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company information

BOARD OF DIRECTORS

Mr. Ghias Ul Hasan	Chief Executive
Mr. Atif Zaheer Farooqi	
Mr. Amjad Bashir Hussain	
Mr. Shahrukh Taimour	CPL Nominee
Mr. Kamran Zahoor	CPL Nominee
Mr. Farhan Ilyas	CPL Nominee
Mr. Amjad Mehmood	CPL Nominee

AUDIT COMMITTEE

Mr. Amjad Bashir Hussain	Chairman
Mr. Farhan Ilyas	Member
Mr. Amjad Mehmood	Member

COMPANY SECRETARY

Mr. Imran Ilyas

AUDITORS

UHY Hassan Naeem & Co.
Chartered Accountants

BANKERS

Faysal Bank Limited
Albaraka Bank (Pakistan) Limited
MCB Bank Limited

SHARE REGISTRAR

Corplink (Pvt.) Limited

LEGAL ADVISOR

Mr. Talha Saif

REGISTERED OFFICE

Office # 11-12, 4th Floor,
Ali Tower, MM Alam Road
Gulberg III, Lahore.

MILLS

Jauharabad,
District Khushab.

statement of ethics & business practices

Code of ethics is a pre-requisite for all directors and employees of Jauharabad Sugar Mills Limited. We endeavor to have fully groomed employees committed to carry out honestly the activities assigned to them. Our aim is to have high standard of excellence for the products and for all those involved with our Company.

vision statement

To become a market leader in the Industry setting out high quality standards for the Company and others to follow.

mission statement

To produce quality sugar and molasses by maintaining a high standard of efficiency and staying competitive to ensure customer satisfaction and to provide a comfortable level of return to all stakeholders.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Seventh Annual General Meeting of the Company will be held on Saturday, January 30, 2016 at 11:30 a.m., at the Registered Office No. 11&12, 4th Floor, Ali Tower, M.M. Alam Road, Gulberg-III, Lahore, to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the Extra Ordinary General Meeting held on July 31, 2015.
2. To review and adopt the audited accounts together with Directors' and Auditors' report for the year ended September 30, 2015.
3. To appoint Auditors and to fix their remuneration.
4. Any other business with the permission of the chair.

By order of the Board



(Imran Ilyas)
Company Secretary

Lahore: January 07, 2016.

NOTES:

1. The share transfer books of the Company will be closed from Saturday, January 23, 2016 to Saturday, January 30, 2016 (both days inclusive). Transfers received in order at the share department of the Company, M/s Corplink (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore up to the close of business on Friday, January 22, 2016 will be treated in time for entitlement to vote for in the Annual General Meeting.
2. A member entitled to attend and vote at the meeting may appoint another person as his/her proxy to attend and vote on his/her behalf. In case of corporate entity, the Board of Directors Resolution/Power of Attorney with specimen signature of the representative shall be submitted along with Proxy Form to the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company 48 hours before the time of holding of the meeting.
3. Those members who have deposited their shares with the Central Depositor Company (CDC) of Pakistan Ltd. are requested to bring their original CNIC, Account and Participation's Numbers. Such members will further have to follow the guidelines as laid down in the Securities & Exchange Commission of Pakistan's Circular No. 1 dated 26th January 2000.
4. The members should quote their folio number in all correspondence with the Company and at the time of attending the Annual General Meeting.
5. The members are requested to notify immediately changes, if any, in their registered addresses.





DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors are pleased to present the forty seventh report together with the audited accounts for the year ended September 30, 2015.

FINANCIAL RESULTS

(Rs. in thousands)

	2015	2014
Profit/(loss) before taxation	7,151	(77,185)
Taxation – Current	-----	-----
– Deferred	(2,031)	38,294
Profit/ (loss) after taxation	5,120	(38,891)

OPERATING RESULTS

Operating results for the year and comparative figures are as under:

		2015	2014	2013	2012
Crushing Days	Nos.	93	95	97	99
Average Recovery	%	9.68	9.22	8.23	8.33
Cane Crushed	M.Tons	252,995	281,997	321,022	427,690
Sugar Produced	M.Tons	24,492	25,975	26,420	35,646

The Company has secured healthier numbers, mainly characterized by better sale prices of refined sugar and its allied products, supported by improved sucrose yield. The Company has availed short-term loans to bridge the working capital requirement and despite an increase in financial cost, has posted a healthier resultant profitability.

PROSPECTS FOR 2015 – 2016

In addition to the completion of BMR, the Company has invested in better varieties of sugarcane which have been provided to the farmers along with other incidental inputs (Pesticides, Fertilizers, Farm Implements, etc.), which will increase cane yield, sugar recovery rate and profitability of the Company in the upcoming season.

AUDITORS' REPORT

In reply to auditors' observations, your Directors have to comment as follows:

The loan from associate would eventually be converted into share capital of the company thereby the markup has not been accounted for.

AUDITORS

The retiring auditors M/s UHY Hassan Naeem & Co., Chartered Accountants are eligible for the ensuing period, and have offered themselves for reappointment.

APPRECIATION

Management and employee relations remained highly satisfactory and your Directors place on record their appreciation.

BOARD OF DIRECTORS MEETINGS

During the financial year 2014-15, four Meetings of the Board of Directors were held. The attendance by each Director has been as follows:

Sr.	Name	Status	No. of Meetings Attended
1	Mr. Ghias Ul Hasan	Chief Executive	4
2	Mr. Atif Zaheer Farooqi	Director	2
3	Mr. Amjad Bashir Hussain	Director	4
4	Mr. Shahrukh Taimour	Director	1
5	Mr. Kamran Zahoor	Director	4
6	Mr. Farhan Ilyas	Director	4
7	Mr. Amjad Mehmood	Director	2

There was no casual vacancy from the board of director during the year.

PATTERN OF SHAREHOLDING

The pattern of shareholding of the Company is annexed with the financial statements.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The management is fully aware of the compliance with the Code of Corporate Governance and steps have been taken for its effective implementation. The various statements, as required by the Code, are given below:

PRESENTATION OF FINANCIAL STATEMENTS

The financial statements, prepared by the management of the Company, fairly present its state of affairs, the results of its operations, cash flow and changes in equity.

BOOKS OF ACCOUNTS

The Company has maintained proper books of Account as required by the Companies Ordinance, 1984.

ACCOUNTING POLICIES

Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

INTERNATIONAL ACCOUNTING STANDARDS (IAS)

International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

INTERNAL CONTROL SYSTEM

The system of internal control is sound in design and has been effectively implemented and monitored. The review will continue in future for the improvement in controls.

GOING CONCERN

There are no doubts upon the Company’s ability to continue as a going concern.

SUMMARIZED FINANCIAL DATA

Operating and financial summarized data for the last six years is annexed with financial statements.

INVESTMENTS IN PROVIDENT FUND

Value of Investments based on last audited accounts of Provident Fund is Rs. 9.25 million.

AUDIT COMMITTEE

The Board of Directors in compliance to the Code of Corporate Governance has established an Audit Committee comprising of the following directors.

Mr. Amjad Bashir Hussain	Chairman
Mr. Farhan Ilyas	Member
Mr. Amjad Mehmood	Member

SAFETY AND ENVIRONMENTS

The Company strictly complies with the standards of the safety rules & regulations. It also follows environmental friendly policies.

TRADING IN COMPANY’S SHARES

None of the Directors, CEO, CFO, Company Secretary and their spouses and minor children has made transaction in the Company’s shares during the year.

OUTSTANDING STATUTORY DUES

Detail of outstanding statutory dues is given in Note 17 to the accounts.

COMMUNICATION

Communication with the shareholders is given high priority. Annual, Half Yearly and Quarterly Accounts are distributed to them within the time specified in the Companies Ordinance, 1984. Every opportunity is given to the individual shareholders to attend and freely ask questions about the Company’s operations at the General Meeting(s).

