

June 30 | 3rd Qtr
2018



Condensed Interim Financial Statements
For The Nine Months Ended
June 30, 2018
(Un-Audited)



Table of Contents

Financial Highlights	04
Corporate Information	05
Directors' Review	06
Directors' Review (Urdu)	07
Condensed Interim Statement of Financial Position	08
Condensed Interim Profit & Loss Account	10
Condensed Interim Statement of Comprehensive Income	11
Condensed Interim Statement of Cash Flows	12
Condensed Interim Statement of Changes in Equity	14
Notes to the Condensed Interim Financial Statements	15



Financial Highlights



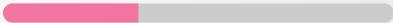
Top Line

2018 - 1,355 Rs. in Million
2017 - 1,345 Rs. in Million



Net Profit Ratio

(1.25%) During 2018
2.34% During 2017



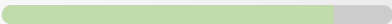
Return on Capital Employed

2.74% During 2018
3.80% During 2017



Price Earning Ratio

(71.32) Times During 2018
44.41 Times During 2017



Bottom Line

2018 - (16.92) Rs. in Million
2017 - 31.46 Rs. in Million



Corporate Information

BOARD OF DIRECTORS

Mr. Ghias Ul Hasan	Chief Executive
Mr. Amjad Bashir Hussain	Independent Director
Mr. Amjad Javed Aftab	Dependent Director
Mr. Saif ur Rehman	CPL Nominee
Mr. Farhan Ilyas	CPL Nominee
Mr. Muhammad Aamir Beg	CPL Nominee
Mr. Jamal Ahmed	CPL Nominee

AUDIT COMMITTEE

Mr. Amjad Bashir Hussain	Chairman
Mr. Muhammad Aamir Beg	Member
Mr. Saif ur Rehman	Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Farhan Ilyas	Chairman
Mr. Jamal Ahmed	Member
Mr. Ghias Ul Hasan	Member

CFO & COMPANY SECRETARY

Mr. Imran Ilyas

HEAD OF INTERNAL AUDIT

Syed Muhammad Usman Afzaal

AUDITORS

UHY Hassan Naeem & Co.
(Chartered Accountants)
193-A, Shah Jamal Lahore – Pakistan
Phone No. 042 35403550
Fax No. 042 35403599
E-mail: info@uhy-hnco.com

SHARE REGISTRAR

Corplink (Pvt.) Limited
Wings Arcade, 1-K Commercial
Model Town, Lahore
Phone No. 042 35916714
Fax No. 042 35869037
E-mail: shares@corplink.com.pk

LEGAL ADVISOR

Allied Legal Services, Advocates
25-Munawer Chambers
1-Mozang Road, Lahore.
Phone No. 042 37354090
Fax No. 042 37354090

REGISTERED ADDRESS

109-A, Street # 3, Cavalry Ground
Lahore Cantt. Pakistan
Phone No. 042 37175229
Fax No. 042 37175256
E-mail: secretary@jsml.com.pk

MILLS

Jauharabad, District Khushab
Phone No. 0454 720063-6

ISLAMIC BANKERS OF THE COMPANY

Albaraka Bank Pakistan Limited

MCB Islamic Bank Limited

Dubai Islamic Bank Pakistan Limited

BANKERS OF THE COMPANY

Askari Bank Limited
Faysal Bank Limited
United Bank Limited
Allied Bank Limited

JS Bank Limited
Habib Metropolitan Bank Limited
Habib Bank Limited

Soneri Bank Limited
National Bank of Pakistan
Bank Alfalah Limited

COMPANY WEBSITE

www.jsml.com.pk

Directors' Review

Dear Members, Assalam-O-Alaikum

On behalf of the Board of Directors and myself, I am pleased to present before you the un-audited financial statements of the Company for the nine months ended June 30, 2018.

SECTOR OVERVIEW

During the period under review, the sugar price that remained less than corresponding period of last financial year due to carrying stocks in the Country, has shown an increasing trend in third quarter as a result of sugar export of 1.50 million tons. Going forward, in a recent meeting of ECC, Government of Pakistan has declared sugar as a freely exportable commodity which shall be instrumental in stabilizing sugar prices in the Country towards the end of this financial year.

OPERATIONAL PERFORMANCE

The Company during crushing season 2017-18 has produced 42,846 MT of sugar at an average recovery of 9.7% by crushing 441,646 MT of sugarcane. Your Company has performed reasonably well as compared to its competitors despite a 12% decrease in plant utilization factor. This is for the reason that in current year previously non-functional mills have become operative in the region in addition to a low yield of sugarcane crop with lesser sucrose content caused by adverse climatic conditions.

