

Jauharabad Sugar Mills Limited

**Condensed Interim Financial Statements
For Half Year Ended
March 31, 2016**





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KATICA QWYTT B 1

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INFORMATION CORPORATE

BOARD OF DIRECTORS

MR. GHIAS UL HASSAN
MR. ATIF ZAHEER FAROOQI
MR. AMJAD BASHIR HUSSAIN
MR. SHAHRUKH TAIMOOR
MR. AAMIR BEG
MR. FARHAN ILYAS
MR. JAMAL AHMED

CHIEF EXECUTIVE

CPL NOMINEE
CPL NOMINEE
CPL NOMINEE
CPL NOMINEE

AUDIT COMMITTEE

MR. AMJAD BASHIR HUSSAIN
MR. FARHAN ILYAS
MR. AMJAD MAHMOOD

CHAIRMAN
MEMBER
MEMBER

COMPANY SECRETARY

MR. IMRAN ILYAS

AUDITORS

UHY HASSAN NAEEM & CO.
CHARTERED ACCOUNTANTS

HEAD INTERNAL AUDIT

SYED MUHAMMAD USMAN AFZAAL

BANKERS

FAYSAL BANK LIMITED
ALBARAKA BANK (PAKISTAN) LIMITED
MCB BANK LIMITED
ASKARI COMMERCIAL BANK LIMITED
SONERI BANK LIMITED
JS BANK LIMITED
MCB ISLAMIC BANK LIMITED

LEGAL ADVISOR

ALLIED LEGAL SERVICES

SHARE REGISTRAR

CORPLINK (PVT.) LIMITED

REGISTERED OFFICE

109-A, STREET # 3,
CAVALRY GROUND
LAHORE CANTT. PAKISTAN



MILLS

JAUHARABAD
DISTRICT KHUSHAB.

FINANCIAL & OPERATING HIGHLIGHTS



DIRECTORS' REVIEW

Dear Members, Asslam-O-Aliakum

On Behalf of the Board of Director and myself, I am pleased to present before you the un-audited financial statements of the Company for half year ended on March 31, 2016 which has been duly reviewed by the external Auditors.

OPERATING RESULTS

The Company has achieved the following operating results for the crushing season 2015-2016 as compared to last crushing season.

| | | For Crushing Season | |
|--------------------|------------|---------------------|------------|
| Description | | 2015 - 16 | 2014 - 15 |
| Season Start | Date | 30-Nov-15 | 30-Nov-14 |
| Season End | Date | 3-March-16 | 2-March-15 |
| Working | Days | 95 | 93 |
| Sugar Cane Crushed | M. Tons | 340,519 | 252,995 |
| Sugar Produced | M. Tons | 33,205 | 24,492 |
| Sugar Recovery | Percentage | 9.75 | 9.68 |
| Molasses Produced | M. Tons | 15,990 | 11,292 |
| Molasses Recovery | Percentage | 4.70 | 4.46 |

management is proud to announce that the Company has been successfully turned around and the production for the Season 2015-2016 has increased by 8,713 M Tons i.e. 35.57% as compared to the last season.

This fact reflects the efforts made by the management over the last few years to increase sugar cultivation in mill's immediate vicinity. Such efforts continue and its is expected that in coming years the gate area i.e. within 10 KM to 15 KM radius shall fulfill most of the requirements of the raw material of the mill.

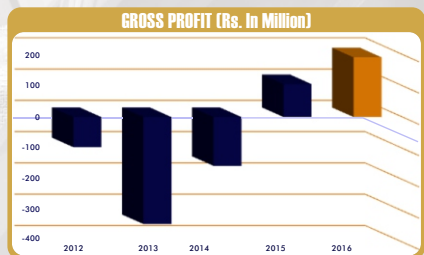
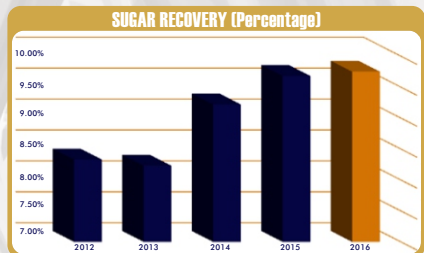
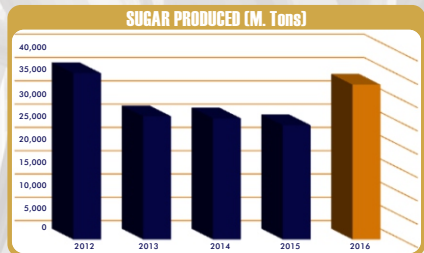
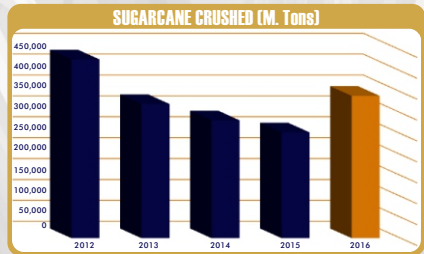
FINANCIAL PERFORMANCE