December 23, 2015
Lahore

On behalf of the Board



(GHIAS UL HASAN)
Chief Executive

**STATEMENT OF COMPLIANCE WITH
THE CODE OF CORPORATE GOVERNANCE
Year Ended: September 30, 2015**

This statement is being presented to comply with the Code of Corporate Governance (CCG) Contained in Regulation No. 35 of Listing Regulations of Karachi Stock Exchange Limited and Lahore Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages the representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:


Category	Names	
Independent Directors	I.	Mr. Atif Zaheer Farooqi
	II.	Mr. Amjad Bashir Hussain
Executive Directors	III.	Mr. Ghias ul Hasan
	IV.	Mr. Shahrukh Taimour
	V.	Mr. Kamran Zahoor
Non Executive Directors	VI.	Mr. Farhan Ilyas
	VII.	Mr. Amjad Mehmood

The Independent Directors meet the criteria of independence under clause i (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. The Company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the board have been duly exercised and decisions on material transactions, including the appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with the agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
8. The board arranged orientation courses for the directors during the year.

9. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
10. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
11. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the board.
12. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
13. The Company has complied with all the corporate and financial reporting requirements of the CCG.
14. The board has formed an Audit Committee. It comprises of three members of whom two are non-executive directors and the chairman of the committee is an independent director.
15. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
16. The board has formed an HR and Remuneration Committee. It comprises of three members; all of whom are non-executive directors and the chairman of the committee is an independent director.
17. The Board has set-up effective internal audit function.
18. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services, except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange(s).
21. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
22. We confirm that all other material principles enshrined in the CCG have been complied with.

December 23, 2015
Lahore


(GHIAS UL HASAN)
CHIEF EXECUTIVE



FINANCIAL STATEMENTS

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance for the year ended 30th September 2015, prepared by the Board of Directors of **Jauharabad Sugar Mills Limited** (“the Company”) to comply with the Listing Regulation No.35 of Karachi and Lahore Stock Exchanges, where the Company is listed.


The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.


As part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control system sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal controls covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, sub-regulation (x) of Listing Regulation No. 35 of Karachi and Lahore Stock Exchanges requires the Company to place before the Board of Directors for their consideration and approval of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended 30th September, 2015.

December 23, 2015.
Lahore


UHY Hassan Naeem & Co.
Chartered Accountants
Ibne Hassan FCA



AUDITORS' REPORT TO THE MEMBERS


We have audited the annexed statement of financial position of Jauharabad Sugar Mills Limited (“the Company”) as at September 30, 2015 and the related condensed statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.


It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that—

- (a) amortization of interest free loan from associates (Note 22) has not been made as per the requirements of IAS 39, repayment period and confirmation of period was not available. Had the interest expense been charged on the same rate as 2014 the finance cost would increase by 92.045 million. Further, markup expense accrued in the year 2014 amounting to Rs. 24.741 million (Note 33) has been written off during the year.
- (b) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- (c) in our opinion, except for the effect of the matter referred to in paragraph (a);
 - i) the statement of financial position and statement of comprehensive income together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (d) in our opinion, except for the effect, of the matter referred to in paragraphs (a) above, and to the best of our information and according to the explanations given to us, the statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2015 and of the profits, its cash flows and changes in equity for the year then ended; and
- (e) in our opinion, no Zakat was deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980).

December 23, 2015.
Lahore


UHY Hassan Naeem & Co.
Chartered Accountants
Ibne Hassan FCA



Statement Of Financial Position As At September 30, 2015

	Note	2015 Rupees	2014 Rupees
Non-current assets			
Fixed assets	6	2,197,804,524	2,291,389,026
Long-term deposits	7	453,811	428,811
		2,198,258,335	2,291,817,837
Current assets			
Stores, spare parts and loose tools	8	78,047,441	106,868,208
Stock-in-trade	9	59,087,929	40,673,666
Loans and advances	10	44,268,336	11,033,197
Trade Debts- <i>Unsecured Considered good</i>		116,517,826	63,949,980
Trade deposits and short term prepayments	11	7,263,210	8,132,805
Other receivables	12	22,872,372	25,557,376
Tax refunds due from the Government	13	51,020,762	41,461,394
Short term investments	14	15,000,000	-
Cash and bank balances	15	34,262,761	7,345,620
Non current assets held for sale	16	123,636,222	-
		551,976,859	305,022,246
Current liabilities			
Trade and other payables	17	261,870,602	264,347,831
Accrued mark-up	18	12,916,959	2,522,374
Short term borrowings	19	197,407,861	20,000,000
Current portion of long term liabilities	21	13,086,937	13,086,937
		485,282,359	299,957,142
Working capital employed		66,694,500	5,065,104
		2,264,952,835	2,296,882,941
Contingencies and commitments			
	20		
Non-current liabilities			
Long term finances	21	13,086,935	26,173,872
Loan from associates	22	325,106,255	885,311,004
Long term advances	23	115,000,000	158,500,000
Long term provision	24	1,309,000	1,309,000
Deferred taxation	25	157,077,799	155,047,091
		611,579,989	1,226,340,967
Net capital employed		1,653,372,846	1,070,541,974
Represented by:			
Share capital and reserves			
Share capital	26	109,097,970	109,097,970
Capital reserve - premium on right shares		26,879,210	26,879,210
Share Deposit Money	22	577,710,218	-
Revenue reserves :			
- General reserve		62,000,000	62,000,000
- Accumulated losses		(172,050,649)	(194,861,557)
		(110,050,649)	(132,861,557)
Revaluation surplus on property, plant and equipment - net of tax	27	1,049,736,097	1,067,426,351
		1,653,372,846	1,070,541,974

The annexed notes 1 to 45 form an integral part of these financial statements.

December 23, 2015.
Lahore

Abdullah Khan
Director

Ghias Ul Hasan
Chief Executive

**Statement Of Comprehensive Income
For The Year Ended September 30, 2015**

	<i>Note</i>	2015 Rupees	2014 Rupees
Sales	28	1,455,104,935	1,744,055,684
Cost of sales	29	<u>1,349,775,097</u>	<u>1,900,128,716</u>
Gross profit / (loss)		105,329,838	(156,073,032)
Operating expenses:			
Distribution cost	30	<u>7,549,153</u>	<u>7,832,489</u>
Administrative expenses	31	<u>68,259,049</u>	<u>64,281,446</u>
		(75,808,202)	(72,113,935)
Operating profit / (loss)		29,521,636	(228,186,967)
Finance cost	32	(51,010,475)	(35,964,300)
Other income	33	<u>28,640,201</u>	<u>186,966,366</u>
Profit / (loss) before taxation		7,151,362	(77,184,901)
Taxation	34	(2,030,708)	38,293,494
Profit / (loss) after taxation		5,120,654	(38,891,407)
Other comprehensive income for the year			
<i>Items that will never be reclassified to comprehensive income</i>			
Incremental depreciation for the year		17,690,254	20,979,800
Total comprehensive profit / (loss) for the year		<u>22,810,908</u>	<u>(17,911,607)</u>
Earning / (loss) per share - basic and diluted	35	<u>0.47</u>	<u>(3.56)</u>

The annexed notes 1 to 45 form an integral part of these financial statements.

