

Continued Excellence





Before bringing life to a vision we have to see it first. And for that we need people who specialize in seeing the impossible. Here at JDW, we are proud of the visionary men we have who take up the responsibility of creating opportunities for the future, not only for our company but for the whole community we operate in.

We believe life is about the betterment of the human condition; it's about social awareness, and random acts of kindness that weave the soul of humanity. Together, we all participate in weaving the social fabric; we should all therefore be patching the fabric when it develops holes. The change has begun, here at JDW, as we have started to unpack the challenges that encounter us, realizing that we each have a role that requires us to change and become more responsible for shaping our community and creating magic under JDW's vision. A vision in which everyone is benefited, be it our shareholders, the farmers or you.



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mukhdoom Syed Ahmed Mahmud
Director / Chairman

Mr. Jahangir Khan Tareen
Director

Mr. Raheal Masud
Director / Chief Executive

Mrs. Samira Mahmud

Mr. Ijaz Ahmed

Mr. Asim Nisar Bajwa

Mr. Qasim Hussain Safdar

CHIEF OPERATING OFFICER

Rana Nasim Ahmed

GROUP DIRECTOR (FINANCE), CFO & COMPANY SECRETARY

Mr. Muhammad Rafique

AUDIT COMMITTEE

Mr. Asim Nisar Bajwa
Chairman / Member

Mrs. Samira Mahmud
Member

Mr. Qasim Hussain Safdar
Member

HR & R Committee

Mr. Ijaz Ahmed
Chairman / Member

Mrs. Samira Mahmud
Member

Mr. Qasim Hussain Safdar
Member / Secretary

AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

REGISTRAR

Corplink (Pvt.) Ltd.

LEGAL ADVISOR

Cornelius, Lane & Mufti

BANKERS

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

REGISTERED OFFICE

17-Abid Majeed Road,
Lahore Cantonment, Lahore.

MILLS

Unit-I

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

Unit-II

Machi Goth, Sadiqabad.
Distt. Rahim Yar Khan.

Unit-III

Mauza Lалуwali, Near Village
Islamabad, Distt. Ghotki.

WEB PRESENCE

www.jdw-group.com



Directors' Review

I am pleased to present the un-audited accounts of the Company for the first quarter ended 31st December, 2016. The key indicators of operating and financial results are summarized below.

Gross turnover of the company has increased from Rs.10.31 billion to Rs.11.85 billion. The gross profit ratio has shown upward trend from 9 % to 14 % whereas despite the fact that sucrose recoveries are showing downward trend by app. 100 bps this season the net profit after tax has substantially increased from Rs.168 million to Rs.762 million resultantly the earnings per share have jumped up from Rs. 2.80 to Rs. 12.74. Main reasons for better profitability are more sale of carryover sugar stocks, favorable prices of sugar and molasses, comparatively more working days for co-generation plants and positive financial results of corporate farms caused by higher yield per acre, more production owing to increase in area under sugarcane cultivation and no damage of crop by flood this time.

In view of better financial results all key financial covenants' have shown improvement such as current ratio, long term debt equity ratio and leverage ratio. The balance sheet size and share capital & reserves are at Rs.39 billion and Rs.9.1 billion respectively. Company is fulfilling all its financial obligations on time and enjoying cordial relationship with all the financial institutions it's dealing with.

Crushing season 2016-17 was started in the 3rd week of November 2016 and to date sugar cane crushed was 3,841,652 tons as against 3,493,326 tons crushed in the same period last year. Crop size this time is higher than last crushing season. However due to early start of crushing season, unfavorable weather conditions, massive early logging of sugar cane and sowing of unapproved varieties of sugar cane by some growers are resulting in app. 100bps reduction in the sucrose recovery on group basis which had never ever experienced in the recent past. In view of increase in area under cultivation it is expected that Company may achieve same sugar production this year as was produced last year despite reduction in the sucrose recoveries. However, trend of sugar prices is encouraging since start of crushing season 2016-17 and it is expected that reduction in the sucrose recoveries would hopefully be compensated by the favorable sugar prices in case this favorable price trend continues.

As usual growers' payment has remained our top priority being one of the main keys of our success and growers are being paid on time. We regularly provide financial and

technical support to them. Due to these policies and preferential treatment to growers company enjoys excellent relationship with them.

In view of expected higher sugar production in the country the Federal Government has recently allowed export of sugar up to 225,000 tons without any export rebate which is valid for export until 31st March, 2017. International prices of sugar are good and it is expected that this quota of sugar export would be fully exhausted and Sugar Industry may again request the Federal Government for additional quota of same quantity after 31st March, 2017. Most of the export is expected to be made to Afghanistan.

In view of maintaining continued good performance we have plans to focus more on value addition of our by-products, making production processes more efficient, saving more bagasse from the system, further expansion of co-generation facilities and reduction in the financial charges.

On behalf of the Board of Directors

Dated: 24 January 2017

Raheal Masud
Chief Executive

CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL INFORMATION (UN-AUDITED)

**CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET (UN-AUDITED)
AS AT 31 DECEMBER 2016**

	Note	(Un-audited) 31-Dec-16 Rupees	(Audited) 30-Sep-16 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	6	597,766,610	597,766,610
Share premium reserve		678,316,928	678,316,928
Accumulated profit		7,806,258,117	7,044,672,556
		9,082,341,655	8,320,756,094
NON CURRENT LIABILITIES			
Redeemable capital - secured	7	55,555,553	83,333,333
Long term finances - secured	8	9,349,536,118	9,495,166,901
Liabilities against assets subject to finance lease - secured		481,173,366	495,823,654
Deferred taxation		1,743,988,065	1,641,059,144
Retirement benefits		-	101,168,252
		11,630,253,102	11,816,551,284
CURRENT LIABILITIES			
Short term borrowings - secured	9	5,132,815,738	3,415,654,047
Current portion of non current liabilities		3,300,942,596	3,139,610,613
Trade and other payables		9,404,727,523	7,327,682,941
Accrued profit / interest / mark-up		157,858,691	125,798,019
		17,996,344,548	14,008,745,620
		38,708,939,305	34,146,052,998
CONTINGENCIES AND COMMITMENTS			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	11	19,648,328,499	19,541,735,582
Biological assets		104,376,811	7,279,311
Investment property		196,467,698	196,467,698
Intangibles		622,418,811	622,928,744
Long term investments	12	2,283,110,383	2,283,110,383
Long term advances		11,194,445	18,430,247
Long term deposits		131,158,655	111,446,138
		22,997,055,302	22,781,398,103
CURRENT ASSETS			
Stores, spare parts and loose tools		1,204,952,238	1,080,682,261
Stock-in-trade		8,705,724,999	5,035,625,241
Biological assets		1,543,821,710	2,240,966,107
Trade debts - unsecured		1,259,622,269	1,025,619,160
Advances, deposits, prepayments and other receivables		1,078,724,407	1,126,498,627
Advance tax - net		939,419,284	848,667,402
Cash and bank balances	13	979,619,096	6,596,097
		15,711,884,003	11,364,654,895
		38,708,939,305	34,146,052,998

The annexed notes from 1 to 18 form an integral part of this condensed interim unconsolidated financial information.

Chief Executive

Director

**CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED 31 DECEMBER 2016**

	Note	31-Dec-16 Rupees	31-Dec-15 Rupees
Gross sales		11,851,718,313	10,313,787,383
Sales tax, federal excise duty and others		(1,016,610,315)	(736,283,575)
Net sales	14	10,835,107,998	9,577,503,808
Cost of sales		(9,336,175,542)	(8,730,879,464)
Gross profit		1,498,932,456	846,624,344
Administrative expenses		(252,103,560)	(180,727,539)
Selling expenses		(9,828,921)	(11,133,187)
Other income		60,367,812	48,406,486
Other expenses		(58,847,733)	(21,914,088)
		(260,412,402)	(165,368,328)
Profit from operations		1,238,520,054	681,256,016
Finance cost		(332,994,397)	(370,415,486)
Profit before taxation		905,525,657	310,840,530
Taxation		(143,940,096)	(143,261,370)
Profit after taxation		761,585,561	167,579,160
Earnings per share - basic and diluted		12.74	2.80

The annexed notes from 1 to 18 form an integral part of this condensed interim unconsolidated financial information.

**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED 31 DECEMBER 2016**

	31-Dec-16 Rupees	31-Dec-15 Rupees
Profit after taxation for the period	761,585,561	167,579,160
Other comprehensive income for the period	–	–
Total comprehensive income for the period	761,585,561	167,579,160

The annexed notes from 1 to 18 form an integral part of this condensed interim unconsolidated financial information.

Chief Executive

Director

**CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 31 DECEMBER 2016**

	31-Dec-16 Rupees	31-Dec-15 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	905,525,657	310,840,530
Adjustments for non cash and other items:		
Finance cost	332,994,397	370,415,486
Depreciation	271,024,579	325,285,754
Amortization	509,932	509,932
Staff retirement benefits	21,478,972	28,764,998
Workers' profit participation fund	48,218,669	16,608,975
Workers' welfare fund	10,629,063	4,729,997
(Gain) / loss on disposal of property, plant and equipment	(5,342,422)	575,116
	679,513,190	746,890,258
Operating profit before working capital changes	1,585,038,847	1,057,730,788
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(40,460,619)	(105,459,076)
Stock-in-trade	(3,670,099,758)	(134,757,171)
Biological assets	600,046,898	558,855,789
Advances, deposits, prepayments and other receivables	554,278,068	663,372,164
Trade debts	(234,003,109)	309,589,142
	(2,790,238,520)	1,291,600,848
Increase in current liabilities		
Trade and other payables	2,087,601,808	2,043,699,243
Cash generated from operations	882,402,135	4,393,030,879
Taxes paid	(131,763,056)	(24,221,835)
Staff retirement benefits paid	(119,162,371)	(26,769,278)
	(250,925,427)	(50,991,113)
Net cash generated from operations	631,476,708	4,342,039,766
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(1,020,249,886)	(788,988,369)
Advances to related parties - net	-	500,050,883
Long term advances	11,375,308	-
Proceeds from sale of property, plant and equipment	10,194,637	1,468,138
Long term deposits - net	(19,712,517)	(5,581,664)
Net cash used in investing activities	(1,018,392,458)	(293,051,012)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances - net	(23,408,563)	(20,184,416)
Short term borrowings - net	1,717,161,691	(2,936,942,857)
Finance cost paid	(238,532,588)	(423,346,755)
Dividend paid	(186,376)	(8,456,146)
Lease rentals paid	(95,095,415)	(130,413,589)
Net cash generated / (used in) from financing activities	1,359,938,749	(3,519,343,763)
Net increase in cash and cash equivalents	973,022,999	529,644,991
Cash and cash equivalents at beginning of the period	6,596,097	49,559,526
Cash and cash equivalents at end of the period	979,619,096	579,204,517

The annexed notes from 1 to 18 form an integral part of this condensed interim unconsolidated financial information.

Chief Executive

Director

**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED 31 DECEMBER 2016**

	Share Capital Rupees	Reserves			Total Reserves Rupees	Total Equity Rupees
		Capital		Revenue Accumulated Profit Rupees		
		Share Premium Rupees	Share Premium Rupees			
Balance as at 01 October 2015	597,766,610	678,316,928	5,740,528,115	6,418,845,043	7,016,611,653	
Total comprehensive income for the period	-	-	167,579,160	167,579,160	167,579,160	
Balance as at 31 December 2015	597,766,610	678,316,928	5,908,107,275	6,586,424,203	7,184,190,813	
Balance as at 01 October 2016	597,766,610	678,316,928	7,044,672,556	7,722,989,484	8,320,756,094	
Total comprehensive income for the period	-	-	761,585,561	761,585,561	761,585,561	
Balance as at 31 December 2016	597,766,610	678,316,928	7,806,258,117	8,484,575,045	9,082,341,655	

The annexed notes from 1 to 18 form an integral part of this condensed interim unconsolidated financial information.

