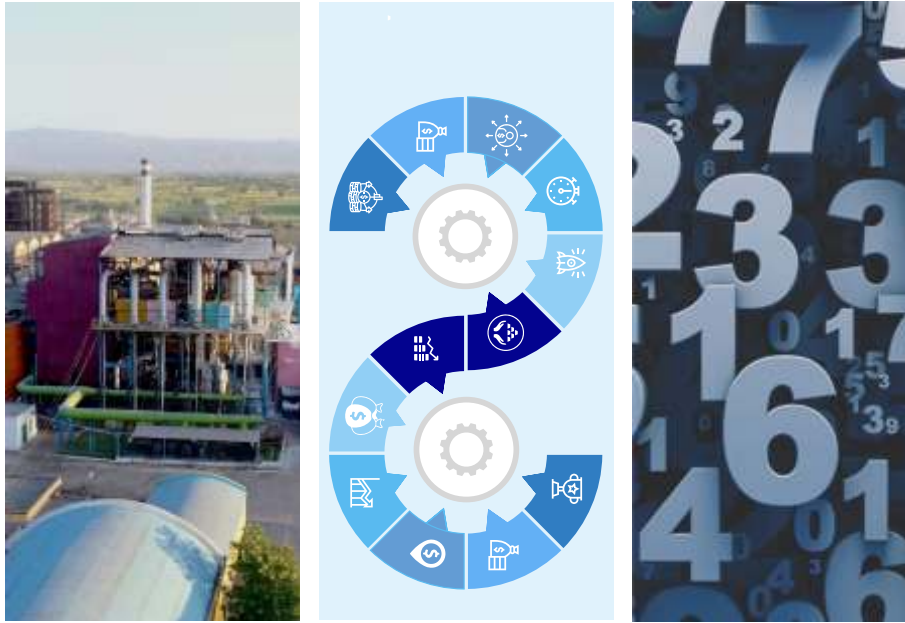


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Corporate Information

Board of Directors

Mr. Jamal Ahmed	Chief Executive
Mr. Muhammad Aamir Beg	Independent Director
Mr. Farhan Ilyas	Independent Director
Ms. Nazia Waheed	Independent Director
Mr. Ghias-ul-Hasan	CPL Nominee
Mr. Amjad Bashir Hussain	CPL Nominee
Mr. Saif-ur-Rehman	CPL Nominee

Audit Committee

Mr. Farhan Ilyas	Chairman
Mr. Muhammad Aamir Beg	Member
Mr. Amjad Bashir Hussain	Member

Human Resource and Remuneration Committee

Mr. Muhammad Aamir Beg	Chairman
Mr. Jamal Ahmed	Member
Mr. Ghias-ul-Hasan	Member

Chief Operating Officer	Ahsan Latif
Chief Financial Officer	Imran Ilyas
Company Secretary	Al-Yousuf
Head of Internal Audit	Syed Muhammad Usman Afzaal

Registered Address

125-B, Quaid-e-Azam Industrial Estate,
Kot Lakhpat, Lahore, Pakistan
Phone No. 042 35213491
Fax No. 042 35213490
E-mail: secretary@jsml.com.pk

Mills

Jauharabad, District Khushab, Pakistan.
Phone No. 0454 720063-6
Fax No. 0454 720880

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, Pakistan.
Phone No. 042 35916714
Fax No. 042 35869037
E-mail: shares@corplink.com.pk

Legal Advisor

Siddiqui Bari Kasuri & Co.
Advocates & Corporate Legal Consultants
179/180-A Scotch Corner,
Upper Mall Lahore.
Phone No. 042-35758573-74
Fax No. 042-35758572

Bankers of the Company

Askari Bank Limited	JS Bank Limited	United Bank Limited
Soneri Bank Limited	Habib Metropolitan Bank Limited	Bank Alfalah Limited
National Bank of Pakistan	Habib Bank Limited	Allied Bank Limited

