2013: 99.98%)		<u>1,049,750,000</u>	<u>1,049,750,000</u>

**Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)**  
**For the nine months period ended 30 June 2014**

	<b>30-Jun-14 (Un-audited) Rupees</b>	<b>30-Sep-13 (Audited) Rupees</b>
<b>9.2 Investment in associated companies - un quoted</b>		
<b>Faruki Pulp Mills Limited ("FPML")</b>		
199,914,805 (30 September 2013: 51,500,000) fully paid ordinary shares of Rs. 10 each Equity held 48.39% (30 September 2013: 47.69%)		
<b>Cost as at 01 October</b>	560,500,000	560,500,000
Acquired during the period: 148,414,805 (30 September 2013: nil)	1,484,148,050	-
	2,044,648,050	560,500,000
<b>JK Dairies (Private) Limited</b>		
Nil (30 September 2013: 10,000,000) fully paid ordinary shares of Rs. 10 each Equity held nil (30 September 2013: 22.22%) Less: investment classified as held for sale	- - -	200,000,000 (200,000,000) -
<b>JDW Power (Private) Limited ("JDWPL")</b>		
9,000,000 (30 September 2013: 9,000,000) fully paid ordinary shares of Rs. 10 each Equity held 47.37% (30 September 2013 : 47.37%) Less: accumulated impairment allowance	90,000,000 (90,000,000) -	90,000,000 (90,000,000) -
	2,044,648,050	560,500,000

**10 NON CURRENT ASSET HELD FOR SALE**

The Company has sold its entire holding in JK Diaries (Private) Limited ("JKDL") at a sale price of Rs. 22 per share on 28 December 2013.

**11 BUSINESS SEGMENTS INFORMATION**

**11.1** The Company's reportable segments are as follows:

- Sugar & other - production and sale of crystalline sugar & other related activities
- Co-Generation - Generation of electricity
- Corporate farms - Cultivation and farming of sugarcane

# Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited) For the nine months period ended 30 June 2014

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

	Sugar & Other		Co-Generation		Corporate Farms		Total	
	30-Jun-14	30-Jun-13	30-Jun-14	30-Jun-13	30-Jun-14	30-Jun-13	30-Jun-14	30-Jun-13
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>11.2 Revenue</b>								
Net external revenues	21,658,243,084	21,735,546,125	109,865,046	-	982,331,899	-	22,750,440,029	21,735,546,125
Inter-segment revenues	17,253,934	-	2,048,821	-	2,388,721,805	-	2,408,024,560	-
Reportable segment operating profit / (loss)	2,377,489,310	2,327,564,217	76,461,878	-	(351,372,856)	-	2,102,578,332	2,327,564,217

### 11.3 Segment assets & liabilities

	Sugar & Other		Co-Generation		Corporate Farms		Total	
	30-Jun-14	30-Sep13	30-Jun-14	30-Sep-13	30-Jun-14	30-Sep-13	30-Jun-14	30-Sep-13
	(Un-audited) Rupees	(Audited) Rupees	(Un-audited) Rupees	(Audited) Rupees	(Un-audited) Rupees	(Audited) Rupees	(Un-audited) Rupees	(Audited) Rupees
Assets	30,416,947,975	23,761,721,009	5,566,278,198	-	3,594,670,172	-	39,577,896,345	23,761,721,009
Liabilities	28,464,104,937	18,272,804,056	4,165,197,600	-	1,120,402,098	-	33,749,704,685	18,272,804,056

### 11.4 Reconciliation of reportable segment profit and loss

For the nine months period ended

	30-Jun-14 Rupees	30-Jun-13 Rupees
Total operating profit for reportable segments before tax	2,102,578,332	2,327,564,217
Unallocated corporate expenses	(1,185,567,124)	(826,119,277)
Profit before tax	917,011,208	1,501,444,940
Taxation	(219,076,485)	(445,092,844)
Profit after taxation	697,934,723	1,056,352,096