Chief Executive

Director

1 REPORTING ENTITY

- 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 Pakistan Stock Exchange. 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 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

2.1 Basis of accounting

- 2.1.1** This condensed interim unconsolidated financial information comprises the condensed interim unconsolidated balance sheet of the Company as at 31 December 2016 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.
- 2.1.2** This condensed interim unconsolidated financial information of the Company for the quarter ended 31 December 2016 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 for the year ended 30 September 2016.
- 2.1.4** Comparative unconsolidated balance sheet numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 September 2016, whereas comparative figures of profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim financial information of the Company for the quarter ended 31 December 2015.
- 2.1.5** This condensed interim unconsolidated financial information is unaudited and being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Pakistan Stock Exchange.

3 USE OF ESTIMATES AND JUDGMENTS

The preparation of this condensed interim unconsolidated 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, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, and the results of which form the basis for making judgment about carrying value 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. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where assumptions and estimates are significant to the Company's condensed interim unconsolidated financial information or where judgment was 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 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

4.1 Except for note 4.2, the accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are same as those applied in the preparation of the financial statements for the year ended 30 September 2016. The Company has adopted IFRS 13 'Fair Value Measurement' during the period which became effective for financial periods beginning on or after 1 January 2015. The effect of IFRS 13 'Fair Value Measurement' is disclosed in notes 4.2 and 16 to this condensed interim unconsolidated financial information.

4.2 IFRS 13 Fair value measurement establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required and permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants on the measurement date. It replaces and expands the disclosure requirements about fair value measurement in other IFRSs, including IFRS 7 Financial Instruments : Disclosures. As a result the Company has added additional disclosures in this regard in note 16 to the condensed interim unconsolidated financial information. In accordance with the transitional provisions of IFRS 13, the Company has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change has no significant impact on the measurement of the Company's financial assets and liabilities.

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

	(Un-audited) 31-Dec-16 Rupees	(Audited) 30-Sep-16 Rupees
6 SHARE CAPITAL		
6.1 Authorized capital		
75,000,000 (30 September 2016: 75,000,000) ordinary shares of Rs. 10 each	750,000,000	750,000,000
25,000,000 (30 September 2016: 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>
	(Un-audited) 31-Dec-16 Rupees	(Audited) 30-Sep-16 Rupees
6.2 Issued, subscribed and paid up capital		
32,145,725 (30 September 2016: 32,145,725) ordinary shares of Rs. 10 each fully paid in cash	321,457,250	321,457,250
27,630,936 (30 September 2016: 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. 27.77 million (30 September 2016: Rs. 111.11 million) to TFC holders. Amounts due in next twelve months amounting to Rs. 111.11 million (30 September 2016: Rs. 111.11 million) are included in current portion presented under current liabilities. These carry mark-up at three months KIBOR plus 100 bps per annum.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED 31 DECEMBER 2016

	(Un-audited) 31-Dec-16 Rupees	(Audited) 30-Sep-16 Rupees
8 LONG TERM FINANCES - SECURED		
Balance at beginning of the period / year		
Conventional mode of financing	10,955,666,181	8,901,361,189
Islamic mode of financing	1,264,000,000	734,000,000
	12,219,666,181	9,635,361,189
Add: Loans received during the period / year		
Conventional mode of financing	500,000,000	5,353,643,718
Islamic mode of financing	-	700,000,000
	500,000,000	6,053,643,718
	12,719,666,181	15,689,004,907
Less: Repayments during the period / year		
Conventional mode of financing	(453,630,783)	(3,299,338,726)
Islamic mode of financing	(42,000,000)	(170,000,000)
	(495,630,783)	(3,469,338,726)
	12,224,035,398	12,219,666,181
Current maturity presented under current liabilities	(2,874,499,280)	(2,724,499,280)
	9,349,536,118	9,495,166,901

9 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 2016.

	(Un-audited) 31-Dec-16 Rupees	(Audited) 30-Sep-16 Rupees
9.1 Type of short term borrowings		
Conventional mode of financing	4,922,815,738	2,365,654,047
Islamic mode of financing	210,000,000	1,050,000,000
	5,132,815,738	3,415,654,047

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There is no material change in contingencies from the preceding audited unconsolidated financial statements of the Company for the year ended 30 September 2016 except for the commitments and guarantees as disclosed below:

	(Un-audited) 31-Dec-16 Rupees	(Audited) 30-Sep-16 Rupees
10.1.1 Counter guarantees given by the Company to banks on account of agricultural loan	2,507,000,000	3,213,000,000
10.1.2 Guarantees issued by banks on behalf of the Company in favour of various parties	126,010,000	83,000,000
10.1.3 Cross corporate guarantees given by the Company to banks for Deharki Sugar Mills (Private) Limited - a subsidiary company	2,423,019,728	2,571,019,728
10.2 Commitments		
Letters of credit for import of machinery and its related components	19,687,265	301,369,738

11 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited) 31-Dec-16 Rupees	(Audited) 30-Sep-16 Rupees
Operating fixed assets	11.1	19,436,030,204	18,533,844,373
Capital work in progress		212,298,295	924,081,851
Stores, spare parts and loose tools held for capital expenditures		–	83,809,358
		<u>19,648,328,499</u>	<u>19,541,735,582</u>
11.1 Operating fixed assets			
Net book value at beginning of the period / year		18,533,844,373	17,594,986,572
Additions during the period / year		1,221,657,760	2,408,899,409
Disposals during the period / year - net book value		(6,632,215)	(43,629,730)
Transfer to investment property		–	(23,440,768)
Depreciation charged during the period / year		(312,839,714)	(1,402,971,110)
Net book value at end of the period / year		<u>19,436,030,204</u>	<u>18,533,844,373</u>