December 23, 2015.
Lahore


Amjad Bashir Hussain
Director


Ghias Ul Hasan
Chief Executive

Statement Of Cash Flows
For The Year Ended September 30, 2015

	Note	2015 Rupees	2014 Rupees
Cash flow from operating activities			
Profit / (loss) before taxation		7,151,362	(77,184,901)
Adjustments for:			
Depreciation	6.1.1	62,068,743	60,022,368
Balances written back		-	(175,000,000)
Long term markup from associates written back	33	(24,741,377)	-
Provision for surcharge		-	(10,668,240)
Long term advance		(43,500,000)	-
Finance cost	32	51,010,475	35,964,300
Gain on disposal of property, plant and equipment		-	(1,224,861)
Operating profit / (loss) before working capital changes		51,989,203	(168,091,334)
Working capital changes			
Stores, spare parts and loose tools		28,820,767	44,164,946
Stock-in-trade		(18,414,263)	398,014,812
Loans and advances		(33,235,139)	35,644,107
Trade debts		(52,567,846)	(63,949,980)
Trade deposits and short term prepayments		869,595	(1,174,759)
Other receivables		2,685,004	-
Trade and other payables		(2,477,229)	(250,284,581)
		(74,319,111)	162,414,545
Cash used in operations		(22,329,908)	(5,676,789)
Tax paid		(9,559,368)	(9,544,599)
Dividend paid		-	(12,095)
Finance cost paid		(40,615,890)	(62,444,724)
		(50,175,258)	(72,001,418)
Net cash used in operating activities		(72,505,166)	(77,678,207)
Cash flow from investing activities			
Addition in property, plant and equipment		(92,120,463)	(106,124,612)
Sale proceeds on disposal of property, plant and equipment		-	1,370,000
Long term deposits		(25,000)	(30,000)
Long term advance		-	43,500,000
Net cash used in investing activities		(92,145,463)	(61,284,612)
Cash flow from financing activities			
Long term finances		(13,086,937)	(114,536,191)
Short term investments		(15,000,000)	-
Short term borrowings		177,407,861	20,000,000
Sponsors' loan		42,246,846	235,942,208
Net cash generated from financing activities		191,567,770	141,406,017
Net increase in cash and cash equivalents		26,917,141	2,443,198
Cash and cash equivalents at beginning of the year		7,345,620	4,902,422
Cash and cash equivalents at end of the year	15	34,262,761	7,345,620

The annexed notes 1 to 45 form an integral part of these financial statements.

December 23, 2015.
Lahore

Amjad Bashir Hussain
Director

Ghias Ul Hasan
Ghias Ul Hasan
Chief Executive

**Statement Of Changes In Equity
For The Year Ended September 30, 2015**

	Share capital	Share premium	General reserve	Share deposit money	Revaluation surplus	Accumulated losses	Total
------(Rupees)-----							
Balance as on Oct. 01, 2013	109,097,970	26,879,210	62,000,000	-	1,088,406,151	(176,949,950)	1,109,433,381
Incremental depreciation for the year	-	-	-	-	(20,979,800)	-	(20,979,800)
Total comprehensive loss for the year	-	-	-	-	-	(17,911,607)	(17,911,607)
Balance as on September 30, 2014	109,097,970	26,879,210	62,000,000	-	1,067,426,351	(194,861,557)	1,070,541,974
Balance as on Oct. 01, 2014	109,097,970	26,879,210	62,000,000	-	1,067,426,351	(194,861,557)	1,070,541,974
Incremental depreciation for the year	-	-	-	-	(17,690,254)	-	(17,690,254)
Share deposit money	-	-	-	577,710,218	-	-	577,710,218
Total comprehensive income for the year	-	-	-	-	-	22,810,908	22,810,908
Balance as on September 30, 2015	109,097,970	26,879,210	62,000,000	577,710,218	1,049,736,097	(172,050,649)	1,653,372,846

The annexed notes 1 to 45 form an integral part of these financial statements.

December 23, 2015.
Lahore


Anjad Bashir Hussain
Director


Ghias Ul Hasan
Chief Executive

Notes To The Financial Statements For The Year Ended September 30, 2015

1 Reporting entity

Jauharabad Sugar Mills Limited ("the Company") (formerly known as Kohinoor Sugar Mills Limited) was incorporated in Pakistan in 1968 under the 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 # 11 & 12, 4th Floor, Ali Tower, M.M Alam Road, Gulberg III, Lahore, and the mill is located at Jauharabad, District Khushab, Pakistan. The principal activity of the Company is manufacturing and sale of sugar and its by-products.

2 Significant events

2.1 Increase in authorized capital of the company

The shareholders, on the recommendation of board of directors, approved the increase in authorized share capital of the Company for the issuance of shares to sponsors in consideration of loan being provided by them thus strengthening the financial capabilities of the company. Thereby the Company complied with the ancillary legal requirements for increase of authorized capital to Rs. 700 million.

2.2 Markup on loan from associates written off

The company has not accounted for markup on loan from associates during the period due to the reason that the loan amounting to 577.710 million shall be converted into share capital after meeting the legal requirements. Further, the markup accounted for in the financial year September 30, 2014 (Note 22) has been written off.

3 Basis of preparation

3.1 Going concern assumption

The financial statements have been prepared on going concern basis on the grounds that the Company will be able to achieve satisfactory levels of profitability in the future based on the plans drawn up by the management for this purpose.

3.2 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved Accounting Standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984 or the directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives take precedence.

3.3 Basis of measurement

These financial statements have been prepared under historical cost convention except for freehold land, building and plant & machinery which is stated at revalued amount.

The Company's significant accounting policies are stated in note 5. Not all of these significant policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies the management considers critical because of their complexity, judgment of estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

Property, plant and equipment

The Company reviews the useful lives and residual values of property, plant and equipment on a regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and the impairment.

Taxation

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's view differs from the views taken by the Income Tax Department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Provision for inventory obsolescence and doubtful receivables

The Company reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related stores and spares. Further the carrying amounts of trade and other receivables are assessed on regular basis and if there is any doubt about the reliability of these receivables, appropriate amount of provision is made.

Other areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

- Estimation of net realizable value
- Computation of deferred taxation
- Disclosure of contingencies

4 New standards, amendments to approved accounting standards and new interpretations

Amendments to approved accounting standards and an interpretation which became effective during the year ended September 30, 2015:

- 4.1** There were certain amendments to the approved accounting standards and a new interpretation issue by International Financial Reporting Interpretations Committee (IFRIC) which became effective during the year but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed in these financial statements.

New standards and amendments to approved accounting standards that are not yet effective and have not been early adopted by the Company.

- 4.2 There are certain new standards and amendments to the approved accounting standards which will be effective for the Company for annual periods beginning on or after July 1, 2015 but are considered not to be relevant or are expected to have any significant effect on the Company's operations and are, therefore, not disclosed in these financial statements.

5 Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated:

5.1 Staff retirement benefits

Defined contribution plan

The Company operates a defined contribution provident fund scheme (the Fund) for its permanent employees. Equal monthly contributions are made to the fund both by the Company and employees at the rate of 10% of basic salary. The Company's contribution is charged to the statement of comprehensive income.

5.2 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit and loss account, except to the extent that it relates to items recognized directly in equity or below equity, in which case it is recognized in equity or below equity respectively.

Current

Provision for current taxation is based on taxable income, as adjusted for tax purposes, at the current rate of tax after taking into account all tax credits, rebates and available tax losses determined in accordance with prevailing tax laws. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments made during the year for such years.

Deferred

Deferred tax is provided, using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses and tax credits to the extent that it is probable that future taxable profits will be available against which deferred tax asset can be utilized, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability that, at the time of transaction, affects neither the accounting nor taxable profits.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax asset and liability is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

5.3 Property, plant and equipment - owned

Recognition

Property, plant and equipment except for freehold land, buildings, plant and machinery are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land, buildings, plant and machinery are stated at revalued amount. Cost of tangible assets consists of historical cost pertaining to erection / construction period and other directly attributable cost of bringing the asset to working condition.

Subsequent cost are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Depreciation

Depreciation on all items of property, plant and equipment except for freehold land is charged to income applying the reducing balance method so as to write off the historical cost/revalued amounts of an asset over its estimated useful life at the rates as disclosed in note 6. Depreciation on addition is charged from the date the asset is available for use and on disposal up to date when the asset is derecognized.

Derecognition

An item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on Derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of comprehensive income for the year the asset is derecognized.

