

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

Brief Review

Dear Shareholders,

I, on behalf of the Board of Directors of JDW Sugar Mills Limited, am pleased to present the financial statements of the Company for the half year ended on March 31, 2014 which has been duly reviewed by the external Auditors.

During period under review the Company has earned profit after tax amounting to Rs. 334 million with gross sales of Rs.13,448 million as compared to net profit after tax amounting to Rs. 800 million with gross turnover of Rs.13,823 million in the same period last year.

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

- For crushing season 2013-14 which concluded on different dates for all the four units the following operating results were achieved:

Operating Results

Description	Unit	2013-14				2012-13			
		JDW-I	JDW-II	JDW-III	COMBINED	JDW-I	JDW-II	JDW-III	COMBINED
Starting	Date	30.11.2013	24.11.2013	20.11.2013	--	30.11.2012	30.11.2012	03.12.2012	--
Ending	Date	21.04.2014	17.04.2014	07.04.2014	--	11.04.2013	07.04.2013	27.03.2013	--
Working	Days	149	145	139	144	133	129	115	126
Sugarcane crushed	M.Tons	2,866,631	1,186,269	1,504,768	5,557,668	2,535,823	1,007,658	1,200,650	4,744,131
Sugar Production	M.Tons	312,746	128,421	162,668	603,835	289,147	114,516	134,718	538,380
Sucrose Recovery	%age	10.91	10.83	10.81	10.86	11.40	11.36	11.22	11.35
Molasses Production	M.Tons	118,442	48,940	60,640	228,022	99,001	41,384	48,155	188,540
Molasses Recovery	%age	4.13	4.13	4.03	4.10	3.90	4.11	4.01	3.97

- Sugar cane crushed this time was up by 17% whereas sugar produced was not in line with increase in crushing and was higher by 12% due to reduction in sucrose recovery by 49 bps caused by heavy frost attack in early January. The frost has not caused only reduction in sucrose recovery but also resulted in substantial reduction in yield per acre i.e. 12 to 15% which has badly financially affected the growers & corporate farms.
- Sucrose recovery achieved by Deharki Sugar Mills (Pvt) Limited (DSML) although low by 35 bps as compared to last crushing season was the highest in the country whereas sucrose recoveries achieved by JDW Unit I, II & III were 2nd, 3rd and 4th in the order of ranking which means our four units were among top five sugar mills on account of better sucrose recoveries.
- DSML being wholly owned subsidiary of the Company achieved the following operating results during crushing season 2013-14.

		2013-14	2012-13
Starting	Date	20.11.2013	30.11.2012
Ending	Date	10.04.2014	28.03.2013
Working	Days	142	119
Sugarcane crushed	M.Tons	1,590,946	1,204,234
Sugar Production	M.Tons	175,612	137,185
Sucrose Recovery	%age	11.04	11.39
Molasses Production	M.Tons	59,154	49,746
Molasses Recovery	%age	4.06	4.13

Brief Review

Financial Results

		31-Mar-14	31-Mar-13
Gross sales	Rs. in million	13,448	13,823
Gross profit	Rs. in million	1,477	1,956
Gross profit ratio	% age	12	15
Profit after tax	Rs. in million	334	800
Earnings per share	Rs.	5.59	13.39

- The gross profit ratio has decreased from 15% to 12% mainly due to low sucrose recoveries, low yield per acre and unfavorable sale prices. Consequently earnings per share have also dropped from Rs 13.39 to Rs. 5.59.
- On group basis, due to extended season electricity sold to MEPCO and SEPCO this time was for an amount of Rs. 556 million net of sales tax as compared to Rs. 397 million last crushing season. This time no sale of bagasse has been made so far and entire bagasse saved during the season have been preserved for running of co-generation plants during the on-going off season.
- There has been substantial increase in financial charges due to more working capital loans applied due to increased production volume, BMR carried out prior to start of this crushing season and assuming of short term loans of corporate farm.
- There has been normal increase in administration expenses. Reduction in selling expenses is mainly due to lesser export of sugar as compared to the corresponding period.
- The balance sheet size has increased from Rs. 24 billion to Rs. 44 billion. Accumulated reserves are approximately eight times of the paid up capital of the Company.
- Co-generation project of 26 MW at JDW Unit - II (Sadiqabad) has been completed. It has started exporting electricity on May 24, 2014 & is presently under trial run. Hopefully within next few days its COD would be officially announced. Similar project at JDW - III is at its final stages of completion. Insha Allah its trial run and COD would be completed within next month.
- Despite extremely unfavorable conditions for the entire sugar industry even this year our growers were happy with our consistent policy of making prompt payments. For our three units growers payments were completely paid off immediately after closure of the crushing season whereas for JDW - I some payments are still left which are being paid on priority basis these days and would be completely cleared soon. 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.
- For current financial year we are working in challenging environment as additional cost of sugarcane has not been absorbed by the market due to record sugar production in the country. Even this year sugar produced was 500,000 tons more than last crushing season. Since last three crushing seasons there had been a surplus sugar production in the country. Inadequate and untimely permissions for export of sugar are not making any impact on the local sugar prices to bring them at a level where mills at least should not suffer losses. Throughout the crushing season the prices of sugar remained below the cost of sugar for most of the mills. More unconditional permissions for export would help the sugar industry to get rid of surplus one million tons sugar stocks still in the pipeline.