12 LONG TERM INVESTMENTS

	Note	(Un-audited) 31-Dec-16 Rupees	(Audited) 30-Sep-16 Rupees
Investment in subsidiary companies	12.1	2,283,110,383	2,283,110,383
Investment in associated companies	12.2	–	–
		<u>2,283,110,383</u>	<u>2,283,110,383</u>

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED 31 DECEMBER 2016

	(Un-audited) 31-Dec-16 Rupees	(Audited) 30-Sep-16 Rupees
12.1 Investment in subsidiary companies		
Faruki Pulp Mills Limited ("FPML")		
310,892,638 (2016: 310,892,638) fully paid ordinary shares of Rs. 10 each		
Equity held 57.67% (2016 : 57.67%)		
Opening balance	3,154,426,383	2,044,648,050
Acquired during the period nil (2016: 110,977,833) ordinary shares of Rs. 10 each	-	1,109,778,333
Closing balance	3,154,426,383	3,154,426,383
Less: Impairment allowance	(1,921,066,000)	(1,921,066,000)
	1,233,360,383	1,233,360,383
Deharki Sugar Mills (Private) Limited ("DSML")		
104,975,000 (2016: 104,975,000) fully paid shares of Rs. 10 each		
Equity held 100% (2016: 100%)	1,049,750,000	1,049,750,000
	2,283,110,383	2,283,110,383
12.2 Investment in associated companies		
JDW Power (Private) Limited ("JDWPL")		
9,000,000 (2016: 9,000,000) fully paid shares of Rs. 10 each	90,000,000	90,000,000
Accumulated impairment allowance	(90,000,000)	(90,000,000)
Equity held 47.37% (2016: 47.37%)	-	-
	-	-

13 CASH AND BANK BALANCES

	Note	(Un-audited) 31-Dec-16 Rupees	(Audited) 30-Sep-16 Rupees
Current accounts			
Deposit with conventional banks		716,690,740	3,523,703
Deposit with islamic banks		29,886,271	721,896
		746,577,011	4,245,599
Saving accounts			
Deposit with conventional banks	13.1	32,920,212	111,816
		779,497,223	4,357,415
Cash in hand		200,121,873	2,238,682
		979,619,096	6,596,097

13.1 The balances in saving accounts carry markup at 3.75% per annum (2016: 3.50% - 4.50% per annum).

14 NET SALES

	31-Dec-16 Rupees	31-Dec-15 Rupees
Sugar	9,934,753,884	9,153,338,981
Electricity	861,235,255	542,434,574
Agriculture produce	558,841,463	304,927,415
Molasses - by product	496,887,711	313,086,413
	11,851,718,313	10,313,787,383
Less: Sales tax, federal excise duty and others	(1,016,610,315)	(736,283,575)
	<u>10,835,107,998</u>	<u>9,577,503,808</u>

15 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiary companies, associated companies, 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:

		31-Dec-16 Rupees	31-Dec-15 Rupees
Relationship	Nature of Transactions		
Subsidiary Companies			
	Short term advances received - net	352,359,339	497,449,008
	Markup expense / (income)	1,812,560	(9,547,438)
	Sugarcane supplies	558,500,963	304,287,415
	Purchase of bagasse	-	2,975,075
	Reimbursement on use of		
	Company's aircraft	2,489,842	2,102,626
	Proceeds from sale of property, plant and equipment	2,792,037	-
	Investment in shares	-	1,109,778,333
Associated Companies			
	Reimbursement of expenses	5,962,417	500,000
	Sale of molasses	-	242,345
	Rent on land given on lease	-	3,482,897
	Rent on land acquired on lease	-	933,750
	Reimbursement on use of		
	Company's aircraft	-	14,914,234
Key Management Personnel	Consultancy services	2,079,384	1,621,632
Post employment contribution plan	Provident fund contribution	33,506,098	24,509,894

16 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

	Note	Carrying Amount		Fair Value		
		Loans and receivables at amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2
		(Rupees)				
On Balance Sheet Financial Instruments						
Financial assets not measured at fair value						
Cash and bank balances		979,619,096	-	979,619,096	-	-
Advances, deposits and other receivables		47,924,096	-	47,924,096	-	-
Trade debts - unsecured		1,259,622,269	-	1,259,622,269	-	-
Long term advances		11,194,445	-	11,194,445	-	-
31 December 2016	16.1	2,298,359,906	-	2,298,359,906	-	-
30 September 2016		1,215,704,535	-	1,215,704,535	-	-
Financial liabilities not measured at fair value						
Redeemable capital - secured		-	166,666,664	166,666,664	-	-
Long term financing - secured		-	12,224,035,398	12,224,035,398	-	-
Liabilities against assets subject to finance lease		-	796,505,571	796,505,571	-	-
Trade and other payables		-	2,493,335,134	2,493,335,134	-	-
Short term borrowing		-	5,132,815,738	5,132,815,738	-	-
Accrued profit / interest / mark-up		-	157,858,691	157,858,691	-	-
31 December 2016	16.1	-	20,971,217,196	20,971,217,196	-	-
30 September 2016		-	18,099,622,378	18,099,622,378	-	-

16.1 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of their fair values.

17 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 24 January 2017.

18 FIGURES

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

CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION (UN-AUDITED)

Directors' Review

on Condensed Interim Consolidated Financial Information

I am pleased to present the condensed interim consolidated financial information of JDW Sugar Mills Limited (the "Holding Company") and its Subsidiary Companies Deharki Sugar Mills (Private) Limited and Faruki Pulp Mills Limited ("the Group") for the quarter ended December 31, 2016.

The Deharki Sugar Mills (Private) Limited ("DSML") was incorporated as a Private Limited Company under the Companies Ordinance 1984. The Principal activity of Subsidiary Company is production and sale of crystalline sugar. The Holding Company Holds 100% shares of the subsidiary company.