5.4 Accounting for leases and assets subject to finance lease

5.4.1 Finance lease

Recognition

Leases where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Assets subject to finance lease are initially recognized at the commencement of the lease term at the lower of present value of minimum lease payments under the lease agreements and the fair value of the leased assets, each determined at the inception of the lease. Subsequently these assets are stated at cost less accumulated depreciation and any identified impairment loss. The related rental obligations, net off finance cost, are included in liabilities against assets subject to finance lease. The liabilities are classified as current and non current depending upon the timing of payments.

Financial charges

Lease payments are allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The finance cost is charged to income over the lease term.

Depreciation

Assets acquired under a finance lease are depreciated in the same manner and at the same rates used for similar owned assets, so as to depreciate these assets over their estimated useful lives in view of certainty of ownership of these assets at the end of lease term. Depreciation of the leased assets is charged to income.

Deferred income

Income arising from sale and lease back transaction, if any, which results in finance lease, is deferred and amortized equally over the lease period.

5.4.2 Operating lease

Leases where significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income on a straight-line basis over the period of lease.

5.5 Non current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognized in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

5.6 Capital work-in-progress

Capital work in progress is stated at cost less any identified impairment losses. Transfers are made to relevant fixed assets category as and when assets are available for use.

5.7 Impairment

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Recoverable amount is the greater of fair value less cost to sell and value in use.

5.8 Stores, spare parts and loose tools

These are valued at lower of cost and net realizable value. Cost is determined at average running cost. Items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon. Cost is determined at average running cost.

5.9 Stock in trade

These are valued at lower of cost and net realizable value (NRV) except molasses and bagasse which is

valued at NRV. Cost in relation to raw material, work in process and finished goods represents average cost comprising direct material, labour and appropriate manufacturing overheads. NRV represents the estimated selling price less cost necessarily to be incurred for such sale. Cost is determined as follows;

Work-in-process : At estimated cost.
 Finished goods - sugar : Lower of weighted average cost and net realizable value

5.10 Revenue recognition

Sales are recorded on dispatch of goods to customers. Profit on deposits and advances is accounted for on a time proportion basis using the applicable rate of return.

5.11 Borrowings and borrowing costs

Borrowings are recorded at the proceeds received. Finance costs are accounted for on an accrual basis and are included in current liabilities to the extent of the amount remaining unpaid.

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of the borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalized as part of the cost of that asset up to the date of its commissioning.

5.12 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past event, and it is probable that an out flow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

5.13 Trade debts and other receivables

Trade debts originated by the Company are recognized and carried at original invoice value less any allowance for uncollectible amounts. An estimated provision for doubtful debts is made when there is objective evidence that collection of the full amount is no longer probable. The amount of provision is charged to income. Bad debts are written off as incurred. Other receivables are stated at amortized cost. Known impaired receivables are written off, while receivables considered doubtful are provided for.

5.14 Trade and other payables

Liabilities of trade and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

5.15 Dividend

The dividend distribution to the shareholders is recognized as a liability in the period in which it is approved by the shareholders.

5.16 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and derecognized when the Company loses control of contractual rights that comprise the financial assets and in case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is included in the statement of comprehensive income for the year.

All financial assets and financial liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

5.17 Offsetting of financial assets and liabilities

A financial asset and financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legal enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the assets and the liabilities simultaneously.

5.18 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise of cash in hand and bank balances.

5.19 Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into Pak Rupee at the rate of exchange prevailing at the balance sheet date, except those covered by forward contracts, which are stated at contracted rates. Foreign currency transactions are translated into Pak Rupees at the rates prevailing at the date of transaction except for those covered by forward contracts, which are translated at contracted rates. Non monetary items are translated into Pak Rupee on the date of transaction or on the date when fair values are determined. Exchange differences are included in income currently.

5.20 Related party transactions

All transactions with related parties are carried out as arms' length transactions by the Company using the methods prescribed under the Companies Ordinance, 1984.

5.21 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

6 Fixed assets	<i>Note</i>	2015 Rupees	2014 Rupees
Property, plant and equipment	6.1	2,053,261,350	1,922,075,355
Capital work-in-progress	6.2	144,543,174	369,313,671
		<u>2,197,804,524</u>	<u>2,291,389,026</u>

6.1 Property, plant and equipment

Particulars	Owned assets						Grand Total		
	Land Freehold	Building on freehold land	Plant and machinery	Service and other equipment	Furniture and fixture equipment	Office equipment		Vehicles	Intangibles
Balance at October 01, 2013	677,029,316	205,768,558	1,420,942,969	10,082,378	6,680,527	3,205,111	13,112,943	-	2,336,821,802
Additions	-	33,826,604	217,365,358	95,400	738,165	688,280	8,315,050	-	261,028,857
Disposals	-	-	-	-	-	-	(1,112,950)	-	(1,112,950)
Balance at September 30, 2014	677,029,316	239,595,162	1,638,308,327	10,177,778	7,418,692	3,893,391	20,315,043	-	2,596,737,709
Balance at October 01, 2014	677,029,316	239,595,162	1,638,308,327	10,177,778	7,418,692	3,893,391	20,315,043	-	2,596,737,709
Additions	-	9,175,474	296,047,298	-	371,843	2,237,917	7,958,428	1,100,000	316,890,960
Transfer	-	-	(175,691,510)	-	-	-	-	-	(175,691,510)
Balance at September 30, 2015	677,029,316	248,770,636	1,758,664,115	10,177,778	7,790,535	6,131,308	28,273,471	1,100,000	2,737,937,159
Depreciation									
Balance at October 01, 2013	-	84,172,083	506,678,731	7,215,504	3,801,026	2,355,257	11,385,196	-	615,607,797
For the year	-	12,159,647	45,713,212	290,869	333,915	134,233	1,390,492	-	60,022,368
Disposals	-	-	-	-	-	-	(967,811)	-	(967,811)
Transfers	-	-	-	-	-	-	-	-	-
Balance at September 30, 2014	-	96,331,730	552,391,943	7,506,373	4,134,941	2,489,490	11,807,877	-	674,662,354
Balance at October 01, 2014	-	96,331,730	552,391,943	7,506,373	4,134,941	2,489,490	11,807,877	-	674,662,354
For the year	-	7,001,273	52,559,922	255,230	329,769	305,762	1,616,787	-	62,068,743
Transfer	-	-	(52,055,288)	-	-	-	-	-	(52,055,288)
Balance at September 30, 2015	-	103,333,003	552,896,577	7,761,603	4,464,710	2,795,252	13,424,664	-	684,675,809
Carrying value 2014	677,029,316	143,263,432	1,085,916,384	2,671,405	3,283,751	1,403,901	8,507,166	-	1,922,075,355
Carrying value 2015	677,029,316	145,437,633	1,205,767,538	2,416,175	3,325,825	3,336,056	14,848,807	1,100,000	2,053,261,350
Rates of depreciation %	0%	5%	5%	10%	10%	10%	20%	33%	

6.1.1 Depreciation for the year has been allocated as under:

	Note	2015 Rupees	2014 Rupees
Cost of sales	29	60,827,368	58,821,921
Administrative expenses	31	1,241,375	1,200,447
		62,068,743	60,022,368

6.1.2 The value of labor colony land at Jauharabad acquired from Housing and Physical Planning Department, Jauharabad has not yet been settled. The estimated liability on this account amounting to Rs.1,309,000/- is duly accounted for in the books of accounts of the Company (see Note 24).