The management due to its proper maintenance & BMR has managed to reduce its mechanical downtime by 28% as compared to its last crushing season. Further, management is pleased to disclose that hundred percent (100%) cane payment was made within 24hrs of closing of its crushing season, a fact has been published in local newspapers and the same has been acknowledged by Cane Commissioner.

FINANCIAL PERFORMANCE

Jauharabad Sugar Mills Limited over the year has shown firm determination to out-perform average industrial bench marks in sugar sector.

In the period under review the Company has posted net sales revenue of Rs. 1.35 billion (3QTR FY2017: Rs. 1.34 billion) and has already repaid 15% of its short term borrowings and is current with all its financial commitments. The Company has also contributed to foreign reserves towards the national exchequer by exporting 5,012 MT (3QTR FY2017: 3,897 MT).

The Company has also paid dividend of Rs. 24.37 million [2017: 10.9 million] to its shareholders during the current financial period adding return for its shareholders.

FUTURE PROSPECT

As a part of corporate strategy of diversification, the installation of biomass based 15MW power plant is expected to contribute towards shareholder equity by the next crushing season.

ACKNOWLEDGEMENT

The directors of The Company concede the hard work and commitments put in by every worker assuring that organization move one step closer to its strategic objectives.

For and on behalf of the Board


Ghias-Ul-Hasan
Chief Executive

Lahore: July 26, 2018

ڈائریکٹرز کی جائزہ رپورٹ

محترم حصص داران، السلام علیکم

بورڈ آف ڈائریکٹرز اور خود میری طرف سے، میں آپ کو 30 جون 2018ء کو ختم ہونے والی نو ماہی کے لئے کمپنی کے غیر نظر ثانی شدہ مالی حسابات پیش کرتے ہوئے خوش محسوس کرتا ہوں۔

شعبہ وار کارکردگی کا جائزہ

زیر جائزہ مدت کے دوران، ملک میں سابقہ اسٹاک کی بدولت گئے کی قیمت گزشتہ مالی سال کی اسی مدت سے کم رہی، جس نے 1.50 ملین ٹن چینی برآمد کے نتیجے میں تیسری سہ ماہی میں قیمتوں کے بڑھنے کا رجحان ظاہر کیا ہے۔ آگے بڑھتے ہوئے، ECC کے حالیہ اجلاس میں، حکومت پاکستان نے، چینی کو ایک آزادانہ برآمدی اشیاء کے طور پر اعلان کیا ہے جو اس مالی سال کے اختتام پر ملک میں چینی کی قیمتوں کو مستحکم کرنے میں اہم کردار ادا کرے گا۔

آپریٹل کارکردگی

کرشنگ سیزن 2017-18 کے دوران کمپنی نے 441,646 میٹرک ٹن گنے کی کرشنگ کے ذریعے 9.17 فیصد کی اوسط ریکوری پر 42,846 میٹرک ٹن چینی بنائی ہے۔ آپ کی کمپنی نے پلانٹ کے صلاحیتی عنصر میں 12 فیصد کمی کے باوجود اپنے حرلیٹوں کے مقابلے میں نمایاں طور پر اچھی کارکردگی کا مظاہرہ کیا ہے۔ اسی وجہ سے موجودہ سال میں گزشتہ غیر فعال ملز خراب ماحولیاتی حالات کے باعث کم سکروس اجزاء اور گنے کی فصل کی فی ایکڑ کم پیداوار کے ساتھ علاقہ میں آپریٹل ہو چکی ہیں۔

اسکی مناسب بحالی اور بی ایم آر کی بدولت انتظامیہ نے گزشتہ کرشنگ سیزن کے مقابلے 28 فیصد تک میکینیکل اخراجات کم کئے ہیں۔ اس کے علاوہ، انتظامیہ خوشی سے وضاحت کرتی ہے کہ کمپنی نے کرشنگ سیزن کے اختتام کے چوبیس (24) گھنٹے کے اندر اندر گنے کے اپنے واجبات کی سو فیصد (100%) ادائیگی کی ہے، یہ حقیقت مقامی اخبارات میں بھی شائع ہوئی اور کین کشر کی طرف سے کلیئرنس سرٹیفکیٹ جاری کیا گیا ہے۔