The financial results of the company for the period under review are summarized as following

| | | In Million | |
|-----------------------|--|-------------------------|-----------|
| | | Period ended 31st March | |
| Description | | 2015 - 16 | 2014 - 15 |
| Net Sales | | 1,218,144 | 541,194 |
| Gross Profit | | 191,127 | 43,165 |
| Net Profit Before Tax | | 113,190 | 11,328 |
| Net Profit After Tax | | 105,789 | 5,916 |
| Earnings Per Share | | 9.70 | 0.54 |

The gross profit ratio has increased to 15.69% [2014-15: 7.96%] mainly due to better sugar recoveries, better sugar prices and export contribution. Consequently the profitability per share has also increased to Rs. 9.70 [2014-15: 0.54].

It is a pleasure to state that our Company has managed to pay 100% to the cane growers within twenty four hours of closing the crushing season 2015-2016. Same has been endorsed by the Office of the Cane Commissioner, Punjab vide its clearance certificate dated March 09, 2016.



DIRECTORS' REVIEW

The Company has exported 15,905 metric tons of sugar via land route on which Federal/Provincial Government has allowed export subsidy of Rs. 13 per Kg. Moreover, the Company has also managed to repay 61.8% of the short term outstanding loans within one month after closure of crushing season 2015-2016.

In view of the above referred operating results, corresponding significant financial ratio including current ratio, Debt equity, lever age, Debt servicing ratio etc. have also shown considerable improvements. The Company has managed to fulfill its financial commitments on time and enjoys cordial relationship with all the financial institutions it is dealing with.

FUTURE PROSPECT

Though the bottom line has improved by 35% as an outcome of BMR and adequate maintenance procedures in place, the management has planned to further enhance the productivity targets for Crushing Season 2016-2017 by 25% as compared to this year. Thereto the management is not only focusing to enhance the mill's productivity by bringing in new equipment but is also putting in efforts to enhance the efficiency of existing infrastructure.

| | |
|--------------------------------------|--|
| Measures to Enhance the Productivity | <ul style="list-style-type: none"> ● Purchase of 3MW shredder Steam Turbine. ● Purchase of two (02) 1000KW Gear box for Milling Section. |
| Measures to Enhance the Efficiency | <ul style="list-style-type: none"> ● Installation of Molasses conditioners. ● Installation of Heat Recovery System on Boiler number 01. ● Abolishing 4-Bar make-up Steam Pipe line. ● Automation of Refine Pans. |

The management is hopeful that above mentioned BMR / Maintenance worth approximately Rs. 100,000 Million shall be helpful to achieve the targets for season 2016-2017. It is worth mentioning here that such investments shall be made through Company's internal cash-flows.

AUDITOR'S REPORT

In reply to the auditor's observation, your Directors have to comment as follow;

The loan from associates would eventually be converted into share capital of the company, after meeting legal requirements, thereby the markup for Rs. 18.74 million has not been accounted for.


GHAIS UL HASSAN
 Chief Executive

audit AUDITORS' REPORT

AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

INTRODUCTION

We have reviewed the accompanying condensed interim statement of financial position of Jauharabad Sugar Mills Limited as at March 31, 2016, and the related condensed interim statement of comprehensive income, condensed interim statement of cash flow and condensed interim statement of changes in equity together with the notes forming part thereof (here-n-after referred to as the interim financial information) for the half year ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the independent Auditor of the entity". A review of interim financial information consists of making inquiries, primarily of the persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express and audit opinion.

CONCLUSION

Interest on loan from sponsors associates (Note 8) which comes to Rs. 18.74 million for this period has not been accounted for nor amortization of such loan as per requirement of International Accounting Standard 39 has been made. Accordingly, net financial result for the six months has been overstated to that extent.

Based on our review, except for the effect of the matter referred to in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended March 31, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarter ended March 31, 2016 and March 31, 2015 in the condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion thereon.

