

Continued Excellence



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Corporate Information

Board of Directors

Mukhdoom Syed Ahmed Mahmud
Director/Chairman

Mr. Jahangir Khan Tareen
Director/Chief Executive

Syeda Sameera Mahmud
Mr. Ijaz Ahmed

Mr. Raheal Masud

Mr. Asim Nisar Bajwa

Mr. Qasim Hussain Safdar

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. Qasim Hussain Safdar
Member

HR & R Committee

Mr. Ijaz Ahmed
Chairman / Member

Mr. Raheal Masud
Member

Mr. Qasim Hussain Safdar
Member / Secretary

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Registrar

Corplink (Pvt.) Ltd.

Legal Advisor

Cornelius, Lane & Mufti

Bankers / Financial Institutions

MCB Bank Limited

Faysal Bank Limited

The Bank of Punjab

Allied Bank Limited

United Bank Limited

Askari Bank Limited

BankIslami (Pakistan) Limited

Barclays Bank Plc.

Habib Bank Limited

Silk Bank Limited

Standard Chartered Bank (Pakistan)
Limited

Soneri Bank Limited

Saudi Pak Industrial & Agricultural Investment
Company Limited

Dubai Islamic Bank Pakistan Limited

Pak Oman Investment Company Limited

Pak Brunei Investment Company Limited

Pair Investment Company Limited

JS Bank Limited

Meezan Bank Limited

Habib Metropolitan Bank Limited

Pak Libya Holding Company (Private)
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 Lahuwali, 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, 2015 which has been duly reviewed by the external Auditors.

During period under review the Company has earned profit after tax amounting to Rs. 1,142 million with gross sales of Rs.14,906 million as compared to net profit after tax amounting to Rs. 334 million with gross turnover of Rs.13,448 million in the same period last year.

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

- For crushing season 2014-15 which concluded on different dates for all three units of the Company, following operating results were achieved:

Operating Results

Description	Unit	2014-15				2013-14			
		JDW-I	JDW-II	JDW-III	COMBINED	JDW-I	JDW-II	JDW-III	COMBINED
Starting	Date	29.11.2014	29.11.2014	29.11.2014	--	24.11.2013	24.11.2013	20.11.2013	--
Ending	Date	04.04.2015	30.03.2015	19.03.2015	--	21.04.2014	17.04.2014	07.04.2014	--
Working	Days	127	122	111	120	149	145	139	144
Sugarcane crushed	M.Tons	2,477,239	1,275,891	1,365,110	5,118,240	2,866,631	1,186,269	1,504,768	5,557,668
Sugar production	M.Tons	277,155	135,102	151,562	563,819	312,746	128,421	162,668	603,835
Sucrose recovery	%age	11.19	10.59	11.10	11.02	10.91	10.83	10.81	10.86
Molasses production	M.Tons	96,755	51,386	52,960	201,101	123,377	52,304	62,572	238,253
Molasses recovery	%age	3.91	4.03	3.88	3.93	4.30	4.41	4.16	4.29

- Sugar cane crushed this time was down by 8% and sugar produced was also less by 7% whereas sucrose recovery achieved this time was 16 bps higher than last crushing season. Growers, however, have experienced lower yield per acre due to unfavorable crop conditions caused by almost no rains and non-availability of adequate irrigated water. These factors resulted in reduction in the sugar cane crop and resultantly sugar production came down this time.
- DSML being wholly owned subsidiary of the Company achieved the following operating results during crushing season 2014-15.

		2014-15	2013-14
Starting	Date	29.11.2014	20.11.2013
Ending	Date	20.03.2015	10.04.2014
Working	Days	112	142
Sugarcane crushed	M.Tons	1,314,776	1,590,946
Sugar production	M.Tons	144,378	175,612
Sucrose recovery	%age	10.98	11.04
Molasses production	M.Tons	52,155	66,574
Molasses recovery	%age	3.97	4.18

