

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. 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. Ijaz Ahmed
Chairman / Member

Mr. Raheal Masud

Member

Mr. Zafar Iqbal

Member

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Registrar

Corplink (Pvt.) Ltd.

Legal Advisor

Cornelius, Lane & Mufti

Bankers / Financial Institutions

Faysal Bank Limited

The Bank of Punjab

United Bank Limited

MCB Bank Limited

Allied 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

Pakistan Kuwait Investment Company
(Private) 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 Laluwali, Near Village
Islamabad, Distt. Ghotki.

Web Presence

www.jdw-group.com

Brief Review

I am pleased to present the un-audited accounts of the company for the quarter ended on 31 December, 2014.

Financial results of first quarter are never true representative of the annual results that company will ultimately achieve but can give just an idea of the trend. The key indicators of operating and financial results are summarized below.

Despite 7% increase in the gross turnover of the company from Rs.6.4 billion to Rs.6.9 billion and increase in gross profit ratio from 10.86 % to 13.19 % the net profit after tax has reduced from Rs.164 million to Rs.100 million in comparison to corresponding period. Resultantly the earnings per share have also dropped from Rs.2.74 to Rs.1.67. Main two reasons for reduction in the net profitability are disproportionate increase in the sugarcane prices as compared to prevailing sugar prices in the country which have entirely eaten up our profitability from other business segments and substantial increase of Rs.308 million in the financial charges of the company owing to additional borrowings for Co-Gen Projects, BMR and Business Acquisition.

In view of above referred financial results other significant ratios such as current ratio, debt equity, leverage, debt service coverage etc. have also slightly deteriorated as compared to comparative period and year end financial results of 30 September 2014. The balance sheet size and share capital & reserves are Rs.35 and Rs.6 billion respectively. Company is fulfilling its financial obligations on time and enjoys cordial relationship with all the financial institutions it's dealing with.

For 2014-15 crushing season was started on 29th November 2014 whereas last crushing season was started on 20th November 2014 and until 31st December, 2014 sugarcane crushed was 1,284,743 tons as against 1,532,201 tons. Average sucrose recovery achieved this time is almost the same as was last time i.e., 10.26 % as against 10.27 % in the corresponding period. There was no frost this time. However, the final sucrose recovery is expected to be 50 bps lower than last crushing season. Growers are also experiencing lower yield per acre due to unfavourable crop conditions caused by no rains and non-availability of adequate irrigated water. These factors will result in at-least 10 to 15% reduction in the sugar production in the on going season.

As usual growers' payment has remained our top priority and growers are being paid on time despite tough crushing season. We regularly provide financial and technical support to our growers. Due to these policies and preferential treatment to growers company enjoys excellent relationship with them.

For ongoing crushing season we are working in challenging environment, disproportionate increase in the prices of sugarcane with no corresponding increase in the prices of sugar, huge carryover sugar stocks, difficulty in selling sugar abroad 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 couple of years ago and imposition of Regulatory Duty on export of molasses are the major challenges being faced by the sugar industry. Govt., however, has provided some protection to the local sugar industry by imposing 20 % regulatory duty on import of sugar. Revenues from Co-Gen projects, 150 bps recent reduction in the base markup rate by SBP and expected improvement in sugar prices during off season are the factors which can result in achieving better profitability.

Dated: 24 January 2015

Ijaz Ahmed
Director



The background is a solid brown color with a light-colored grid pattern. A vertical line of small white dots runs down the left side. A horizontal line of small white dots runs across the top. A cluster of small white dots is located in the upper left quadrant. A small cluster of white arrows points to the right in the middle left area.

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

for the quarter ended 31 December 2014

Condensed Interim Unconsolidated Balance Sheet (Un-audited)

As at 31 December 2014

	Note	31-Dec-14 (Un-audited) Rupees	30-Sep-14 (Audited) Rupees
SHARE CAPITAL AND RESERVES			
Share capital	6	597,766,610	597,766,610
Reserves		5,483,571,536	5,383,513,802
		<u>6,081,338,146</u>	<u>5,981,280,412</u>
NON CURRENT LIABILITIES			
Redeemable capital - secured		277,777,777	305,555,555
Long term loans - secured		7,763,970,259	8,563,542,666
Liabilities against assets subject to finance lease		900,617,624	796,721,716
Deferred liabilities		1,784,439,937	1,781,214,098
		<u>10,726,805,597</u>	<u>11,447,034,035</u>
CURRENT LIABILITIES			
Short term borrowings - secured		8,752,738,234	9,067,052,946
Current portion of non current liabilities		1,632,949,361	2,056,677,973
Trade and other payables		7,035,817,337	4,626,936,967
Interest and mark-up accrued		377,607,547	498,818,831
		<u>17,799,112,479</u>	<u>16,249,486,717</u>
CONTINGENCIES AND COMMITMENTS	7	<u>34,607,256,222</u>	<u>33,677,801,164</u>
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	8	17,814,632,137	17,136,243,480
Biological assets		78,658,361	10,471,822
Investment property		173,026,930	173,026,930
Intangible assets		626,308,292	626,822,509
Investments	9	3,094,398,050	3,094,398,050
Long term advances		58,000,000	1,135,692,880
Long term deposits		126,467,369	113,273,041
		<u>21,971,491,139</u>	<u>22,289,928,712</u>
CURRENT ASSETS			
Stores, spares and loose tools		1,281,364,538	1,121,315,707
Stock in trade		5,817,287,960	4,383,863,382
Biological assets		1,376,213,630	1,681,515,961
Trade debts - unsecured, considered good		1,043,492,323	662,775,216
Advances, deposits, prepayments and other receivables		1,942,087,411	3,025,056,958
Tax refund due from Government		421,611,285	426,538,452
Cash and bank balances		753,707,936	86,806,776
		<u>12,635,765,083</u>	<u>11,387,872,452</u>
		<u>34,607,256,222</u>	<u>33,677,801,164</u>