Date: May 27, 2016

Place: Lahore


UHY Hassan Naeem & Co.
 Chartered Accountants
 Ibne Hassan, FCA



CONDENSED INTERIM FINANCIAL STATEMENTS

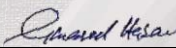
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN AUDITED)

As at March 31, 2016

| | | Un-audited | Audited |
|---|----|--------------------|------------------|
| | | Note Mar. 31, 2016 | Sep. 30, 2015 |
| (Rupees in thousands) | | | |
| NON-CURRENT ASSETS | | | |
| Fixed assets | 5 | 2,518,027 | 2,197,804 |
| Long term deposits | | 393 | 454 |
| | | 2,518,420 | 2,198,258 |
| CURRENT ASSETS | | | |
| Stores, spare parts and loose tools | | 60,810 | 78,047 |
| Stock-in-trade | | 800,859 | 59,088 |
| Loans and advances | | 58,211 | 44,268 |
| Trade Debts - <i>Unsecured Considered good</i> | | 9,052 | 116,518 |
| Trade deposits and short term prepayments | | 10,344 | 7,264 |
| Other receivables | 6 | 229,637 | 22,872 |
| Tax refunds due from the Government | | 66,904 | 51,021 |
| Short term investments | | - | 15,000 |
| Cash and bank balances | | 87,857 | 34,263 |
| Non current asset held for sale | | 123,636 | 123,636 |
| | | 1,447,310 | 551,977 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 550,050 | 261,871 |
| Accrued mark-up | | 17,872 | 12,917 |
| Short term borrowings | | 714,442 | 197,408 |
| Current portion of long term finances | 7 | 10,358 | 13,087 |
| | | 1,292,722 | 485,283 |
| WORKING CAPITAL EMPLOYED | | | |
| | | 154,588 | 66,694 |
| | | 2,673,008 | 2,264,952 |
| NON-CURRENT LIABILITIES | | | |
| Long term finances | 7 | - | 13,087 |
| Loan from associates | 8 | 325,006 | 325,106 |
| Long term advances | | 115,000 | 115,000 |
| Long term provision | | 1,309 | 1,309 |
| Deferred taxation | | 212,954 | 157,077 |
| | | 654,269 | 611,579 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 9 | - | - |
| NET CAPITAL EMPLOYED | | | |
| | | 2,018,739 | 1,653,373 |
| REPRESENTED BY: SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital (70,000,000 Ordinary shares of Rs. 10 each) | | 700,000 | 700,000 |
| Share capital | | 109,098 | 109,098 |
| Capital reserve - premium on right shares | | 26,879 | 26,879 |
| Share deposit money | | 577,710 | 577,710 |
| Revenue reserves: | | | |
| - General reserve | | 62,000 | 62,000 |
| - Accumulated losses | | (55,028) | (172,050) |
| | | 6,972 | (110,050) |
| SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX | | | |
| | 10 | 720,659 | 603,637 |
| | | 1,298,080 | 1,049,736 |
| | | 2,018,739 | 1,653,373 |

The annexed notes 1 to 17 form an integral part of these condensed interim financial information

Date: May 27, 2016
Lahore


GHIAS UL HASSAN
Chief Executive


AMJAD BASHIR HUSSAIN
Director

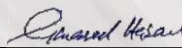
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the half year ended March 31, 2016

| | Note | Half Year ended 31 March | | Quarter ended 31 March | |
|---|------|-----------------------------|---------------|---------------------------|---------------|
| | | 2016 | 2015 | 2016 | 2015 |
| (Rupees in thousands) | | | | | |
| Sales | 11 | 1,218,144 | 541,194 | 1,183,664 | 289,744 |
| Cost of sales | 12 | 1,027,017 | 498,029 | 950,823 | 192,748 |
| Gross Profits | | 191,127 | 43,165 | 232,841 | 96,996 |
| OPERATING EXPENSES: | | | | | |
| Administrative expenses | | 45,413 | 37,410 | 23,529 | 24,450 |
| Distribution cost | | 2,970 | 1,090 | 1,934 | 639 |
| Other operating expenses | | - | 550 | - | 200 |
| | | 48,383 | 39,050 | 25,463 | 25,289 |
| OPERATING PROFITS | | | | | |
| Finance cost | | 142,744 | 4,115 | 207,378 | 71,707 |
| | | (34,142) | (17,528) | (29,884) | (15,078) |
| Other income | | 4,588 | 24,741 | 4,340 | 24,741 |
| PROFIT BEFORE TAXATION | | 113,190 | 11,328 | 181,834 | 81,370 |
| Taxation | 13 | (7,401) | (5,412) | (11,348) | (5,412) |
| PROFIT AFTER TAXATION | | 105,789 | 5,916 | 170,486 | 75,958 |
| Earnings per share - basic and dilutive (Rupees): | | 9.70 | 0.54 | 15.63 | 6.96 |