For & on behalf of the Board

26 May 2014
Lahore

Ejaz Ahmed Phulpoto
Director



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

For the six months period ended 31 March 2014



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Auditor's Report to the Members

on Review of Condensed Interim Unconsolidated Financial Information

Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of JDW Sugar Mills Limited ("the Company") as at 31 March 2014 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement, condensed interim unconsolidated statement of changes in equity and notes to the accounts for the six-months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Other Matters

The figures for the three months period ended 31 March 2014 and 31 March 2013, in the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

26 May 2014
Lahore

KPMG Taseer Hadi & Co.
Chartered Accountants
(Kamran Iqbal Yousafi)

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan
and a member firm of the KPMG network of independent member
firms affiliated with KPMG International Cooperative
("KPMG International"), a Swiss entity

Condensed Interim Unconsolidated Balance Sheet (Un-audited)

As at 31 March 2014

	Note	31-Mar-14 (Un-audited) Rupees	30-Sep-13 (Audited) Rupees
SHARE CAPITAL AND RESERVES			
Share capital	6	597,766,610	597,766,610
Reserves		4,866,415,514	4,891,150,343
		<u>5,464,182,124</u>	<u>5,488,916,953</u>
NON CURRENT LIABILITIES			
Redeemable capital - secured		333,333,333	222,243,482
Long term loans - secured		5,759,625,745	4,292,190,749
Liabilities against assets subject to finance lease		515,353,992	438,881,076
Deferred taxation		1,685,349,014	1,732,216,039
Staff retirement benefits		51,014,735	44,694,419
		<u>8,344,676,819</u>	<u>6,730,225,765</u>
CURRENT LIABILITIES			
Short term borrowings - secured		17,672,283,022	6,834,453,702
Current portion of non current liabilities		1,385,990,607	1,616,577,269
Trade and other payables		11,082,115,885	2,789,427,156
Interest and mark-up accrued		509,834,937	302,120,164
		<u>30,650,224,451</u>	<u>11,542,578,291</u>
CONTINGENCIES AND COMMITMENTS			
	7		
		<u>44,459,083,394</u>	<u>23,761,721,009</u>
NON CURRENT ASSETS			
Property, plant and equipment	8	14,662,125,180	10,072,777,111
Intangible asset		19,540,251	-
Investment property		434,922,822	693,855,251
Investments	9	3,094,398,050	1,610,250,000
Long term advances		1,401,623,080	1,650,553,280
Goodwill		608,310,693	608,310,693
Long term deposits		88,496,167	85,380,307
		<u>20,309,416,243</u>	<u>14,721,126,642</u>
CURRENT ASSETS			
Stores, spares and loose tools		980,575,316	588,561,594
Stock in trade		17,184,044,908	3,324,048,252
Biological assets		731,394,325	-
Trade debts - unsecured		590,357,876	239,661,016
Advances, deposits, prepayments and other receivables		4,226,850,994	4,426,525,555
Tax refund due from Government		172,773,856	220,443,055
Cash and bank balances		263,669,876	41,354,895
Non current asset held for sale	10	-	200,000,000
		<u>24,149,667,151</u>	<u>9,040,594,367</u>
		<u>44,459,083,394</u>	<u>23,761,721,009</u>

The annexed notes 1 to 15 form an integral part of this condensed interim unconsolidated financial information.

Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)

For the six months period and quarter ended 31 March 2014

	Note	Six months ended		Quarter ended	
		31-Mar-14 Rupees	31-Mar-13 Rupees	31-Mar-14 Rupees	31-Mar-13 Rupees
Gross sales		13,448,386,423	13,823,270,247	7,026,342,619	4,368,772,424
FED, Sales tax & others		(686,471,719)	(549,561,966)	(324,910,469)	44,034,984
Net sales	12	12,761,914,704	13,273,708,281	6,701,432,150	4,412,807,408
Cost of sales		(11,285,111,906)	(11,317,760,979)	(5,882,704,650)	(2,853,346,994)
Gross profit		1,476,802,798	1,955,947,302	818,727,500	1,559,460,414
Administrative expenses		(268,685,781)	(239,418,842)	(155,954,657)	(138,169,435)
Selling expenses		(57,682,309)	(112,686,843)	(47,784,427)	(78,598,733)
		(326,368,090)	(352,105,685)	(203,739,084)	(216,768,168)
Operating profit		1,150,434,708	1,603,841,617	614,988,416	1,342,692,246
Other expenses		(39,535,179)	(79,597,986)	(11,427,923)	(72,735,397)
Other income		42,941,836	73,782,542	11,864,325	29,475,692
Finance cost		(731,190,636)	(481,540,848)	(493,748,869)	(280,669,267)
		(727,783,979)	(487,356,292)	(493,312,467)	(323,928,972)
Profit before taxation		422,650,729	1,116,485,325	121,675,949	1,018,763,274
Taxation		(88,725,592)	(316,151,083)	48,260,890	(279,826,605)
Profit after taxation		333,925,137	800,334,242	169,936,839	738,936,669
Basic / diluted earnings per share		5.59	13.39	2.84	12.36

The annexed notes 1 to 15 form an integral part of this condensed interim unconsolidated financial information.

Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited) For the six months period and quarter ended 31 March 2014

	Six months ended		Quarter ended	
	31-Mar-14 Rupees	31-Mar-13 Rupees	31-Mar-14 Rupees	31-Mar-13 Rupees
Profit for the period	333,925,137	800,334,242	169,936,839	738,936,669
Other comprehensive income	-	-	-	-
Total comprehensive for the period	<u>333,925,137</u>	<u>800,334,242</u>	<u>169,936,839</u>	<u>738,936,669</u>

The annexed notes 1 to 15 form an integral part of this condensed interim unconsolidated financial information.

Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

For the six months period ended 31 March 2014

	31-Mar-14 Rupees	31-Mar-13 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	422,650,729	1,116,485,325
Adjustments for non cash and other items		
Finance cost	731,190,636	481,540,848
Depreciation	297,417,702	244,875,234
Fair value loss on biological assets	298,572,986	-
Staff retirement benefits	55,362,936	37,935,034
Workers' profit participation fund	24,079,743	59,804,166
Workers' welfare fund	6,827,025	19,793,820
Loss / (profit) on disposal of property, plant and equipment	2,578,645	(4,368,322)
Amortization of intangible asset	857,028	-
Gain on sale of investment	(20,000,000)	-
	1,396,886,701	839,580,780
Operating profit before working capital changes	1,819,537,430	1,956,066,105
(Increase) / decrease in current assets		
Stores, spares and loose tools	(115,142,941)	(270,157,864)
Stock in trade	(11,487,594,129)	(10,493,151,562)
Biological assets	(460,369,837)	-
Advances, deposits, prepayments and other receivables	1,166,337,794	1,355,117,871
Trade debts	(350,696,860)	(729,076,737)
	(11,247,465,973)	(10,137,268,292)
Increase in current liabilities		
Trade and other payables	5,555,607,027	4,940,340,580
Cash used in operations	(3,872,321,516)	(3,240,861,607)
Income tax paid	(87,923,418)	(94,273,830)
Workers' profit participation fund paid	(83,042,212)	(33,195,478)
Staff retirement benefits paid	(42,164,522)	(32,719,758)
	(213,130,152)	(160,189,066)
Net cash used in operations	(4,085,451,668)	(3,401,050,673)
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment	(2,976,145,611)	(174,473,596)
Investment in associated company	(1,484,148,050)	-
Payment/adjustment with respect to net assets acquired from JKFS	(1,767,475,990)	-
Advances to related parties	(591,320,659)	(1,684,203,528)
Proceeds realized from sale of property, plant and equipment	3,648,451	7,965,217
Long term deposits	(3,115,860)	19,360,107
Proceeds from sale of investment	220,000,000	-
	(6,598,557,719)	(1,831,351,800)
Net cash used in investing activities	(6,598,557,719)	(1,831,351,800)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans availed during the period	2,237,927,261	-
Long term loans repaid during the period	(910,235,755)	(703,403,332)
Short term borrowings - net	10,837,829,320	7,323,589,640
Finance cost paid	(736,661,467)	(578,297,766)
Dividend paid	(314,900,051)	(353,556,644)
Lease rentals paid	(207,634,940)	(183,905,154)
	10,906,324,368	5,504,426,744
Net cash generated from financing activities	10,906,324,368	5,504,426,744
Net increase in cash and cash equivalents	222,314,981	272,024,271
Cash and cash equivalents at the beginning of the period	41,354,895	11,382,760
Cash and cash equivalents at the end of the period	263,669,876	283,407,031

The annexed notes 1 to 15 form an integral part of this condensed interim unconsolidated financial information.

26 May 2014

Lahore

Director

Director

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

For the six months period ended 31 March 2014

Share Capital	Reserves			Total Reserves	Total Equity
	Capital	Revenue	Accumulated Profit		
	Share Premium	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)
-	-	800,334,242		800,334,242	800,334,242
597,766,610	678,316,928	4,088,644,837		4,766,961,765	5,364,728,375
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)
-	-	333,925,137		333,925,137	333,925,137
597,766,610	678,316,928	4,188,098,586		4,866,415,514	5,464,182,124

Balance as at 30 September 2012 - Audited

Transactions with owners, recorded directly in equity:

Final dividend @ Rs. 6.00 per share

Total comprehensive income for the period

Balance as at 31 March 2013 - Un-audited

Balance as at 30 September 2013 - Audited

Transactions with owners, recorded directly in equity:

Final dividend @ Rs. 6.00 per share

Total comprehensive income for the period

Balance as at 31 March 2014 - Un-audited

The attached notes 1 to 15 form an integral part of this condensed interim unconsolidated financial information.

26 May 2014
Lahore

Director

Director

FINANCIAL
INFORMATION

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For the six months period ended 31 March 2014

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited) For the six months period ended 31 March 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, production 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 Company at fair values to comply with the requirements of Business Combinations “(IFRS-3)”. Fair values, duly determined by independent valuer and management, of the assets and liabilities transferred to the Company are as follows:

	Note	Fair values as at 20-Nov-13 (Un-audited) Rupees
Non current assets		
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
Current assets		
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
Total assets		4,584,726,867
Current liabilities		
Trade creditors, accrued and other liabilities		(225,785,777)
Net Assets transferred		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 six months period ended 31 March 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 31 March 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 31 March 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 six months period ended 31 March 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.

	31-Mar-14 (Un-audited) Rupees	30-Sep-13 (Audited) Rupees
6 SHARE CAPITAL		
6.1 Authorized capital		
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
	1,000,000,000	1,000,000,000
6.2 Issued, subscribed and paid up capital		
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
	597,766,610	597,766,610

**Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)
For the six months period ended 31 March 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	31-Mar-14 (Un-audited) Rupees	30-Sep-13 (Audited) Rupees
7.1.1 Counter guarantees given on account of agricultural loan to growers		4,783,333,333	4,783,333,333
7.1.2 Letters of guarantees in favour of various parties		169,619,871	123,978,742
7.1.3 Cross corporate guarantees given by the Company to its bankers for Deharki Sugar Mills (Private) Limited ("DSML")		380,319,248	380,319,248
7.2 Commitments			
Letters of credit for import of machinery and its related components		987,949,046	1,771,392,778
8 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	8.1	9,537,292,679	8,153,098,012
Capital work in progress		5,124,832,501	1,919,679,099
		<u>14,662,125,180</u>	<u>10,072,777,111</u>
8.1 Operating fixed assets			
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	212,433,011	818,697,075
Assets acquired from JKFS	1.2	1,216,474,025	-
Transferred from investment property		258,932,429	-
		9,840,937,477	8,675,285,794
Less: Disposals during the period / year - net book value		(6,227,096)	(13,971,790)
Depreciation charged during the period / year		(297,417,702)	(508,215,992)
		(303,644,798)	(522,187,782)
		<u>9,537,292,679</u>	<u>8,153,098,012</u>