6.1.3 If the freehold land, building and plant and machinery were measured using the cost model, the carrying amount would be as follows:

Particulars	Cost	Accumulated depreciation	Net book value
2015			
	------(Rupees)-----		
Freehold land	1,648,310	-	1,648,310
Building on freehold land	161,239,874	79,404,568	81,835,306
Plant and machinery	1,053,807,363	498,266,487	555,540,876
	1,216,695,547	577,671,055	639,024,492
2014			
	------(Rupees)-----		
Freehold land	1,648,310	-	1,648,310
Building on freehold land	161,239,874	75,097,447	86,142,427
Plant and machinery	1,053,807,363	469,027,493	584,779,870
	1,216,695,547	544,124,940	672,570,607

6.2 Capital work-in-progress

This cost incurred at BMR & E programme of the Company in previous year and transferred to fixed assets as follows:

Description	Opening balance	Additions	Transferred	Closing balance
	------(Rupees)-----			
Building on freehold land	6,154,872	3,020,602	9,175,474	-
Plant and machinery	363,158,799	69,116,412	296,047,298	136,227,913
Advances for Capital expenditure	-	8,315,261	-	8,315,261
	369,313,671	80,452,275	305,222,772	144,543,174

7 Long-term deposits

This represents interest free deposits for provision of utilities at plant and are refundable on disconnection of services.

8 Stores, spare parts and loose tools		2015	2014
		Rupees	Rupees
Stores		43,633,701	75,921,184
Spare parts		34,209,644	30,673,549
Loose tools		204,096	273,475
		78,047,441	106,868,208
9 Stock-in-trade		2015	2014
	<i>Note</i>	Rupees	Rupees
Work in process		2,565,381	2,723,666
Finished goods	<i>9.1</i>	56,522,548	37,950,000
		59,087,929	40,673,666
9.1 Finished goods are unencumbered and free of charge.			
10 Loans and advances		2015	2014
	<i>Note</i>	Rupees	Rupees
Advances to suppliers		29,722,863	7,012,196
Advances to employees		3,645,881	1,861,881
Agricultural loan	<i>10.1</i>	7,074,323	1,024,461
Others		3,825,269	1,134,659
		44,268,336	11,033,197
10.1 This represents interest free advances to sugarcane growers, which are adjustable against sugarcane supply by them.			
11 Trade deposits and short term prepayments		2015	2014
		Rupees	Rupees
Prepaid expenses		768,810	1,638,405
TCP deposit		6,494,400	6,494,400
		7,263,210	8,132,805
12 Other receivables - unsecured considered good		2015	2014
	<i>Note</i>	Rupees	Rupees
Excise duty recoverable	<i>12.1</i>	10,500,922	10,500,922
Export fund refund	<i>12.2</i>	2,746,250	2,746,250
Special excise duty refundable	<i>12.3</i>	505,200	505,200
Others	<i>12.4</i>	9,120,000	11,805,004
		22,872,372	25,557,376

12.1 This represents refund allowed by the Central Excise Appellate Tribunal, Lahore, in the light of criteria set up by the Supreme Court of Pakistan, against Central Excise Duty paid during the season 1988-89.

12.2 This represents relief granted by the Lahore High Court against previous years' demand.

12.3 This represents an amount paid under protest as 1% Special Excise Duty on the goods manufactured prior to Finance Bill 2007, whereas it was leviable on goods manufactured/ imported from July-01,2007, vide Circular No. 1(3) Fed 2007 dated 28th August, 2007.

12.4 This represents FED/Sales tax amount recoverable from customers against sale of goods.

13 Tax refunds due from the Government	2015	2014
	Rupees	Rupees
Opening balance	41,461,394	31,916,795
Add: Tax deducted during the year	9,559,368	9,544,599
	51,020,762	41,461,394

13.1 The assessments of the Company have been completed for and up to financial year ended on September 30, 2014.

14 Short term investments

Surplus funds are invested by the Company on short term profitable saving scheme, offered by the financial institution, which are redeemable on 10 days notice period.

15 Cash and bank balances	<i>Note</i>	2015	2014
		Rupees	Rupees
Cash in hand		523,534	423,911
Cash at banks - <i>saving accounts</i>	<i>15.1</i>	86,470	-
Cash at banks - <i>current accounts</i>		33,652,757	6,921,709
		34,262,761	7,345,620

15.1 The balances in saving accounts carry markup at 4.50% per annum (2014: Nil).

16 Non current assets held for sale

Assets held for sale as on September 30, 2015 are mainly composed of plant and machinery which management is committed to sell and for which the completion of the sale is highly probable within next 12 months. Accordingly, those assets have been reclassified as non current asset held for sale. The non current assets relate mainly to plant and machinery which consists of 60 ton boiler, steam generator set, reduction gear and electric motor. They are carried at their net book value before reclassification. The valuation of the plant and machinery has been carried out by M/s. Professional Associates and the fair value is more than the net book value, hence no significant impairment or relating liability on those assets has been accounted for.

17 Trade and other payables		2015	2014
	<i>Note</i>	Rupees	Rupees
Creditors		158,505,946	129,600,579
Salaries and wages payable		4,058,607	2,164,205
Accrued liabilities		3,801,157	2,087,562
Advances from customers	17.1	65,389,965	100,495,658
Income tax deducted at source		1,185,098	55,976
Sugarcane cess payable	17.2	3,001,109	3,001,109
FED/ Sales tax payable	17.3	23,666,068	25,042,987
Security deposit		1,278,795	1,292,285
Unclaimed dividend		607,470	607,470
Workers' Profit Participation Fund (WPPF)		376,387	-
		261,870,602	264,347,831

17.1 This represents advances received from customers for sugar sales.

17.2 This represents sugarcane cess demanded by Cane Commissioner, Lahore against sugarcane purchased from KPK.

17.3 This includes Rs. 2.797 million as further sales tax demanded by the Collectorate of Sales Tax after audit of financial year 1999-2000 and Rs. 0.644 million as difference of sales rate demanded by Deputy Collectorate of CED and Sales Tax, Sargodha. The remaining balance represents Federal Excise Duty and Sales Tax payable for the month of September, 2015.

18 Accrued mark-up		2015	2014
		Rupees	Rupees
Accrued mark-up on:			
- Long term finances		370,546	2,522,374
- Short term borrowings		12,546,413	-
		12,916,959	2,522,374

19 Short term borrowings - secured	Sanction limit		2015	2014
	'Million'	<i>Note</i>	Rupees	Rupees
Al Baraka Bank Pakistan Limited	475	19.1	-	20,000,000
MCB Bank Limited	300	19.2	197,407,861	-
			197,407,861	20,000,000

19.1 This represents short term borrowing facility obtained for balancing, modernization and replacement of equipment of boiler house at mills site for the period of 12 months. The said facility carried mark-up at the rate of matching KIBOR plus 3% per annum and was secured against diminishing Musharika of Rs. 20 million. These were secured by undivided share in musharika asset. These were subject to mark up rates at 12 months KIBOR plus 300 bps with a cap of 20% and secured against subordination of loan from associates.

19.2 This represents Murabaha facilities for the procurement of sugar cane for sugar production. The tenure of the facility is 270 days. The said facility carries markup at the rate of monthly KIBOR plus 2%.

It is secured against:

- i First charge of pledge of 2,375,000 shares of Kohat Cement owned by Mrs. Ghazala Amjad.
- ii Ranking charge for Rs. 400 million over present and future plant and machinery.
- iii Corporate guarantee of M/s Cane Processing (Pvt.) Limited (the Holding company)
- iv Personal guarantee of Mr. Ahsan Latif and Mrs. Ghazala Amjad.

20 Contingencies and commitments

20.1 Contingencies

The followings are known contingencies as on September 30, 2015

20.1.1 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 Honourable Lahore High Court against FBR show cause notice dated 19-09-2012 against the demand of Rs. 58.881 million.

20.1.2 The Income Tax Department raised a demand of Rs. 197.075 million on account of non deduction of tax while making payment to sugar cane suppliers. The demand was abolished by the Commissioner of income tax like in some other similar cases. However, the department has filed an appeal against the Commissioner's order. The company is hopeful that the tribunal decision would be in its favour.

20.1.3 The company has filed a writ petition against the amendments of finance act 2014 on "Alternate Corporate taxes", implication on tax year 2013 of company against which a demand of Rs.50.262 million has been established, the said amendments would not be implemented as the income realized was before the said amendments, amendments become applicable after July 1, 2014.