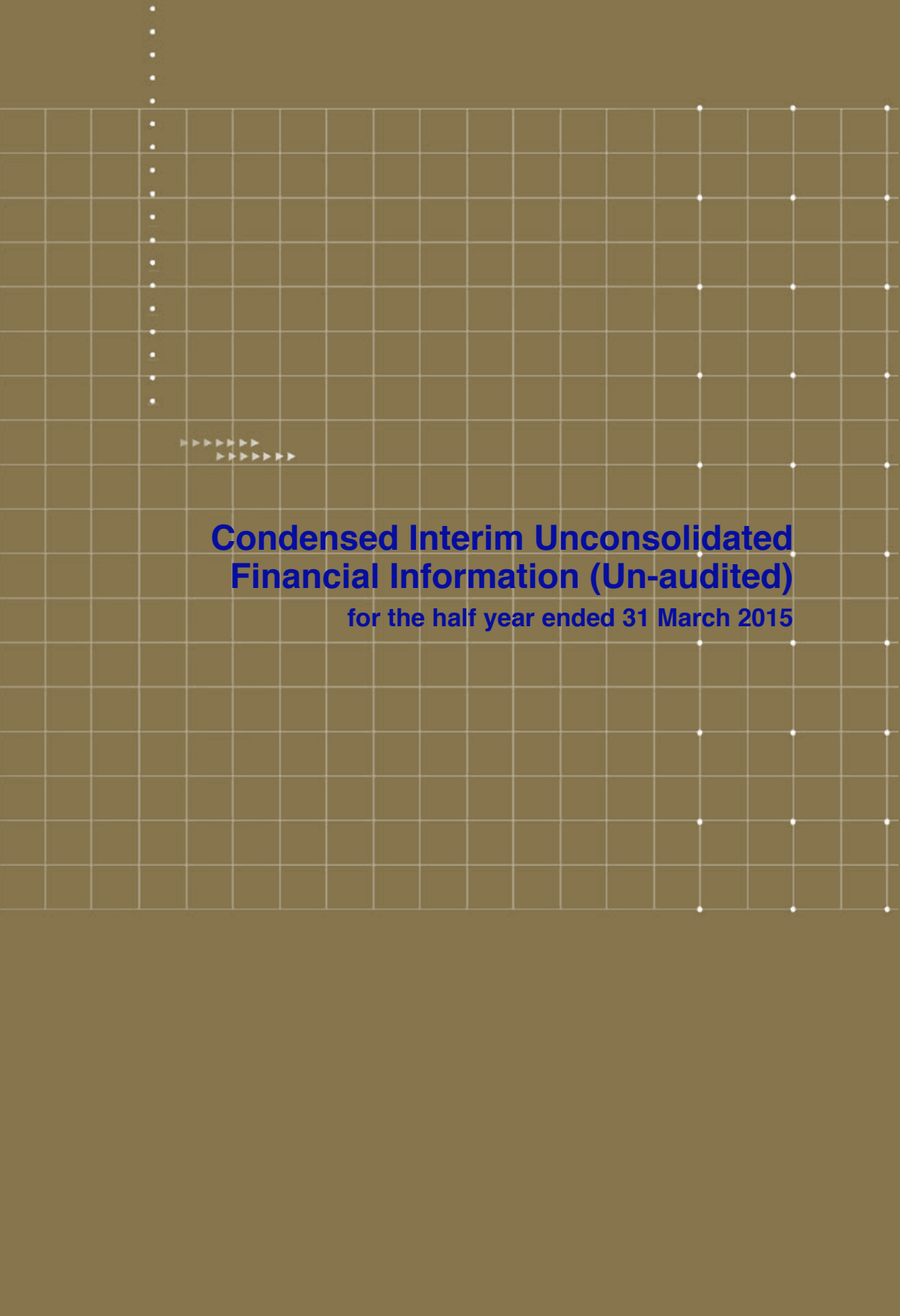
Financial Results

		31-Mar-15	31-Mar-14
Gross sales	Rs. in million	14,906	13,448
Gross profit	Rs. in million	2,361	1,477
Gross profit ratio	% age	17	12
Profit after tax	Rs. in million	1,142	334
Earnings per share	Rs.	19.11	5.59

- The gross profit ratio has increased from 12% to 17% mainly due to better sucrose recoveries, better sugar prices, revenues from co-generation projects and corporate farms. Consequently earnings per share have also increased from Rs. 5.59 to Rs. 19.11.
- Increase in administration expenses is attributable to increase in salaries. Reduction in selling expenses is mainly due to lesser export of sugar as compared to the corresponding period.
- There has been substantial increase of Rs. 484 million in the financial charges of the Company which increased to Rs. 1,215 million from Rs. 731 million mainly due to additional borrowings for Co-Gen Projects, BMR and Business Acquisition.

- On group basis, in current season electricity from captive sources of two units was sold to MEPCO and SEPCO for an amount of Rs. 183 million net of sales tax as compared to Rs. 440 million sold during last crushing season.
- This time almost entire bagasse produced is being used internally in co-generation plants for generation of electricity. During period under review electricity sold to NTDC was for an amount of Rs. 1,715 million net of sales tax.
- On group basis company has made export of 45,690 tons of sugar on which Federal Government has allowed export subsidy of Rs. 10 per kg which is being disbursed through State Bank of Pakistan. Total quota allowed for export was 650,000 tons out of which about 500,000 tons of sugar has been approved and most of it has been actually executed.
- Support price of sugarcane was increased by Rs. 10 per 40 kgs by the provincial Governments of Punjab and Sindh raising it from Rs. 170 to Rs. 180 and from Rs. 172 to Rs.182 per 40 kgs respectively. Most of the sugar mills in Sindh except those located in district Ghotki purchased sugar cane at Rs. 155 per 40 kgs. However, honorable Sind High Court with the consent of growers, Govt. of Sindh and sugar mills have passed a consent decree to pay Rs. 172 per 40 kg to the growers out of which an additional Rs. 5 will be paid by the respective sugar mills and balance Rs. 12 will be given as subsidy by the Govt. of Sindh to sugar mills for onward payment to growers. For difference between Rs. 182 and Rs. 172 per 40 kgs being increase of support price this year the case is pending with Supreme Court of Pakistan. This increase in support price disturbed the whole sugar industry in Pakistan which created an unfavorable gap between cost of inputs and prevailing sugar prices in the country.
- On country basis there has been app. 10 % reduction in the sugar production. Sugar produced this crushing season was 5,065,223 tons as against 5,614,957 tons produced last time.
- The balance sheet size has increased to Rs. 48 billion from Rs. 34 billion. Accumulated reserves are approximately 10.42 times of the paid up capital of the Company.
- In view of the above referred financial results other significant ratios such as current ratio, Debt equity, leverage, Debt service coverage etc. have also improved as compared to comparative period and year end financial results of 30 September 2014. The Company is fulfilling its financial obligations on time and enjoys cordial relationship with all the financial institutions it's dealing with.
- Despite extremely unfavorable conditions for the entire sugar industry due to increase in support price of sugar cane even this year our growers were happy with our consistent policy of making prompt payments. Grower's payments which was app. Rs. 29.50 billion on group basis was released on timely basis during the season and last outstanding at end of the season was completely paid off immediately after closure of the crushing season. 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 since last few years are working in challenging environment, disproportionate increase in the prices of sugarcane with no corresponding increase in the prices of sugar during the crushing season, huge carryover sugar stocks, difficulty in selling sugar abroad other than Afghanistan at better prices despite handsome subsidy on export recently granted by the Govt., non-creation of strategic reserves by TCP, non-release of freight subsidy on exports made three years ago and imposition of Regulatory Duty on export of molasses are the major challenges being faced by the sugar industry. Federal Govt., however, has provided some protection to the local sugar industry by imposing 20 % regulatory duty on import of sugar and allowing export subsidy as mentioned above. Govt. of Sindh has allowed a subsidy of Rs. 12 per 40 kg of sugar cane crushed to support sugar mills in Sindh for mismatch in sugar cane and sugar prices. Revenues from co-gen projects and corporate farms, 300bps reduction in the base markup rate by SBP during last few months and expected improvement in sugar prices during off season are the factors which can result in achieving better profitability.

For and on behalf of the Board

A decorative background featuring a light-colored grid on a dark brown background. In the upper left quadrant, there is a vertical line of small white dots and a cluster of small white arrows pointing to the right.

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

for the half year ended 31 March 2015



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Auditors' Report to the Members

on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of JDW Sugar Mills Limited ("the Company") as at 31 March 2015 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 month period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this condensed interim unconsolidated 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 condensed interim unconsolidated 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 condensed interim unconsolidated 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 condensed interim unconsolidated 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 of the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income for the quarter ended 31 March 2015, have not been reviewed and we do not express a conclusion on them.

23 May 2015
Lahore

KPMG Taseer Hadi & Co.
Chartered Accountants
(M. Rehan Chughtai)