Islamic Bankers of the Company

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

National Tax Number

0225972-9

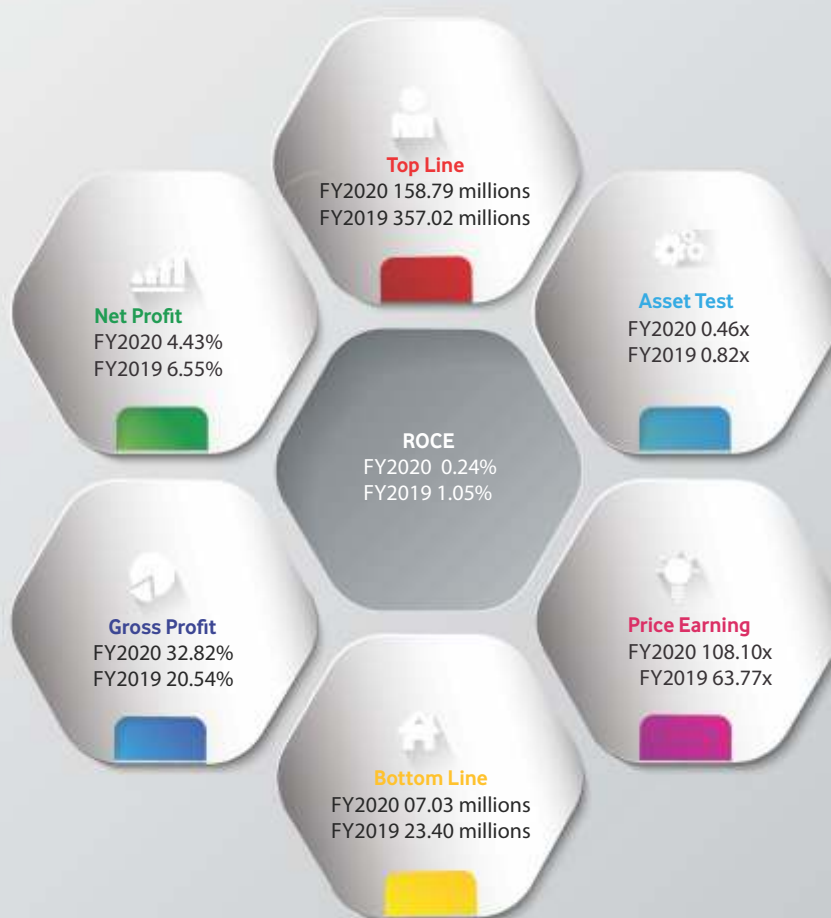
Sales Tax Registration Number

0409170300137

Company Website

www.jsml.com.pk

Financial Highlights



Directors' Report

For the quarter ended December 31, 2020

The Directors of Jauharabad Sugar Mills Limited (the Company) are pleased to present before you the un-audited quarterly financial statements for the first quarter ended December 31, 2020.

Operating Performance

During crushing season CY2020/21, the Company has started season on 15th November, 2020 in compliance to notification of the Government of Punjab [CY2019/20: 30th November, 2019] along with other regional mills and operated for forty-seven days till the end of reporting period. The Company has produced 11,439 tons [1Q FY2019/20: 10,910 tons] of white refined sugar which is 4.85 percent higher than the corresponding last year's production. Initial recovery, remained at 9.315 percent [1Q FY2019/20: 9.314 percent] with 0.1% increase, expected to improve in later part of crushing season. This year regardless of an increase in sugarcane support price to Rs. 200 per 40 Kgs by the Government of Punjab and prevailing price hike in market due to lessor availability of crop, stiff competition among regional mills and involvement of middleman the sugarcane price is anticipated to rise further to its all-time high. The Company is accommodating its farmers by not only making timely cane payments but also supporting them with interest free loans. These efforts shall be contributing to ensure smooth and efficient supply of sugarcane throughout crushing season.

Financial Performance

The Company has posted a topline of Rs. 159 million [1Q FY2019/20: 357 million] with 124.5 percent decline, resulting in gross profit 32.82 percent [1Q FY2019/20: 20.54]. Decrease in topline is associated to a comparatively lessor opening sugar stocks coupled with the Company's policy to hold by-products to gain maximum post season price advantage. Resultantly bottom line at Rs. 7.032 million [1Q FY2019/20: Rs. 23.4 million] has also shown a decline of 2.12 percent. The Company is current with its financial obligations and maintains good working relations with all the banks on its panel.