Faruki Pulp Mills Limited ("FPML") was incorporated as a Public Limited Company under the Companies Ordinance, 1984. The Company will be engaged in the manufacture and sale of paper pulp. The Holding Company Holds 57.67% shares of the subsidiary company.

It is being confirmed that to the best of our knowledge, these condensed interim consolidated financial information for the quarter ended December 31, 2016 give a true and fair view of the assets, liabilities, financial position and financial results of the group and are in conformity with approved accounting standards as applicable in Pakistan.

The condensed interim consolidated financial results are as follows:

	31-Dec-16	31-Dec-15
	(Rs. in Million)	
Gross Sales	12,973	11,956
Net Sales	11,791	11,079
Operating Profit	1,377	781
Profit before Tax	1,014	340
Profit after Tax	740	177

Director has given their detailed review report of affairs of the Holding Company as well as Subsidiary Companies in Directors' review to the shareholders of Holding Company.

On behalf of the Board of Directors

Dated: 24 January 2017

Raheel Masud
Chief Executive

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET (UN-AUDITED) AS AT 31 DECEMBER 2016

	Note	(Un-audited) 31-Dec-16 Rupees	(Audited) 30-Sep-16 Rupees
SHARE CAPITAL AND RESERVES			
Share capital	6	597,766,610	597,766,610
Share premium reserve		678,316,928	678,316,928
Accumulated profit		8,698,482,220	7,957,485,567
Equity attributable to the owners of the Holding Company		9,974,565,758	9,233,569,105
Non controlling interest		485,663,256	486,430,148
		10,460,229,014	9,719,999,253
NON CURRENT LIABILITIES			
Redeemable capital - secured	7	55,555,553	83,333,333
Long term finances - secured	8	9,824,536,118	10,103,138,981
Liabilities against assets subject to finance lease		481,173,366	495,823,654
Deferred taxation		2,086,236,239	1,869,360,530
Retirement benefits		5,671,061	106,839,313
		12,453,172,337	12,658,495,811
CURRENT LIABILITIES			
Short term borrowings - secured	9	6,622,734,289	3,594,347,767
Current portion of non current liabilities		3,945,594,401	3,816,448,480
Trade and other payables		10,478,654,509	7,962,291,146
Accrued profit / interest / mark-up		169,242,766	132,500,195
Provision for taxation		28,574,725	65,253,498
		21,244,800,690	15,570,841,086
CONTINGENCIES AND COMMITMENTS			
	10	44,158,202,041	37,949,336,150
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	11	24,278,935,885	24,203,769,418
Biological assets		104,376,811	7,279,311
Investment property		196,467,698	196,467,698
Intangible assets		1,077,459,112	1,078,098,811
Long term investments	12	-	-
Long term advances		11,194,445	18,430,247
Long term deposits		131,222,655	111,510,138
		25,799,656,606	25,615,555,623
CURRENT ASSETS			
Biological assets		1,543,821,710	2,240,966,107
Stores, spare parts and loose tools		1,471,262,406	1,335,033,812
Stock in trade		10,758,995,493	5,287,410,535
Trade debts - unsecured		1,139,344,114	1,046,012,899
Advances, deposits, prepayments and other receivables		1,299,450,612	1,543,949,118
Advance tax- net		939,419,284	848,667,402
Cash and bank balances	13	1,206,251,816	31,740,654
		18,358,545,435	12,333,780,527
		44,158,202,041	37,949,336,150

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

Chief Executive

Director

**CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED 31 DECEMBER 2016**

	Note	31-Dec-16 Rupees	31-Dec-15 Rupees
Gross sales		12,973,433,941	11,956,095,658
Sales tax, federal excise duty and others		(1,182,788,094)	(876,971,390)
Net sales	14	11,790,645,847	11,079,124,268
Cost of sales		(10,132,868,830)	(10,093,408,211)
Gross profit		1,657,777,017	985,716,057
Administrative expenses		(275,108,725)	(220,664,670)
Selling expenses		(11,270,843)	(12,431,885)
Other income		70,305,762	53,769,965
Other expenses		(64,648,258)	(25,517,856)
		(280,722,064)	(204,844,446)
Profit from operations		1,377,054,953	780,871,611
Finance cost		(363,185,248)	(426,724,611)
		1,013,869,705	354,147,000
Share of loss of associated companies		–	(14,169,790)
Profit before taxation		1,013,869,705	339,977,211
Taxation		(273,639,944)	(163,350,099)
Profit after taxation		740,229,761	176,627,112
Attributable to:			
Equity holders of the Holding Company		740,996,653	185,873,028
Non-controlling interest		(766,892)	(9,245,916)
		740,229,761	176,627,112
Basic & diluted earnings per share		12.38	2.95

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

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED 31 DECEMBER 2016**

	31-Dec-16 Rupees	31-Dec-15 Rupees
Profit after taxation	740,229,761	176,627,112
Other comprehensive income	–	–
Total comprehensive income for the period	740,229,761	176,627,112
Attributable to:		
Equity holders of the Holding Company	740,996,653	185,873,028
Non controlling interest	(766,892)	(9,245,916)
	740,229,761	176,627,112