The annexed notes 1 to 17 form an integral part of these condensed interim financial information

Date: May 27, 2016
Lahore


Ghias Ul Hassan
Chief Executive


Amjad Bashir Hussain
Director

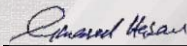
CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)

For the half year ended March 31, 2016

| | Half Year ended 31 March | | Quarter ended 31 March | |
|--|-----------------------------|---------------|---------------------------|---------------|
| | 2016 | 2015 | 2016 | 2015 |
| | (Rupees in thousands) | | | |
| Profit after taxation | 105,789 | 5,916 | 170,486 | 75,958 |
| Other comprehensive income for the period | | | | |
| Incremental depreciation for the period | 11,233 | 10,154 | 6,266 | 4,957 |
| Total comprehensive profit for the period | 117,022 | 16,070 | 176,752 | 80,915 |

The annexed notes 1 to 17 form an integral part of these condensed interim financial information

Date: May 27, 2016
Lahore


GHIAS UL HASSAN
Chief Executive


AMJAD BASHIR HUSSAIN
Director

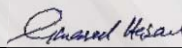
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the half year ended March 31, 2016

| | Half year ended 31 March | |
|---|-----------------------------|------------------|
| | 2016 | 2015 |
| | (Rupees in thousands) | |
| CASH FLOW FROM OPERATING ACTIVITIES | 113,190 | 11,328 |
| Profit before taxation | | |
| Adjustments for: | | |
| Depreciation | 40,303 | 35,058 |
| Advances adjusted against sale of sugar | - | (43,500) |
| Finance cost | 34,142 | 17,528 |
| Markup written off | - | (24,741) |
| Profit / (Loss) before working capital changes | 187,635 | (4,327) |
| Working capital changes | | |
| Stores, spare parts and loose tools | 17,237 | (7,611) |
| Stock in trade | (741,771) | (824,998) |
| Loans and advances | (13,943) | (33,611) |
| Trade debts - <i>Unsecured Considered good</i> | 107,466 | 734 |
| Trade deposits and short term prepayments | (3,080) | - |
| Other receivables | (206,765) | - |
| Tax refunds due from the government | (15,626) | - |
| Short term investments | 15,000 | - |
| Trade and other payables | 280,778 | 158,992 |
| | (560,704) | (706,494) |
| Cash used in operations | (373,069) | (710,821) |
| Financial cost | (29,187) | (5,139) |
| Taxes paid | (257) | (4,530) |
| Net cash used in operating activities | (402,513) | (720,490) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Addition to fixed assets | (45,072) | (19,160) |
| Long term deposits | 61 | - |
| Net cash used in investing activities | (45,011) | (19,160) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Long term finances | (15,816) | (7,271) |
| Short term borrowings | 517,034 | 712,378 |
| Loan from associates | (100) | 47,896 |
| Net cash generated from financing activities | 501,118 | 753,003 |
| Net increase in cash and cash equivalents | 53,594 | 13,353 |
| Cash and cash equivalents at beginning of the period | 34,263 | 7,346 |
| Cash and cash equivalents at the end of the period | 87,857 | 20,699 |

The annexed notes 1 to 17 form an integral part of these condensed interim financial information

Date: May 27, 2016
Lahore


Ghias Ul Hassan
Chief Executive


Amjad Bashir Hussain
Director


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

For the half year ended March 31, 2016

| | Share capital | Share premium | General reserve | Share deposit money | Accumulated losses | Total |
|---|---------------|---------------|-----------------|---------------------|--------------------|---------|
| Rupees in thousands | | | | | | |
| Balance as on October 01, 2014 | 109,098 | 26,879 | 62,000 | - | (194,861) | 3,116 |
| Total comprehensive gain for the period | - | - | - | - | 16,070 | 16,070 |
| Incremental depreciation for the period | - | - | - | - | - | - |
| Balance as on March 31, 2015 | 109,098 | 26,879 | 62,000 | - | (178,791) | 19,186 |
| Balance as on October 01, 2015 | 109,098 | 26,879 | 62,000 | 577,710 | (172,050) | 603,637 |
| Total comprehensive gain for the period | - | - | - | - | 117,022 | 117,022 |
| Balance as on March 31, 2016 | 109,098 | 26,879 | 62,000 | 577,710 | (55,028) | 720,659 |