The annexed notes 1 to 13 form an integral part of this condensed interim unconsolidated financial information.

24 January 2015
Lahore

Director

Director

Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)
For the quarter ended 31 December 2014

	Note	31-Dec-14 Rupees	31-Dec-13 Rupees
Gross sales		6,873,912,418	6,422,043,804
FED, Sales tax and others		(479,115,313)	(361,561,250)
Net sales	10	6,394,797,105	6,060,482,554
Cost of sales		(5,551,324,027)	(5,402,407,256)
Gross profit		843,473,078	658,075,298
Administrative expenses		(133,122,970)	(112,731,124)
Selling expenses		(22,463,876)	(9,897,882)
Other income		28,733,663	31,077,511
		(126,853,183)	(91,551,495)
Operating profit		716,619,895	566,523,803
Other expenses		(8,588,396)	(28,107,256)
Finance cost		(544,851,981)	(237,441,767)
		(553,440,377)	(265,549,023)
Profit before taxation		163,179,518	300,974,780
Taxation		(63,121,784)	(136,986,482)
Profit after taxation		100,057,734	163,988,298
Earnings per share		1.67	2.74

The annexed notes 1 to 13 form an integral part of this condensed interim unconsolidated financial information.

24 January 2015
Lahore

Director

Director

Condensed Interim Unconsolidated Statement of Coimprehensive Income (Un-audited)
For the quarter ended 31 December 2014

	31-Dec-14 Rupees	31-Dec-13 Rupees
Profit after taxation for the period	100,057,734	163,988,298
Other comprehensive income for the period	–	–
Total comprehensive income for the period	<u>100,057,734</u>	<u>163,988,298</u>

The annexed notes 1 to 13 form an integral part of this condensed interim unconsolidated financial information.

24 January 2015
Lahore

Director

Director

Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

For the quarter ended 31 December 2014

	31-Dec-14 Rupees	31-Dec-13 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	163,179,518	300,974,780
Adjustments for non cash and other items:		
Finance cost	544,851,981	237,441,767
Depreciation	268,006,553	124,841,566
Amortisation	514,217	342,811
Staff retirement benefits	26,266,830	31,343,304
Workers' profit participation fund	8,588,396	16,445,908
Workers' welfare fund	-	11,497,464
Profit on disposal of operating assets	(7,479,054)	(984,091)
Gain on sale of investment	-	(20,000,000)
	<u>840,748,923</u>	<u>400,928,729</u>
Operating profit before working capital changes	1,003,928,441	701,903,509
(Increase) / decrease in current assets		
Stores, spares and loose tools	(160,048,831)	(484,082,901)
Stock in trade	(1,433,424,578)	(4,442,366,894)
Biological assets	237,115,792	-
Advances, deposits, prepayments and other receivables	372,540,798	2,814,761,620
Trade debts	(380,717,107)	(255,229,042)
	<u>(1,364,533,926)</u>	<u>(2,366,917,217)</u>
Increase in current liabilities		
Trade and other payables	2,421,905,489	3,715,181,292
Cash generated from operations	2,061,300,004	2,050,167,584
Income tax paid	(56,649,504)	(33,346,504)
Staff retirement benefits paid	(21,509,496)	(21,580,455)
	<u>(78,159,000)</u>	<u>(54,926,959)</u>
Net cash generated from operations	1,983,141,004	1,995,240,625
Cash flow from investing activities		
Property, plant and equipment	(678,388,657)	(3,038,119,358)
Advances to related parties - net	220,327,460	(377,084,862)
Proceeds realized from sale of operating assets	7,436,967	-
Long term deposits - net	(13,194,328)	18,356,072
Investment disposal during the period	-	120,000,000
	<u>(463,818,558)</u>	<u>(3,276,848,148)</u>
Cash used in investing activities		
Cash flow from financing activities		
Long term loans - net	250,342,695	1,011,410,974
Short term borrowings - net	(314,314,712)	899,799,360
Finance cost paid	(696,774,610)	(350,378,668)
Dividend paid	(1,071,451)	(28,390)
Lease rentals	(90,603,208)	(85,134,658)
	<u>(852,421,286)</u>	<u>1,475,668,618</u>
Cash (used in) / generated from financing activities		
Net increase in cash and cash equivalents	666,901,160	194,061,095
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	<u>753,707,936</u>	<u>235,415,990</u>

The annexed notes 1 to 13 form an integral part of this condensed interim unconsolidated financial information.