مالیاتی کارکردگی

جوہر آباد شوگر ملز لمیٹڈ نے پورا سال چینی کے شعبہ میں اوسط صنعتی بیچ مارک کارکردگی کے لئے پختہ عزم ظاہر کیا ہے۔

زیر جائزہ مدت میں کمپنی نے 1.35 ملین روپے کی فروخت آمدنی (3QTR FY2017: 1.34 ملین روپے) درج کی ہے اور اپنے مختصر مدتی قرضوں کا 15% پہلے ہی واپس ادا کر چکی ہے اور موجودہ مالی وعدوں پر پورا اُتری ہے۔ کمپنی نے 5,012 میٹرک ٹن (3QTR FY2017: 3,897 میٹرک ٹن) برآمدات کے ذریعے قومی خزانہ میں غیر ملکی ذخائر کا حصہ بھی ڈالا ہے۔

کمپنی نے اپنے حصص داروں کے لئے ریٹرن کے علاوہ موجودہ مالی مدت کے دوران اپنے حصص داران کو 24.37 ملین روپے (2017: 10.9 ملین روپے) کا ڈیویڈنڈ بھی ادا کیا ہے۔

مستقبل کے امکانات

متنوع کارپوریٹ حکمت عملی کے طور پر، بانیو ماس پرائیویٹ 15 میگا واٹ کے پاور پلانٹ کی تنصیب سے توقع ہے کہ اگلے کرشنگ سیزن میں اپنے حصص داران کے منافع میں حصہ ڈالنا شروع کر دے گا۔

اعتراف

کمپنی کے ڈائریکٹرز ہر کارکن کی سخت محنت اور عزم کا اعتراف کرتے ہیں جو یہ بات یقینی بناتے ہیں کہ آرگنائزیشن اسٹریٹجک مقاصد کے حصول میں مزید ایک مرحلہ قریب ہے۔

منجانب بورڈ
غیاث الحسن
چیف ایگزیکٹو

Condensed Interim Statement of Financial Position (Un-audited)

As at June 30, 2018

		Un-audited June 30 2018	Audited Sep 30 2017
Equity and Liabilities	Note	(Rupees in thousands)	
Share capital and reserves			
Authorized share capital		700,000	700,000
Share capital		247,308	247,308
Capital reseves:			
Share premium		466,380	466,380
Loan from sponsors		488,791	444,871
Revenue reserves:			
- Accumulated profits		56,990	74,292
Revaluation surplus on property, plant and equipment	6	1,307,820	1,335,193
Total Equity		2,567,289	2,568,044
Non-current liabilities			
Long term loans from banking companies - secured	7	293,846	158,663
Liabilities against assets subject to finance lease - secured		314	639
Long term advances		-	115,000
Long term provision		1,309	1,309
Deferred taxation		247,817	247,817
		543,286	523,428
Current liabilities			
Trade and other payables		204,858	393,180
Current portion of:			
- Long term loans from banking companies - secured	7	22,239	9,495
- Liabilities against assets subject to finance lease - secured		495	465
Accrued mark-up		77,935	16,491
Short term borrowings - secured	8	2,154,110	407,656
Provision for taxation		4,610	2,107
		2,464,247	829,394
Contingencies and commitments	9	-	-
		5,574,822	3,920,866

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

Lahore
July 26, 2018


Ghias Ul Hasan
Chief Executive Officer


Amjad Bashir Hussain
Director


Imran Ilyas
Chief Financial Officer

Condensed Interim Statement of Financial Position (Un-audited)

As at June 30, 2018

		Un-audited June 30 2018	Audited Sep 30 2017
Assets	Note	(Rupees in thousands)	
Non-current assets			
Property, plant and equipment	5	3,100,762	3,082,537
Intangible assets		457	563
Long term deposits		664	264
		3,101,883	3,083,364
Current assets			
Stores, spare parts and loose tools		69,681	60,668
Stock-in-trade		1,495,066	556,411
Loans and advances		227,166	50,533
Trade debts- unsecured considered good		387,367	1,366
Trade deposits and short term prepayments		2,843	525
Other receivables		49,970	23,017
Tax refunds due from the Government		133,893	117,869
Cash and bank balances		106,953	27,113
		2,472,939	837,502
		5,574,822	3,920,866

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

Lahore
July 26, 2018


Ghias Ul Hasan
Chief Executive Officer


Amjad Bashir Hussain
Director


Imran Ilyas
Chief Financial Officer

Condensed Interim Profit & Loss Account (Un-audited)