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 2015

	Note	(Un-audited) 31-Mar-15 Rupees	(Audited) 30-Sep-14 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	6	597,766,610	597,766,610
Reserves		6,227,126,172	5,383,513,802
		6,824,892,782	5,981,280,412
NON-CURRENT LIABILITIES			
Redeemable capital - secured	7	249,999,999	305,555,555
Long term loans - secured	8	7,317,588,454	8,563,542,666
Liabilities against assets subject to finance lease	9	840,643,982	796,721,716
Deferred taxation		1,416,028,810	1,712,957,399
Staff retirement benefits - gratuity		72,856,373	68,256,699
		9,897,117,618	11,447,034,035
CURRENT LIABILITIES			
Short term borrowings - secured	10	17,717,831,256	9,067,052,946
Current portion of non-current liabilities		2,112,700,352	2,056,677,973
Trade and other payables	11	11,377,234,293	4,626,936,967
Interest and mark-up accrued		504,757,582	498,818,831
		31,712,523,483	16,249,486,717
CONTINGENCIES AND COMMITMENTS			
	12	48,434,533,883	33,677,801,164
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	18,223,792,283	17,136,243,480
Biological assets		-	10,471,822
Intangibles		625,988,335	626,822,509
Investment property		173,026,930	173,026,930
Investments		3,094,398,050	3,094,398,050
Long term advances	14	58,000,000	1,135,692,880
Long term deposits		129,910,673	113,273,041
		22,305,116,271	22,289,928,712
CURRENT ASSETS			
Stores, spare parts and loose tools		1,184,989,982	1,121,315,707
Stock-in-trade		18,545,121,785	4,383,863,382
Biological assets		627,487,271	1,681,515,961
Trade debts - unsecured		1,513,997,723	662,775,216
Advances, deposits, prepayments and other receivables		3,315,105,503	3,025,056,958
Tax refund due from Government		533,635,051	426,538,452
Cash and bank balances		409,080,297	86,806,776
		26,129,417,612	11,387,872,452
		48,434,533,883	33,677,801,164

The annexed notes from 1 to 19 form an integral part of this condensed interim unconsolidated financial information.

Lahore

Chief Executive

Director

Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)
For the half year and quarter ended 31 March 2015

	Note	Six months ended		Three months ended	
		31-Mar-15 Rupees	31-Mar-14 Rupees	31-Mar-15 Rupees	31-Mar-14 Rupees
Gross sales		14,905,964,472	13,448,386,423	8,032,052,054	7,026,342,619
Federal excise duty, sales tax and others		(934,455,486)	(686,471,719)	(455,340,173)	(324,910,469)
Sales - net	15	13,971,508,986	12,761,914,704	7,576,711,881	6,701,432,150
Cost of sales		(11,610,414,415)	(11,285,111,906)	(6,059,090,388)	(5,882,704,650)
Gross profit		2,361,094,571	1,476,802,798	1,517,621,493	818,727,500
Administrative expenses		(385,932,114)	(268,685,781)	(252,809,144)	(155,954,657)
Selling expenses		(14,406,637)	(57,682,309)	8,057,239	(47,784,427)
Other income		155,295,745	42,941,836	126,562,082	11,864,325
		(245,043,006)	(283,426,254)	(118,189,823)	(191,874,759)
Operating profit		2,116,051,565	1,193,376,544	1,399,431,670	626,852,741
Other expenses		(51,045,683)	(39,535,179)	(42,457,287)	(11,427,923)
Finance cost		(1,214,862,731)	(731,190,636)	(670,010,750)	(493,748,869)
		(1,265,908,414)	(770,725,815)	(712,468,037)	(505,176,792)
Profit before taxation		850,143,151	422,650,729	686,963,633	121,675,949
Taxation		292,352,524	(88,725,592)	355,474,308	48,260,890
Profit after taxation		1,142,495,675	333,925,137	1,042,437,941	169,936,839
Earnings per share - basic and diluted		19.11	5.59	17.44	2.84

The annexed notes from 1 to 19 form an integral part of this condensed interim unconsolidated financial information.

Lahore

Chief Executive

Director

Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)
For the half year and quarter ended 31 March 2015

	Six months ended		Three months ended	
	31-Mar-15 Rupees	31-Mar-14 Rupees	31-Mar-15 Rupees	31-Mar-14 Rupees
Profit after taxation for the period	1,142,495,675	333,925,137	1,042,437,941	169,936,839
Other comprehensive income for the period	–	–	–	–
Total comprehensive income for the period	<u>1,142,495,675</u>	<u>333,925,137</u>	<u>1,042,437,941</u>	<u>169,936,839</u>

The annexed notes from 1 to 19 form an integral part of this condensed interim unconsolidated financial information.

Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

For the half year ended 31 March 2015

	31-Mar-15 Rupees	31-Mar-14 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	850,143,151	422,650,729
Adjustments for non cash and other items		
Finance cost	1,214,862,731	731,190,636
Depreciation on property, plant and equipment	562,637,587	297,417,702
Amortization on intangible asset	834,174	857,028
Provision for staff retirement benefits	58,421,911	55,362,936
Workers' profit participation fund	44,744,376	24,079,743
Loss on disposal of property, plant and equipment	6,301,307	2,578,645
Fair value loss on biological assets	4,338,133	298,572,986
Workers' welfare fund	-	6,827,025
Gain on sale of investment	-	(20,000,000)
	1,892,140,219	1,396,886,701
Cash generated from operations before working capital changes	2,742,283,370	1,819,537,430
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(63,674,275)	(115,142,941)
Stock-in-trade	(14,161,258,403)	(11,487,594,129)
Biological assets	621,543,509	(460,369,837)
Advances, deposits, prepayments and other receivables	416,814,175	1,166,337,794
Trade debts	(851,222,507)	(350,696,860)
	(14,037,797,501)	(11,247,465,973)
Increase in current liabilities		
Trade and other payables	7,198,294,639	5,555,607,027
Cash used in operations	(4,097,219,492)	(3,872,321,516)
Income tax paid	(111,672,664)	(87,923,418)
Workers' profit participation fund paid	(51,494,400)	(83,042,212)
Staff retirement benefits paid	(50,327,179)	(42,164,522)
	(213,494,243)	(213,130,152)
Net cash used in operations	(4,310,713,735)	(4,085,451,668)
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(1,427,685,806)	(2,976,145,611)
Payment with respect to net assets acquired from JK Farming Systems Limited	(447,573,456)	(1,767,475,990)
Advances to related parties - net	(698,453,638)	(591,320,659)
Long term advances	1,000,000	-
Proceeds from sale of property, plant and equipment	2,571,779	3,648,451
Long term deposits - net	(11,959,949)	(3,115,860)
Investment in associated company	-	(1,484,148,050)
Proceeds from sale of investment	-	220,000,000
	(2,582,101,070)	(6,598,557,719)
Net cash used in investing activities		
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans received during the period	726,256,344	2,237,927,261
Long term loans repaid during the period	(378,277,778)	(910,235,755)
Short term borrowings - net	8,650,778,310	10,837,829,320
Finance cost paid	(1,271,182,137)	(736,661,467)
Dividend paid	(296,052,196)	(314,900,051)
Lease rentals paid	(216,434,217)	(207,634,940)
	7,215,088,326	10,906,324,368
Net cash generated from financing activities		
Net increase in cash and cash equivalents	322,273,521	222,314,981
Cash and cash equivalents at the beginning of the period	86,806,776	41,354,895
Cash and cash equivalents at the end of the period	409,080,297	263,669,876

The annexed notes from 1 to 19 form an integral part of this condensed interim unconsolidated financial information.