## 12 SALES - NET

	Nine months ended		Quarter ended	
	30-Jun-14	30-Jun-13	30-Jun-14	30-Jun-13
	Rupees	Rupees	Rupees	Rupees
Sugar	20,482,029,820	20,623,195,638	9,243,407,163	8,225,104,393
Molasses & Bagasse	1,982,023,695	1,719,530,084	1,014,721,501	614,263,614
Sugarcane & other crop	982,331,899	-	90,275,686	-
Electricity	593,495,429	357,756,903	243,090,070	37,844,371
	24,039,880,843	22,700,482,625	10,591,494,420	8,877,212,378
Less: FED, Sales tax and others	(1,289,440,814)	(964,936,500)	(602,969,095)	(415,374,534)
	22,750,440,029	21,735,546,125	9,988,525,325	8,461,837,844

## Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited) For the nine months period ended 30 June 2014

### 13 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiary company, associated companies, other related companies, Directors of the Company, key management personnel and post employment benefit plans. Significant transactions with related parties in addition to the transaction disclosed in note 1.2 of this condensed interim financial unconsolidated information are as follows:

Relationship	Nature of transactions	30-Jun-14 Rupees	30-Jun-13 Rupees
<b>Subsidiary Company</b>	Short term advances - net	1,335,284,622	476,855,787
	Long term loans - net	391,888,320	277,338,000
	Mark up on advances	275,360,157	290,281,714
	Sale of sugarcane	956,362,076	-
<b>Associated Companies</b>	Sale of sugar	156,471,000	665,259,400
	Investment in equity	1,484,148,050	-
	Short term advances paid	244,505,000	750,000,000
	Mark up on advances	60,430,255	70,739,722
	Payment against purchase of aircraft	3,000,000	2,500,000
	Sale of molasses	1,182,603	495,727
<b>Other Related Parties</b>	Provident fund contribution	50,079,937	40,466,362
	Purchase of sugarcane	-	2,940,548,145

### 14 DATE OF AUTHORIZATION

The condensed interim unconsolidated financial information for the nine months ended 30 June 2014 was authorized for issue by the Board of Directors on 23 July 2014.

### 15 GENERAL

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

### 16 EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company in its meeting held on 23 July 2014 declared interim cash dividend of Rs. 2.00 (20%) per share for the nine months period ended 30 June 2014.



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

For the nine months period ended 30 June 2014

# Condensed Interim Consolidated Balance Sheet (Un-audited)

As at 30 June 2014

	Note	30-Jun-14 (Un-audited) Rupees	30-Sep-13 (Audited) Rupees
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	6	597,766,610	597,766,610
Reserves		4,608,953,314	4,343,938,419
		<u>5,206,719,924</u>	<u>4,941,705,029</u>
Non controlling interest		217,549	192,155
		<u>5,206,937,473</u>	<u>4,941,897,184</u>
<b>NON CURRENT LIABILITIES</b>			
Redeemable capital secured		305,555,555	222,243,482
Long term loans - secured		7,539,993,837	4,292,190,749
Liabilities against assets subject to finance lease		672,084,336	642,013,396
Deferred liabilities		1,586,473,163	1,555,721,583
Staff retirement benefits		52,125,205	44,694,419
		<u>10,156,232,096</u>	<u>6,756,863,629</u>
<b>CURRENT LIABILITIES</b>			
Short term borrowings - secured		18,294,653,061	7,692,553,702
Current portion of non current liabilities		1,563,616,074	1,675,060,118
Trade and other payables		5,693,614,253	3,043,707,130
Interest and mark-up accrued		725,621,408	325,116,640
Provision for taxation		139,733,021	86,520,545
		<u>26,417,237,817</u>	<u>12,822,958,135</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7		
		<u>41,780,407,386</u>	<u>24,521,718,948</u>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	8	19,278,867,357	13,387,593,856
Intangible asset		19,026,034	-
Investment property		173,026,730	693,855,251
Investments	9	1,562,858,603	239,732,936
Long term advances		79,000,000	83,000,000
Goodwill		608,310,693	608,310,693
Long term deposits		109,495,377	104,004,307
		<u>21,830,584,794</u>	<u>15,116,497,043</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		1,368,666,568	787,936,802
Stock in trade		14,057,715,759	3,777,690,212
Biological assets		1,380,137,632	-
Trade debts - unsecured, considered good		630,576,310	655,358,234
Advances, deposits, prepayments and other receivables		1,936,044,921	3,602,014,748
Tax refunds due from Government		252,498,775	284,457,186
Cash and bank balances		324,182,627	77,764,723
Non current asset held for sale	10	-	220,000,000
		<u>19,949,822,592</u>	<u>9,405,221,905</u>
		<u>41,780,407,386</u>	<u>24,521,718,948</u>

The attached notes 1 to 16 form an integral part of this condensed interim consolidated financial information.