For the Nine Months Ended June 30, 2018

		Un-audited Nine Months Ended June 30		Un-audited Quarter Ended June 30	
		2018	2017	2018	2017
	Note	(Rupees in thousands)			
Sales - net	10	1,355,208	1,345,100	519,794	757,511
Cost of sales	11	(1,331,140)	(1,161,715)	(492,680)	(684,791)
Gross profits		24,068	183,385	27,114	72,720
Operating expenses:					
Administrative expenses		77,016	67,999	8,469	20,334
Distribution cost		5,883	3,226	1,353	27
		82,899	71,225	9,822	20,361
Operating profits		(58,831)	112,160	17,292	52,359
Finance cost		(99,551)	(82,537)	(54,385)	(44,714)
Other income	12	143,962	3,528	646	11
Profit before taxation		(14,420)	33,151	(36,447)	7,656
Taxation	13	(2,503)	(1,686)	8,677	4,190
Profit after taxation		(16,923)	31,465	(27,770)	11,846
Earnings per share (rupees)					
Basic & diluted		(0.68)	1.27	(1.12)	0.48

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

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the Nine Months Ended June 30, 2018

	Un-audited Nine Months Ended June 30		Un-audited Quarter Ended June 30	
	2018	2017	2018	2017
	(Rupees in thousands)			
Profit after taxation	(16,923)	31,465	(27,770)	11,846
Other comprehensive income for the period				
Items that will not be reclassified to profit and loss account:				
Incremental depreciation for the period	24,352	20,310	(474)	4,887
Total comprehensive Income for the period	7,429	51,775	(28,244)	16,733

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

Lahore
July 26, 2018


Ghias Ul Hasan
Chief Executive Officer


Amjad Bashir Hussain
Director


Imran Ilyas
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited)

For the Nine Months Ended June 30, 2018

	Un-audited Nine Months Ended June 30	
	2018	2017
	(Rupees in thousands)	
Cash flow from operating activities		
Profit before taxation	(14,420)	33,151
Adjustments for:		
Depreciation	78,202	82,137
Amortization	106	224
Balance written off	(115,000)	-
Gain on disposal of property, plant and equipment	(52)	-
Finance cost	99,551	82,537
	62,807	164,898
Profit before working capital changes	48,387	198,049
Working capital changes		
Stores, spare parts and loose tools	(9,013)	4,188
Stock in trade	(938,655)	(1,599,636)
Loans and advances	(176,633)	33,105
Trade debts- unsecured considered good	(386,001)	(369,934)
Trade deposits and short term prepayments	(2,318)	(1,698)
Other receivables	(26,953)	180,223
Trade and other payables	(188,673)	118,658
	(1,728,243)	(1,635,094)
Cash used in operations	(1,679,856)	(1,437,045)
Finance cost paid	(54,138)	(43,187)
Taxes paid	(16,024)	(22,936)
Dividend paid	(24,375)	(10,910)
Net cash used in operating activities	(1,774,393)	(1,514,078)

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

Condensed Interim Statement of Cash Flows (Un-audited)

For the Nine Months Ended June 30, 2018

Un-audited
Nine Months Ended
June 30

2018 2017
(Rupees in thousands)

Cash flow from investing activities

Addition to property, plant and equipment	(89,524)	(240,738)
Proceeds from sale of property, plant and equipment	6,216	-
Net cash generated (used in) investing activities	(83,708)	(240,738)

Cash flow from financing activities


Long term finances	147,927	115,585
Short term borrowings	1,746,454	1,620,874
Lease rentals paid	(360)	(552)
Loan from associates	43,920	(75)
Net cash generated from financing activities	1,937,941	1,735,832

Net increase in cash and cash equivalents	79,840	(18,984)
Cash and cash equivalents at beginning of the period	27,113	19,538
Cash and cash equivalents at the end of the period	106,953	554

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

Lahore
July 26, 2018


Ghias Ul Hasan
Chief Executive Officer


Amjad Bashir Hussain
Director


Imran Ilyas
Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Un-audited)