Lahore

Chief Executive

Director

Condensed Interim Unconsolidated Statement of Change in Equity (Un-audited)
For the half year ended 31 March 2015

	Share Capital Rupees	Reserves		Total Reserves Rupees	Total Equity Rupees
		Capital Share Premium	Revenue Accumulated Profit		
		Rupees	Rupees		
Balance as at 01 October 2013	597,766,610	678,316,928	4,212,833,415	4,891,150,343	5,488,916,953
Total comprehensive income for the period					
Profit for the period	-	-	333,925,137	333,925,137	333,925,137
Other comprehensive income for the period	-	-	-	-	-
Transaction with owners, of the company					
Final dividend @ Rs. 6.00 per share	-	-	(358,659,966)	(358,659,966)	(358,659,966)
Balance as at 31 March 2014	597,766,610	678,316,928	4,188,098,586	4,866,415,514	5,464,182,124
Balance as at 01 October 2014	597,766,610	678,316,928	4,705,196,874	5,383,513,802	5,981,280,412
Total comprehensive income for the period					
Profit for the period	-	-	1,142,495,675	1,142,495,675	1,142,495,675
Other comprehensive income for the period	-	-	-	-	-
Transaction with owners, of the company					
Final dividend @ Rs. 5.00 per share	-	-	(298,883,305)	(298,883,305)	(298,883,305)
Balance as at 31 March 2015	597,766,610	678,316,928	5,548,809,244	6,227,126,172	6,824,892,782

The annexed notes from 1 to 19 form an integral part of this condensed interim unconsolidated financial information.

Lahore

Chief Executive

Director

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 Principal activity of the Company is production and sale of crystalline sugar, electricity and managing corporate farms.

1.2 The Company has executed Energy Purchase Agreements ("EPA") on 20 March 2014 with the Central Power Purchasing Agency ("CPPA") of the National Transmission & Despatch Company Limited ("NTDC") relating to its Bagasse Based Co-Generation Power Plants ("Co-Generation Power") at JDW Unit-II, Sadiqabad, District Rahim Yar Khan, Punjab and JDW Unit-III, District Ghotki, Sindh.

The 26.60 MW power plant at Unit-II achieved Commercial Operations Date ("COD") on 12 June 2014 while the 26.83 MW power plant at Unit-III achieved COD on 03 October 2014 after completing all independent testing and certification requirements and are supplying renewable electricity to the national grid.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 This condensed interim unconsolidated financial information comprises the condensed interim unconsolidated balance sheet of the Company as at 31 March 2015 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement and condensed interim unconsolidated statement of changes in equity together with the notes forming part thereof.

2.2 This condensed interim unconsolidated financial information of the Company for the six months period ended 31 March 2015 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.

2.3 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 for the year ended 30 September 2014.

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

3 USE OF ESTIMATES AND JUDGMENTS

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 and the key sources of estimation uncertainty are the same as those applied in the preparation of annual financial statements for the year ended 30 September 2014.

4 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

4.1 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 2014.

4.2 The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2015:

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IAS 38 – Intangible Assets	01 January 2016
IAS 16 – Property, Plant and Equipment	01 January 2016
IAS 41 – Agriculture	01 January 2016
IFRS 10 – Consolidated Financial Statements	01 January 2015
IFRS 11 – Joint Arrangements	01 January 2015
IFRS 12 – Disclosure of Interest in Other Entities	01 January 2015
IFRS 13 – Fair Value Measurement	01 January 2015
IAS 27 – Separate Financial Statements	01 January 2016
IAS 28 – Investments in Associates and Joint Ventures	01 January 2016

5 SEASONALITY OF OPERATIONS

Due to seasonal nature of sugar segment, operating results of Sugar and Co-Generation Power are expected to fluctuate in the second half of the year.

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

	(Un-audited) 31-Mar-15 Rupees	(Audited) 30-Sep-14 Rupees
6 SHARE CAPITAL		
6.1 Authorized share capital		
75,000,000 (30 September 2014: 75,000,000) ordinary shares of Rs. 10 each	750,000,000	750,000,000
25,000,000 (30 September 2014: 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>

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)
For the half year ended 31 March 2015

		(Un-audited) 31-Mar-15 Rupees	(Audited) 30-Sep-14 Rupees
6.2 Issued, subscribed and paid up share capital			
32,145,725 (30 September 2014: 32,145,725) ordinary shares of Rs. 10 each fully paid in cash		321,457,250	321,457,250
27,630,936 (30 September 2014: 27,630,936) bonus shares of Rs. 10 each fully paid		276,309,360	276,309,360
		<u>597,766,610</u>	<u>597,766,610</u>
7 REDEEMABLE CAPITAL - SECURED			
During the period, the Company has repaid Rs. 55.56 million (30 September 2014: Rs. 83.33 million) to TFC holders. Amounts due in next twelve months amounting to Rs. 111.11 million (30 September 2014: Rs. 111.11 million) are included in current portion presented under current liabilities.			
	Note	(Un-audited) 31-Mar-15 Rupees	(Audited) 30-Sep-14 Rupees
8 LONG TERM LOANS - SECURED			
Balance as at beginning of the period / year		10,169,517,952	5,177,051,151
Loans received during the period / year	8.1	726,256,344	5,956,577,205
Repayments during the period / year	8.2	(1,890,275,502)	(964,110,404)
		<u>9,005,498,794</u>	10,169,517,952
Current portion presented under current liabilities		<u>(1,687,910,340)</u>	<u>(1,605,975,286)</u>
		<u>7,317,588,454</u>	<u>8,563,542,666</u>
8.1 United Bank Limited			
This includes term loan of Rs. 400 million obtained during the period from United Bank Limited. Loan carries three months KIBOR plus 250 bps per annum and is repayable in sixteen equal quarterly installments after a grace period of sixteen months starting from January 2016 and ending in October 2019.			
8.2 United Bank Limited - Led Syndicated Loan			
This includes United Bank Limited - led syndicated loan of Rs. 1,567.55 million transferred during the period from the Company to Deharki Sugar Mills (Private) Limited, a subsidiary company on approval received from United Bank Limited (Agent Bank) dated 30 October 2014.			
9 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE			
During the period, the Company availed lease amounting to Rs. 168.74 million (30 September 2014: Rs. 800.78 million) and repaid Rs. 150.98 million (30 September 2014: Rs. 332.84 million). Amounts due in next twelve months amounting to Rs. 313.68 million (30 September 2014: Rs. 339.59 million) are included in current portion presented under current liabilities.			

10 SHORT TERM BORROWINGS - SECURED

The markup rates, securities offered and facility limits of these short term borrowings are the same as disclosed in the audited unconsolidated financial statements of the Company for the year ended 30 September 2014.

11 TRADE AND OTHER PAYABLES

This includes advance from customers amounting to Rs. 7,555 million (30 September 2014: Rs. 2,177 million) and payable to growers amounting to Rs. 2,203 million (30 September 2014: Rs. Nil).