23 July 2014

Lahore

Chief Executive

Director

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

### For the nine months period and quarter ended 30 June 2014

	Note	Nine months ended		Quarter ended	
		30-Jun-14 Rupees	30-Jun-13 Rupees	30-Jun-14 Rupees	30-Jun-13 Rupees
<b>Gross sales</b>		28,792,821,816	28,313,196,028	12,964,106,837	11,021,056,594
Less: FED & Sales tax and others		(1,677,496,173)	(1,217,892,926)	(764,366,128)	(505,024,909)
<b>Net sales</b>	12	27,115,325,643	27,095,303,102	12,199,740,709	10,516,031,685
Cost of sales		(23,861,577,619)	(23,642,656,670)	(10,871,922,232)	(9,388,248,329)
<b>Gross profit</b>		3,253,748,024	3,452,646,432	1,327,818,477	1,127,783,356
Administrative expenses		(411,783,645)	(456,223,718)	(134,925,094)	(156,133,634)
Selling expenses		(123,978,770)	(256,194,944)	(63,429,581)	(137,187,318)
		(535,762,415)	(712,418,662)	(198,354,675)	(293,320,952)
<b>Operating profit</b>		2,717,985,609	2,740,227,770	1,129,463,802	834,462,404
Other expenses		(72,560,523)	(111,681,595)	(18,942,429)	(26,809,773)
Other income		223,661,978	144,949,971	195,944,878	47,793,676
Finance cost		(1,781,323,885)	(1,229,319,214)	(811,469,058)	(511,274,626)
		(1,630,222,430)	(1,196,050,838)	(634,466,609)	(490,290,723)
Share of (loss) / profit of associated companies - net of taxation	9	(161,022,383)	3,428,490	(51,395,138)	2,861,144
<b>Profit before taxation</b>		926,740,796	1,547,605,422	443,602,055	347,032,825
Taxation		(303,040,541)	(472,606,701)	(159,963,968)	(88,934,565)
<b>Profit after taxation</b>		623,700,255	1,074,998,721	283,638,087	258,098,260
<b>Attributable to:</b>					
Equity holders of the Holding Company		623,674,861	1,074,995,709	283,644,995	258,098,427
Non controlling interest		25,394	3,012	(6,908)	(167)
		623,700,255	1,074,998,721	283,638,087	258,098,260
<b>Basic earnings per share</b>		10.43	17.98	4.74	4.32

The attached notes 1 to 16 form an integral part of this condensed interim consolidated financial information.

## Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited) For the nine months period and quarter ended 30 June 2014

	Nine months ended		Quarter ended	
	30-Jun-14 Rupees	30-Jun-13 Rupees	30-Jun-14 Rupees	30-Jun-13 Rupees
<b>Profit for the period</b>	623,700,255	1,074,998,721	283,638,087	258,098,260
<b>Other comprehensive income</b>	–	–	–	–
<b>Total comprehensive income for the period</b>	623,700,255	1,074,998,721	283,638,087	258,098,260
<b>Attributable to:</b>				
Equity holders of the Holding Company	623,674,861	1,074,995,709	283,644,995	258,098,427
Non controlling interest	25,394	3,012	(6,908)	(167)
	623,700,255	1,074,998,721	283,638,087	258,098,260

The attached notes 1 to 16 form an integral part of this condensed interim consolidated financial information.

