



**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH ENDED
JUNE 30, 2015**



**JAUHARABAD
Sugar Mills Limited**
(Formerly "Kohinoor Sugar Mills Limited")

Head Office:
Office No. 11-12, 4th Floor, All Tower,
M.M. Alam Road, Gulberg III, Lahore Pakistan.
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DIRECTORS' REVIEW

Dear Members, Assalam-O-Alaikum

On behalf of the Board of Directors and myself, I am pleased to present before you the un-audited financial statements of the Company for the nine months ended June 30, 2015.

The sector's performance in Punjab remained under stress mainly due to inadequate government policies to neutralize the adverse impact of raise in sugarcane support price just before the start of crushing season. However despite this fact the Company has managed to post profits in first nine month of the financial year. Management's firm commitment, to utilize all the available resources to revitalize the acquired project within two seasons, has resulted in improvement of financial performance, successfully managed to pay-off the growers, supplier and financial commitments. Further improvement is expected in the later period of this financial year.

Lahore:
July 30, 2015


GHIAS UL HASAN
Chief Executive

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As At June 30, 2015

	Note	Un-audited 30-Jun-15	Audited 30-Sep-14
(Rupees in thousands)			
Non-current assets			
Fixed assets	6	2,262,627	2,291,389
Long term deposits		429	429
		<u>2,263,056</u>	<u>2,291,818</u>
Current assets			
Stores and spares		101,525	106,868
Stock-in-trade		690,074	40,674
Loans and advances		13,240	11,033
Deposits, prepayments and other receivables		74,628	75,151
Cash and bank balances		226,412	7,346
		<u>1,105,879</u>	<u>241,072</u>
Current liabilities			
Trade and other payables		408,790	200,398
Accrued mark-up		30,609	2,522
Short Term Borrowing		643,246	20,000
Current portion of long term financing	7	11,632	13,087
		<u>1,094,277</u>	<u>236,007</u>
Working capital employed		<u>11,602</u>	<u>5,065</u>
		<u>2,274,658</u>	<u>2,296,883</u>
Non-current liabilities			
Long term financing	7	17,450	26,174
Sponsors' loan - unsecured		908,366	885,311
Long term advances		115,000	158,500
Long term provision		1,309	1,309
Deferred Taxation		155,047	155,047
		<u>1,197,172</u>	<u>1,226,341</u>
Contingencies and commitments	8	-	-
Net capital employed		<u>1,077,486</u>	<u>1,070,542</u>
Represented by:			
Share capital and reserves			
Authorized share capital		<u>200,000</u>	<u>200,000</u>
Share capital		109,098	109,098
Capital reserve - premium on right shares		26,879	26,879
Revenue reserves			
General reserve		62,000	62,000
Accumulated losses		(166,983)	(194,861)
		<u>(104,983)</u>	<u>(132,861)</u>
		30,994	3,116
Surplus on revaluation of fixed assets - net of tax		<u>1,046,492</u>	<u>1,067,426</u>
		<u>1,077,486</u>	<u>1,070,542</u>

The annexed notes 1 to 12 form an integral part of the interim financial information.

Lahore:
July 30, 2015

AMJ [REDACTED] SAIN
Director

[REDACTED]
GHIAS UL HASAN
Chief Executive

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
(UN-AUDITED)**

For The Nine Month Ended June 30, 2015

	Note	Nine months period ended June 30		Three months period ended June 30	
		2015	2014	2015	2014
(Rupees in thousands)					
Sales		781,728	1,328,234	240,534	188,812
Cost of sales	9	698,939	1,422,576	200,910	176,795
Gross loss		82,789	(94,342)	39,624	12,017
Operating expenses:					
Administrative expenses		50,455	47,879	13,045	16,138
Distribution cost		2,399	5,886	1,309	3,545
Other operating charges		550	670	-	-
		53,404	54,435	14,354	19,683
Operating loss		29,385	(148,777)	25,270	(7,666)
Finance cost		(39,365)	(8,237)	(21,837)	(1,221)
Other income / (expense)		24,741	1,248	-	24
Loss before taxation		14,761	(155,766)	3,433	(8,863)
Taxation		(7,817)	-	(2,405)	-
Loss after taxation		6,944	(155,766)	1,028	(8,863)
Other comprehensive income for the period					
Incremental depreciation for the period		20,934	24,415	10,780	7,997
Total comprehensive loss for the period		27,878	(131,351)	11,808	(866)
Profit/ (Loss) per share - (Rupees)		0.64	(14.28)	0.09	(0.81)

The annexed notes 1 to 12 form an integral part of the interim financial information.