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There is no material change in contingencies from the preceding audited unconsolidated financial statements of the Company for the year ended 30 September 2014 except for the commitments and guarantees as disclosed below:

	Note	(Un-audited) 31-Mar-15 Rupees	(Audited) 30-Sep-14 Rupees
12.1.1 Counter guarantees given by the Company to banks on account of agricultural loan		1,563,000,000	5,701,333,333
12.1.2 Guarantees issued by banks on behalf of the Company in favour of various parties		84,157,000	232,042,000
12.1.3 Cross corporate guarantees given by the Company to banks for Deharki Sugar Mills (Private) Limited - a subsidiary company		380,319,248	380,319,248
12.2 Commitments			
Letters of credit for import of machinery and its related components		124,098,331	617,912,249
13 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	13.1	18,093,180,226	12,612,116,268
Capital work in progress		130,612,057	4,524,127,212
		18,223,792,283	17,136,243,480
13.1 Operating fixed assets			
Net book value at beginning of the period / year		12,612,116,268	8,153,098,012
Additions during the period / year		6,052,574,631	3,510,458,636
Assets acquired from JK Farming Systems Limited		–	1,216,474,024
Transferred from investment property		–	520,828,321
Disposals during the period / year - net book value		(8,873,086)	(110,121,043)
Depreciation charged during the period / year		(562,637,587)	(678,621,682)
Net book value at end of the period / year		18,093,180,226	12,612,116,268

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)
For the half year ended 31 March 2015

14 LONG TERM ADVANCES

14.1 Balance at the year end included advance to Deharki Sugar Mills (Private) Limited, a subsidiary company which has now been adjusted against transfer of United Bank Limited - led syndicated loan as explained in note 8.2 to this condensed interim unconsolidated financial information.

	Six months ended		Three months ended	
	31-Mar-15 Rupees	31-Mar-14 Rupees	31-Mar-15 Rupees	31-Mar-14 Rupees
15 SALES - NET				
Sugar	11,104,091,687	11,238,622,657	5,613,253,411	5,665,121,426
Agriculture produce	438,618,870	892,056,213	339,033,523	544,337,622
Molasses and Bagasse - by products	1,348,351,005	967,302,194	427,649,239	516,838,546
Electricity	2,014,902,910	350,405,359	1,652,115,881	300,045,025
	14,905,964,472	13,448,386,423	8,032,052,054	7,026,342,619
Less: Federal excise duty, sales tax and others	(934,455,486)	(686,471,719)	(455,340,173)	(324,910,469)
	13,971,508,986	12,761,914,704	7,576,711,881	6,701,432,150

16 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiary company, associated company, other related entities under common directorship, directors, key management personnel and post employment plan. Significant transactions with related parties other than those disclosed elsewhere are as follows:

Relationship	Transactions	31-Mar-15 Rupees	31-Mar-14 Rupees
Subsidiary Company	Short term advances paid / received - net	1,113,073,896	964,902,344
	Sale of sugarcane crop	406,557,549	887,523,152
	Long term loans transferred / received	1,567,553,280	244,930,200
	Mark up on advances	72,774,935	162,735,395
	Purchase of bagasse	64,750,089	-
	Reimbursement on use of Company's aircraft	3,996,801	-
Associated Companies	Sale of sugar	-	156,471,000
	Investment in shares	-	1,484,148,050
	Short term advances paid - including markup charged	199,280,901	286,962,760
	Payment against purchase of aircraft	2,550,000	2,500,000
	Sale of molasses	783,959	871,993
	Rent of land given on lease	7,439,422	8,585,620
	Rent of land acquired on lease	1,867,500	1,556,250
Reimbursement on use of Company's aircraft	9,847,660	15,229,531	
Key Management Personnel	Consultancy services	14,129,630	16,562,955
	Directors' remuneration and allowances	71,750,000	52,266,665
Post Employment Contribution Plan	Provident fund contribution	45,417,879	47,949,206

17 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the annual unconsolidated financial statements of the Company for the year ended 30 September 2014.

18 DATE OF AUTHORIZATION

This condensed interim unconsolidated financial information has been approved by the Board of Directors of the Company and authorized for issue on 23 May 2015.

19 GENERAL

The figures have been rounded off to the nearest rupee.

A decorative graphic consisting of a light-colored grid on a dark brown background. A vertical line of small white dots runs down the left side. A cluster of small white arrows points right and then down, located in the upper left quadrant.

**Condensed Interim Consolidated
Financial Information (Un-audited)**
for the half year ended 31 March 2015

Condensed Interim Consolidated Balance Sheet (Un-audited)

As at 31 March 2015

	Note	(Un-audited) 31-Mar-15 Rupees	(Audited) 30-Sep-14 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	6	597,766,610	597,766,610
Reserves		5,779,618,182	4,821,560,088
		6,377,384,792	5,419,326,698
Non controlling interest		275,876	240,849
		6,377,660,668	5,419,567,547
NON CURRENT LIABILITIES			
Redeemable capital - secured	7	249,999,999	305,555,555
Long term loans - secured	8	8,150,351,134	8,563,542,666
Liabilities against assets subject to finance lease	9	930,465,922	926,722,054
Deferred liabilities		1,329,682,165	1,571,426,934
Staff retirement benefits - gratuity		72,856,373	68,256,699
		10,733,355,593	11,435,503,908
CURRENT LIABILITIES			
Short term borrowings - secured	10	20,574,657,876	10,496,978,844
Current portion of non current liabilities		2,680,544,664	2,130,032,413
Trade and other payables	11	12,367,335,614	5,168,489,507
Interest and mark-up accrued		593,244,142	530,179,913
Provision for taxation		-	74,527,846
		36,215,782,296	18,400,208,523
CONTINGENCIES AND COMMITMENTS			
	12	53,326,798,557	35,255,279,978
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	21,577,520,247	20,434,779,307
Biological assets		-	10,471,822
Investment property		173,026,930	173,026,930
Intangibles		626,229,841	627,111,582
Investments	14	1,491,753,184	1,524,478,075
Long term advances		58,000,000	58,000,000
Long term deposits		148,534,673	131,897,041
		24,075,064,875	22,959,764,757
CURRENT ASSETS			
Biological assets		627,487,271	1,681,515,961
Stores, spare parts and loose tools		1,383,702,919	1,327,727,124
Stock in trade		22,936,406,992	5,970,317,798
Trade debts - unsecured		1,608,865,763	671,430,276
Advances, deposits, prepayments and other receivables		1,729,661,700	2,021,991,366
Tax refund due from Government		528,366,634	513,768,880
Cash and bank balances		437,242,403	108,763,816
		29,251,733,682	12,295,515,221
		53,326,798,557	35,255,279,978

The attached notes from 1 to 20 form an integral part of this condensed interim consolidated financial information.