Acknowledgement

The management of the Company would like to thank all the financial institutions, individuals, staff members and shareholders who have been associated with the Company for their continued support and cooperation.

On behalf of Board



Jamal Ahmed
Chief Executive

ڈائریکٹرز کی جائزہ رپورٹ

جوہر آباد شوگر ملز لمیٹڈ (کمپنی) کے ڈائریکٹرز آپ کو 31 دسمبر 2020 کو ختم ہونے والی پہلی سہ ماہی کے لئے کمپنی کے غیر نظر ثانی شدہ سہ ماہی مالی حسابات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

آپریٹنگ کارکردگی

اس کرشنگ سیزن CY2020/21 کے دوران، کمپنی نے حکومت پنجاب کے نوٹیفکیشن کی تعمیل میں دیگر علاقائی ملوں کے ساتھ کرشنگ سیزن 15 نومبر 2020 (CY2019/20: 30 نومبر 2019) کو شروع کیا اور زیر جائزہ مدت کے اختتام تک سینتالیس دنوں تک آپریٹ کیا۔ کمپنی نے 11,439 ٹن (1Q FY2019/20: 10,910 ٹن) سفید ریفاائنڈ چینی بنائی، جو گزشتہ سال کی پیداوار سے 4.85 فیصد زیادہ ہے۔ بنیادی ریکوری، 9.315 فیصد (1Q FY2019/20: 9.314 فیصد) رہی جو کہ 0.1 فیصد زیادہ ہے، کرشنگ سیزن کے باقی حصہ میں مزید بہتر ہونے کی توقع ہے۔ حکومت پنجاب کی طرف سے گنے کی امدادی قیمت میں 200 روپے فی 40 کلوگرام تک اضافہ اور فصل کی کم دستیابی کی وجہ سے مارکیٹ میں موجودہ زیادہ قیمت سے قطع نظر، علاقائی ملوں کے درمیان سخت مقابلہ اور ٹرل مین کی مداخلت کے باعث گنے کی قیمت مزید بڑھنے کی توقعات ہیں۔ کمپنی نہ صرف کسانوں کو گنے کی ادائیگیاں بروقت کر رہی ہے بلکہ بلا سود قرضے بھی فراہم کر رہی ہے۔ یہ کوششیں پورے کرشنگ سیزن میں گنے کی ہموار اور کارگر فراہمی کو یقینی بنانے میں مددگار ہو گئی۔

مالیاتی کارکردگی

زیر جائزہ سہ ماہی میں کمپنی نے 124.5 فیصد کی کے ساتھ 159 ملین روپے (1Q FY2019/20: 357 ملین روپے) کی بالائی لائن، جس کے نتیجے میں 32.82 فیصد مجموعی منافع (1Q FY2019/20: 20.54 ملین روپے) درج کیا۔ ٹاپ لائن میں کمی بعد از سیزن قیمت کے فائدہ سے زیادہ سے زیادہ مستفید ہونے کے لئے بائی پراڈکٹ کو روکنے کی کمپنی کی پالیسی کے ساتھ تقابلی کم اوپننگ شوگر اسٹاک سے منسوب ہے۔ جس کے نتیجے میں زیریں لائن 7.032 ملین روپے (1Q FY2019/20: 23.4 ملین روپے) بھی 2.12 فیصد کی کمی ظاہر کر رہی ہے۔ کمپنی فی الحال اپنی مالی ذمہ داری پوری کر رہی ہے اور اپنے پیٹنل پر تمام بینکوں کے ساتھ اچھے ورکنگ تعلقات کو برقرار رکھتی ہے۔

اعتراف

کمپنی کی انتظامیہ تمام مالیاتی اداروں، افراد، عملہ کے ارکان اور حصص داران کی مالی مدد اور تعاون پر ان کا شکریہ ادا کرتے ہیں جنہوں نے کمپنی کو اپنی مسلسل اعانت اور تعاون فراہم کیا ہے۔

منجانب بورڈ

Tamam Ahmad

جمال احمد

چیف ایگزیکٹو

Condensed Interim Statement of Financial Position (Un-audited)