24 January 2015
Lahore

Director

Director

Condensed Interim Unconsolidated Statement of Change in Equity (Un-audited)
For the quarter ended 31 December 2014

	Share Capital		Reserves		Total reserves	Total equity
	Rupees	Share Premium	Accumulated Profit	Rupees		
Balance as at 30 September 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	-	-	163,988,298		163,988,298	163,988,298
Balance as at 31 December 2013	597,766,610	678,316,928	4,376,821,713		5,055,138,641	5,652,905,251
Balance as at 30 September 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	-	-	100,057,734		100,057,734	100,057,734
Balance as at 31 December 2014	597,766,610	678,316,928	4,805,254,608		5,483,571,536	6,081,338,146

The annexed notes 1 to 13 form an integral part of this condensed interim unconsolidated financial information.

24 January 2015
Lahore

Director

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 supplying renewable electricity to the national grid. Further, the Company's Co-Generation Power Plants are the first to materialize under National Electric Power Regulatory Authority's ("NEPRA") upfront bagasse tariff.

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 December 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 quarter ended 31 December 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 2014.

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 lives of depreciable assets
- Provision for Taxation
- Retirement and other benefits
- Provisions and contingencies
- Biological assets

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 2014:

Standard or Interpretation	Effective date (accounting periods 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
IAS 38 - Intangible Assets	01 January 2016
IAS 16 - Property Plant and Equipment	01 January 2016
IAS 41 - Agriculture	01 January 2016
Annual Improvements to IFRSs 2010-2012 and 2011-2013 Cycles	01 July 2014

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

Note to the Condensed Interim Unconsolidated Financial Information (Un-audited)
For the quarter ended 31 December 2014

	31-Dec-14 (Un-audited) Rupees	30-Sep-14 (Audited) Rupees
6 SHARE CAPITAL		
6.1 Authorized capital		
75,000,000 (30 September 2014: 75,000,000) voting 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) voting 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) voting bonus shares of Rs.10 each fully paid	276,309,360	276,309,360
	<u>597,766,610</u>	<u>597,766,610</u>
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 2014.		
	31-Dec-14 (Un-audited) Rupees	30-Sep-14 (Audited) Rupees
7.1.1 Counter guarantees given on account of agricultural loan to growers:	<u>2,268,000,000</u>	<u>5,701,333,333</u>
7.1.2 Letters of guarantee in favour of various parties	<u>84,157,000</u>	<u>232,042,000</u>
7.1.3 Cross corporate guarantees given by the Company to its bankers for Deharki Sugar Mills (Private) Limited ("DSML")	<u>380,319,248</u>	<u>380,319,248</u>
7.2 Commitments		
Letters of credit for import of machinery and its related components	<u>238,156,268</u>	<u>617,912,249</u>

Note to the Condensed Interim Unconsolidated Financial Information (Un-audited)
For the quarter ended 31 December 2014

	Note	31-Dec-14 (Un-audited) Rupees	30-Sep-14 (Audited) Rupees
8 PROPERTY PLANT AND EQUIPMENT			
Operating fixed assets	8.1	15,580,756,966	12,612,116,268
Capital work in progress		2,233,875,171	4,524,127,212
		<u>17,814,632,137</u>	<u>17,136,243,480</u>
8.1 Operating fixed assets			
Net book value as at beginning of the period / year		12,612,116,268	8,153,098,012
Add: Additions during the period / year		3,239,658,002	3,510,458,636
Assets acquired from JKFS		–	1,216,474,024
Transferred from investment property		–	520,828,321
		<u>15,851,774,270</u>	<u>13,400,858,993</u>
Less: Disposals during the period / year - net book value		(3,010,751)	(110,121,043)
Depreciation charged during the period / year		(268,006,553)	(678,621,682)
		<u>(271,017,304)</u>	<u>(788,742,725)</u>
		<u>15,580,756,966</u>	<u>12,612,116,268</u>
9 INVESTMENTS			
Investment in subsidiary	9.1	1,049,750,000	1,049,750,000
Investment in associated companies	9.2	2,044,648,050	2,044,648,050
		<u>3,094,398,050</u>	<u>3,094,398,050</u>
9.1 Investment in subsidiary-unquoted			
Deharki Sugar Mills (Private) Limited (“DSML”)			
104,975,000 (30 September 2014: 104,975,000) fully paid shares of Rs.10 each			
Equity held 99.98% (30 September 2014: 99.98%)		1,049,750,000	1,049,750,000
		<u>1,049,750,000</u>	<u>1,049,750,000</u>