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

## For the nine months period ended 30 June 2014

	30-Jun-14 Rupees	30-Jun-13 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	926,740,796	1,547,605,422
Adjustments for non cash and other items		
Finance cost	1,781,323,885	1,229,319,214
Depreciation	611,125,087	506,815,205
Staff retirement benefits	90,130,779	64,928,301
Workers' profit participation fund	58,569,198	82,701,765
Workers' welfare fund	3,680,914	27,314,829
Profit on disposal of operating assets	(174,794,546)	(5,949,194)
Fair value loss on biological assets	121,277,680	-
Share of loss/(profit) of associated companies	161,022,383	(3,428,490)
Assets written off	94,922	-
	2,652,430,302	1,901,701,630
<b>Operating profit before working capital changes</b>	3,579,171,098	3,449,307,052
<b>(Increase) / decrease in current assets</b>		
Stores, spares and loose tools	(580,729,766)	36,920,293
Stock in trade	(10,280,025,548)	(5,351,037,674)
Biological assets	(1,380,137,632)	-
Advances, deposits, prepayments and other receivables	2,051,002,984	1,876,351,103
Trade debts	24,781,924	(165,299,560)
	(10,165,108,038)	(3,603,065,838)
<b>Increase in current liabilities</b>		
Trade and other payables	3,312,587,619	(155,068,979)
<b>Cash used in operations</b>	(3,273,349,321)	(308,827,765)
Income tax paid	(184,417,848)	(150,958,765)
Workers' profit participation fund	(46,138,370)	(33,195,478)
Staff retirement benefits paid	(70,864,362)	(69,055,192)
	(301,420,580)	(253,209,435)
<b>Net cash used in operations</b>	(3,574,769,901)	(562,037,200)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment	(4,743,542,883)	(1,106,261,507)
Advances to related party	(244,505,000)	(820,739,422)
Payment/adjustment with respect to net assets acquired from JKFS	(1,767,475,990)	-
Investment in associated company	(1,484,148,050)	7,937,217
Proceeds realized from sale of property, plant and equipment	303,656,054	-
Long term deposits	(5,491,070)	17,079,926
Proceeds from sale of investment	220,000,000	-
<b>Net cash used in investing activities</b>	(7,721,506,939)	(1,901,983,786)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loans- net	2,791,560,137	(96,449,110)
Short term borrowings - net	10,478,006,643	4,122,822,920
Finance cost paid	(1,031,739,073)	(908,771,495)
Dividend paid	(350,199,425)	(355,137,913)
Lease rentals paid	(344,933,538)	(308,069,493)
<b>Net cash generated from financing activities</b>	11,542,694,744	2,454,394,909
<b>Net increase/(decrease) in cash and cash equivalents</b>	246,417,904	(9,626,077)
<b>Cash and cash equivalents at the beginning of the period</b>	77,764,723	53,600,842
<b>Cash and cash equivalents at the end of the period</b>	324,182,627	43,974,765

The attached notes 1 to 16 form an integral part of this condensed interim consolidated financial information.

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

## For the nine months period ended 30 June 2014

Share Capital	Reserves			Total	Non controlling interest	Total equity
	Share Premium	Accumulated Profit	Sub Total			
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
597,766,610	678,316,928	3,656,239,054	4,334,555,982	4,932,322,592	248,377	4,932,570,969
–	–	(358,659,966)	(358,659,966)	(358,659,966)	–	(358,659,966)
–	–	1,074,995,709	1,074,995,709	1,074,995,709	3,012	1,074,998,721
597,766,610	678,316,928	4,372,574,797	5,060,891,725	5,648,658,335	251,389	5,648,909,724
597,766,610	678,316,928	3,665,621,491	4,343,938,419	4,941,705,029	192,155	4,941,897,184
–	–	(358,659,966)	(358,659,966)	(358,659,966)	–	(358,659,966)
–	–	623,674,861	623,674,861	623,674,861	25,394	623,700,255
597,766,610	678,316,928	3,930,636,386	4,608,953,314	5,206,719,924	217,549	5,206,937,473

**Balance as at 30 September 2012**

**Transactions with owners, recorded directly in equity:**

Final dividend @ Rs. 6.00 per share

Total comprehensive income for the period

**Balance as at 30 June 2013**

**Balance as at 30 September 2013**

**Transactions with owners, recorded directly in equity:**

Final dividend @ Rs. 6.00 per share

Total comprehensive income for the period

**Balance as at 30 June 2014**

The attached notes 1 to 16 form an integral part of this condensed interim consolidated financial information.