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)
For the six months period ended 31 March 2014

	Note	31-Mar-14 (Un-audited) Rupees	30-Sep-13 (Audited) Rupees
8.1.1 Additions - cost			
Owned assets			
Plant and machinery		180,952,954	342,340,426
Non factory building on freehold land		8,151,941	122,370,623
Agri implements		1,964,006	695,521
Motor vehicles		886,321	10,846,337
Electrical installation		1,103,440	6,192,032
Office equipment		1,101,272	7,096,113
Furniture and fixture		302,325	1,086,490
Tube well		345,790	-
Computers		1,709,962	2,503,307
Freehold land		-	4,391,886
Factory building on freehold land		-	27,610,260
Roads and boundary wall		-	286,788
Tools and equipment		-	1,967,360
		196,518,011	527,387,143
Leased assets			
Motor vehicles		15,915,000	70,401,852
Plant and machinery		-	175,370,080
Agri implements		-	45,538,000
		15,915,000	291,309,932
		212,433,011	818,697,075
9 INVESTMENTS			
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
		3,094,398,050	1,610,250,000
9.1 Investment in subsidiary company - un quoted			
Deharki Sugar Mills (Private) Limited ("DSML")			
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%)		1,049,750,000	1,049,750,000

**Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)
For the six months period ended 31 March 2014**

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

10 NON CURRENT ASSET HELD FOR SALE

The Company has sold its entire holding in JK Dairies (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 and other segment - production and sale of crystalline sugar & other related activity
- Corporate farms - Cultivation and farming of sugarcane

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited) For the six months period ended 31 March 2014

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

	Sugar & Other Segment		Corporate Farms Segment		Total	
	31-Mar-14 Rupees	31-Mar-13 Rupees	31-Mar-14 Rupees	31-Mar-13 Rupees	31-Mar-14 Rupees	31-Mar-13 Rupees
11.1.1 Revenue						
Net external revenues	11,869,858,491	13,273,708,281	892,056,213	-	12,761,914,704	13,273,708,281
Inter-segment revenues	-	-	2,372,402,527	-	2,372,402,527	-
Reportable segment operating profit / (loss)	1,535,663,703	1,603,841,617	(385,228,995)	-	1,150,434,708	1,603,841,617

11.1.2 Segment assets & liabilities

	Segment Assets		Segment Liabilities	
	31-Mar-14 (Un-audited) Rupees	30-Sep-13 (Audited) Rupees	31-Mar-14 (Un-audited) Rupees	30-Sep-13 (Audited) Rupees
Sugar and other segment	40,234,461,537	23,761,721,009	36,161,536,326	18,272,804,056
Corporate farms segment	4,224,621,857	-	2,833,364,944	-
	44,459,083,394	23,761,721,009	38,994,901,270	18,272,804,056

11.1.3 Reconciliation of reportable segment profit and loss

For the six months period ended

	31-Mar-14 Rupees	31-Mar-13 Rupees
Total operating profit for reportable segments before tax	1,150,434,708	1,603,841,617
Unallocated corporate expenses	(727,783,979)	(487,356,292)
Profit before tax	422,650,729	1,116,485,325
Taxation	(88,725,592)	(316,151,083)
Profit after taxation	333,925,137	800,334,242

12 SALES - NET

	Six months ended		Quarter ended	
	31-Mar-14 Rupees	31-Mar-13 Rupees	31-Mar-14 Rupees	31-Mar-13 Rupees
Sugar	11,238,622,657	12,398,091,245	5,665,121,426	3,326,933,390
Sugarcane & other crop	892,056,213	-	544,337,622	-
Molasses & Bagasse	967,302,194	1,105,266,470	516,838,546	741,466,347
Electricity	350,405,359	319,912,532	300,045,025	300,372,687
	13,448,386,423	13,823,270,247	7,026,342,619	4,368,772,424
Less: FED, Sales tax & others	(686,471,719)	(549,561,966)	(324,910,469)	44,034,984
	12,761,914,704	13,273,708,281	6,701,432,150	4,412,807,408

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited) For the six months period ended 31 March 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 unconsolidated financial information are as follows:

Relationship	Nature of transactions	31-Mar-14 Rupees	31-Mar-13 Rupees
Subsidiary Company	Short term advances paid - net	964,902,344	1,112,919,925
	Sale of sugarcane crop	887,523,152	-
	Long term loans received - net	244,930,200	145,170,000
	Mark up on advances	162,735,395	185,305,851
Associated Companies	Sale of sugar	156,471,000	410,730,000
	Investment in equity	1,484,148,050	-
	Short term advances paid	234,805,000	495,500,000
	Mark up on advances	52,157,760	35,647,752
	Payment against purchase of aircraft	2,500,000	2,000,000
	Sale of molasses	871,993	104,140
Other Related Parties	Provident fund contribution	47,949,206	27,621,956
	Purchase of sugarcane	-	2,852,512,773