Note to the Condensed Interim Unconsolidated Financial Information (Un-audited)
For the quarter ended 31 December 2014

	31-Dec-14 (Un-audited) Rupees	30-Sep-14 (Audited) Rupees
9.2 Investment in associated companies - un quoted		
Faruki Pulp Mills Limited ("FPML")		
199,914,805 (30 September 2014: 51,500,000) fully paid shares of Rs.10 each	2,044,648,050	560,500,000
Acquired during the year Nil (30 September 2014: 148,414,805) fully paid shares of Rs. 10 each	-	1,484,148,050
Equity held 48.39% (30 September 2014: 48.39%)	2,044,648,050	2,044,648,050
JDW Power (Private) Limited ("JDWPL")		
9,000,000 (30 September 2014: 9,000,000) fully paid ordinary shares of Rs.10 each	90,000,000	90,000,000
Less: accumulated impairment allowance	(90,000,000)	(90,000,000)
Equity held 47.37% (30 September 2014: 47.37%)	-	-
	<u>2,044,648,050</u>	<u>2,044,648,050</u>
	31-Dec-14 (Un-audited) Rupees	31-Dec-13 (Un-audited) Rupees
10 SALES - NET		
Sugar	5,490,838,276	5,573,501,231
Agriculture produce	99,585,347	347,718,591
Electricity	920,701,766	50,360,334
Molasses & Bagasse	362,787,029	450,463,648
	6,873,912,418	6,422,043,804
Less: FED, Sales tax and others	(479,115,313)	(361,561,250)
	<u>6,394,797,105</u>	<u>6,060,482,554</u>

Note to the Condensed Interim Unconsolidated Financial Information (Un-audited)
For the quarter ended 31 December 2014

11 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of subsidiary Company, associated Companies, other related companies, Directors of the Company, key management personal and post employment benefit plans. Significant transactions with related parties are as follows:

Relationship	Nature of transactions	31-Dec-14 Rupees	31-Dec-13 Rupees
Subsidiary Company	Short term advances received - net	145,048,783	134,384,066
	Long term loans received / adjusted	1,567,553,280	97,972,080
	Markup income		
	Long term	15,792,448	61,771,772
	Short term	13,809,106	6,725,001
	Sugarcane supplies	99,585,347	347,718,591
	Purchase of bagasse	23,617,000	–
Associated Companies	Sale of sugar	–	88,323,000
	Markup income	–	36,989,042
	Payment against purchase of Aircraft	1,050,000	1,000,000
	Sale of molasses	232,596	328,290
	Rent on land given on lease	3,719,711	1,505,000
	Rent on land acquired on lease	933,750	–
Other Related Parties	Provident fund contribution	19,834,401	16,350,522
Key Management Personnel	Consultancy services	8,214,813	8,348,142

12 DATE OF AUTHORIZATION

The condensed interim unconsolidated financial information for the quarter ended 31st December 2014 was authorized for issue by the Board of Directors on 24th January 2015.