For the Nine Months Ended June 30, 2018

	Share Capital	Share Premium	General Reserve	Accumulated profits	Revaluation Surplus	Loan from Sponsors	Total
----- Rupees in thousands -----							
Balance as on October 01, 2016	109,098	26,879	62,000	(39,697)	1,366,236	1,123,936	2,648,452
Payments made during the year	-	-	-	-	-	(3,580)	(3,580)
Loan transfer to short term loan	-	-	-	-	-	(96,495)	(96,495)
Loan converted into shares at premium	115,727	461,983	-	-	-	(577,710)	-
Transfer from general reserves	-	-	(62,000)	62,000	-	-	-
10% cash dividend	-	-	-	(10,910)	-	-	(10,910)
Incremental depreciation for the period	-	-	-	-	(20,310)	-	(20,310)
Total comprehensive income for the period	-	-	-	51,775	-	-	51,775
Balance as on June 30, 2017	224,825	488,862	-	63,168	1,345,926	446,151	2,568,931
Balance as on October 01, 2017	247,308	466,380	-	74,292	1,335,193	444,871	2,568,044
Payments made during the year	-	-	-	-	-	(79,423)	(79,423)
Loan received during the year	-	-	-	-	-	123,343	123,343
10% cash dividend	-	-	-	(24,731)	-	-	(24,731)
Incremental depreciation for the Period	-	-	-	-	(24,352)	-	(24,352)
Revaluation surplus on asset disposed off	-	-	-	-	(3,021)	-	(3,021)
Total comprehensive income for the period	-	-	-	7,429	-	-	7,429
Balance as on June 30, 2018	247,308	466,380	-	56,990	1,307,820	488,791	2,567,289

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

Notes to the Condensed Interim Financial Statements (Un-audited)

For the Nine Months Ended June 30, 2018

1 Reporting entity

Jauharabad Sugar Mills Limited ("the Company") was incorporated in Pakistan in 1968 under repealed Companies Act 1913 (now Companies Act, 2017). 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

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The disclosures made in these condensed interim financial statements of the Company have, however, been limited based on the requirements of the International Accounting Standard 34 - Interim Financial Reporting thus these do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended September 30, 2017. This condensed interim financial information is un-audited and are being submitted to the shareholders as required by section 237 of the Companies Act, 2017 and Listing Regulations of Stock Exchange of Pakistan.

The comparative statement of financial position presented in this condensed interim financial statement has been extracted from the audited financial statements of the Company for the year ended September 30, 2017, 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 statements for the nine months ended June 30, 2017.

2.2 Basis of measurement

These condensed interim financial statements has been prepared under the historical cost convention except for the Company's freehold land, building and plant & machinery which are stated at revalued amount.

2.3 Functional and presentation currency

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

Notes to the Condensed Interim Financial Statements (Un-audited)

For the Nine Months Ended June 30, 2018

2.4 Critical accounting estimates and judgments

Judgments and estimates made by management in the preparation of these condensed interim financial statements are the same as those applied to the preceding annual published financial statements of the Company for the year ended September 30, 2017.

3 Accounting policies and computation methods

3.1 The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended September 30, 2017, except for treatment of surplus arising out of revaluation of assets. The Companies Act, 2017 applicable from 1 January 2018 requires certain additional disclosures and Section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising out of revaluation of assets has not been carried forward in the Companies Act, 2017. This would require change in accounting policy relating to surplus on revaluation of fixed assets to bring it in line with the requirements of IAS 16 – Property, plant and equipment. This amendment will result in reclassification of surplus on revaluation of fixed assets as part of shareholders' equity.

3.2 There were certain other new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

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 six months.

		Un-audited June 30 2018	Audited Sep 30 2017	
5	Property, plant and equipment	Note	(Rupees in thousands)	
	Property, plant and equipment	5.1	2,792,653	2,781,633
	Capital work-in-progress	5.2	308,109	300,904
			3,100,762	3,082,537
5.1	Property, plant and equipment			
	Balance at beginning of the period / year		2,781,633	2,731,069
	Add: Additions during the period / year		36,085	146,119
	Add: Transfer from CWIP		62,328	9,711
	Less: Book value of operating assets disposed - off during the period / year		(13,496)	(2,095)
			2,866,550	2,884,804
	Depreciation charged during the period / year		(78,202)	(103,171)
	Disposal		4,305	-
			2,792,653	2,781,663

Notes to the Condensed Interim Financial Statements (Un-audited)

For the Nine Months Ended June 30, 2018

5.1.1 Property, plant and equipment includes mark up capitalized amounting to Rs. 0.87 million (September 30, 2017 : Rs. 3.35 million).

5.1.2 Disposal includes disposal of godowns building having book value of Rs. 4.76 million.

5.2 Capital work in progress includes mark up capitalized amounting to Rs. 16.10 million (September 30, 2017 : Rs. 8.72 million).