Lahore:
July 30, 2015

AMJ

Director

SAIN

GHIAS UL HASAN

Chief Executive

**CONDENSED INTERIM STATEMENT OF CASH FLOWS
(UN-AUDITED)**

For The Nine Month Ended June 30, 2015

	Nine months period ended	
	June 30	
	2015	2014
	(Rupees in thousands)	
Cash flow from operating activities		
Loss before taxation	14,761	(155,766)
Adjustments for:		
Depreciation	47,922	39,903
Advances Adjusted against goods	(43,500)	
Finance cost	39,365	8,237
Markup Written Off	(24,741)	-
Gain on disposal of fixed assets	-	(1,224)
Loss before working capital changes	33,807	(108,850)
Working capital changes		
Stores and spares	5,343	493
Stock in trade	(649,400)	(36,587)
Loans and advances	(2,207)	3,224
Deposits, prepayments and other receivables	1,327	(2,863)
Trade and other payables	208,392	195,208
	(436,545)	159,475
Cash generated from operations	(402,738)	50,625
Financial cost	(11,278)	(32,860)
Dividend Paid	-	(13)
Taxes paid	(8,621)	(8,977)
Net cash generated from operating activities	(422,637)	8,775
Cash flow from investing activities		
Addition to fixed assets	(19,160)	(52,089)
Long term deposits	-	30
Long Term Advances	-	80,000
Proceeds from sale of fixed assets	-	1,370
Net cash (used in) / generated from investing activities	(19,160)	29,311
Cash flow from financing activities		
Long term finances	(10,179)	(110,174)
Short term borrowings	623,246	-
Sponsors' loan	47,796	68,008
Net cash used in financing activities	660,863	(42,166)
Net decrease in cash and cash equivalents	219,066	(4,080)
Cash and cash equivalents at beginning of the period	7,346	4,902
Cash and cash equivalents at the end of the period	226,412	822

The annexed notes 1 to 12 form an integral part of the interim financial information.

Lahore:
July 30, 2015

AMJ [Signature] SAIN
Director

[Signature]
GHIAS UL HASAN
Chief Executive

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(UN-AUDITED)**

For The Nine Month Ended June 30, 2015

	Share capital	Share premium	General reserve	Revaluation surplus	Accumulated losses	Total
Balance as on Oct 01, 2013	109,098	26,879	62,000	1,088,406	(176,950)	1,109,433
Total comprehensive loss for the period	-	-	-	-	(131,351)	(131,351)
Incremental depreciation	-	-	-	(24,415)	-	(24,415)
Balance as on June 30, 2014	<u>109,098</u>	<u>26,879</u>	<u>62,000</u>	<u>1,063,991</u>	<u>(308,301)</u>	<u>953,667</u>
Balance as on Oct 01, 2014	109,098	26,879	62,000	1,067,426	(194,861)	1,070,542
Total comprehensive loss for the period	-	-	-	-	27,878	27,878
Incremental depreciation for the period	-	-	-	(20,934)	-	(20,934)
Balance as on June 30, 2015	<u>109,098</u>	<u>26,879</u>	<u>62,000</u>	<u>1,046,492</u>	<u>(166,983)</u>	<u>1,077,486</u>

The annexed notes 1 to 12 form an integral part of the interim financial information.

Lahore:
July 30, 2015

AMJ [REDACTED] SAIN
Director

[REDACTED]
GHIAS UL HASAN
Chief Executive

**NOTES TO THE FINANCIAL STATEMENT
(UN-AUDITED)**

For The Nine Month Ended June 30, 2015

1 Reporting entity

Jauharabad Sugar Mills Limited ("the Company") formally known as Kohinoor Sugar Mills Limited was incorporated in incorporated in Pakistan in 1968 under repealed Companies Act 1913 (now Companies Ordinance, 1984). The shares of the Company are listed on the Karachi and Lahore Stock Exchanges. The registered office of the Company is situated at office No. 11 & 12 4th Floor, Ali tower M.M. Alam Road Gulberg-III, Lahore, and the mills are located at Jauharabad, District Khushab, Pakistan. The principal activity of the Company is manufacturing and sale of sugar and its by-products.

2 Significant matters

The Company has managed to secure a positive financial results for the period. The management anticipates the strengthening of shareholder's investment by optimum utilization of all available resources with the company.