13 GENERAL

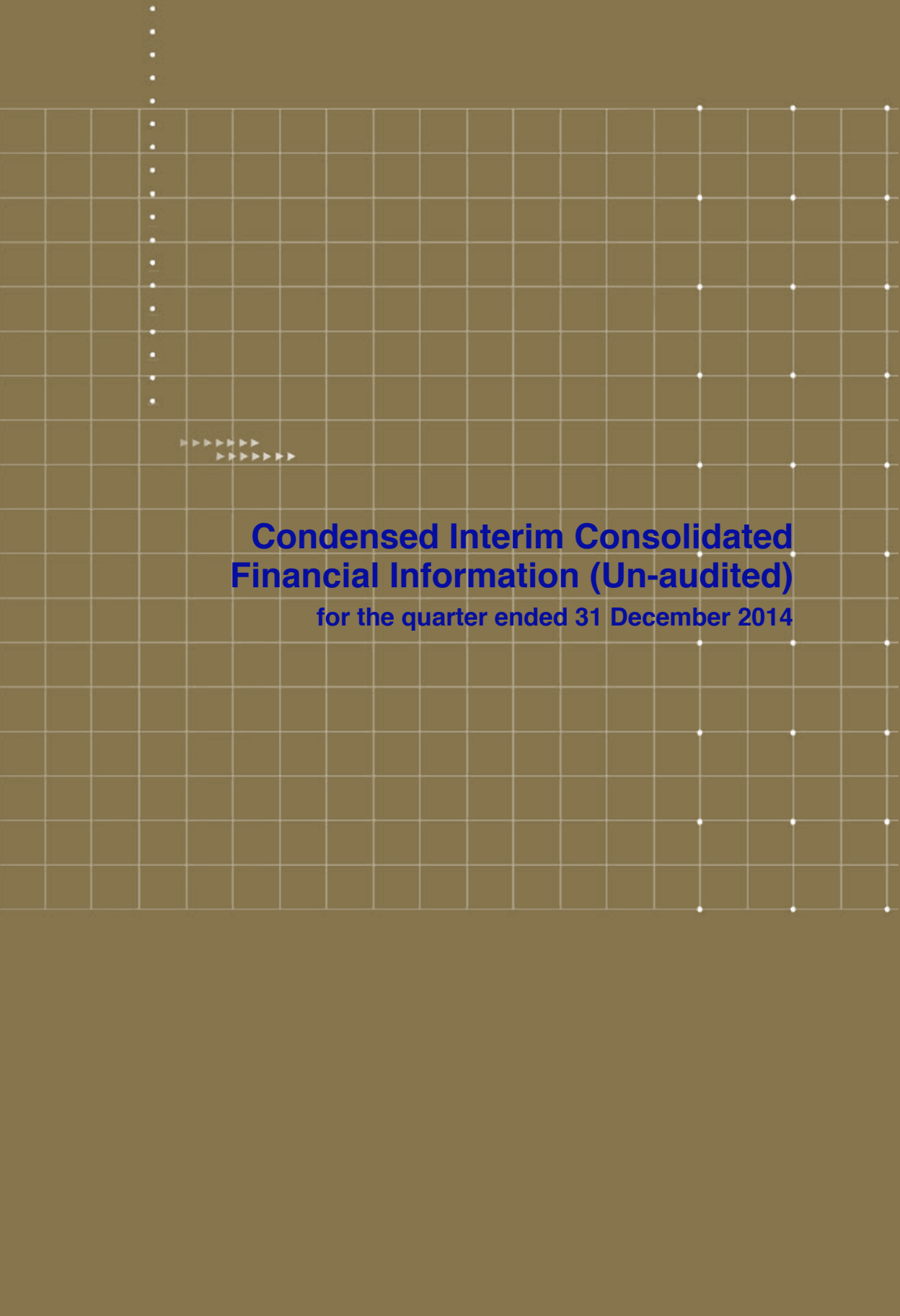
Statement under section 241(2) of the Companies Ordinance, 1984.

These financial statements have been signed by two Directors instead of Chief Executive Officer and one Director, as the Chief Executive Officer is for the time being not in Pakistan.

24 January 2015
Lahore

Director

Director

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

**Condensed Interim Consolidated
Financial Information (Un-audited)**
for the quarter ended 31 December 2014

Condensed Interim Consolidated Balance Sheet (Un-audited)

As at 31 December 2014

	Note	31-Dec-14 (Un-audited) Rupees	30-Sep-14 (Audited) Rupees
SHARE CAPITAL AND RESERVES			
Share capital	6	597,766,610	597,766,610
Reserves		5,026,279,828	4,821,560,088
		<u>5,624,046,438</u>	<u>5,419,326,698</u>
NON CONTROLLING INTEREST			
		270,904	240,849
		<u>5,624,317,342</u>	<u>5,419,567,547</u>
NON CURRENT LIABILITIES			
Redeemable capital - secured		277,777,777	305,555,555
Long term loans - secured		8,743,691,059	8,563,542,666
Liabilities against assets subject to finance lease		1,010,899,992	926,722,054
Deferred liabilities		1,685,264,194	1,639,683,633
		<u>11,717,633,022</u>	<u>11,435,503,908</u>
CURRENT LIABILITIES			
Short term borrowings - secured		9,730,136,681	10,496,978,844
Current portion of non current liabilities		2,198,381,168	2,130,032,413
Trade and other payables		8,069,556,718	5,168,489,507
Interest and mark-up accrued		413,054,339	530,179,913
Provision for taxation		10,874,414	74,527,846
		<u>20,422,003,320</u>	<u>18,400,208,523</u>
CONTINGENCIES AND COMMITMENTS			
	7	<u>37,763,953,684</u>	<u>35,255,279,978</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	21,202,117,917	20,434,779,307
Biological assets		78,658,361	10,471,822
Investment property		173,026,930	173,026,930
Intangible assets		626,573,319	627,111,582
Investments	9	1,502,893,852	1,524,478,075
Long term advances		58,000,000	58,000,000
Long term deposits		145,091,369	131,897,041
		<u>23,786,361,748</u>	<u>22,959,764,757</u>
CURRENT ASSETS			
Biological assets		1,281,364,537	1,681,515,961
Stores, spares and loose tools		6,085,098,606	1,327,727,124
Stock in trade		2,516,618,725	5,970,317,798
Trade debts - unsecured		1,139,892,115	671,430,276
Advances, deposits, prepayments and other receivables		1,617,076,004	2,021,991,366
Tax refund due from Government		421,611,285	513,768,880
Cash and bank balances		915,930,664	108,763,816
		<u>13,977,591,936</u>	<u>12,295,515,221</u>
		<u>37,763,953,684</u>	<u>35,255,279,978</u>