23 July 2014  
Lahore

Chief Executive

Director

# Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

## For the nine months period ended 30 June 2014

### 1 STATUS AND NATURE OF BUSINESS

#### The Group comprises of

JDW Sugar Mills Limited (“the Holding Company”)

Deharki Sugar Mills (Private) Limited (“the Subsidiary Company”)

- 1.1** JDW Sugar Mills Limited (“the Company”) was incorporated in Pakistan on 31 May 1990 as a private limited company under the Companies Ordinance, 1984 and was subsequently converted into a public limited company on 24 August 1991. Shares of the Company are listed on the Karachi and Lahore Stock Exchanges. The registered office of the Company is situated at 17-Abid Majeed Road, Lahore Cantonment, Lahore. The Company is engaged in production and sale of crystalline sugar, generation and sale of electricity and managing corporate farms.
- 1.2** Deharki Sugar Mills (Private) Limited was incorporated in Pakistan on 14 July 2010 as a Private Limited Company under the Companies Ordinance, 1984. The registered office of the Company is situated at 17-Abid Majeed Road, Lahore Cantonment, Lahore. The Company is engaged in production and sale of crystalline sugar and generation and sale of electricity.
- 1.3** Details regarding the Group’s investment in associates are given in note 9 to this condensed consolidated interim financial information.
- 1.4** The Group has acquired sugarcane business of JK Farming Systems Limited (“a related party”) (“JKFS”) on 20 November 2013. The assets and liabilities have been transferred to the Group at fair values to comply with the requirements of Business Combinations “(IFRS-3)”. Fair values, duly determined by independent valuer and management, the assets and liabilities transferred to the Group are as follows:

	Note	Fair values as at 20-Nov-13 (Un-audited) Rupees
<b>Non current assets</b>		
Property, plant and equipment		
Operating fixed assets	8.1	1,216,474,025
Capital work in progress		2,572,408
		1,219,046,433
Intangible asset		20,397,279
		1,239,443,712
<b>Current assets</b>		
Stores, spares and loose tools		276,870,781
Biological assets		2,942,000,000
Advances, deposits, prepayments and other receivables		126,412,374
		3,345,283,155
<b>Total assets</b>		4,584,726,867
<b>Current liabilities</b>		
Trade creditors, accrued and other liabilities		(225,785,777)
<b>Net Assets transferred</b>		4,358,941,090
Purchase consideration		4,358,941,090
		–

# Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

## For the nine months period ended 30 June 2014

The above figures are un-audited but have been examined by an independent firm of Chartered Accountants by performing agreed upon procedures.

### 2 BASIS OF PREPARATION

This condensed interim consolidated financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim consolidated financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 September 2013.

The condensed interim consolidated financial information includes the financial information of JDW, its subsidiary and associates ("Group") for the period ended 30 June 2014.

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

### 3 USE OF ESTIMATES AND JUDGMENTS

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

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

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

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

### 4 SIGNIFICANT ACCOUNTING POLICIES

**4.1** The accounting policies and methods of computation adopted in the preparation of condensed the interim consolidated financial information are generally based on the same policies and methods as applied in preparation of the annual financial statements for the year ended 30 September 2013.

#### 4.2 Change in accounting policy

During the current period, the Group has adopted the amended version of IAS 19 Employee Benefits (amended 2011) and changed its basis for determining the income or expense related to defined benefits plans.

## Notes to the Condensed Interim Consolidated Financial Information (Un-audited) For the nine months period ended 30 June 2014

Under IAS 19, the Group determines the net interest expense (income) for the period on the net defined benefit liability (asset) by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset) at the beginning of the annual period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. All the changes in the present value of defined benefit obligation are now recognized in statement of comprehensive income and the past service costs are recognized in profit and loss account, immediately in the period they occur. The change in accounting policy has been applied prospectively, being considered immaterial.