14 DATE OF AUTHORIZATION

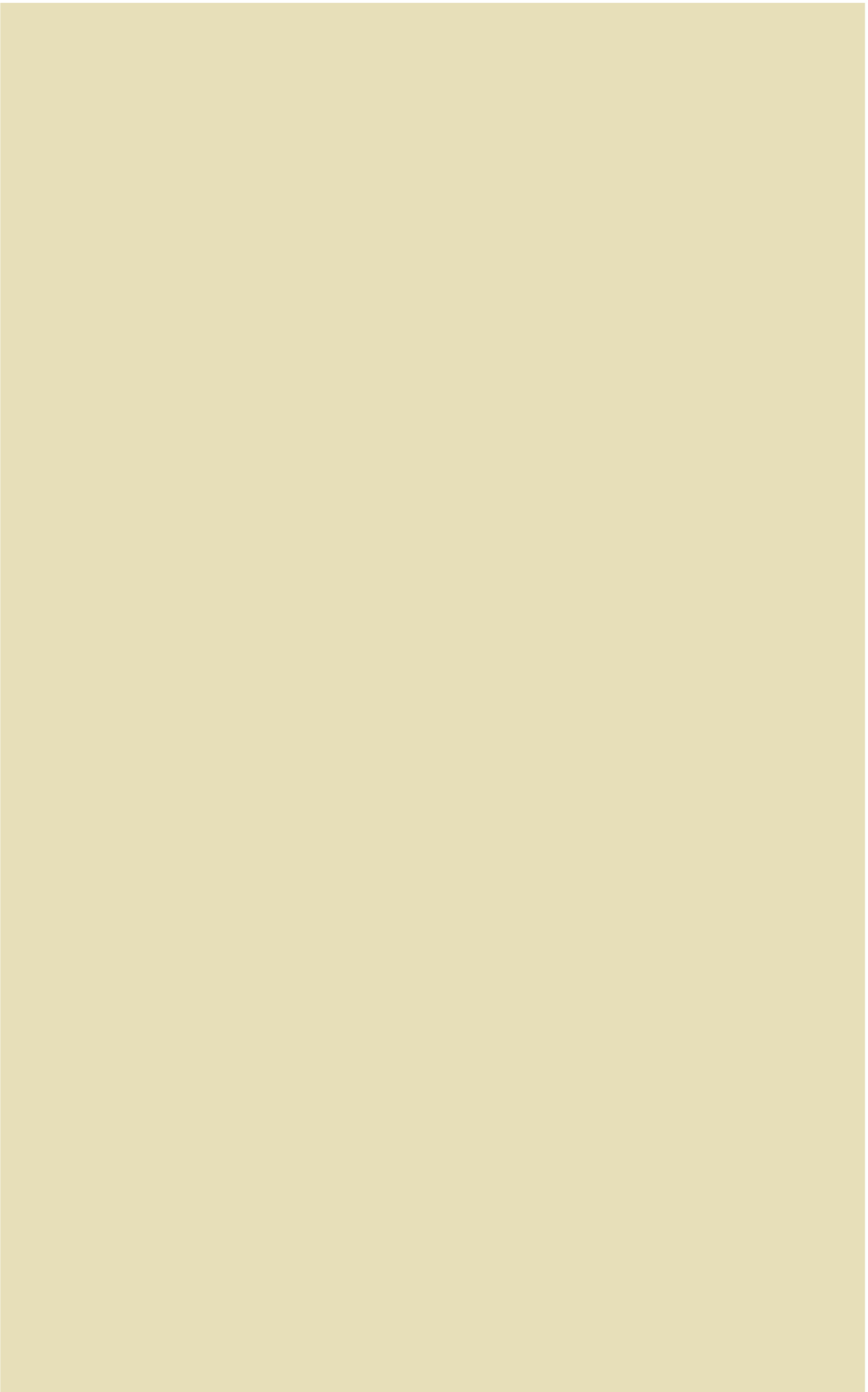
The condensed interim unconsolidated financial information for the six months period ended 31 March 2014 was authorized for issue by the Board of Directors on 26 May 2014.

15 GENERAL

15.1 Statement under section 241(2) of the Companies Ordinance, 1984

The Chief Executive of the Company is presently out of Country and hence, this condensed interim unconsolidated financial information has been signed by the Two Directors, as required under section 241(2) of the Companies Ordinance, 1984.

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





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

For the six months period ended 31 March 2014

Condensed Interim Consolidated Balance Sheet (Un-audited)

As at 31 March 2014

	Note	31-Mar-14 (Un-audited) Rupees	30-Sep-13 (Audited) Rupees
SHARE CAPITAL AND RESERVES			
Share capital	6	597,766,610	597,766,610
Reserves		4,325,308,319	4,343,938,419
		4,923,074,929	4,941,705,029
Non controlling interest		224,457	192,155
		4,923,299,386	4,941,897,184
NON CURRENT LIABILITIES			
Redeemable capital - secured		333,333,333	222,243,482
Long term loans - secured		5,759,625,745	4,292,190,749
Liabilities against assets subject to finance lease		683,159,844	642,013,396
Deferred liabilities		1,532,793,606	1,555,721,583
Staff retirement benefits		51,014,735	44,694,419
		8,359,927,263	6,756,863,629
CURRENT LIABILITIES			
Short term borrowings - secured		19,757,023,023	7,692,553,702
Current portion of non current liabilities		1,454,966,572	1,675,060,118
Trade and other payables		12,108,440,250	3,043,707,130
Interest and mark-up accrued		546,145,098	325,116,640
Provision for taxation		116,932,480	86,520,545
		33,983,507,423	12,822,958,135
CONTINGENCIES AND COMMITMENTS			
	7	47,266,734,072	24,521,718,948
NON CURRENT ASSETS			
Property, plant and equipment	8	17,969,150,708	13,387,593,856
Intangible asset		19,540,251	-
Investment property		434,922,822	693,855,251
Investments	9	1,614,253,741	239,732,936
Long term advances		79,000,000	83,000,000
Goodwill		608,310,693	608,310,693
Long term deposits		107,120,167	104,004,307
		20,832,298,382	15,116,497,043
CURRENT ASSETS			
Stores, spares and loose tools		1,169,381,843	787,936,802
Stock in trade		21,963,906,268	3,777,690,212
Biological assets		731,394,325	-
Trade debts - Unsecured, considered good		759,840,535	655,358,234
Advances, deposits, prepayments and other receivables		1,240,891,217	3,602,014,748
Tax refunds due from Government		262,943,227	284,457,186
Cash and bank balances		306,078,275	77,764,723
Non current asset held for sale	10	-	220,000,000
		26,434,435,690	9,405,221,905
		47,266,734,072	24,521,718,948

The attached notes 1 to 15 form an integral part of this condensed interim consolidated financial information.