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

24 January 2015
Lahore

Director

Director

Condensed Interim Consolidated Profit and Loss Account (Un-audited)
For the quarter ended 31 December 2014

	Note	31-Dec-14 Rupees	31-Dec-13 Rupees
Gross sales		9,552,187,304	7,322,828,947
Federal Excise Duty, Sales Tax and others		(688,454,631)	(442,651,514)
Net sales	11	8,863,732,673	6,880,177,433
Cost of sales		(7,710,860,860)	(6,054,035,431)
Gross profit		1,152,871,813	826,142,002
Administrative expenses		(138,228,447)	(117,147,919)
Selling expenses		(27,138,098)	(10,901,604)
Other income		32,360,333	13,307,398
		(133,006,212)	(114,742,125)
Operating profit		1,019,865,601	711,399,877
Other expenses		(18,634,690)	(31,301,954)
Finance cost		(643,499,006)	(338,374,363)
		(662,133,696)	(369,676,317)
Share of loss of associated companies - net of taxation		(21,584,223)	(2,636,092)
Profit before taxation		336,147,682	339,087,468
Taxation		(131,397,887)	(140,580,215)
Profit after taxation		204,749,795	198,507,253
Attributable to:			
Equity holders of the Holding Company		204,719,740	198,493,656
Non-controlling interest		30,055	13,597
		204,749,795	198,507,253
Earnings per share		3.43	3.32

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

24 January 2015
Lahore

Director

Director

Condensed Interim Consolidated Statement of Coimprehensive Income (Un-audited)
For the quarter ended 31 December 2014

	31-Dec-14 Rupees	31-Dec-13 Rupees
Profit after taxation	204,749,795	198,507,253
Other comprehensive income	–	–
Total comprehensive income for the period	<u>204,749,795</u>	<u>198,507,253</u>
Attributable to:		
Equity holders of the Holding Company	204,719,740	198,493,656
Non controlling interest	30,055	13,597
	<u>204,749,795</u>	<u>198,507,253</u>

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

24 January 2015
Lahore

Director

Director

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the quarter ended 31 December 2014

	31-Dec-14 Rupees	31-Dec-13 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	336,147,682	339,087,468
Adjustments for non cash and other items:		
Finance cost	643,499,006	338,374,363
Depreciation	312,716,621	170,279,681
Amortisation	538,261	378,600
Staff retirement benefits	27,788,669	34,690,416
Workers' profit participation fund	18,634,690	16,445,908
Workers' welfare fund	5,558,052	11,497,464
Profit on disposal of operating assets	(7,479,054)	(984,091)
Share of loss of associated companies	21,584,223	2,636,092
	<u>1,022,840,468</u>	<u>573,318,433</u>
Operating profit before working capital changes	1,358,988,150	912,405,901
(Increase) / decrease in current assets		
Stores, spares and loose tools	(221,448,062)	(506,401,005)
Stock in trade	(987,375,256)	(5,643,929,080)
Biological assets	237,115,792	-
Advances, deposits, prepayments and other receivables	404,909,764	2,824,509,604
Trade debts	(468,461,842)	(2,011,933)
	<u>(1,035,259,603)</u>	<u>(3,327,832,414)</u>
Increase in current liabilities		
Trade and other payables	2,897,729,459	3,954,190,073
Cash generated from operations	3,221,458,006	1,538,763,560
Income tax paid	(56,649,504)	(50,251,622)
Staff retirement benefits paid	(24,617,194)	(24,493,971)
	<u>(81,266,698)</u>	<u>(74,745,593)</u>
Net cash generated from operations	3,140,191,308	1,464,017,967
Cash flow from investing activities		
Property, plant and equipment	(812,048,677)	(2,851,564,807)
Advances to related parties - net	-	(36,989,042)
Proceeds realized from sale of operating assets	7,436,967	-
Long term deposits - net	(13,194,328)	18,356,072
Investment disposal during the period	-	120,000,000
	<u>(817,806,038)</u>	<u>(2,750,197,777)</u>
Cash used in investing activities		
Cash flow from financing activities		
Long term loans - net	152,370,615	1,011,410,974
Short term borrowings - net	(684,035,648)	1,014,339,360
Finance cost paid	(874,377,727)	(378,546,097)
Dividend paid	(1,071,451)	(28,390)
Lease rentals	(108,104,211)	(127,467,591)
	<u>(1,515,218,422)</u>	<u>1,519,708,256</u>
Cash (used in) / generated from financing activities		
Net increase in cash and cash equivalents	807,166,848	233,528,446
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	915,930,664	311,293,169

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

24 January 2015
Lahore

Director

Director

Condensed Interim Consolidated Statement of Change in Equity (Un-audited)
For the quarter ended 31 December 2014