As at December 31, 2020


	Note	Un-audited Dec 31 2020 Rupees in thousand	Audited Sep 30 2020
Assets			
Non-current assets			
Property, plant and equipment	5	5,104,080	5,125,094
Intangible assets		159	173
Long term deposits		2,800	2,787
		5,107,039	5,128,054
Current assets			
Stores, spare parts and loose tools		85,669	91,673
Stock-in-trade		932,757	193,621
Loans and advances		181,047	69,598
Trade debts- unsecured considered good		914	1,346
Trade deposits and short term prepayments		9,039	3,103
Other receivables		22,220	31,341
Tax refunds due from the government		117,584	116,666
Short term investments		17,254	17,129
Cash and bank balances		332,138	223,834
		1,698,622	748,312
		6,805,661	5,876,366

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Lahore:
January 25, 2021


Jamal Ahmed
Chief Executive


Amjad Bashir Husain
Director


Imran Ilyas
Chief Financial Officer

Condensed Interim Statement of Financial Position (Un-audited)

As at December 31, 2020

	Note	Un-audited Dec 31 2020 Rupees in thousand	Audited Sep 30 2020
Share capital and reserves			
Authorized share capital		700,000	700,000
Share capital		341,285	341,285
Capital reserves:			
Share premium		372,403	372,403
Revenue reserves:			
Accumulated profits		500,053	481,288
Loan from sponsors		587,828	611,828
Revaluation surplus on property, plant and equipment	6	2,877,746	2,889,479
		4,679,315	4,696,283
Non-current liabilities			
Long term loans from banking companies - secured	7	96,306	147,933
Deferred taxation		349,511	354,304
		445,817	502,237
Current liabilities			
Trade and other payables		354,255	345,926
Unclaimed dividend		1,152	1,157
Current portion of:			
- Long term loans from banking companies - secured	7	78,524	74,183
Accrued mark-up		9,717	3,054
Short term borrowings - secured	8	1,179,293	198,321
Provision for taxation		57,588	55,205
		1,680,529	677,846
Contingencies and commitments	9	-	-
		6,805,661	5,876,366

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Lahore:
January 25, 2021


Jamal Ahmed
Chief Executive


Amjad Bashir Husain
Director


Imran Ilyas
Chief Financial Officer

Condensed Interim Statement of Profit or Loss (Un-audited)

For the quarter ended December 31, 2020


	Note	Un-audited Dec 31 2020 Rupees in thousand	Un-audited Dec 31 2019
Sales - net	10	158,787	357,019
Cost of sales	11	(106,667)	(283,673)
Gross profit		52,120	73,346
Operating expenses:			
Administrative Expenses		37,604	36,495
Distribution Cost		2,145	2,547
		39,749	39,042
Operating profits		12,371	34,304
Finance cost		(7,459)	(9,356)
Other income		(291)	903
Profit before taxation		4,621	25,851
Taxation	12	2,411	(2,451)
Profit after taxation		7,032	23,400
Earnings per share (rupees)			
Basic & diluted		0.21	0.69

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Lahore:
January 25, 2021


Jamal Ahmed
Chief Executive


Amjad Bashir Husain
Director


Imran Ilyas
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the quarter ended December 31, 2020

	Un-audited Dec 31 2020 Rupees in thousand	Un-audited Dec 31 2019
Profit after taxation	7,032	23,400
Other comprehensive income for the period		
Items that will not be reclassified subsequently to profit and loss account:		
Gain on revaluation of land, building, plant & machinery - net of tax	-	-
Total comprehensive income for the period	7,032	23,400

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Lahore:
January 25, 2021


Jamal Ahmed
Chief Executive


Amjad Bashir Husain
Director


Imran Ilyas
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited)

For the quarter ended December 31, 2020

	Un-audited Dec 31 2020	Un-audited Dec 31 2019
	Rupees in thousand	
Cash flow from operating activities		
Profit before taxation	4,621	25,851
Adjustments for:		
Depreciation	33,711	27,089
Amortization	14	21
Loss/(gain) on disposal of property, plant and equipment	129	-
Provision for WPPF	1,155	1,155
Finance cost	7,459	9,356
	42,468	37,621
Profit before working capital changes	47,089	63,472
Working capital changes		
Stores, spare parts and loose tools	6,004	(12,950)
Stock in trade	(739,136)	(473,873)
Loans and advances	(111,449)	(171,826)
Trade debts- unsecured considered good	432	258,710
Trade deposits and short term prepayments	(5,936)	(5,935)
Other receivables	9,121	1,396
Trade and other payables	7,174	(28,411)
	(833,789)	(432,889)
Cash used in operations	(786,700)	(369,417)
Finance cost paid	(2,787)	(29,829)
Taxes paid	(918)	(4,838)
Dividend paid	(5)	(3)
Net cash used in operating activities	(790,410)	(404,087)