20.1.4 Performance bond of Rs. 3.855 million provided to TCP against supply of 3000 M.Tons of sugar.

20.2 Commitments

20.2.1 Commitments in respect of capital expenditure at the year end is Rs.14.36 million (2014: Rs. 8.145 million).

21 Long term finances - secured

	<i>Note</i>	2015	2014
		Rupees	Rupees
Faysal Bank Limited	21.1	26,173,872	39,260,809
Less: Current portion		13,086,937	13,086,937
		13,086,935	26,173,872

21.1 This represents long term loan obtained from Faysal Bank Limited and carries mark-up at the rate of 3 months KIBOR plus 150 basis points and mark-up is payable on quarterly basis. The said loan is secured against:

- i) First pari passu charge on fixed assets to the extent of Rs. 75 million and subordination of loan from associates.
- ii) First charge to the tune of Rs. 70 million on all present and future current assets of the company.
- iii) Personal guarantee of sponsoring directors.

The loan was to be repaid in 14 equal quarterly principal installments of which 9 quarterly installments are payable.

22 Loan from associates	<i>Note</i>	2015	2014
		Rupees	Rupees
Opening balance	22.1	885,311,004	649,368,796
Transactions		42,246,846	211,200,831
Markup write off	33	(24,741,377)	-
Markup accrued		-	24,741,377
Transferred to share deposit money	22.2	(577,710,218)	-
		325,106,255	885,311,004

22.1 This loan has been provided interest free to fulfill the financial commitments of the Company, repayments will be made at the discretion of the Company.

22.2 Company has applied to SECP on September 29, 2015 for the approval to convert loan in shares at par with restriction of sale for the period of 3 years from the date of issue.

23 Long term advances - unsecured

This represents interest free unsecured advances received from customers which are adjustable against sales after September 30, 2016.

24 Long term provision

This represents labor colony land at Jauharabad against which a case is pending with Physical and Planning Department, Jauharabad. On account of legal proceedings the management expects that the payment against this liability shall arise after September 30, 2016.

25 Deferred taxation	2015	2014
	Rupees	Rupees
Accelerated tax depreciation	166,207,115	116,436,776
Tax Credits / losses	(202,767,243)	(163,352,438)
Surplus on revaluation of related assets	193,637,927	201,962,753
	157,077,799	155,047,091

26 Share capital					
	2015	2014		2015	2014
	------(Number)-----			------(Rupees)-----	
26.1 Authorized share capital	70,000,000	20,000,000	Ordinary shares of Rs. 10/- each	700,000,000	200,000,000
26.2 Issued, subscribed and paid-up capital					
	873,180	873,180	Shares allotted on reorganization of Kohinoor Industries Limited of Rs.10/- each	8,731,800	8,731,800
	125,008	125,008	Shares issued for cash of Rs. 10 each	1,250,080	1,250,080
	2,005,959	2,005,959	Shares issued as fully paid bonus shares of Rs. 10/- each	20,059,590	20,059,590
	7,905,650	7,905,650	Right shares of Rs. 10/- each	79,056,500	79,056,500
	10,909,797	10,909,797		109,097,970	109,097,970
27 Revaluation surplus on property, plant and equipment - net of tax				2015	2014
				Rupees	Rupees
Land				675,381,006	675,381,006
Buildings				78,355,288	78,355,288
Plant and machinery				584,500,964	584,500,964
				1,338,237,258	1,338,237,258
Less : Accumulated incremental depreciation				(94,863,234)	(68,848,154)
				1,243,374,024	1,269,389,104
Less: Deferred tax liability					
Opening balance				201,962,753	212,770,529
Incremental depreciation for the year				(8,324,826)	(10,807,776)
				193,637,927	201,962,753
				1,049,736,097	1,067,426,351
28 Sales				2015	2014
				Rupees	Rupees
Sugar				1,419,831,710	1,753,009,995
Molasses				98,815,906	131,766,529
Mud				-	3,508,374
Bagasse				50,400,000	-
				1,569,047,616	1,888,284,898
Federal excise duty				105,172,698	129,852,592
Sales tax				8,769,983	14,376,622
				113,942,681	144,229,214
				1,455,104,935	1,744,055,684

29 Cost of sales		2015	2014
	<i>Note</i>	Rupees	Rupees
Cost of sugarcane purchased and consumed		1,161,807,329	1,228,122,004
Salaries, wages and benefits	29.1	66,103,804	60,716,169
Chemicals and stores consumed		13,826,839	22,236,558
Packing material		11,632,325	11,743,043
Fuel		6,843,639	58,603,121
Power		5,920,825	13,756,628
Repairs and maintenance		27,689,591	37,109,268
Workers' welfare		4,602,780	4,882,490
Insurance		1,198,535	865,438
Depreciation	6.1.1	60,827,368	58,821,921
Other factory expenses		7,736,325	5,257,264
		1,368,189,360	1,502,113,904
Opening work-in-process		2,723,666	1,717,746
Closing work-in-process		(2,565,381)	(2,723,666)
		158,285	(1,005,920)
Cost of goods manufactured		1,368,347,645	1,501,107,984
Opening stock of finished goods		37,950,000	436,970,732
Closing stock of finished goods		(56,522,548)	(37,950,000)
		(18,572,548)	399,020,732
		1,349,775,097	1,900,128,716

29.1 This includes a sum of Rs.624,506 (2014: Rs. 712,032) relating to retirement benefits.

30 Distribution cost		2015	2014
	<i>Note</i>	Rupees	Rupees
Salaries, wages and benefits	30.1	4,513,130	586,034
Stock handling expenses		-	3,928,262
Commission		2,062,460	2,769,000
Communication		108,556	119,524
Vehicles running and maintenance		321,200	17,610
General charges		543,807	412,059
		7,549,153	7,832,489

30.1 This includes a sum of Rs. 29,600 (2014: Rs. 1,393) relating to retirement benefits.

31 Administrative expenses	Note	2015 Rupees	2014 Rupees
Salaries, wages and other benefits	31.1	47,120,571	40,281,782
Staff welfare		1,954,607	2,721,914
Legal and professional charges		4,844,787	6,163,536
Rent, rate and taxes		3,967,648	1,963,528
Fuel and power		993,825	4,808,516
Vehicles running and maintenance		2,109,005	3,143,567
Travelling and conveyance		713,636	934,207
Printing and stationery		580,303	557,283
Telecommunication		413,496	377,113
Repair and maintenance		70,917	353,584
Postage and telegrams		146,259	154,300
Advertisement		112,780	99,070
Directors' meeting fee		-	17,500
Auditors' remuneration	31.2	765,000	605,000
Charity and donations	31.3	170,000	214,305
Depreciation	6.1.1	1,241,375	1,200,447
Insurance		1,129,769	7,033
Miscellaneous		1,925,071	678,761
		68,259,049	64,281,446

31.1 This includes a sum of Rs. 429,460 (2014: Rs.469,283) relating to retirement benefits.

31.2 Auditors' remuneration

Annual audit fee	400,000	240,000
Half yearly review	50,000	50,000
Tax consultancy	315,000	315,000
	765,000	605,000

31.3 The Company's directors or their spouses have no interest in any donation.

32 Finance cost	2015 Rupees	2014 Rupees
Mark-up on long term finances	3,181,910	9,339,036
Mark-up on short term borrowings	47,519,084	-
Mark-up on loan from associates	-	24,741,377
Commission and bank charges	309,481	1,883,887
	51,010,475	35,964,300

33 Other income	<i>Note</i>	2015 Rupees	2014 Rupees
Advances Written Back		-	175,000,000
Gain on disposal of property, plant and equipment		-	1,224,861
Mark-up written back	22	24,741,377	-
Miscellaneous		4,275,211	10,741,505
Provision for workers' profit participation fund		(376,387)	-
		28,640,201	186,966,366
34 Taxation		2015 Rupees	2014 Rupees
	<i>Note</i>		
Current taxation			
Current year	34.1	-	-
Deferred tax		(2,030,708)	38,293,494
		(2,030,708)	38,293,494
35 Earning / (loss) per share		2015 Rupees	2014 Rupees
35.1 Earning / (loss) per share - basic			
Profit / (loss) after taxation	<i>Rupees</i>	5,120,654	(38,891,407)
Weighted average number of ordinary shares	<i>Number</i>	10,909,797	10,909,797
Earning / (loss) per share - basic	<i>Rupees</i>	0.47	(3.56)
35.2 Earning per share - diluted			

There is no dilution effect on the basic earning per share as the Company has no such commitments.