		Un-audited June 30 2018	Audited Sep 30 2017
6 Revaluation surplus on property, plant and equipment		(Rupees in thousands)	
Land		816,220	816,220
Building		100,593	100,593
Plant and machinery		855,042	855,042
		1,771,855	1,771,855
Less: Accumulated incremental depreciation		(212,198)	(177,409)
Less: Deletion during the period		(3,021)	-
		1,556,636	1,594,446
Less. Deferred tax liability			
Opening balance		259,253	272,558
Incremental depreciation for the period		(10,437)	(13,304)
		248,816	259,253
		1,307,820	1,335,193

		Un-audited June 30 2018	Audited Sep 30 2017
7 Long term loans from banking companies - secured		(Rupees in thousands)	
	Note		
Mark up bearing finances from conventional banks			
Term finance	7.1	144,972	-
Islamic mode of financing			
Diminishing musharika	7.2	171,113	168,158
		316,085	168,158
Less: Current maturity presented under current liabilities		(22,239)	(9,495)
		293,846	158,663

Notes to the Condensed Interim Financial Statements (Un-audited)

For the Nine Months Ended June 30, 2018

7.1 This includes long term loan against sanctioned Term Finance facility of Rs. 200 million obtained from Soneri Bank Limited for power plant and carries mark-up at the rate of 3 months KIBOR plus 2.75% and mark-up is payable on quarterly basis. The said loan is secured against:

- i) 1st pari passu charge over fixed assets of the Company amounting to Rs. 267 Million (including land, building, plant and machinery) duly registered with SECP.
- ii) 1st pari passu charge over receivables of the Company amounting to Rs. 267 Million (specifically generated from power outlay) duly registered with SECP.

The loan is to be repaid on 12 equal quarterly instalments.

7.2 This includes long term loan against sanctioned DM facility of Rs. 150 million obtained from AL Baraka Bank Pakistan Limited (ABPL) for power plant and carries mark-up at the rate of matching KIBOR plus 3% and mark-up is payable on quarterly basis. The said loan is secured against:

- i) ABPL's exclusive charge over DM assets amounting to Rs. 150 Million (including power plant and allied parts, accessories, erections, civil construction etc.) duly registered with SECP.
- ii) Lien over import documents.

The loan is to be repaid on quarterly basis within 3 years after commissioning of power plant.

This also includes long term loan against sanctioned DM facility of Rs. 50 million obtained from Albaraka Bank Pakistan Limited for import of machinery/parts and carries mark-up at the rate of matching KIBOR plus 3% and mark-up is payable on quarterly basis. The said loan is secured against:

- i) Lien over import documents.
- ii) 20% Equity contribution for DM.

The loan is to be repaid on quarterly basis as per schedule.

			Un-audited June 30 2018	Audited Sep 30 2017	
8	Short term borrowings - secured	Sanction limit 'Million'	Note	(Rupees in thousands)	
Mark-up based borrowings from Conventional Banks					
	Cash finance	2,750	8.1	1,662,476	407,656
	Running finance / Hypo Finance	600	8.2	491,634	-
		3,350		2,154,110	407,656

Notes to the Condensed Interim Financial Statements (Un-audited)

For the Nine Months Ended June 30, 2018

- 8.1 These facilities have been obtained from various conventional and islamic banks to meet working capital requirements and are secured by charge over current and future assets (fixed and current) of the company, pledge of sugar stock and personal guarantees of sponsors and corporate guarantee of Cane Processing (Pvt.) Limited.

These facilities carry mark-up at the rates ranging from 3 months / matching Kibor + 2% to matching Kibor + 2.75% per annum payable quarterly.

The aggregate available short term funded facilities amounting to Rs. 2.75 billion (September 30, 2017: Rs. 2.60 billion).

- 8.2 These facilities have been obtained from various conventional banks to meet working capital requirements and are secured by charge over current and future assets (fixed and current) of the company, pledge of sugar stock, and personal guarantees of sponsors and corporate guarantee of Cane Processing (Pvt.) Limited.

These facilities carry mark-up at the rates ranging from maching Kibor + 2% to maching Kibor + 2.5% per annum payable quarterly.

The aggregate available short term funded facilities amounting to Rs. 0.60 billion (September 30, 2017: Rs. Nil).