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Lahore:
January 25, 2021


Jamal Ahmed
Chief Executive


Amjad Bashir Husain
Director


Imran Ilyas
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited)

For the quarter ended December 31, 2020


	Un-audited Dec 31 2020	Un-audited Dec 31 2019
	Rupees in thousand	
Cash flow from investing activities		
Addition to fixed assets	(10,870)	(24,511)
Long term deposits	(13)	-
Proceeds from sale of fixed assets	35	32
Net cash generated (used in) investing activities	(10,848)	(24,479)
Cash flow from financing activities		
Long term finances	(47,286)	(42,994)
Lease rentals paid	-	(139)
Loan from associates	(24,000)	-
Net cash generated from financing activities	(71,286)	(43,133)
Net increase in cash and cash equivalents	(872,543)	(471,698)
Cash and cash equivalents at beginning of the period	42,642	(350,070)
Cash and cash equivalents at the end of the period	(829,901)	(821,768)
Cash and cash equivalents comprise of following statement of financial position amounts:		
- Short term investments	17,254	-
- Cash and bank balances	332,138	40,328
- Short term borrowings	(1,179,293)	(862,096)
	(829,901)	(821,768)

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Lahore:
January 25, 2021


Jamal Ahmed
Chief Executive


Amjad Bashir Husain
Director


Imran Ilyas
Chief Financial Officer

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

For the quarter ended December 31, 2020


	Share capital	Share premium	Accumulated profits	Revaluation surplus	Loan from sponsors	Total
	Rupees in thousand					
Balance as on October 01, 2019	341,285	372,403	274,137	1,301,433	610,677	2,899,935
Profit after taxation	-	-	23,400	-	-	23,400
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	23,400	-	-	23,400
Transfer of incremental depreciation (net of tax)	-	-	7,469	(7,469)	-	-
Balance as on December 31, 2019	341,285	372,403	305,006	1,293,964	610,677	2,923,335
Balance as on October 01, 2020	341,285	372,403	481,288	2,889,479	611,828	4,696,283
Transactions made during the year	-	-	-	-	(24,000)	(24,000)
Profit after taxation	-	-	7,032	-	-	7,032
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	7,032	-	-	7,032
Transfer of incremental depreciation (net of tax)	-	-	11,733	(11,733)	-	-
Balance as on December 31, 2020	341,285	372,403	500,053	2,877,746	587,828	4,679,315

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Lahore:
January 25, 2021


Jamal Ahmed
Chief Executive


Amjad Bashir Husain
Director


Imran Ilyas
Chief Financial Officer

Notes to the Condensed Interim Financial Statements

For the quarter ended December 31, 2020

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 Act, 2017). The shares of the Company are listed on the Pakistan Stock Exchange. The registered office of the Company is situated at 125-B, Quaid-e-Azam Industrial Estate, Gate No. 4, Kot Lakhpat, Lahore, and the mill is located at Jauharabad, District Khushab, Pakistan. The production plant is located at Industrial Area Jauharabad City District Khushab in the province of Punjab. 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 has, however, been limited based on the requirements of the International Accounting Standard 34 - Interim Financial Reporting thus these do not include the statements reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended September 30, 2020. These condensed interim financial statements are 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 these condensed interim financial statements has been extracted from the audited financial statements of the Company for the year ended September 30, 2020, 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 quarter ended December 31, 2019.

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.

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, 2020.

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, 2020, except for treatment of surplus arising out of revaluation of assets. The Companies Act, 2017 applicable from 1 January

Notes to the Condensed Interim Financial Statements

For the quarter ended December 31, 2020

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.