26 May 2014
Lahore

Director

Director

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

For the six months period and quarter ended 31 March 2014

	Note	Six months ended		Quarter ended	
		31-Mar-14 Rupees	31-Mar-13 Rupees	31-Mar-14 Rupees	31-Mar-13 Rupees
Gross sales		15,828,714,979	17,292,139,434	8,505,886,032	5,928,719,872
Less: FED, Sales tax & others		(913,130,045)	(712,868,017)	(470,478,531)	7,554,388
Net sales	12	14,915,584,934	16,579,271,417	8,035,407,501	5,936,274,260
Cost of sales		(12,989,655,387)	(14,254,408,341)	(6,935,619,956)	(4,007,934,072)
Gross profit		1,925,929,547	2,324,863,076	1,099,787,545	1,928,340,188
Administrative expenses		(276,858,551)	(300,090,084)	(159,710,632)	(157,190,388)
Selling expenses		(60,549,189)	(119,007,626)	(49,647,585)	(84,741,000)
		(337,407,740)	(419,097,710)	(209,358,217)	(241,931,388)
Operating profit		1,588,521,807	1,905,765,366	890,429,328	1,686,408,800
Other expenses		(53,618,094)	(84,871,822)	(22,316,140)	(78,009,233)
Other income		27,717,100	97,156,295	14,409,702	41,441,360
Finance cost		(969,854,827)	(718,044,588)	(631,480,464)	(426,455,566)
		(995,755,821)	(705,760,115)	(639,386,902)	(463,023,439)
Share of (loss) / profit of associated companies - net of taxation	9	(109,627,245)	567,346	(106,991,153)	8,603,328
Profit before taxation		483,138,741	1,200,572,597	144,051,273	1,231,988,689
Taxation		(143,076,573)	(383,672,136)	(2,496,358)	(385,487,607)
Profit after taxation		340,062,168	816,900,461	141,554,915	846,501,082
Attributable to:					
Equity holders of the Holding Company		340,029,866	816,897,282	141,536,210	846,478,137
Non controlling interest		32,302	3,179	18,705	22,945
		340,062,168	816,900,461	141,554,915	846,501,082
Basic / diluted earnings per share		5.69	13.67	2.37	14.16

The attached notes 1 to 15 form an integral part of this condensed interim consolidated financial information.

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited) For the six months period and quarter ended 31 March 2014

	Six months ended		Quarter ended	
	31-Mar-14 Rupees	31-Mar-13 Rupees	31-Mar-14 Rupees	31-Mar-13 Rupees
Profit for the period	340,062,168	816,900,461	141,554,915	846,501,082
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	340,062,168	816,900,461	141,554,915	846,501,082
Attributable to:				
Equity holders of the Holding Company	340,029,866	816,897,282	141,536,210	846,478,137
Non controlling interest	32,302	3,179	18,705	22,945
	340,062,168	816,900,461	141,554,915	846,501,082

The attached notes 1 to 15 form an integral part of this condensed interim consolidated financial information.

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the six months period ended 31 March 2014

	31-Mar-14 Rupees	31-Mar-13 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	483,138,741	1,200,572,597
Adjustments for non cash and other items		
Finance cost	969,854,827	718,044,588
Depreciation	387,949,215	329,938,668
Fair value loss on biological assets	298,572,986	-
Share of loss (profit) of associated companies	109,627,245	(567,346)
Staff retirement benefits	62,012,983	43,254,383
Workers' profit participation fund	34,284,754	64,238,580
Workers' welfare fund	10,704,929	20,633,242
Loss / (profit) on disposal of operating assets	2,578,645	(4,368,322)
Amortization of intangible asset	857,028	-
	1,876,442,612	1,171,173,793
Operating profit before working capital changes	2,359,581,353	2,371,746,390
(Increase) / decrease in current assets		
Stores, spares and loose tools	(104,574,260)	(249,196,165)
Stock in trade	(15,813,813,529)	(13,404,953,008)
Biological assets	(460,369,837)	-
Advances, deposits, prepayments and other receivables	2,728,345,242	1,428,086,230
Trade debts	(104,482,301)	(1,054,518,937)
	(13,754,894,685)	(13,280,581,880)
Increase in current liabilities		
Trade and other payables	6,087,062,043	5,738,264,257
Cash used in operations	(5,308,251,289)	(5,170,571,233)
Income tax paid	(114,078,658)	(102,885,204)
Workers' profit participation fund	(83,042,212)	(33,195,478)
Staff retirement benefits paid	(48,877,400)	(44,942,862)
	(245,998,270)	(181,023,544)
Net cash used in operations	(5,554,249,559)	(5,351,594,777)
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment	(2,822,104,089)	(168,885,410)
Advances to related party	(236,809,336)	(531,147,752)
Investment in associated company	(1,484,148,050)	-
Payment/adjustment with respect to net assets acquired from JKFS	(1,767,475,990)	-
Proceeds realized from sale of property, plant and equipment	3,648,451	7,965,217
Long term deposits	(3,115,860)	19,360,107
Proceeds from sale of investment	220,000,000	-
Net cash used in investing activities	(6,090,004,874)	(672,707,838)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans availed during the period	2,237,927,261	-
Long term loans repaid during the period	(1,155,165,955)	(703,403,332)
Short term borrowings - net	12,364,380,986	8,336,883,107
Finance cost paid	(1,009,706,383)	(642,340,021)
Dividend paid	(314,900,051)	(353,556,644)
Lease rentals	(249,967,873)	(197,739,849)
Net cash generated from financing activities	11,872,567,985	6,439,843,261
Net increase in cash and cash equivalents	228,313,552	415,540,646
Cash and cash equivalents at the beginning of the period	77,764,723	53,600,842
Cash and cash equivalents at the end of the period	306,078,275	469,141,488