- 4.3** The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2014:

Standard or Interpretation	Effective date (accounting period beginning on or after)
IFRIC 21 - Levies	01 January 2014
IAS 32 - Financial Instruments: Presentation	01 January 2014
IAS 36 - Impairment of Assets	01 January 2014
IAS 39 - Financial Instruments: Recognition and Measurement	01 January 2014
IAS 19 - Employee Benefits	01 July 2014
Annual Improvements to IFRSs 2010-2012 and 2011-2013 Cycles	01 July 2014

#### **4.4 Basis of consolidation**

##### **Subsidiary**

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

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

##### **Associates**

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

**Notes to the Condensed Interim Consolidated Financial Information (Un-audited)**  
**For the nine months period ended 30 June 2014**

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

	<b>30-Jun-14 (Un-audited) Rupees</b>	<b>30-Sep-13 (Audited) Rupees</b>
<b>6 SHARE CAPITAL</b>		
<b>6.1 Authorized capital</b>		
75,000,000 (30 September 2013: 75,000,000) ordinary shares of Rs. 10 each	750,000,000	750,000,000
25,000,000 (30 September 2013: 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>30-Jun-14 (Un-audited) Rupees</b>	<b>30-Sep-13 (Audited) Rupees</b>
<b>6.2 Issued, subscribed and paid-up capital</b>		
32,145,725 (30 September 2013: 32,145,725) ordinary shares of Rs. 10 each fully paid in cash - voting	321,457,250	321,457,250
27,630,936 (30 September 2013: 27,630,936) bonus shares of Rs. 10 each fully paid in cash - voting	276,309,360	276,309,360
	<u>597,766,610</u>	<u>597,766,610</u>

**7 CONTINGENCIES AND COMMITMENTS**

**7.1 Contingencies**

There is no material change in contingencies from preceding annual published financial statements of the Group for the year ended 30 September 2013.

	<b>30-Jun-14 (Un-audited) Rupees</b>	<b>30-Sep-13 (Audited) Rupees</b>
<b>7.1.1 Counter guarantee given on account of agricultural loan to growers</b>	4,783,333,333	4,783,333,333
<b>7.1.2 Letters of guarantees in favour of various parties</b>		
Holding Company	338,996,573	123,978,742
Subsidiary Company	24,324,905	-
	<u>363,321,478</u>	<u>123,978,742</u>
<b>7.1.3 Cross corporate guarantees for subsidiary company</b>	380,319,248	380,319,248

**Notes to the Condensed Interim Consolidated Financial Information (Un-audited)**  
**For the nine months period ended 30 June 2014**

	<b>Note</b>	<b>30-Jun-14 (Un-audited) Rupees</b>	<b>30-Sep-13 (Audited) Rupees</b>
<b>7.2 Commitments</b>			
Letters of credit for import of machinery and its related components Holding Company		1,154,717,683	1,771,392,778
<b>8 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	8.1	15,550,661,441	11,421,421,476
Capital work in progress		3,728,205,916	1,966,172,380
		<u>19,278,867,357</u>	<u>13,387,593,856</u>
<b>8.1 Operating fixed assets</b>			
Net book value as at beginning of the period / year		11,421,421,476	10,716,371,088
Add: Additions during the period / year	8.1.1	3,129,974,312	1,409,496,991
Assets acquired from JKFS	1.2	1,216,474,025	–
Transferred from investment property		520,828,521	–
		<u>16,288,698,334</u>	<u>12,125,868,079</u>
Less: Disposals during the period / year - net book value		(126,911,806)	(15,878,379)
Depreciation charged during the period / year		(611,125,087)	(688,568,224)
		<u>(738,036,893)</u>	<u>(704,446,603)</u>
		<u>15,550,661,441</u>	<u>11,421,421,476</u>
<b>8.1.1 Additions - cost</b>			
<b>Owned assets</b>			
Plant and machinery		2,704,037,300	473,879,313
Factory building on freehold land		211,849,368	55,735,859
Non factory building on freehold land		54,338,038	132,373,163
Roads and boundary wall		10,025,382	584,375
Fire fighting equipment		44,945,259	–
Agri implements		1,964,000	695,521
Computers		3,343,757	2,763,087
Electrical installation		23,901,144	6,856,821
Office equipment		4,493,168	7,194,719
Motor vehicles		3,421,300	11,146,735
Tube well		345,790	–
Furniture and fixture		1,185,286	1,173,444
Tools and equipment		261,520	2,637,685
Freehold land		–	4,391,886
		<u>3,064,111,312</u>	<u>699,432,608</u>
<b>Leased assets</b>			
Motor vehicles		61,903,000	70,401,852
Agri implements		3,960,000	45,538,000
Plant and machinery		–	594,124,531
		<u>65,863,000</u>	<u>710,064,383</u>
		<u>3,129,974,312</u>	<u>1,409,496,991</u>