9 Contingencies and commitments

9.1 Contingencies

There is no material change in contingencies from the preceding period audited financial statements of the Company for the year ended 30 September 2017 except for the contingency as disclosed below:

- 9.1.1 The company had filed an appeal and stay application before Commissioner Inland Revenue (Appeals-I) against demand of Rs. 82.16 million created by Assistant Commissioner Inland Revenue vide order under section 161(1A)/205(3) which is decided in favour of the Company creating the demand of Rs. 1.37 million. The Department has filed an appeal before ATIR in which tax demand of Rs. 51.72 million is involved.

9.2 Commitments

Commitments in respect of capital expenditure at the period end is Rs. 21.275 million (September 30, 2017: Rs. 22.720 million).

Notes to the Condensed Interim Financial Statements (Un-audited)

For the Nine Months Ended June 30, 2018

	Un-audited Nine Months Ended June 30		Un-audited Quarter Ended June 30	
	2018 (Rupees in thousands)	2017	2018 (Rupees in thousands)	2017
10 Sales - net				
Local	1,246,129	1,302,238	462,375	689,461
Export	250,338	168,584	112,082	168,584
	1,496,467	1,470,822	574,457	858,045
Less:				
Sales tax	(139,430)	(124,487)	(54,084)	(99,339)
Commission	(1,829)	(1,235)	(579)	(1,195)
	1,355,208	1,345,100	519,794	757,511

11 Cost of sales

Raw material cane purchased and consumed	2,002,028	2,494,433	40,153	7,145
Salaries, wages and other benefits	88,003	83,509	25,817	16,968
Chemicals, fuel, lubes and packing material	42,775	42,872	5,993	824
Manufacturing expenses	60,246	59,823	10,785	12,535
Depreciation	76,742	80,714	25,538	31,466
	2,269,794	2,761,351	108,286	68,938
Work-in-process - (net)	164	283	25,071	32,652
Cost of goods manufactured	2,269,958	2,761,634	133,357	101,590
Opening stock of finished goods	554,453	28,433	1,852,594	2,211,553
	2,824,411	2,790,067	1,985,951	2,313,143
Closing stock of finished goods	(1,493,271)	(1,628,352)	(1,493,271)	(1,628,352)
	1,331,140	1,161,715	492,680	684,791

12 Other income

This includes long term advances written off amounting of Rs. 115 million and insurance claim against damage of sugar stock by fire incident in godowns amounting to Rs. 24.796 million.

13 Taxation

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

The Finance Act, 2015 introduced a new tax under Section 5A of the Income Tax Ordinance, 2001 on every public Company other than a scheduled bank or modaraba, that derives profits for the tax year and does not distribute cash dividend within six months of the end of said tax year or distribute dividends to such extent that its reserves, after such distribution, are in excess of 100% of its paid up capital. However, with effect from tax year 2018 this tax on undistributed reserves is not applicable to a public Company which distributes at least 40% of its after tax profits within six months of the end of the tax year through cash dividend or bonus shares.

The Board of Directors of the Company intends to distribute sufficient cash dividend for the year ended 30 September 2018 to comply with the above stated requirements. Accordingly, no provision for tax on undistributed reserves has been recognized in this condensed interim financial information for the period ended 30 June 2018.

Notes to the Condensed Interim Financial Statements (Un-audited)

For the Nine Months Ended June 30, 2018

Un-audited June 30 2018	Audited Sep 30 2017
-------------------------------	---------------------------

14 Transactions with related parties

(Rupees in thousands)

Relationship	Nature of transaction		
Subsidiary company	Expenses for winding-up	27	-
Post employment benefit plan	Provident fund contribution	1,357	1,773
Loan from sponsors	loan (paid) / disbursed	43,920	(20,185)

15 Financial Risk Management

The Company activities expose it to a variety of financial risk: market risk (including currency risk, fair value interest risk, cash flow interest risk and price risk), credit risk and liquidity risk.

The interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 30 September 2017.

16 Date of authorization

This condensed interim financial information was authorized for issue on July 26, 2018 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.