Lahore

Chief Executive

Director

Condensed Interim Consolidated Profit and Loss Account (Un-audited)
For the half year and quarter ended 31 March 2015

	Note	Six months ended		Three months ended	
		31-Mar-15 Rupees	31-Mar-14 Rupees	31-Mar-15 Rupees	31-Mar-14 Rupees
Gross sales		18,995,289,911	15,828,714,979	9,443,102,607	8,505,886,032
Federal excise duty, sales tax and others		(1,262,261,243)	(913,130,045)	(573,806,612)	(470,478,531)
Net sales	16	17,733,028,668	14,915,584,934	8,869,295,995	8,035,407,501
Cost of sales		(14,861,072,861)	(12,989,655,387)	(7,150,212,001)	(6,935,619,956)
Gross profit		2,871,955,807	1,925,929,547	1,719,083,994	1,099,787,545
Administrative expenses		(398,709,719)	(276,858,551)	(260,481,272)	(159,710,632)
Selling expenses		(18,678,255)	(60,549,189)	8,459,843	(49,647,585)
Other income		161,771,054	27,717,100	129,410,721	14,409,702
		(255,616,920)	(309,690,640)	(122,610,708)	(194,948,515)
Operating profit		2,616,338,887	1,616,238,907	1,596,473,286	904,839,030
Other expenses		(63,571,794)	(53,618,094)	(44,937,104)	(22,316,140)
Finance cost		(1,457,906,206)	(969,854,827)	(814,407,200)	(631,480,464)
		(1,521,478,000)	(1,023,472,921)	(859,344,304)	(653,796,604)
Share of loss of associated company - net of taxation		(32,724,891)	(109,627,245)	(11,140,668)	(106,991,153)
Profit before taxation		1,062,135,996	483,138,741	725,988,314	144,051,273
Taxation		194,840,430	(143,076,573)	326,238,317	(2,496,358)
Profit after taxation		1,256,976,426	340,062,168	1,052,226,631	141,554,915
Attributable to:					
Equity holders of the Holding Company		1,256,941,399	340,029,866	1,052,221,659	141,536,210
Non controlling interest		35,027	32,302	4,972	18,705
		1,256,976,426	340,062,168	1,052,226,631	141,554,915
Basic & diluted earnings per share		21.03	5.69	17.60	2.37

The attached notes from 1 to 20 form an integral part of this condensed interim consolidated financial information.

Lahore

Chief Executive

Director

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)
For the half year and quarter ended 31 March 2015

	Six months ended		Three months ended	
	31-Mar-15 Rupees	31-Mar-14 Rupees	31-Mar-15 Rupees	31-Mar-14 Rupees
Profit after taxation for the period	1,256,976,426	340,062,168	1,052,226,631	141,554,915
Other comprehensive income	–	–	–	–
Total comprehensive income for the period	1,256,976,426	340,062,168	1,052,226,631	141,554,915
Attributable to:				
Equity holders of the Holding				
Company	1,256,941,399	340,029,866	1,052,221,659	141,536,210
Non controlling interest	35,027	32,302	4,972	18,705
	1,256,976,426	340,062,168	1,052,226,631	141,554,915

The attached notes from 1 to 20 form an integral part of this condensed interim consolidated financial information.

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the half year ended 31 March 2015

	31-Mar-15 Rupees	31-Mar-14 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,062,135,996	483,138,741
Adjustments for non cash and other items		
Finance cost	1,457,906,206	969,854,827
Depreciation	651,204,396	387,878,220
Amortisation	881,740	928,023
Staff retirement benefits	66,218,033	62,012,983
Workers' profit participation fund	57,270,487	34,284,754
Loss on disposal of operating assets	6,301,307	2,578,645
Share of loss of associated companies	32,724,891	109,627,245
Fair value loss on biological assets	4,338,133	298,572,986
Workers' welfare fund	-	10,704,929
	2,276,845,193	1,876,442,612
Cash generated from operations profit before working capital changes	3,338,981,189	2,359,581,353
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(55,975,797)	(104,574,260)
Stock in trade	(16,966,089,193)	(15,813,813,529)
Biological assets	621,543,509	(460,369,837)
Advances, deposits, prepayments and other receivables	478,481,147	2,728,345,242
Trade debts	(937,435,489)	(104,482,301)
	(16,859,475,823)	(13,754,894,685)
Increase in current liabilities		
Trade and other payables	7,665,153,701	6,087,062,043
Cash used in operations	(5,855,340,933)	(5,308,251,289)
Income tax paid	(136,029,937)	(114,078,658)
Workers' profit participation fund paid	(66,120,852)	(83,042,212)
Staff retirement benefits paid	(58,230,590)	(48,877,400)
	(260,381,379)	(245,998,270)
Net cash used in operations	(6,115,722,312)	(5,554,249,559)
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment	(1,587,547,404)	(2,822,104,089)
Payment/adjustment with respect to net assets acquired from JK Farming Systems Limited	(447,573,456)	(1,767,475,990)
Long term deposits - net	(11,959,949)	(3,115,860)
Proceeds realized from sale of operating assets	2,571,779	3,648,451
Long term advances	1,000,000	-
Investment in associated company	-	(1,484,148,050)
Advances to related parties - net	-	(236,809,336)
Investment disposal during the period	-	220,000,000
Cash used in investing activities	(2,043,509,030)	(6,090,004,874)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans availed during the period	726,256,344	2,237,927,261
Long term loans repaid during the period	(623,207,978)	(1,155,165,955)
Short term borrowings - net	10,362,335,276	12,364,380,986
Finance cost paid	(1,429,638,375)	(1,009,706,383)
Dividend paid	(296,052,196)	(314,900,051)
Lease rentals	(251,983,143)	(249,967,873)
Cash generated from financing activities	8,487,709,928	11,872,567,985
Net increase in cash and cash equivalents	328,478,587	228,313,552
Cash and cash equivalents at the beginning of the period	108,763,816	77,764,723
Cash and cash equivalents at the end of the period	437,242,403	306,078,275

The attached notes from 1 to 20 form an integral part of this condensed interim consolidated financial information.

Lahore

Chief Executive

Director

Condensed Interim Consolidated Statement of Change in Equity (Un-audited)
For the half year ended 31 March 2015

		Attributable to equity holders of the Holding Company						Non Controlling Interest		Total Equity	
		Share Capital		Reserves		Sub Total		Total		Rupees	
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 October 2013	597,766,610	678,316,928	3,665,621,491	4,343,938,419	4,941,705,029	192,155	4,941,897,184				
Total comprehensive income for the period											
Profit for the period	-	-	340,029,866	340,029,866	340,029,866	32,302	340,062,168				
Other comprehensive income for the period	-	-	-	-	-	-	-				
Transaction with owners, of the company											
Final dividend @ Rs. 6.00 per share	-	-	(358,659,966)	(358,659,966)	(358,659,966)	-	(358,659,966)				
Balance as at 31 March 2014	597,766,610	678,316,928	3,646,991,391	4,325,308,319	4,923,074,929	224,457	4,923,299,386				
Balance as at 01 October 2014	597,766,610	678,316,928	4,143,243,160	4,821,560,088	5,419,326,698	240,849	5,419,567,547				
Total comprehensive income for the period											
Profit for the period	-	-	1,256,941,399	1,256,941,399	1,256,941,399	35,027	1,256,976,426				
Other comprehensive income for the period	-	-	-	-	-	-	-				
Transaction with owners, of the company											
Final dividend @ Rs. 5.00 per share	-	-	(298,883,305)	(298,883,305)	(298,883,305)	-	(298,883,305)				
Balance as at 31 March 2015	597,766,610	678,316,928	5,101,301,254	5,779,618,182	6,377,384,792	275,876	6,377,660,668				

The attached notes from 1 to 20 form an integral part of this condensed interim consolidated financial information.