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

Chief Executive

Director

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 31 DECEMBER 2016

	31-Dec-16 Rupees	31-Dec-15 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,013,869,705	339,977,211
Adjustments for non cash and other items:		
Finance cost	363,185,248	426,724,611
Depreciation	320,482,827	368,244,312
Amortisation	520,726	525,998
Staff retirement benefits	24,431,349	38,018,159
Workers' profit participation fund	54,019,194	19,220,402
Workers' welfare fund	10,629,063	5,722,339
Profit/ (Loss) on disposal of operating assets	(5,342,422)	575,116
Share of loss of associated companies	-	14,169,790
	767,925,985	873,200,727
Operating profit before working capital changes	1,781,795,690	1,213,177,938
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(52,419,236)	(119,157,098)
Stock in trade	(5,471,584,958)	(632,678,689)
Biological assets	600,046,898	558,855,789
Advances, deposits, prepayments and other receivables	751,002,351	708,946,819
Trade debts	(93,331,216)	267,154,550
	(4,266,286,161)	783,121,371
Increase in current liabilities		
Trade and other payables	2,524,066,212	2,987,680,243
Cash generated from operations	39,575,741	4,983,979,552
Income tax paid	(184,148,543)	(38,042,108)
Staff retirement benefits paid	(124,606,678)	(35,887,819)
	(308,755,221)	(73,929,927)
Net cash (used in) / generated from operations	(269,179,480)	4,910,049,625
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment	(1,039,217,483)	(1,011,175,378)
Proceeds realized from sale of operating assets	11,119,637	1,468,138
Long term advances	11,375,308	-
Long term deposits - net	(19,712,517)	(5,581,664)
Net cash used in investing activities	(1,036,435,055)	(1,015,288,904)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term finances - net	(156,380,643)	(88,156,496)
Short term borrowings - net	3,028,386,523	(2,488,635,119)
Finance cost paid	(264,041,537)	(481,151,533)
Dividend paid	(186,376)	(8,456,146)
Lease rentals	(127,652,270)	(153,396,541)
Net cash generated from / (used in) financing activities	2,480,125,697	(3,219,795,835)
Net increase in cash and cash equivalents	1,174,511,162	674,964,886
Cash and cash equivalents at the beginning of the period	31,740,654	66,326,779
Cash and cash equivalents at the end of the period	1,206,251,816	741,291,665

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

Chief Executive

Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED 31 DECEMBER 2016

	Attributable to equity holders of the Holding Company							
	Share Capital	Capital Share Premium		Reserves		Sub Total	Non-Controlling Interest	
		Rupees	Rupees	Revenue Accumulated Profit	Rupees			Rupees
		Rupees	Rupees	Rupees	Rupees			Rupees
Balance as at 01 October 2015	597,766,610	678,316,928	5,772,211,315	6,450,528,243	7,048,294,853	328,934	7,048,623,787	
Non-Controlling Interest at the time of acquisition	-	-	-	-	-	1,815,946,825	1,815,946,825	
Other comprehensive income for the quarter ended	-	-	185,873,028	185,873,028	185,873,028	(9,245,916)	176,627,112	
Balance as at 31 December 2015	<u>597,766,610</u>	<u>678,316,928</u>	<u>5,958,084,343</u>	<u>6,636,401,271</u>	<u>7,234,167,881</u>	<u>1,807,029,843</u>	<u>9,041,197,724</u>	
Balance as at 01 October 2016	597,766,610	678,316,928	7,957,485,567	8,635,802,495	9,233,569,105	486,430,148	9,719,999,253	
Other comprehensive income for the quarter ended	-	-	740,996,653	740,996,653	740,996,653	(766,892)	740,229,761	
Balance as at 31 December 2016	<u>597,766,610</u>	<u>678,316,928</u>	<u>8,698,482,220</u>	<u>9,376,799,148</u>	<u>9,974,565,758</u>	<u>485,663,256</u>	<u>10,460,229,014</u>	

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

Chief Executive

Director

1 STATUS AND NATURE OF BUSINESS

- 1.1 The Group comprises of
- JDW Sugar Mills Limited (“the Holding Company”);
 - Deharki Sugar Mills (Private) Limited - “DSML” (“the Subsidiary Company”); and
 - Faruki Pulp Mills Limited - “FPML” (“the Subsidiary Company”).

JDW Sugar Mills Limited (“the Holding 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 Holding Company are listed on the Pakistan Stock Exchange. The registered office of the Holding Company is situated at 17 - Abid Majeed Road, Lahore Cantonment, Lahore. The principal activity of the Holding Company is production and sale of crystalline sugar, electricity and managing corporate farms.

- 1.2 Deharki Sugar Mills (Private) Limited (“the Subsidiary Company”) was incorporated in Pakistan on 14 July 2010 as a Private Limited Company under the Companies Ordinance, 1984. The registered office of the Subsidiary Company is situated at 17-Abid Majeed Road, Lahore Cantonment, Lahore. The principal activity of the Subsidiary Company is manufacturing and sale of crystalline sugar. The Subsidiary Company started its commercial production on 03 December 2011. The Holding Company holds 100% shares of the Subsidiary Company.

- 1.3 Faruki Pulp Mills Limited (“the Subsidiary Company”) was incorporated in Pakistan on 20 October 1991 as a Public Limited Company under the Companies Ordinance, 1984. The Subsidiary Company will be engaged in the manufacture and sale of paper pulp. The production facility is situated 20 km from Gujrat and the registered office is situated at 13- B, Block -K, Main Boulevard Gulberg II Lahore. The Holding Company holds 57.67% shares of the Subsidiary Company at the end of the quarter.

- 1.4 The Holding Company 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.

- 1.5 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 Holding 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

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 2016.

The condensed interim consolidated financial information includes the financial information of JDW, its subsidiary and associates (“Group”) for the period ended 31 December 2016.

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

3 USE OF ESTIMATES AND JUDGMENTS

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects 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 consolidated 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 2016.

4.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Holding Company and its subsidiary companies. The accounting policies have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED 31 DECEMBER 2016

Subsidiaries

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.

Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Holding Company's interest in the subsidiaries that do not result in a loss of control are accounted for as equity transactions.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions 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 sugar cane crushing season starts from November and lasts till April each year.