	Attributable to equity holders of the Holding Company						Non controlling interest	Total equity	
	Share capital		Reserves		Total	Rupees			Rupees
	Rupees	Share premium	Accumulated profit	Sub Total					
Balance as at 30 September 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		
Other comprehensive income for the quarter ended	-	-	198,493,656	198,493,656	198,493,656	13,597	198,507,253		
Balance as at 31 December 2013	597,766,610	678,316,928	3,864,115,147	4,542,432,075	5,140,198,685	205,752	5,140,404,437		
Balance as at 30 September 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		
Other comprehensive income for the quarter ended	-	-	204,719,740	204,719,740	204,719,740	30,055	204,749,795		
Balance as at 31 December 2014	597,766,610	678,316,928	4,347,962,900	5,026,279,828	5,624,046,438	270,904	5,624,317,342		

24 January 2015
Lahore

Director

Director

1 STATUS AND NATURE OF BUSINESS

1.1 The Group comprises of

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

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 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 year.

1.3 The Group 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. Further, the Group’s Co-Generation Power Plants are the first to materialize under National Electric Power Regulatory Authority’s (“NEPRA”) upfront bagasse tariff.

2 BASIS OF PREPARATION

This condensed interim consolidated financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim consolidated financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 September 2014.

The condensed interim consolidated financial information includes the financial information of JDW, its subsidiary and associates (“Group”) for the period ended 31 December 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 JUDGEMENTS

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
- Biological assets

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 financial statements for the year ended 30 September 2014.

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.

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:

Note to the Condensed Interim Consolidated Financial Information (Un-audited)
For the quarter ended 31 December 2014

Standard or Interpretation	Effective date (accounting periods beginning on or after)	
FRIC 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	
IAS 38 - Intangible Assets	01 January 2016	
IAS 16 - Property Plant and Equipment	01 January 2016	
IAS 41 - Agriculture	01 January 2016	
Annual Improvements to IFRSs 2010-2012 and 2011-2013 Cycles	01 July 2014	
4.4 Basis of consolidation		
Subsidiary		
<p>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.</p> <p>All material inter-group balances, transactions and resulting unrealized profits / losses are eliminated.</p>		
Associates		
<p>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).</p>		
5 The sugar cane crushing season starts from November and lasts till April each year.		
	31-Dec-14 (Un-audited) Rupees	30-Sep-14 (Audited) 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>

Note to the Condensed Interim Consolidated Financial Information (Un-audited)
For the quarter ended 31 December 2014

	31-Dec-14 (Un-audited) Rupees	30-Sep-14 (Audited) Rupees
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) voting bonus shares of Rs.10 each fully paid	276,309,360	276,309,360
	<u>597,766,610</u>	<u>597,766,610</u>
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 2014.		
	31-Dec-14 (Un-audited) Rupees	30-Sep-14 (Audited) Rupees
7.1.1 Counter guarantee given on account of agricultural loan to growers	<u>2,268,000,000</u>	<u>5,701,333,333</u>
7.1.2 Letters of guarantee in favour of various parties		
Holding Company	84,157,000	232,042,000
Subsidiary Company	7,500,000	7,500,000
	<u>91,657,000</u>	<u>239,542,000</u>
7.1.3 Cross corporate guarantees for subsidiary Company	<u>380,319,248</u>	<u>380,319,248</u>
7.2 Commitments		
Letters of credit for import of machinery and its related components		
Holding Company	<u>238,156,268</u>	<u>617,912,249</u>

Note to the Condensed Interim Consolidated Financial Information (Un-audited)
For the quarter ended 31 December 2014

	Note	31-Dec-14 (Un-audited) Rupees	30-Sep-14 (Audited) Rupees
8 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	8.1	18,756,610,524	15,819,652,556
Capital work in progress		2,445,507,393	4,615,126,751
		<u>21,202,117,917</u>	<u>20,434,779,307</u>
8.1 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		3,252,685,340	3,634,282,348
Assets acquired from JKFS		–	1,216,474,024
Transferred from investment property		–	520,828,321
		<u>19,072,337,896</u>	<u>16,792,574,718</u>
Less: Disposals during the period / year - net book value		(3,010,751)	(110,121,043)
Depreciation charged during the period / year		(312,716,621)	(862,801,119)
		<u>(315,727,372)</u>	<u>(972,922,162)</u>
		<u>18,756,610,524</u>	<u>15,819,652,556</u>
9 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
		<u>2,134,648,050</u>	<u>2,134,648,050</u>
Share of loss			
Opening balance		(610,169,975)	(410,767,064)
Share of loss for the period / year		(21,584,223)	(203,464,361)
Share of other comprehensive income		–	4,061,450
Closing balance		<u>(631,754,198)</u>	<u>(610,169,975)</u>
		<u>1,502,893,852</u>	<u>1,524,478,075</u>

Note to the Condensed Interim Consolidated Financial Information (Un-audited)
For the quarter ended 31 December 2014