36 Remuneration of Chief Executive, Director and Executives

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to the chief executive, full time working directors and executives of the Company is as follows:

	Chairman		Chief executive		Executive Directors		Non Executive Directors		Executives	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Managerial remuneration	-	-	-	-	-	-	-	-	8,941,584	1,800,000
Utilities	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	8,941,584	1,800,000

Number of key executives / non executives

1	1	* 1	* 1	3	3	2	2	6	2
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* The Chief executive hold 5,000 shares of the Company.

36.1 Executives are employees whose basic salaries exceed Rs. 500,000 in a financial year.

36.2 The Chief Executive and Directors have voluntarily forgone their remuneration and allowances since last year

37 Operating segments

37.1 These financial statements have been prepared on the basis of single reportable segment.

37.2 Revenue from sale of sugar represents 90.49 % (2014 : 91.07%) of the total revenue of the Company.

37.3 100% (2014: 100 %) sales of the Company relates to customers in Pakistan.

37.4 All non-current assets of the Company as at 30 September 2015 are located in Pakistan.

38 Financial assets and liabilities
Financial assets

	Maturity up to one year	Maturity after one year up to five years	Maturity after five year	2015	2014
--	-------------------------	--	--------------------------	------	------

-----Rupees-----

Non-interest bearing

Long term deposits	-	453,811	-	453,811	428,811
Trade debts	116,517,826	-	-	116,517,826	63,949,980
Prepayments and other receivables	22,872,372	-	-	22,872,372	25,557,376
Cash and bank balances	34,262,761	-	-	34,262,761	7,345,620
	173,652,959	453,811	-	174,106,770	97,281,787

Financial liabilities

	Effective yield / mark up rate	Maturity up to one year	Maturity after one year up to five years	Maturity after five year	2015	2014
--	--------------------------------	-------------------------	--	--------------------------	------	------

Interest bearing
Balance sheet items

Long term finances	8.51% to 11.71%	13,086,937	13,086,935	-	26,173,872	39,260,809
Short term borrowings		197,407,861	-	-	197,407,861	20,000,000
Associated loan		-	325,106,255	-	325,106,255	885,311,004

Non - interest bearing

Long term advances		-	115,000,000	-	115,000,000	158,500,000
Other liabilities		-	1,309,000	-	1,309,000	1,309,000
Trade and other payables		261,870,602	-	-	261,870,602	163,852,173
Accrued mark-up		12,916,959	-	-	12,916,959	2,522,374
		485,282,359	454,502,190	-	939,784,549	1,270,755,360

Off balance sheets items

Performance Bonds		3,855,000	-	-	3,855,000	3,855,000
Federal Excise Duty		58,880,664	-	-	58,880,664	58,880,664
Income Tax		197,075,000	-	-	197,075,000	197,075,000
Capital expenditure		14,360,000	-	-	14,360,000	8,145,686
		274,170,664	-	-	274,170,664	267,956,350

		759,453,023	454,502,190	-	1,213,955,213	1,538,711,710
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The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted.

Credit risk from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institution, as well as credit exposures to customers, including trade receivables and committed transactions. Out of total financial assets of Rs. 174.106 million (2014: Rs. 33.482 million), the financial assets that are subject to credit risk amounted to Rs. 139.390 million (2014: Rs.89.507 million).

For trade receivables, internal risk assessment process determines the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal and external ratings in accordance with the limits set by the management. The utilization of credit limit is regularly monitored. Accordingly, the credit risk is minimal and the company also believes that it is not exposed to major concentration of credit risk.

Concentration of the credit risk arises when the number of counter parties engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The company believes that it is not exposed to major concentration risk.

The carrying amount of the financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is:

	2015	2014
	Rupees	Rupees
Long term deposits	453,811	428,811
Other receivables	22,872,372	25,557,376
Cash and bank balances	34,262,761	7,345,620
	57,588,944	33,331,807

No provision for doubtful debt has been made during the year for local and foreign customers.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Company is not materially exposed to liquidity risk as substantially all obligations / commitments of the Company are short term in nature and are restricted to the extent of available liquidity. In addition, the Company has obtained running finance facilities from various commercial banks to meet any deficit, if required to meet the short term liquidity commitments.

Significant balances of financial assets and liabilities shall mature within twelve months as evident from the information presented above.

Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the US Dollar with all other variables held constant, post-tax loss / profit for the year would have been lower by the amount shown below, mainly as a result of net foreign exchange gain on translation of foreign currency bank account and foreign creditors.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit / (loss) for the year and assets / liabilities of the Company.

Interest rate risk

At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

Effective interest rate		Carrying amount	
2015	2014	2015	2014
Percentage	Percentage	Rupees	Rupees

Financial liabilities

Variable rate instruments

Long term finance	8.51% to 11.71%	11.50% to 11.67%	26,173,872	39,260,809
Loan from associates	Nil	11.5%	325,106,255	885,311,004
Short term borrowings	10.73% to 12.93%	12.02% to 13.29%	197,407,861	20,000,000

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2014.

	Profit and loss 100 bp	
	Increase	decrease
As at 30 September 2015		
Cash flow sensitivity-Variable rate financial liabilities	(507,010)	507,010
As at 30 September 2014		
Cash flow sensitivity-Variable rate financial liabilities	(93,390)	93,390

The sensitivity analysis prepared is not necessarily indicative of the effects on loss for the year and assets/liabilities of the Company.

Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transactions.

Capital risk management

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide adequate returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses. The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, appropriation of amounts to capital reserves or/and issue new shares.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectations of the shareholders. Debt is calculated as total borrowings ("long term loan" and "short term borrowings" as shown in the statement of financial position). Total capital comprises shareholders' equity as shown in the balance sheet under "share capital and reserves".

The salient information relation to capital risk management of the Company as of Sep 30, 2015 and Sep 30, 2014 were as follows:

	2015 Rupees	2014 Rupees
Total borrowings	548,687,988	944,571,813
Less: Cash and cash equivalents	(34,262,761)	(7,345,620)
Net debt	<u>514,425,227</u>	<u>937,226,193</u>
Total equity	<u>1,653,372,846</u>	<u>1,070,541,974</u>
Total capital	<u>2,167,798,073</u>	<u>2,007,768,167</u>
Gearing ratio	<u>23.73%</u>	<u>46.68%</u>

39 Number of employees	2015 Number	2014 Number
Average number of employees for the year	<u>232</u>	<u>280</u>
Total number of employees at year end	<u>221</u>	<u>242</u>

40 Plant capacity and production			2015	2014
	Sanctioned capacity			
Cane crushing	M. Tons	237,684	252,995	281,997
Per day	M. Tons	1,486	2,720	2,968
Production	M. Tons	20,322	24,492	25,975
Per day	M. Tons	127	263	273
Days	No.	160	93	95

40.1 The maximum installed cane crushing capacity is 7,000 M.Tons per day.

41 Related party transactions / balances

The related parties comprise directors of the Company, key employees and provident fund trust. Details of transactions with related parties, other than those which have been specially disclosed elsewhere in these financial statements are as follows:

		2015 Rupees	2014 Rupees
Related party balance	Related party		
Provident Fund Trust	Associated undertakings	1,083,566	1,182,698
Sponsors' and other associates loan	Directors and associates	325,106,255	885,311,004
Markup accrued	Directors and associates	-	24,741,377

42 Disclosure relating to Provident Fund Trust
Unit
2015
2014

The following information is based on latest audited financial statements of Provident Fund Trust.