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)  
For the nine months period ended 30 June 2014

	30-Jun-14 (Un-audited) Rupees	30-Sep-13 (Audited) Rupees
<b>9 INVESTMENTS</b>		
<b>Investment in associated companies- unquoted</b>		
<b>Cost of investment</b>		
Opening balance	650,500,000	850,500,000
Acquired during the period / year	1,484,148,050	–
Less: investment classified as held for sale	–	(200,000,000)
	2,134,648,050	650,500,000
<b>Share of loss</b>		
Opening balance	(410,767,064)	(70,150,907)
Share of loss for the period / year	(161,022,383)	(273,914,957)
Impairment allowance	–	(5,975,614)
Less: profit related to investment classified as held for sale	–	(60,725,586)
Closing balance	(571,789,447)	(410,767,064)
	1,562,858,603	239,732,936
<b>9.1 Faruki Pulp Mills Limited (“FPML”)</b>		
<b>Cost of investment</b>		
199,914,805 (30 September 2013:51,500,000) fully paid ordinary shares of Rs. 10 each	560,500,000	560,500,000
Acquired during the period: 148,414,805 (30 September 2013: Nil)	1,484,148,050	–
Equity held 48.39% (30 September 2013: 47.69%)	2,044,648,050	560,500,000
<b>Share of loss</b>		
Opening balance	(320,767,064)	(34,769,984)
Share of loss for the period / year	(161,022,383)	(285,997,080)
Closing balance	(,481,789,447)	(320,767,064)
	1,562,858,603	239,732,936

**Notes to the Condensed Interim Consolidated Financial Information (Un-audited)**  
**For the nine months period ended 30 June 2014**

	<b>30-Jun-14 (Un-audited) Rupees</b>	<b>30-Sep-13 (Audited) Rupees</b>
<b>9.2 JK Dairies (Private) Limited (“JKDL”)</b>		
<b>Cost of investment</b>		
Nil (30 September 2013: 10,000,000) fully paid ordinary shares of Rs. 10 each	–	200,000,000
Equity held Nil (30 September 2013: 22.22%)		
<b>Share of profit</b>		
Opening balance	–	54,619,077
Share of profit for the period / year	–	6,106,509
Closing balance	–	60,725,586
	–	260,725,586
Less: investment classified as held for sale	–	(260,725,586)
	–	–
<b>9.3 JDW Power (Private) Limited (“JDWPL”)</b>		
<b>Cost of investment</b>		
9,000,000 (30 September 2013: 9,000,000) fully paid ordinary shares of Rs. 10 each	90,000,000	90,000,000
Equity held 47.37% (30 September 2013 : 47.37%)		
<b>Share of loss</b>		
Opening balance	(84,024,386)	(90,000,000)
Share of profit for the period / year	–	5,975,614
Closing balance	(84,024,386)	(84,024,386)
	5,975,614	5,975,614
Less: impairment loss	(5,975,614)	(5,975,614)
	–	–

**10 NON CURRENT ASSET HELD FOR SALE**

The Group has sold its entire holding in JK Diaries (Private) Limited (“JKDL”) at a sale price of Rs. 22 per share on 28 December 2013.