	Note	Un-audited Dec 31 2020 Rupees in thousand	Audited Sep 30 2020
5 Property, plant and equipment			
Property, plant and equipment	5.1	4,601,270	4,630,504
Capital work-in-progress		502,810	494,590
		<u>5,104,080</u>	<u>5,125,094</u>
5.1 Property, plant and equipment			
Balance at beginning of the period / year		4,630,504	2,829,629
Add: Revaluation surplus		-	1,770,199
Add: Additions during the period / year		4,641	142,667
Less: Book value of operating assets disposed - off during the period / year		(164)	(1,019)
		<u>4,634,981</u>	<u>4,741,476</u>
Depreciation charged during the period / year		<u>(33,711)</u>	<u>(110,972)</u>
		<u>4,601,270</u>	<u>4,630,504</u>
5.2 Capital work in progress includes mark up capitalized amounting to Rs. 1.99 million (September 30, 2020: Rs. 25.16 million).			
6 Revaluation surplus on property, plant and equipment			
Land		2,054,688	2,054,688
Building		136,815	136,815
Plant and machinery		1,350,552	1,350,552
		<u>3,542,055</u>	<u>3,542,055</u>
Less: Accumulated incremental depreciation		<u>(325,989)</u>	<u>(309,463)</u>
		<u>3,216,066</u>	<u>3,232,592</u>
Less: Deferred tax liability			
Opening balance		343,112	200,326
Deferred tax liability on addition in revaluation surplus		-	154,202
Incremental depreciation for the period		<u>(4,793)</u>	<u>(11,416)</u>
		<u>338,319</u>	<u>343,112</u>
		<u>2,877,746</u>	<u>2,889,479</u>

Notes to the Condensed Interim Financial Statements

For the quarter ended December 31, 2020

	Note	Un-audited Dec 31 2020 Rupees in thousand	Audited Sep 30 2020
7 Long term loans from banking companies - secured			
Soneri Bank Limited	7.1	-	60,405
Albaraka Bank Pakistan Limited	7.2	95,585	95,585
Faysal Bank Limited	7.3	79,245	66,126
		174,830	222,116
		(78,524)	(74,183)
Less: Current portion		96,306	147,933

7.1 Soneri Bank Limited - Term Finance

This includes long term loan against sanctioned term finance facility of Rs. 200 million obtained from Soneri Bank Limited to finance procurement/installation of 15+5MW second hand power plant in terms of arrangement auxiliary equipment, completion of erection and civil work and interconnecting fees.

Total estimated cost of project is Rs. 500 million out of which 30% shall be incurred from equity resources and rest of Rs. 350 million shall be arranged from bank's borrowing (Rs. 200 million from Soneri Bank Limited and Rs. 150 million from Al Baraka Bank (Pakistan) Limited).

Principal repayment

The said loan has been repaid.

Rate of return

It carries mark-up at the rate of three months KIBOR plus 275 bps per annum and mark-up is payable on quarterly basis.

Security

This loan is secured by way of Soneri Bank charge amounting to Rs. 267 million over fixed assets of the Company (land, building, plant and machinery including but not limited to sugar mill and power plant) duly registered with SECP. The facility shall also be secured against charge of Rs. 267 million on receivables of the Company specifically generated from power outlay 15+5 MW power plant. Further corporate guarantee of Cane Processing Private Limited (Holding Company) and personal guarantees of the directors/sponsors of the Company.

7.2 Al Baraka Bank (Pakistan) Limited - Diminishing Musharaka - II

This represents long term loan against sanctioned limit of Rs. 150 million obtained to finance procurement/installation of 15+5MW second hand power plant.

Principal repayment

The loan is to be repaid in 12 quarterly instalments within 3 years after installation of power plant commencing from March 2019 and ending in December 2021.

Rate of return

It carries profit at the rate of matching KIBOR plus 300 bps per annum and profit is payable on quarterly basis.

Security

This loan is secured by way of bank's exclusive charge over Diminishing Musharaka assets amounting to Rs.150 million including power plant and allied parts, accessories, erections, civil construction etc. registered with SECP. Further corporate guarantee of Cane Processing Private Limited (Holding Company) and personal guarantees of the directors/sponsors of the Company.