The attached notes 1 to 15 form an integral part of this condensed interim consolidated financial information.

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

For the six months period ended 31 March 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
Balance as at 30 September 2012						
Transactions with owners, recorded directly in equity:						
	-	(358,659,966)	(358,659,966)	(358,659,966)	-	(358,659,966)
Final dividend @ Rs. 6.00 per share						
	-	816,897,282	816,897,282	816,897,282	3,179	816,900,461
Total comprehensive income for the period						
Balance as at 31 March 2013	<u>678,316,928</u>	<u>4,114,476,370</u>	<u>4,792,793,298</u>	<u>5,390,559,908</u>	<u>251,556</u>	<u>5,390,811,464</u>
Balance as at 30 September 2013	597,766,610	678,316,928	3,665,621,491	4,343,938,419	192,155	4,941,897,184
Transactions with owners, recorded directly in equity:						
	-	(358,659,966)	(358,659,966)	(358,659,966)	-	(358,659,966)
Final dividend @ Rs. 6.00 per share						
	-	340,029,866	340,029,866	340,029,866	32,302	340,062,168
Total comprehensive income for the period						
Balance as at 31 March 2014	<u>597,766,610</u>	<u>678,316,928</u>	<u>3,646,991,391</u>	<u>4,325,308,319</u>	<u>224,457</u>	<u>4,923,299,386</u>

The attached notes 1 to 15 form an integral part of this condensed interim consolidated financial information.

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

For the six months period ended 31 March 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, production 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 production and sale of electricity.
- 1.3** Details regarding the Group’s investment in associates are given in note 9 to this condensed interim consolidated 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, of the assets and liabilities transferred to the Group are as follows:

	Note	Fair values as at 20-Nov-13 (Un-audited) Rupees
Non current assets		
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
Current assets		
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
Total assets		4,584,726,867
Current liabilities		
Trade creditors, accrued and other liabilities		(225,785,777)
Net Assets transferred		4,358,941,090
Purchase consideration		4,358,941,090
		-

Notes to the Condensed Interim Consolidated Financial Information (Un-audited) For the six months period ended 31 March 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 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 31 March 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 the condensed 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 six months period ended 31 March 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 six months period ended 31 March 2014

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

	31-Mar-14 (Un-audited) Rupees	30-Sep-13 (Audited) Rupees
6 SHARE CAPITAL		
6.1 Authorized capital		
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>
	31-Mar-14 (Un-audited) Rupees	30-Sep-13 (Audited) Rupees
6.2 Issued, subscribed and paid-up capital		
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.

	31-Mar-14 (Un-audited) Rupees	30-Sep-13 (Audited) Rupees
7.1.1 Counter guarantee given on account of agricultural loan to growers	4,783,333,333	4,783,333,333
7.1.2 Letters of guarantees in favour of various parties		
Holding Company	169,619,871	123,978,742
Subsidiary Company	24,324,905	-
	<u>193,944,776</u>	<u>123,978,742</u>
7.1.3 Cross corporate guarantees for subsidiary company	<u>380,319,248</u>	<u>380,319,248</u>

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)
For the six months period ended 31 March 2014

	Note	31-Mar-14 (Un-audited) Rupees	30-Sep-13 (Audited) Rupees
7.2 Commitments			
Letters of credit for import of machinery and its related components Holding Company		987,949,040	1,771,392,778
8 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	8.1	12,785,297,741	11,421,421,476
Capital work in progress		5,183,852,967	1,966,172,380
		<u>17,969,150,708</u>	<u>13,387,593,856</u>
8.1 Operating fixed assets			
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	282,646,122	1,409,496,991
Assets acquired from JKFS	1.2	1,216,474,025	-
Transferred from investment property		258,932,429	-
		13,179,474,052	12,125,868,079
Less: Disposals during the period / year - net book value		(6,227,096)	(15,878,379)
Depreciation charged during the period / year		(387,949,215)	(688,568,224)
		(394,176,311)	(704,446,603)
		<u>12,785,297,741</u>	<u>11,421,421,476</u>
8.1.1 Additions - cost			
Owned assets			
Plant and machinery		204,324,250	473,879,313
Factory building on freehold land		46,186,097	55,735,859
Non factory building on freehold land		8,151,941	132,373,163
Agri implements		1,964,006	1,360,312
Computers		1,785,762	2,763,087
Electrical installation		1,271,438	6,192,032
Office equipment		1,101,272	7,194,713
Motor vehicles		1,036,721	11,146,735
Tube well		345,790	-
Furniture and fixture		302,325	1,173,444
Tools and equipment		261,520	2,637,685
Freehold land		-	4,391,886
Roads and boundary wall		-	584,375
		266,731,122	699,432,604
Leased assets			
Motor vehicles		15,915,000	70,401,852
Agri implements		-	45,538,000
Plant and machinery		-	594,124,535
		15,915,000	710,064,387
		<u>282,646,122</u>	<u>1,409,496,991</u>