	31-Dec-14 (Un-audited) Rupees	30-Sep-14 (Audited) Rupees
9.1 Faruki Pulp Mills Limited (“FPML”)		
Cost of investment		
199,914,805 (2014: 51,500,000) fully paid ordinary shares of Rs.10 each	560,500,000	560,500,000
“Acquired during the period / year Nil (2014: 148,414,805)	1,484,148,050	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	(21,584,223)	(203,464,361)
Share of other comprehensive income for the period / year	-	4,061,450
Closing balance	(541,754,198)	(520,169,975)
	<u>1,502,893,852</u>	<u>1,524,478,075</u>
9.2 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% (2014 : 47.37%)		
Share of loss		
Opening balance	(90,000,000)	(90,000,000)
Share of profit for the period / year	-	-
Closing balance	(90,000,000)	(90,000,000)
	<u>-</u>	<u>-</u>
Less: impairment loss	-	-
	<u>-</u>	<u>-</u>

Note to the Condensed Interim Consolidated Financial Information (Un-audited)
For the quarter ended 31 December 2014

10 BUSINESS SEGMENTS INFORMATION

10.1 The Group's reportable segments are as follows:

Reportable Segment	Operations
Sugar and other segment	production and sale of crystalline sugar and other related joint and by-product
Co-Generation segment	Generation and sale of electricity to NTDC
Corporate farms segment	managing corporate farms

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

	Sugar & other segment		Co-Generation		Corporate Farms segment		Total	
	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
10.1.1 Revenue								
Net external revenues	8,052,598,630	6,880,177,433	811,134,043	-	-	-	8,863,732,673	6,880,177,433
Inter-segment revenues	306,960,372	-	186,678,563	-	692,000,199	1,246,636,520	1,185,639,134	1,246,636,520
Reportable segment operating profit / (loss)	735,802,462	578,867,128	320,830,437	-	(36,767,298)	132,532,749	1,019,865,601	711,399,877

10.1.2 Segment assets & liabilities

	Segment Assets		Segment Liabilities	
	31-Dec-14	30-Sep-14	31-Dec-14	30-Sep-14
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	Rupees	Rupees	Rupees	Rupees
Sugar & other segment	27,351,142,215	25,269,116,301	27,135,008,940	24,653,464,550
Co-Generation segment	6,781,250,909	6,160,905,417	4,714,250,856	4,483,807,882
Corporate farms segment	3,631,560,560	3,825,258,260	290,376,546	698,439,999
	37,763,953,684	35,255,279,978	32,139,636,342	29,835,712,431
			31-Dec-14	31-Dec-13
			Rupees	Rupees

10.1.3 Reconciliation of reportable segment profit and loss

For the quarter ended		
Total operating profit for reportable segments before tax	1,019,865,601	711,399,877
Unallocated corporate expenses	(663,717,919)	(372,312,409)
Profit before tax	336,147,682	339,087,468
Taxation	(131,397,887)	(140,580,215)
Profit after taxation	204,749,795	198,507,253

Note to the Condensed Interim Consolidated Financial Information (Un-audited)
For the quarter ended 31 December 2014

	31-Dec-14 (Un-audited) Rupees	31-Dec-13 (Un-audited) Rupees
11 SALES - NET		
Sugar	8,142,647,776	6,611,725,431
Molasses & Bagasse	471,581,720	606,184,776
Electricity	937,957,808	104,918,740
	9,552,187,304	7,322,828,947
Less: FED, Sales tax and others	(688,454,631)	(442,651,514)
	<u>8,863,732,673</u>	<u>6,880,177,433</u>

12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise associated companies, other related companies, Directors of the Group, key management personnel and post employment benefit plans. The Group in the normal course of business carries out transactions with various related parties. Amounts due from and due to related parties are shown under respective notes to the accounts. Other significant transactions with related parties are as follows:

Relationship	Nature of transactions	31-Dec-14 Rupees	31-Dec-13 Rupees
Associated Companies	Payment against purchase of aircraft	1,050,000	1,000,000
	Sale of molasses	232,596	328,290
	Rent on land given on lease	3,719,711	1,505,000
	Rent on land acquired on lease	933,750	–
	Sale of sugar	–	88,323,000
	Mark up on advances	–	36,989,042
Other Related Parties	Provident fund contribution	22,914,585	18,222,851
Key Management Personnel	Consultancy services	11,964,813	12,098,142

13 DATE OF AUTHORIZATION

The condensed interim consolidated financial information for the quarter ended 31st December 2014 was authorized for issue by the Board of Directors on 24th January 2015.

14 FIGURES

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

15 GENERAL

Statement under section 241(2) of the companies Ordinance, 1984.

These condensed interim consolidated financial information have been signed by two Directors instead of Chief Executive Officer and one Director, as the Chief Executive Officer is for the time being not in Pakistan.

24 January 2015
Lahore

Director

Director

A large rectangular area with a light beige background, containing numerous horizontal lines for writing. The lines are evenly spaced and extend across the width of the area.



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