Notes to the Condensed Interim Financial Statements

For the quarter ended December 31, 2020

7.3 Faisal Bank Limited - Mark-up bearing finance from conventional bank

This represents long term loan obtained from SBP through Faisal Bank under Islamic refinance scheme against sanctioned limit of Rs. 110 million for payment of wages & salaries to the workers and employees of company via SBP IH&SMEFD circular no 07 of 2020.

Principal repayment

The loan is to be repaid in quarterly instalments starting from March 2021 within 2.5 years including 6 month of grace period.

Rate of return

It carries profit at the rate of matching SBP base rate plus 3.00 % per annum and applicable rental is payable without any grace period.

Security

This loan is secured by charged over all fixed assets (present and future) of the company and corporate guarantee of Cane Processing Private Limited (Holding Company) and personal guarantees of the directors/sponsors of the Company.

	Sanction limit 'Rupees in thousand'	Note	Un-audited Dec 31 2020 Rupees in thousand	Audited Sep 30 2020
8 Short term borrowings - secured				
Mark-up based borrowings from conventional Banks				
		8.1		
Running finance	300,000		96,417	198,321
Cash finance	1,650,000		415,466	-
	1,950,000		511,883	198,321
Islamic mode of financing				
		8.2		
Murabaha finance	500,000		350,910	-
Bai salam / Istisna	1,250,000		316,500	-
	1,750,000		667,410	-
	3,700,000		1,179,293	198,321

8.1 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, lien over import documents and personal guarantees of sponsors and corporate guarantee of Cane Processing (Private) Limited (Holding Company).

These facilities carry mark-up at the rates ranging from 1 month KIBOR + 2.00% to 3 months KIBOR + 2.50% per annum payable quarterly.

The aggregate available short term funded facilities amounts to Rs. 2.25 billion (2019: Rs. 2.10 billion).

8.2 These facilities have been obtained from various 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, pledge of share of company, lien over import documents, and personal guarantees of sponsors and corporate guarantee of Cane Processing (Private) Limited (Holding Company).

Notes to the Condensed Interim Financial Statements

For the quarter ended December 31, 2020

These facilities carry mark-up at the rates ranging from matching KIBOR + 2.25% to matching KIBOR + 2.75% per annum.

The aggregate available short term funded facilities amount to Rs.1.15 billion (2019: Rs. 1.55 billion).

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 2020.

9.2 Commitments

Commitments in respect of irrevocable letter of credits for stores and spares at the period end is Rs. 3.47 million (September 30, 2020: Rs. 46.92 million).

	Un-audited Dec 31 2020 Rupees in thousand	Un-audited Dec 31 2019
10 Sales - net		
Local	186,021	409,965
Export	-	-
	186,021	409,965
Less:		
Sales tax	(27,029)	(52,946)
Commission	(205)	-
	158,787	357,019
11 Cost of sales		
Raw material cane purchased and consumed	740,460	645,341
Salaries, wages and other benefits	31,186	29,761
Chemicals, fuel, lubes and packing material	10,467	15,700
Manufacturing expenses	30,638	40,175
Depreciation	33,037	26,547
Amortization	14	21
	845,802	757,545
Work-in-process - (net)	(45,245)	(22,519)
Cost of goods manufactured	800,557	735,026
Opening stock of finished goods	189,811	387,328
	990,368	1,122,354
Closing stock of finished goods	(883,701)	(838,681)
Cost of sales	106,667	283,673

Notes to the Condensed Interim Financial Statements

For the quarter ended December 31, 2020

12 Taxation

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

13 Transactions with related parties

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

Relationship	Nature of transaction	Un-audited Dec 31 2020 Rupees in thousand	Audited Sep 30 2019
Post employment benefit plan	Provident fund contribution paid	(826)	(2,879)
Cane Processing Pvt Limited (CPL)	Received/(Paid) during the period/year	-	(176)
Loan from sponsors	Received/(Paid) during the period/year	(24,000)	13,250

14 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 2020.

15 Date of authorization

These condensed interim financial information were authorized for issue on January 25, 2021 by the Board of Directors of the Company.

16 General


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

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

Lahore:
January 25, 2021


Jamal Ahmed
Chief Executive


Amjad Bashir Husain
Director


Imran Ilyas
Chief Financial Officer

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