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)
For the six months period ended 31 March 2014

	31-Mar-14 (Un-audited) Rupees	30-Sep-13 (Audited) Rupees
9 INVESTMENTS		
Investment in associated companies- unquoted		
Cost of investment		
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)
	<u>2,134,648,050</u>	<u>650,500,000</u>
Share of loss		
Opening balance	(410,767,064)	(70,150,907)
Share of loss for the period / year	(109,627,245)	(273,914,957)
Impairment allowance	-	(5,975,614)
Less: profit related to investment classified as held for sale	-	(60,725,586)
Closing balance	<u>(520,394,309)</u>	<u>(410,767,064)</u>
	<u>1,614,253,741</u>	<u>239,732,936</u>
9.1 Faruki Pulp Mills Limited ("FPML")		
Cost of investment		
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%)	<u>2,044,648,050</u>	<u>560,500,000</u>
Share of loss		
Opening balance	(320,767,064)	(34,769,984)
Share of loss for the period / year	(109,627,245)	(285,997,080)
Closing balance	<u>(430,394,309)</u>	<u>(320,767,064)</u>
	<u>1,614,253,741</u>	<u>239,732,936</u>

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)
For the six months period ended 31 March 2014

	31-Mar-14 (Un-audited) Rupees	30-Sep-13 (Audited) Rupees
9.2 JK Dairies (Private) Limited (“JKDL”)		
Cost of investment		
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%)		
Share of profit		
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)
	-	-
9.3 JDW Power (Private) Limited (“JDWPL”)		
Cost of investment		
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%)		
Share of loss		
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 Dairies (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 and other segment - production and sale of crystalline sugar and other related activity
- Corporate farms - Cultivation and farming of sugarcane

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

For the six months period ended 31 March 2014

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

	Sugar & Other Segment		Corporate Farms Segment		Total	
	31-Mar-14 Rupees	31-Mar-13 Rupees	31-Mar-14 Rupees	31-Mar-13 Rupees	31-Mar-14 Rupees	31-Mar-13 Rupees
11.1.1 Revenue						
Net external revenues	14,911,051,873	16,579,271,417	4,533,061	-	14,915,584,934	16,579,271,417
Inter-segment revenues	-	-	3,259,925,679	-	3,259,925,679	-
Reportable segment operating profit / (loss)	1,973,750,802	1,905,765,366	(385,228,995)	-	1,588,521,807	1,905,765,366

11.1.2 Segment assets & liabilities

	Segment Assets		Segment Liabilities	
	31-Mar-14 (Un-audited) Rupees	30-Sep-13 (Audited) Rupees	31-Mar-14 (Un-audited) Rupees	30-Sep-13 (Audited) Rupees
Sugar & other segment	43,785,176,910	24,521,718,948	39,510,069,742	19,579,821,764
Corporate farms segment	3,481,557,162	-	2,833,364,944	-
	47,266,734,072	24,521,718,948	42,343,434,686	19,579,821,764

11.1.3 Reconciliation of reportable segment profit and loss

For the six months period ended

	31-Mar-14 Rupees	31-Mar-13 Rupees
Total operating profit for reportable segments before tax	1,588,521,807	1,905,765,366
Unallocated corporate expenses	(1,105,383,066)	(705,192,769)
Profit before tax	483,138,741	1,200,572,597
Taxation	(143,076,573)	(383,672,136)
Profit after taxation	340,062,168	816,900,461

12 SALES - NET

	Six months ended		Quarter ended	
	31-Mar-14 Rupees	31-Mar-13 Rupees	31-Mar-14 Rupees	31-Mar-13 Rupees
Sugar	13,993,743,757	15,468,772,947	7,382,018,326	4,611,406,020
Molasses & Bagasse	1,315,714,933	1,385,613,536	709,530,157	933,050,956
Electricity	514,723,228	437,752,951	409,804,488	384,262,896
Other crop	4,533,061	-	4,533,061	-
	15,828,714,979	17,292,139,434	8,505,886,032	5,928,719,872
Less: FED, Sales tax & others	(913,130,045)	(712,868,017)	(470,478,531)	7,554,388
	14,915,584,934	16,579,271,417	8,035,407,501	5,936,274,260

Notes to the Condensed Interim Consolidated Financial Information (Un-audited) For the six months period ended 31 March 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 1.2 of this condensed interim consolidated financial information are as follows:

Relationship	Nature of transactions	31-Mar-14 Rupees	31-Mar-13 Rupees
Associated Companies	Sale of sugar	156,471,000	410,730,000
	Investment in equity	1,484,148,050	-
	Short term advances paid	234,805,000	495,500,000
	Mark up on advances	52,157,760	35,647,752
	Payment against purchase of aircraft	2,500,000	2,000,000
	Sale of molasses	871,993	104,140
Other Related Parties	Provident fund contribution	54,343,619	32,096,882
	Purchase of sugarcane	-	2,852,512,773

14 DATE OF AUTHORIZATION

The condensed interim consolidated financial information for the six months period ended 31 March 2014 was authorized for issue by the Board of Directors on 26 May 2014.

15 GENERAL

15.1 Statement under section 241(2) of the Companies Ordinance, 1984

The Chief Executive of the Company is presently out of Country and hence, this condensed interim consolidated financial information has been signed by the Two Directors, as required under section 241(2) of the Companies Ordinance, 1984.

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





JDW Sugar Mills Limited
Head Office: 17-Abid Majeed Road,
Lahore Cantt, Pakistan.