	(Un-audited) 31-Dec-16 Rupees	(Audited) 30-Sep-16 Rupees
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6 SHARE CAPITAL

6.1 Authorized capital		
75,000,000 (30 September 2016: 75,000,000) ordinary shares of Rs. 10 each	750,000,000	750,000,000
25,000,000 (30 September 2016: 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>

	(Un-audited) 31-Dec-16 Rupees	(Audited) 30-Sep-16 Rupees
6.2 Issued, subscribed and paid-up capital		
32,145,725 (30 September 2016: 32,145,725)		
ordinary shares of Rs. 10 each fully paid in cash	321,457,250	321,457,250
27,630,936 (30 September 2016: 27,630,936)		
voting 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>

7 REDEEMABLE CAPITAL - SECURED

During the period, the Company has repaid Rs. 27.77 million (30 September 2016: Rs. 111.11 million) to TFC holders. Amounts due in next twelve months amounting to Rs. 111.11 million (30 September 2016: Rs. 111.11 million) are included in current portion presented under current liabilities. These carry mark-up at three months KIBOR plus 100 bps per annum.

	(Un-audited) 31-Dec-16 Rupees	(Audited) 30-Sep-16 Rupees
8 LONG TERM FINANCES - SECURED		
Balance at beginning of the period / year		
Conventional mode of financing	12,193,498,661	10,169,054,071
Islamic mode of financing	1,264,000,000	734,000,000
	<u>13,457,498,661</u>	<u>10,903,054,071</u>
Add: Loans received during the period / year		
Conventional mode of financing	500,000,000	6,353,643,718
Islamic mode of financing	-	690,000,000
	<u>500,000,000</u>	<u>7,043,643,718</u>
	<u>13,957,498,661</u>	<u>17,946,697,789</u>
Less: Repayments during the period / year		
Conventional mode of financing	(586,602,863)	(4,329,199,128)
Islamic mode of financing	(42,000,000)	(160,000,000)
	<u>(628,602,863)</u>	<u>(4,489,199,128)</u>
	<u>13,328,895,798</u>	<u>13,457,498,661</u>
Current maturity presented under current liabilities	<u>(3,504,359,680)</u>	<u>(3,354,359,680)</u>
	<u>9,824,536,118</u>	<u>10,103,138,981</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED 31 DECEMBER 2016

9 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 Company for the year ended 30 September 2016.

	(Un-audited) 31-Dec-16 Rupees	(Audited) 30-Sep-16 Rupees
9.1 Type of short term borrowings		
Conventional mode of financing	5,443,686,289	2,544,347,767
Islamic mode of financing	1,179,048,000	1,050,000,000
	<u>6,622,734,289</u>	<u>3,594,347,767</u>

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There is no material change in contingencies from preceding annual published financial statements of the Group for the year ended 30 September 2016.

	(Un-audited) 31-Dec-16 Rupees	(Audited) 30-Sep-16 Rupees
10.1.1 Counter guarantee given on account of agricultural loan to growers	<u>2,507,000,000</u>	<u>3,213,000,000</u>
10.1.2 Letters of guarantee in favour of various parties		
Holding Company - JDWSML	126,010,000	83,000,000
Subsidiary Company - DSML	<u>7,500,000</u>	<u>7,500,000</u>
10.1.3 Cross corporate guarantees for subsidiary company-DSML	<u>2,423,019,728</u>	<u>2,571,019,728</u>
10.2 Commitments		
Letters of credit for import of machinery and its related components		
Holding Company - JDWSML	19,687,265	301,369,738
Subsidiary Company - DSML	<u>4,388,405</u>	<u>17,930,824</u>

11 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited) 31-Dec-16 Rupees	(Audited) 30-Sep-16 Rupees
Operating fixed assets	11.1	23,036,495,900	22,151,628,694
Capital work in progress		1,242,439,985	1,968,331,366
Stores, spare parts and loose tools held for capital expenditure			83,809,358
		<u>24,278,935,885</u>	<u>24,203,769,418</u>
11.1 Operating fixed assets			
Net book value as at beginning of the period / year		22,151,628,694	20,673,979,655
Additions/ Adjustments during the period / year		1,251,016,143	3,206,343,734
Disposals/ Adjustments during the period / year		(3,840,178)	(124,128,277)
Depreciation charged during the period / year		(362,308,759)	(1,604,566,418)
		<u>23,036,495,900</u>	<u>22,151,628,694</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED 31 DECEMBER 2016

12 LONG TERM INVESTMENTS

	Note	(Un-audited) 31-Dec-16 Rupees	(Audited) 30-Sep-16 Rupees
Investment in associated companies - unquoted			
Cost of investments			
As at 01 October		90,000,000	2,134,648,050
Acquired during the year		–	–
Advance for future issuance of shares		–	1,109,778,333
		90,000,000	3,244,426,383
Share of loss			
As at 01 October		(90,000,000)	(660,917,678)
Share of loss for the period / year		–	(14,169,790)
As at 30 September/ 31 December		(90,000,000)	(675,087,468)
Loss on de-recognition of investment in associate		–	(1,438,124,766)
Fair value of net assets of subsidiary at the date of acquisition including advance for issue of shares		–	(1,131,214,149)
		–	(2,569,338,915)
	12.1, & 12.2	–	–
12.1 Faruki Pulp Mills Limited (“FPML”)			
Cost of investment			
310,892,638 (30-Sep-2016: 310,892,638) fully paid shares of Rs. 10 each			
Equity held in 2016: 57.67%		–	2,044,648,050
Advance for future issuance of shares		–	1,109,778,333
		–	3,154,426,383
Share of loss			
As at 01 October		–	(570,917,678)
Share of loss for the year		–	(14,169,790)
Share of other comprehensive income		–	–
		–	(585,087,468)
Transfer to investment in subsidiary including loss on de-recognition of associate		–	(2,569,338,915)
As at 30 September/ 31 December		–	–
12.2 JDW Power (Private) Limited (“JDWPL”)			
Cost of investment			
9,000,000 (30-Sep-2016: 9,000,000) fully paid shares of Rs. 10 each			
Equity held 47.37% (30-Sep-2016: 47.37%)		90,000,000	90,000,000
Share of loss			
Opening Balance		(90,000,000)	(90,000,000)
Share of loss for the year / period		–	–
		(90,000,000)	(90,000,000)
As at 30 September/ 31 December		–	–