Lahore
July 26, 2018



Ghias Ul Hasan
Chief Executive Officer



Amjad Bashir Hussain
Director



Imran Ilyas
Chief Financial Officer

Jama Punji Information

www.jamapunji.pk



سرمایہ کاری سمجھداری کے ساتھ



**Be aware, Be alert,
Be safe**

**Learn about investing at
www.jamapunji.pk**

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered
- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes

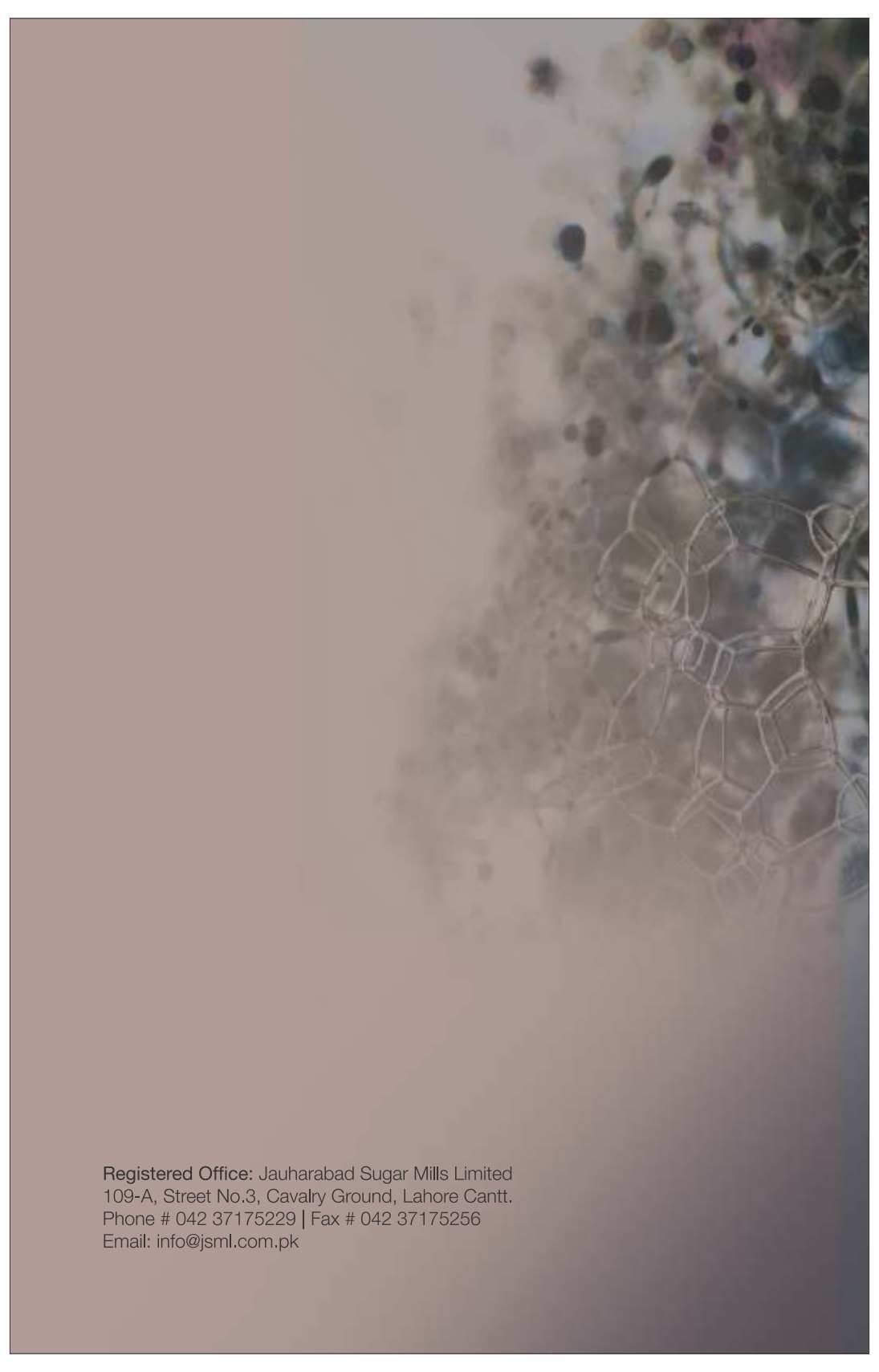


Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

 jamapunji.pk [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices

The website link of Jama Punji is available at the website of Jauharabad Sugar Mills Limited for the convenience and facilitation of shareholders and investors.

A microscopic image of plant cells, showing a network of cell walls and various organelles. The cells are arranged in a honeycomb-like pattern, with some cells containing dark, circular structures. The background is a light, hazy brown.

Registered Office: Jauharabad Sugar Mills Limited
109-A, Street No.3, Cavalry Ground, Lahore Cantt.
Phone # 042 37175229 | Fax # 042 37175256
Email: info@jsml.com.pk