The annexed notes 1 to 17 form an integral part of these condensed interim financial information

Date: May 27, 2016
Lahore


Ghias Uj Hassan
Chief Executive


Amjad Bashir Hussain
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-Audited)

For the half year ended March 31, 2016

1. REPORTING ENTITY

Jauharabad Sugar Mills Limited ("the Company") was incorporated in Pakistan in 1968 under repealed Companies Act 1913 (now Companies Ordinance, 1984). The shares of the Company are listed on Pakistan Stock Exchange. The registered office of the Company is situated at 109-A, Street # 3, Cavalry Ground, Lahore Cantt, 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. BASIS OF PREPARATION**2.1 Statement of compliance**

The interim financial information of the Company for the half year ended March 31, 2016 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 requirement 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, 2015. 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 this interim financial information have been extracted from the audited financial statements of the Company for the year ended September 30, 2015, 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 half year ended March 31, 2015

2.2 Functional and presentation currency

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

2.3 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 September 30, 2015.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies adopted for the preparation of this 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, 2015.

4. 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-Audited)

For the half year ended March 31, 2016

| 5. FIXED ASSETS | | Un-audited | Audited |
|---|-------------|----------------------|----------------------|
| | <i>Note</i> | Mar. 31, 2016 | Sep. 30, 2015 |
| (Rupees in thousands) | | | |
| Property, plant and equipment | 5.1 | 2,513,615 | 2,053,261 |
| Capital work-in-progress | | 4,412 | 144,543 |
| | | 2,518,027 | 2,197,804 |
| 5.1 Property, plant and equipment | | | |
| Opening written down value | | 2,053,261 | 1,922,075 |
| Additions during the period | 5.1.1 | 45,072 | 316,891 |
| Transfer from CWIP | | 140,131 | - |
| Transfer to non current assets held for sale | | - | (123,636) |
| Revaluation surplus | | 315,454 | - |
| | | 2,553,918 | 2,115,330 |
| | | (40,303) | (62,069) |
| | | 2,513,615 | 2,053,261 |
| Depreciation charged during the period / year | | | |

5.1.1 This includes addition made in buildings, plant and vehicles amounting Rs. 1.5 million, Rs. 40.76 million and Rs. 1.9 respectively.

6. OTHER RECEIVABLES

Other receivables includes receivable from government in respect of cash support on sugar exports during the period amounting to Rs. 206.76 million.

7. LONG TERM FINANCING - SECURED

| | | Un-audited | Audited |
|---------------------------------|-----|----------------------|----------------------|
| | | Mar. 31, 2016 | Sep. 30, 2015 |
| (Rupees in thousands) | | | |
| Opening balance | | 26,174 | 39,261 |
| Payments made during the period | | (15,816) | (13,087) |
| Balance | 7.1 | 10,358 | 26,174 |
| Current portion | | (10,358) | (13,087) |
| | | - | 13,087 |

7.1 This represents long term loan obtained from Faysal Bank Limited. This carries mark-up at the rate of 3 months KIBOR plus 150 basis points 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 sponsors.

The loan was to be repaid in 14 equal quarterly principal installments of which 4 quarterly installments are payable.

8. LOAN FROM ASSOCIATES

This represents interest free long term loan from sponsors / associates.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-Audited)

For the half year ended March 31, 2016

9. CONTINGENCIES AND COMMITMENTS

9.1 CONTINGENCIES

The followings are known contingencies as on March 31, 2016.

- 9.1.1 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.
- 9.1.2 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 favor.
- 9.1.3 The Company has filed a writ petition against the amendments of finance act 2014 on "Alternate Corporate taxes", implication on tax year 2013 of the 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 01, 2014.
- 9.1.4 Performance bond of Rs. 3.855 million provided to TCP against supply of 3000 M.Tons of sugar.

9.2 COMMITMENTS

Commitments in respect of capital expenditure at the period end is Rs. 20.13 million (September 30 2015; Rs. 14.36 million).

10. REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT - NET OF TAX

Un-audited
Mar. 31, 2016
Audited
Sep. 30, 2015
(Rupees in thousands)

| | | |
|---|------------------|------------------|
| Land | 816,219 | 675,381 |
| Buildings | 100,593 | 78,355 |
| Plant and machinery | 736,879 | 584,501 |
| | 1,653,691 | 1,338,237 |
| Less : Accumulated incremental depreciation | (111,382) | (94,863) |
| | 1,542,309 | 1,243,374 |
| Less: Deferred tax liability | | |
| Opening balance | 193,638 | 201,963 |
| Addition during the year | 55,877 | - |
| Incremental depreciation for the period /year | (5,286) | (8,325) |
| | 244,229 | 193,638 |
| | 1,298,080 | 1,049,736 |

- 10.1 The Company's land, buildings and plant and machinery were revalued by M/s Arch e Decon, on March 31, 2016, an independent valuator not connected with the Company and approved by Pakistan Banks' Association (PBA). The basis of revaluation is the "Average Market Price".

11. SALES

Half Year ended
31 March

Quarter ended
31 March

2016

2015

2016

2015

Note

(Rupees in thousands)

| | | | | |
|--------------|------------------|----------------|------------------|---------------|
| Local sales | 469,777 | 541,194 | 435,297 | 96,996 |
| Export sales | 748,367 | - | 748,367 | - |
| | 1,218,144 | 541,194 | 1,183,664 | 96,996 |

- 11.1 Export sales include the cash support from Government related to sugar exports at the rate of Rs. 13/Kg , total cash support receivable during the period amount to Rs. 206.76 million

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-Audited)

For the half year ended March 31, 2016

| 13. COST OF SALES | Half Year ended 31 March | | Quarter ended 31 March | |
|---|-----------------------------|------------------|---------------------------|------------------|
| | 2016 | 2015 | 2016 | 2015 |
| (Rupees in thousands) | | | | |
| Raw material cane purchased and consumed | 1,602,648 | 1,164,758 | 1,015,850 | 816,904 |
| Salaries, wages and other benefits | 52,172 | 47,199 | 30,027 | 30,170 |
| Chemicals, fuel, lubes and packing material | 34,908 | 29,743 | 22,421 | 21,381 |
| Manufacturing expenses | 39,563 | 46,971 | 21,361 | 39,816 |
| Depreciation | 39,497 | 34,357 | 21,906 | 16,592 |
| | 1,768,788 | 1,323,028 | 1,111,565 | 924,863 |
| Work-in-process - (net) | 215 | 266 | 44,069 | 42,490 |
| Cost of goods manufactured | 1,769,003 | 1,323,294 | 1,155,634 | 967,353 |
| Opening stock of finished goods | 56,523 | 37,950 | 593,698 | 88,610 |
| Available for sale | 1,825,526 | 1,361,244 | 1,749,332 | 1,055,963 |
| Closing stock of finished goods | (798,509) | (863,215) | (798,509) | (863,215) |
| Cost of sales | 1,027,017 | 498,029 | 950,823 | 192,748 |

13. TAXATION

Provision for taxation for the period has been calculated as per the requirements of Section 113C of Income Tax Ordinance, 2001.

14. TRANSACTIONS WITH RELATED PARTIES

Un-audited Audited
Mar. 31, 2016 Sep. 30, 2015

(Rupees in thousands)

| Name | Relationship | Nature of transaction | | |
|------------------------------------|------------------------------|------------------------------|-------|--------|
| Jauharabad Provident Fund | Post Employment benefit plan | Provident fund contribution | 691 | 631 |
| M/s Cane Processing (Pvt.) Limited | Holding Company | Receipts / repayment of loan | (100) | 47,896 |

15. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with those disclosed in annual financial statements of the Company for the year ended September 31, 2015.

16. DATE OF AUTHORIZATION

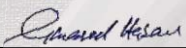
This condensed interim financial information was authorized for issue on MAY 27, 2016 by the Board of Directors of the Company.

17. GENERAL

17.1 Figures of previous year have been re-arranged and reclassified wherever necessary for the purposes of comparison.

17.2 Figures have been rounded off to the nearest thousand rupees.

Date: May 27, 2016
Lahore


GHIAS UL HASSAN
Chief Executive


AMJAD BASHIR HUSSAIN
Director

Jauharabad Sugar Mills Limited

REGISTERED OFFICE

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MILLS

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