13 CASH AND BANK BALANCES

	(Un-audited) 31-Dec-16 Rupees	(Audited) 30-Sep-16 Rupees
Current accounts		
Deposit with conventional banks	869,428,847	25,527,644
Deposit with islamic banks	29,886,271	1,744,853
	899,315,118	27,272,497
Saving accounts		
Deposit with conventional banks	35,144,457	872,471
	934,459,575	28,144,968
Cash in hand	271,792,241	3,595,686
	<u>1,206,251,816</u>	<u>31,740,654</u>

14 NET SALES

	31-Dec-16 Rupees	31-Dec-15 Rupees
Sugar	10,934,979,173	11,008,662,884
Agriculture produce	558,841,463	640,000
Molasses - by product	618,378,050	402,931,624
Electricity	861,235,255	543,861,150
	12,973,433,941	11,956,095,658
Less: Sales tax, federal excise duty and others	(1,182,788,094)	(876,971,390)
	<u>11,790,645,847</u>	<u>11,079,124,268</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED 31 DECEMBER 2016

15 BUSINESS SEGMENTS INFORMATION

15.1 The Group's reportable segments are as follows:

Reportable Segment

- Sugar segment
 - Co-Generation segment
 - Corporate farms segment
 - Other segment
- Operations**
- Production and sale of crystalline sugar and other related joint and by-products.
 - Generation and sale of electricity.
 - Managing corporate farms for cultivation of sugar cane and the small quantity of cotton.
 - Project under construction for manufacture and sale of wood pulp.

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

	Sugar		Co-Generation		Corporate Farms		Other Segment		Inter Segment Reconciliation		Total	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
15.2.1 Segment revenues & results												
Net external revenues	11,028,163,220	10,608,575,053	782,122,127	489,909,215	340,500	640,000	-	-	-	-	11,790,645,847	11,079,124,268
Inter-segment revenues	490,830,700	321,921,339	474,236,882	292,872,613	1,370,699,454	985,057,056	-	-	(2,335,767,036)	(1,599,851,008)	-	-
Reportable segment revenue	11,519,013,920	10,930,496,392	1,236,359,009	782,781,828	1,371,039,954	985,697,056	-	-	(2,335,767,036)	(1,599,851,008)	11,790,645,847	11,079,124,268
Segment profit/ (loss) before tax	449,630,704	246,482,448	490,842,820	190,598,897	75,262,099	(97,084,134)	-	-	-	-	1,013,869,705	339,977,211
15.2.2 Inter-segment sales and purchases												
Inter-segment sales and purchases have been eliminated from total figures.												
15.2.3 Basis of inter-segment pricing												
All inter-segment transfers are made at fair value.												
15.2.4 Segment assets & liabilities												
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
Sugar	31-Dec-16	30-Sep-16	31-Dec-16	30-Sep-16	31-Dec-16	30-Sep-16	31-Dec-16	30-Sep-16	31-Dec-16	30-Sep-16	31-Dec-16	30-Sep-16
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Total assets for reportable segment	31,998,719,377	27,494,094,716	6,895,798,982	7,739,295,749	5,415,567,521	7,239,749,284	2,184,423,197	1,697,081,142	(2,335,767,036)	(6,210,884,741)	44,158,202,041	37,949,336,150
Total liabilities for reportable segment	31,595,195,947	27,183,716,284	3,778,692,947	6,475,148,432	612,492,733	733,132,477	47,398,436	48,224,465	(2,335,767,036)	(6,210,884,741)	33,897,973,027	28,229,336,897
15.3 Reconciliation of reportable segment profit and loss												
Total profit before tax for reportable segments											1,013,869,705	339,977,211
Unallocated corporate expenses											(273,639,944)	(163,350,089)
Profit after taxation											740,229,761	176,627,122

16 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

	Note	Carrying Amount		Fair Value		
		Loans and receivables at amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2
(Rupees)						
On Balance Sheet Financial Instruments						
Financial assets not measured at fair value						
Cash and bank balances		1,206,251,816	-	1,206,251,816	-	-
Advances, deposits and other receivables		49,315,299	-	49,315,299	-	-
Trade debts - unsecured		1,139,344,114	-	1,139,344,114	-	-
Long term advances		11,194,445	-	11,194,445	-	-
31 December 2016	16.1	2,406,105,674	-	2,406,105,674	-	-
30 September 2016		1,282,078,957	-	1,282,078,957	-	-
Financial liabilities not measured at fair value						
Redeemable capital - secured		-	166,666,664	166,666,664	-	-
Long term financing - secured		-	13,328,895,798	13,328,895,798	-	-
Liabilities against assets subject to finance lease		-	796,505,571	796,505,571	-	-
Trade and other payables		-	3,129,551,330	3,129,551,330	-	-
Short term borrowing		-	6,622,734,290	6,622,734,290	-	-
Accrued profit / interest / mark-up		-	169,242,766	169,242,766	-	-
31 December 2016	16.1	-	24,213,596,419	24,213,596,419	-	-
30 September 2016		-	19,728,459,134	19,728,459,134	-	-

16.1 The Group has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of their fair values.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED 31 DECEMBER 2016

17 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:

		31-Dec-16 Rupees	31-Dec-15 Rupees
Relationship	Nature of Transactions		
Associated Companies	Reimbursement of expenses	5,962,417	500,000
	Sale of molasses	-	242,345
	Rent on land given on lease	-	3,482,897
	Rent on land acquired on lease	-	933,750
	Reimbursement on use of Company's aircraft	-	14,914,234
Other Related Parties	Provident fund contribution	39,410,852	31,143,608
Key Management Personnel	Consultancy services	2,079,384	1,621,632

18 DATE OF AUTHORIZATION

The condensed interim consolidated financial information for the quarter ended 31 December 2016 was authorized for issue by the Board of Directors on 24 January 2017.

19 FIGURES

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

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