3 Basis of preparation

3.1 Statement of compliance

These interim financial information of the Company for the nine month ended June 30, 2015 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures made in this interim financial information of the Company have, however, been limited based on the requirements of the International Accounting Standard 34 - Interim Financial Reporting thus these 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 September 30, 2014. These interim financial information are un-audited and are being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and Listing Regulations of Stock Exchange of Pakistan.

The comparative financial position presented in these interim financial information have been extracted from the audited financial statements of the Company for the year ended September 30, 2014, whereas the comparative condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the nine month ended June 30, 2014.

3.2 Functional and presentation currency

The condensed interim financial information are presented in Pak Rupees which is the functional and presentation currency of the Company.

3.3 Critical accounting estimates and judgments

Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those applied to the preceding annual published financial statements of the Company for the year ended 30 September, 2014.

4 Accounting policies and computation methods

The accounting policies adopted for the preparation of these financial information are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended September 30, 2014.

5 Seasonality of operations

The Company is inter-alia, engaged in manufacturing of sugar for which the season begins in November / December and ends in March / April. Therefore, majority of the expenses are incurred and production activities are undertaken in first half of the Company's financial year thus increasing volume of inventories and current liabilities at the end of the first half.

6 Fixed assets	Un-audited June 30 2015	Audited Sep. 30 2014
	<i>Note</i>	
Property, plant and equipment/CWIP		
Opening balance	2,291,389	2,245,286
Additions during the period / year	19,160	106,271
Disposals / adjustments during the period / year	-	(146)
	2,310,549	2,351,411
Depreciation charged during the period / year	(47,922)	(60,022)
	2,262,627	2,291,389

7 Long term financing - Secured

	Un-audited June 30 2015	Audited Sep. 30 2014
Faysal Bank Limited	29,082	39,261
	29,082	39,261
Current portion	(11,632)	(13,087)
	17,450	26,174

8 Contingencies and commitments

8.1 Contingencies

There were no known quantifiable contingencies as on June 30, 2015 except performance bond of Rs. 3.855 million (September 30, 2014 Rs. 3.855 million) provided to TCP against supply of 3,000 M.Tons of sugar.

Since Federal Excise Duty (FED) is leviable on goods produced or manufactured, therefore FED is not leviable on sale of sugar produced prior to the Finance Bill 2011. Hence FED amounting to Rs. 58.881 million has not been accounted for in these financial statements. The Company has filed a writ petition in the honorable Lahore High Court against FBR show cause notice dated 19-09-2012 against the demand of 58.881 million.

The Income Tax Department raised a demand of Rs. 197,075 million on account of non deduction of tax while making payments to sugar cane suppliers. The demand has abolished by the commissioner of income tax like in some other similar cases. However, the department has filed an appeal against the commissioner order. The company is hopeful that the tribunal decision would be in its favor.

8.2 Commitments

Commitments in respect of capital expenditure were Rs. 15.2 million (September 30, 2014: Rs.8.145 million).

9 Cost of sales	Nine months period ended		Three months period ended	
	June 30		June 30	
	2015	2014	2015	2014
(Rupees in thousands)				
Raw material Cane purchased & consumed	1,164,758	1,227,790	-	9,752
Salaries, wages and other benefits	55,695	51,265	8,496	5,265
Chemicals, fuel, lubes and packing material	29,743	35,849	-	90
Manufacturing expenses	51,668	104,456	4,697	7,244
Depreciation	46,484	39,903	12,127	12,760
	1,348,348	1,459,263	25,320	35,111
Work-in-process - (net)	210	(988)	(56)	(107)
Cost of goods manufactured	1,348,558	1,458,275	25,264	35,004
Opening stock of finished goods	37,950	436,971	863,215	614,461
	1,386,508	1,895,246	888,479	649,465
Closing stock of finished goods	(687,569)	(472,670)	(687,569)	(472,670)
Cost of sales	698,939	1,422,576	200,910	176,795

10 Transaction with related parties	Un-audited	Audited
	June 30	Sep. 30
	2015	2014
(Rupees in thousands)		
Provident Fund Trust (Contribution to PF)	899	1,183
Sponsors' Loan (paid) / disbursed	47,796	211,201

11 Date of authorization

These financial information were authorized for issue on July 30, 2015 by the board of directors of the Company.

12 General

Figures have been rounded off to the nearest thousand rupees.

Corresponding figures have been rearranged wherever necessary for comparison purposes. However, no material reclassification has been made.

Lahore:
July 30, 2015

AMJ [Signature] SAIN
Director

[Signature] GHIAS UL HASAN
Chief Executive