**11 BUSINESS SEGMENTS INFORMATION**

**11.1** The Group’s reportable segments are as follows:

- Sugar & other - production and sale of crystalline sugar & other related activities
- Co-Generation - Generation of electricity
- Corporate farms - Cultivation and farming of sugarcane

# Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

## For the nine months period ended 30 June 2014

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

	Sugar & Other		Co-Generation		Corporate Farms		Total	
	30-Jun-14 Rupees	30-Jun-13 Rupees	30-Jun-14 Rupees	30-Jun-13 Rupees	30-Jun-14 Rupees	30-Jun-13 Rupees	30-Jun-14 Rupees	30-Jun-13 Rupees
<b>11.2 Revenue</b>								
Net external revenues	26,979,490,774	27,095,303,102	109,865,046	–	25,969,823	–	27,115,325,643	27,095,303,102
Inter-segment revenues	17,253,934	–	2,048,821	–	3,345,083,881	–	3,364,386,636	–
Reportable segment operating profit / (loss)	2,992,896,587	2,740,227,770	76,461,878	–	(351,372,856)	–	2,717,985,609	2,740,227,770

### 11.3 Segment assets & liabilities

	Sugar & Other		Co-Generation		Corporate Farms		Total	
	30-Jun-14 (Un-audited) Rupees	30-Sep13 (Audited) Rupees	30-Jun-14 (Un-audited) Rupees	30-Sep-13 (Audited) Rupees	30-Jun-14 (Un-audited) Rupees	30-Sep-13 (Audited) Rupees	30-Jun-14 (Un-audited) Rupees	30-Sep-13 (Audited) Rupees
Assets	32,619,459,016	24,521,718,948	5,566,278,198	–	3,594,670,172	–	41,780,407,386	24,521,718,948
Liabilities	31,287,870,215	19,579,821,764	4,165,197,600	–	1,120,402,098	–	36,573,469,913	19,579,821,764

### 11.4 Reconciliation of reportable segment profit and loss

For the nine months period ended

	30-Jun-14 Rupees	30-Jun-13 Rupees
Total operating profit for reportable segments before tax	2,717,985,609	2,740,227,770
Unallocated corporate expenses	(1,791,244,813)	(1,192,622,348)
Profit before tax	926,740,796	1,547,605,422
Taxation	(303,040,541)	(472,606,701)
Profit after taxation	623,700,255	1,074,998,721

## 12 SALES - NET

	Nine months ended		Quarter ended	
	30-Jun-14 Rupees	30-Jun-13 Rupees	30-Jun-14 Rupees	30-Jun-13 Rupees
Sugar	25,331,848,626	25,707,564,290	11,338,104,869	10,238,791,343
Molasses & Bagasse	2,664,497,609	2,130,034,416	1,348,782,676	744,420,880
Electricity	770,505,758	475,597,322	255,782,530	37,844,371
Other crop	25,969,823	–	21,436,762	–
	28,792,821,816	28,313,196,028	12,964,106,837	11,021,056,594
Less: FED, Sales tax and others	(1,677,496,173)	(1,217,892,926)	(764,366,128)	(505,024,909)
	27,115,325,643	27,095,303,102	12,199,740,709	10,516,031,685

## Notes to the Condensed Interim Consolidated Financial Information (Un-audited) For the nine months period ended 30 June 2014

### 13 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, other related companies, Directors of the Group, key management personnel and post employment benefit plans. Significant transactions with related parties in addition to the transaction disclosed in note 1.4 of this condensed interim financial unconsolidated information are as follows:

Relationship	Nature of transactions	30-Jun-14 Rupees	30-Jun-13 Rupees
<b>Associated Companies</b>	Sale of sugar	156,471,000	665,259,400
	Investment in equity	1,484,148,050	-
	Short term advances paid	244,505,000	750,000,000
	Mark up on advances	60,430,255	70,739,422
	Payment against purchase of aircraft	3,000,000	2,500,000
	Sale of molasses	1,182,603	495,727
<b>Other Related Parties</b>	Provident fund contribution	59,377,951	47,444,636
	Purchase of sugarcane	-	2,940,548,145

### 14 DATE OF AUTHORIZATION

The condensed interim consolidated financial information for the nine months ended 30 June 2014 was authorized for issue by the Board of Directors on 23 July 2014.

### 15 GENERAL

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

### 16 EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company in its meeting held on 23 July 2014 declared interim cash dividend of Rs. 2.00 (20%) per share for the nine months period ended 30 June 2014.







**JDW Sugar Mills Limited**

Head Office: 17-Abid Majeed Road,  
Lahore Cantt, Pakistan.