Lahore Chief Executive Director

1 STATUS AND NATURE OF BUSINESS

The Group comprises of

- JDW Sugar Mills Limited (“the Holding Company”); and
- Deharki Sugar Mills (Private) Limited (“the Subsidiary Company”).

1.1 JDW Sugar Mills Limited 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 principal activity of the Company is production and sale of crystalline sugar, electricity and managing corporate farms.

1.2 The Holding Company has executed Energy Purchase Agreements (“EPA”) on 20 March 2014 with the Central Power Purchasing Agency (“CPPA”) of the National Transmission & Despatch Company Limited (“NTDC”) relating to its Bagasse Based Co-Generation Power Plants (“Co-Generation Power”) at JDW Unit-II, Sadiqabad, District Rahim Yar Khan, Punjab and JDW Unit-III, District Ghotki, Sindh.

The 26.60 MW power plant at Unit-II achieved Commercial Operations Date (“COD”) on 12 June 2014 while the 26.83 MW power plant at Unit-III achieved COD on 03 October 2014 after completing all independent testing and certification requirements and supplying renewable electricity to the national grid.

1.3 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 principal activity of the Company is production and sale of crystalline sugar. There were no changes in ownership interest in Subsidiary Company during the period

1.4 Details regarding the Group’s investment in associates are given in note 14 to this condensed consolidated interim financial information.

2 BASIS OF PREPARATION

2.1 This condensed interim consolidated financial information comprises the balance sheet of the Holding Company and the Subsidiary Company, as at 31 March 2015 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.

2.2 This condensed interim consolidated financial information of the company for the six months period ended 31 March 2015 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.

2.3 This condensed interim consolidated 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 2014.

2.4 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 the condensed interim consolidated 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 consolidated financial information, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual consolidated financial statements for the year ended 30 September 2014.

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 The accounting policies and methods of computation adopted in the preparation of condensed interim consolidated financial information are generally based on the same policies and methods as applied in preparation of the annual consolidated financial statements for the year ended 30 September 2014.

4.2 The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2015:

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IAS 38 – Intangible Assets	01 January 2016
IAS 16 – Property, Plant and Equipment	01 January 2016
IAS 41 – Agriculture	01 January 2016
IFRS 10 – Consolidated Financial Statements	01 January 2015
IFRS 11 – Joint Arrangements	01 January 2015
IFRS 12 – Disclosure of Interest in Other Entities	01 January 2015
IFRS 13 – Fair Value Measurement	1 January 2015
IAS 27 – Separate Financial Statements	01 January 2016
IAS 28 – Investments in Associates and Joint Ventures	01 January 2016

4.3 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).

5 SEASONALITY OF OPERATIONS

Due to seasonal nature of sugar segment, operating results of Sugar and Co-Generation Power are expected to fluctuate in the second half of the year.

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

	(Un-audited) 31-Mar-15 Rupees	(Audited) 30-Sep-14 Rupees
6 SHARE CAPITAL		
6.1 Authorized capital		
75,000,000 (30 September 2014: 75,000,000) ordinary shares of Rs. 10 each	750,000,000	750,000,000
25,000,000 (30 September 2014: 25,000,000) preference shares of Rs. 10 each	250,000,000	250,000,000
	<u>1,000,000,000</u>	<u>1,000,000,000</u>
6.2 Issued, subscribed and paid-up capital		
32,145,725 (30 September 2014: 32,145,725) ordinary shares of Rs. 10 each fully paid in cash	321,457,250	321,457,250
27,630,936 (30 September 2014: 27,630,936) bonus shares of Rs. 10 each fully paid in cash	276,309,360	276,309,360
	<u>597,766,610</u>	<u>597,766,610</u>

Note to the Condensed Interim Consolidated Financial Information (Un-audited)
For the half year ended 31 March 2015

7 REDEEMABLE CAPITAL - SECURED

During the period, the Group has repaid Rs. 55.56 million (30 September 2014: Rs. 83.33 million) to TFC holders. Amounts due in next twelve months amounting to Rs. 111.11 million (30 September 2014: Rs. 111.11 million) are included in current portion presented under current liabilities.

	Note	(Un-audited) 31-Mar-15 Rupees	(Audited) 30-Sep-14 Rupees
8 LONG TERM LOANS - SECURED			
Balance as at beginning of the period / year		10,169,517,952	5,177,051,151
Loans received during the period / year	8.1	726,256,344	5,956,577,205
Repayments during the period / year		(567,652,422)	(964,110,404)
		<u>10,328,121,874</u>	<u>10,169,517,952</u>
Current portion presented under current liabilities		<u>(2,177,770,740)</u>	<u>(1,605,975,286)</u>
		<u>8,150,351,134</u>	<u>8,563,542,666</u>

8.1 United Bank Limited

This includes term loan of Rs. 400 million obtained during the period from United Bank Limited. Loan carries three months KIBOR plus 250 bps per annum and is repayable in sixteen equal quarterly instalments after a grace period of sixteen months starting from January 2016 and ending in October 2019.

9 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

During the period, the Group availed lease amounting to Rs. 168.75 million (30 September 2014: Rs. 800.78 million) and repaid Rs. 186.48 million (30 September 2014: Rs. 391.10 million). Amounts due in next twelve months amounting to Rs. 391.66 million (30 September 2014: Rs. 412.95 million) are included in current maturity presented under current liabilities.

10 SHORT TERM BORROWINGS - SECURED

The markup rates, securities offered and facility limits of these short term borrowings are the same as disclosed in the audited consolidated financial statements of the Group for the year ended 30 September 2014.

11 TRADE AND OTHER PAYABLES

This includes advance from customers amounting to Rs. 7,970 million (30 September 2014: Rs. 2,534 million) and payable to growers amounting to Rs. 2,578 million (30 September 2014: Rs. Nil).