Size of fund - total assets	<i>Rupees</i>	20,396,811	27,666,110
Cost of investments made	<i>Rupees</i>	9,250,000	13,593,000
Percentage of investments made	<i>Percentage</i>	45.35%	49.13%
Fair value of investment	<i>Rupees</i>	17,640,000	23,124,030

The breakup of fair value of investments is as follows:

	2015		2014	
	Rupees	Percentage	Rupees	Percentage
Defence Saving Certificates	17,640,000	45.35%	23,124,030	49.13%
	17,640,000	45.35%	23,124,030	49.13%

The investments of the Provident Fund Trust are in compliance with the provision of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

43 Events after the statement of financial position date

There are no subsequent events occurring after the statement of financial position date which required disclosure in these financial statements.

44 Date of authorization for issue

These financial statements were authorized for issue on December 23, 2015 by the Board of Directors of the Company.

45 General

45.1 Figures have been rearranged / reclassified whenever necessary for the purpose of comparison and better presentation. During the year following reclassifications has been made.

Reclassified from	Reclassified to	Note	Rupees
Advances from customers	Trade Debts- <i>Unsecured Considered good</i>	17.1	<u>63,949,980</u>

45.2 Figures have been rounded off to the nearest rupee.

December 23, 2015.
Lahore

Amir [Redacted] in
Director

Ghias Ul Hasan
Ghias Ul Hasan
Chief Executive

SIX YEARS' SUMMARY


		2010	2011	2012	2013	2014	2015
		(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Financial Results							
Sales		1,387,004,223	1,640,934,618	1,963,708,283	1,143,758,430	1,744,055,684	1,455,104,935
Cost of Sales		1,360,587,791	1,499,230,308	2,060,071,986	1,485,980,606	1,900,128,716	1,349,775,097
Gross Profit / (Loss)		26,416,432	141,704,310	(96,363,703)	(342,222,176)	(156,073,032)	105,329,838
Operating, Financial and Other Expenses		140,183,723	186,272,123	180,065,887	(777,025,644)	(78,888,131)	98,178,476
Net Profit / (Loss) before Taxation		(113,767,291)	(44,567,813)	(276,429,590)	434,803,468	(77,184,901)	7,151,362
Taxation							
Current		(7,756,096)	(16,435,485)	(16,855,324)	-	-	-
Deferred		47,597,534	9,194,802	95,687,657	(138,961,252)	38,293,494	(2,030,708)
Net Profit / (Loss) after Taxation		(73,925,853)	(51,808,496)	(197,597,257)	295,842,216	(38,891,407)	5,120,654
Dividend / Bonus Share (B)		-	-	-	-	-	-
Authorised Capital		200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	700,000,000
Paid-up Capital		109,097,970	109,097,970	109,097,970	109,097,970	109,097,970	109,097,970
Fixed Capital Expenditure (Net)		1,597,852,850	1,587,791,655	2,279,236,947	2,245,285,781	2,291,389,026	2,197,804,524
Other Results							
Cane Crushing	M.Tons	280,977	406,388	427,690	321,022	281,997	252,995
Recovery	%	7.64	7.55	8.33	8.227	9.218	9.681
Sugar Production	M.Tons	21,470	30,673	35,646	26,420	25,975	24,492
Crushing Days	Nos.	86	114	99	97	95	93

**THE COMPANIES ORDINANCE 1984
(Section 236(1) and 464)
PATTERN OF SHAREHOLDING**

1. Incorporation Number 0002804
 2. Name of the Company JAUHARABAD SUGAR MILLS LIMITED FORM 34
 3. Pattern of holding of the shares held by the shareholders as at 30-09-2015

-----Shareholding-----			
4. No. of Shareholders	From	To	Total Shares Held
624	1	100	14,892
224	101	500	54,348
62	501	1,000	48,934
96	1,001	5,000	220,163
14	5,001	10,000	104,859
4	10,001	15,000	52,371
1	15,001	20,000	15,641
2	20,001	25,000	43,609
1	25,001	30,000	26,451
2	30,001	35,000	63,411
1	35,001	40,000	36,912
1	45,001	50,000	50,000
1	50,000	54,999	50,500
1	60,001	65,000	64,210
1	65,001	70,000	65,821
1	150,001	155,000	152,622
1	390,001	395,000	391,887
1	405,001	410,000	405,795
1	590,001	595,000	594,205
1	715,001	720,000	719,955
2	1,015,001	1,020,000	2,035,046
1	2,745,001	2,750,000	2,746,667
1	2,950,001	2,955,000	2,951,498
1044			10,909,797

5. Categories of shareholders	Share held	Percentage
5.1 Directors, Chief Executive Officers, and their spouse and minor children	33,141	0.3038%
5.2 Associated Companies, undertakings and related parties.	5,698,165	52.2298%
5.3 NIT and ICP	723,444	6.6311%
5.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	3,518	0.0322%
5.5 Insurance Companies	179,559	1.6459%
5.6 Modarabas and Mutual Funds	0	0.0000%
5.7 Share holders holding 10% or more	5,698,165	52.2298%
5.8 General Public		
a. Local	4,191,937	38.4236%
b. Foreign	--	--
5.9 Others (to be specified)		
Joint Stock Companies	11,675	0.1070%
Pension Funds	65,821	0.6033%
Others	2,537	0.0233%

6. Signature of Company Secretary	
7. Name of Signatory	Imran Ilyas
8. Designation	Company Secretary

**Catagories of Shareholding Required Under Code of Coprorate Governance (CCG)
As on September 30, 2015**

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	Cane Processing (Pvt) Ltd. (CDC)	5,698,165	52.2298%
Mutual Funds (Name Wise Detail)			
		--	--
Directors and their Spouse and Minor Chidren (Name Wise Detail):			
1	Mr. Atif Zaheer Farooqi	5,000	0.0458%
2	Mr. Ghias-ul-hasan	5,000	0.0458%
3	Mr. Farhan Ilyas (CPL Nominee)	2,500	0.0229%
4	Mr. Kamran Zahoor (CPL Nominee)	2,500	0.0229%
5	Mr. Amjad Bashir Hussain (CPL Nominee)	2,500	0.0229%
6	Mr. Amjad Mehmood (CDC) (CPL Nominee)	15,641	0.1434%
7	Mr. Shahrukh Taimour (CPL Nominee)	--	--
Executives:		391,887	3.5921%
Public Sector Companies & Corporations:		--	--
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		248,898	2.2814%
Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)			
S. No.	Name	Holding	Percentage
1	Cane Processing (Pvt) Ltd. (CDC)	5,698,165	52.2298%
2	Mrs. Maryam Ahsan Maqbool	1,018,844	9.3388%
3	Mrs. Isma Ahmed	1,016,202	9.3146%
4	Mr. Mumshad Ali	594,205	5.4465%
5	National Bank Of Pakistan National Bank Of Pakistan - Trustee Deptt. (CDC)	720,694	6.6059%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S. No.	NAME	SALE	PURCHASE
	NIL		

FORM OF PROXY

CDC A/C NO.	FOLIO NO.	SHARES HELD

I/We _____

of _____

being a member of JAUHARABAD SUGAR MILLS LIMITED, hereby appoint

_____ (NAME)

of _____

or failing him _____ (NAME)

of _____

(being a member of the Company) as my/our proxy to attend, act and vote for me/us and on my/our behalf, at the Forty Seventh Annual General Meeting of the Company to be held at its Registered Office, Office No. 11-12, 4th Floor, Ali Tower, M.M. Alam Road, Gulberg-III, Lahore on Saturday, January 30, 2016, at 11:30 a.m. and at every adjournment thereof.

As witness my/our hand this _____ day of _____ 2016.

Signed by the said _____

of _____

Witness

Signature

Signature

<p>AFFIX REVENUE STAMP</p>

Note : Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.