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)
For the half year ended 31 March 2015

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There is no material change in contingencies from the preceding audited consolidated financial statements of the Group for the year ended 30 September 2014 except for the commitments and guarantees as disclosed below:

	Note	(Un-audited) 31-Mar-15 Rupees	(Audited) 30-Sep-14 Rupees
12.1.1 Counter guarantees given on account of agricultural loan to growers		1,563,000,000	5,701,333,333
12.1.2 Letters of guarantee in favour of various parties:			
Holding Company		84,157,000	232,042,000
Subsidiary Company		7,500,000	7,500,000
		91,657,000	239,542,000
12.1.3 Cross corporate guarantees for subsidiary company		380,319,248	380,319,248
12.2 Commitments			
Letters of credit for import of machinery and its related components			
Holding Company		124,098,331	617,912,249
13 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	13.1	21,329,744,158	15,819,652,556
Capital work in progress		247,776,089	4,615,126,751
		21,577,520,247	20,434,779,307
13.1 Operating fixed assets			
Net book value as at beginning of the period / year		15,819,652,556	11,420,990,025
Add: Additions during the period / year		6,170,169,084	3,634,282,348
Assets acquired from JKFS		–	1,216,474,025
Transferred from investment property		–	520,828,320
Disposals during the period / year - net book value		(8,873,086)	(110,121,043)
Depreciation charged during the period / year		(651,204,396)	(862,801,119)
Net book value at the end of period / year		21,329,744,158	15,819,652,556

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)
For the half year ended 31 March 2015

	Note	(Un-audited) 31-Mar-15 Rupees	(Audited) 30-Sep-14 Rupees
14 INVESTMENTS			
Investment in associated companies- unquoted			
Cost of investment			
Opening balance		2,134,648,050	650,500,000
Acquired during the period / year		–	1,484,148,050
		2,134,648,050	2,134,648,050
Share of loss			
Opening balance		(610,169,975)	(410,767,064)
Share of loss for the period / year	14.1	(32,724,891)	(203,464,361)
Share of other comprehensive income		–	4,061,450
Closing balance		(642,894,866)	(610,169,975)
		1,491,753,184	1,524,478,075
14.1 Faruki Pulp Mills Limited (“FPML”)			
Cost of investment			
199,914,805 (2014: 51,500,000) fully paid ordinary shares of Rs. 10 each		2,044,648,050	560,500,000
Acquired during the period / year Nil (30 September 2014: 148,414,805)		–	1,484,148,050
Equity held 48.39% (30 September 2014: 48.39%)		2,044,648,050	2,044,648,050
Share of loss			
Opening balance		(520,169,975)	(320,767,064)
Share of loss for the period / year		(32,724,891)	(203,464,361)
Share of other comprehensive income for the period / year		–	4,061,450
Closing balance		(552,894,866)	(520,169,975)
		1,491,753,184	1,524,478,075
14.2 JDW Power (Private) Limited (“JDWPL”)			
Cost of investment			
9,000,000 (2014: 9,000,000) fully paid ordinary shares of Rs. 10 each		90,000,000	90,000,000
Equity held 47.37% (30 September 2014: 47.37%)			
Less: accumulated impairment allowance		(90,000,000)	(90,000,000)
		–	–

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)
For the half year ended 31 March 2015

15 BUSINESS SEGMENTS INFORMATION		Operations														
		Sugar & other segment			Co-Generation			Corporate Farms segment			Inter segment reconciliation			Total		
15.1	The Group's reportable segments are as follows:	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15
	Reportable Segment	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
15.1.1	Revenue	15,985,483,125	14,911,051,873	1,715,484,222	-	32,061,321	4,533,061	-	-	-	-	17,733,028,668	14,915,584,934			
	Net external revenues	1,132,699,618	-	1,011,446,571	-	2,857,014,649	3,259,925,679	(5,001,160,838)	(3,259,925,679)			-	-			
	Inter-segment revenues															
	Reportable segment revenue	17,118,182,743	14,911,051,873	2,726,930,793	-	2,899,075,970	3,264,458,740	(5,001,160,838)	(3,259,925,679)			17,733,028,668	14,915,584,934			
	Reportable segment operating profit / (loss)	1,346,758,109	2,000,577,679	1,070,991,223	-	198,589,555	(384,338,772)	-	-			2,616,338,887	1,616,238,907			
15.1.2	Segment assets & liabilities															
	Total assets for reportable segment	44,538,123,967	26,562,682,371	8,046,965,689	6,171,868,844	5,742,869,739	7,170,342,140	(5,001,160,838)	(4,649,613,377)	53,326,798,557	35,255,279,978					
	Total liabilities for reportable segment	45,784,777,636	28,009,511,860	6,003,162,608	5,205,609,323	162,358,484	1,270,204,625	(5,001,160,838)	(4,649,613,377)	46,949,137,889	29,835,712,431					
15.1.3	Reconciliation of reportable segment profit and loss for the six months period ended															
	Total operating profit for reportable segments															
	Unallocated corporate expenses															
	Profit before tax															
	Taxation															
	Profit after taxation															

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)
For the half year ended 31 March 2015

	Six months ended		Three months ended	
	31-Mar-15 Rupees	31-Mar-14 Rupees	31-Mar-15 Rupees	31-Mar-14 Rupees
16 SALES - NET				
Sugar	15,168,871,255	13,993,743,757	7,026,223,479	7,382,018,326
Agriculture produce	32,061,321	4,533,061	32,061,321	4,533,061
Molasses & Bagasse	1,710,849,755	1,315,714,933	1,239,268,035	709,530,157
Electricity	2,083,507,580	514,723,228	1,145,549,772	409,804,488
	18,995,289,911	15,828,714,979	9,443,102,607	8,505,886,032
Less: FED, sales tax and others	(1,262,261,243)	(913,130,045)	(573,806,612)	(470,478,531)
	<u>17,733,028,668</u>	<u>14,915,584,934</u>	<u>8,869,295,995</u>	<u>8,035,407,501</u>

17 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, other related companies, Directors, key management personnel and post employment benefit plans. The Group in the normal course of business carries out transactions with various related parties. Significant transactions with related parties are other than those disclosed elsewhere as follows:

Relationship	Transactions	31-Mar-15 Rupees	31-Mar-14 Rupees
Associated Companies	Short term advances paid - including markup charged	199,280,901	286,962,760
	Payment against purchase of aircraft	2,550,000	2,500,000
	Sale of molasses	783,959	871,993
	Rent on land given on lease	7,439,422	8,585,620
	Rent on land acquired on lease	1,867,500	1,556,250
	Reimbursement on use of aircraft	9,847,660	15,229,531
	Investment in shares	-	1,484,148,050
	Sale of sugar	-	156,471,000
Key Management Personnel	Consultancy services	20,729,901	24,062,955
	Director's remuneration and allowances	71,750,000	52,266,665
Post Employment Contribution Plan	Provident fund contribution	53,212,345	54,343,619

18 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with that disclosed in the annual consolidated financial statements of the Group for the year ended 30 September 2014.

19 DATE OF AUTHORIZATION

The condensed interim consolidated financial information for the half year ended 31 March 2015 was authorized for issue by the Board of Directors on 23 May 2015.

20 FIGURES

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



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