



*life is
sweet
so take
a big bite*



About This Report

People all around the world not only eat sugar as part of healthy, nutritious, balanced diet but to celebrate happiness brought by life making occasions special by adding sweet-ness to the life.

Happiest moments of life are always shared with sweets, Whether it be the birth of a baby , a marriage or be it a birthday celebrations require an integral part of what comprises our business YES sugar...

We strive everyday to make your life even more sweet!

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Corporate Information

Board of Directors

Mr. Jamal Ahmed	Chief Executive
Mr. Ghias-Ul-Hasan	Independent Director
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

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

Chief Financial Officer

Mr. Imran Ilyas

Company Secretary

Mr. Al-Yousuf

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

Legal Advisor

Allied Legal Services
1st Floor, 30-The Mall Mansions
Opposite State Bank of Pakistan
The Mall, Lahore, Pakistan.
Phone no. 042 37354090
Fax No. 042 37310906

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, Pakistan.
Phone No. 0454 720063-6
Fax No. 0454 720880

Bankers of the Company

Askari Bank Limited
Soneri Bank Limited
Habib Metropolitan Bank Limited
United Bank Limited
Bank Alfalah Limited

JS Bank Limited
Faysal Bank 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 Limited

Company Website

www.jsml.com.pk

Financial Highlights

Gross Profit

2Q 2019: 54.39%
2Q 2018: (0.36%)



Return on Capital Employed
2Q 2019: 5.04%
2Q 2018: 2.06%



Price Earning

2Q 2019: 11.15x
2Q 2018: 107.89x



Top Line

2Q 2019: Rs. 471.885 Million
2Q 2018: Rs. 835.414 Million



Acid-Test

2Q 2019: 0.14x
2Q 2018: 0.48x



Rs.

Net Profit to Sale

2Q 2019: 18.40%
2Q 2018: 1.30%



Bottom Line

2Q 2019: Rs. 86.84 Million
2Q 2018: Rs. 10.85 Million



Directors' Review

Dear Members, Assalam-O-Alaikum

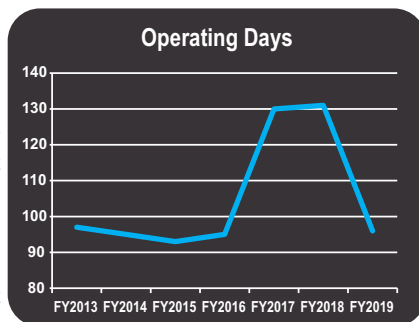
On behalf of the Board of Directors and myself, I am pleased to present before you the un-audited financial statements of the Company for the half year ended March 31, 2019 that has duly been reviewed by the external auditors.

SECTOR OVERVIEW

Sugar industry, is ranked number nine in the world for sugar production, may be called as a model for agro-based industries in Pakistan. Sugar Industry accounts for 3.6% in agriculture's value addition and 0.7% in overall GDP of the Country (Pakistan Economic Survey 2017-18), providing employment, source for foreign exchange and contributing more than Rs. 20 billion annually in the form of taxes. During crushing season 2018-19 the industry has witnessed reduced crushing period owing to a lesser crop and yield as compared to last years. Carry forward stocks along with current produce, after netting potential export as per already approved quota, are sufficient to meet domestic consumption of the country. Sugar prices, which are exhibiting an increasing trend, are expected to be determined by market forces based on nil closing stocks this year.

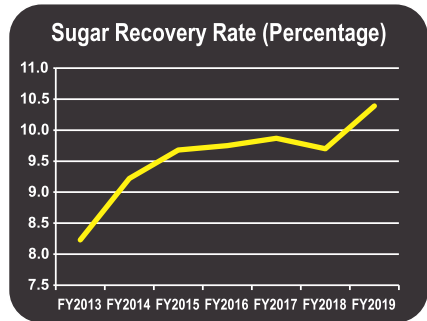
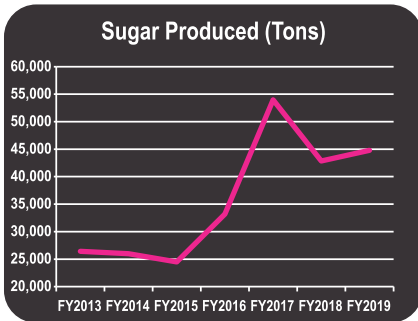
OPERATIONAL PERFORMANCE

Your Company had started crushing season 2018-19 on December 15, 2018 [CY2018: November 30, 2017]. The plant was operated for 96 days in comparison to 131 days during last year, and total crushing hours utilizing has improved to 90.45% [CY2018: 81.9%]. Despite the fact of lessor sugarcane crop availability, the Company through its sustained efforts of cane development, timely payments, financial support to growers and implementation of latest cane sowing techniques has managed to crush almost equivalent quantity of cane as compared to last year, which is far better than the performance of the regional competitors. Following operational results for the crushing season 2018-19 have been achieved as compared to the last year.



Crushing Season ended on		21 March 2019	09 April 2018
Season Start	Date	15 Dec 18	30 Nov17
Working Days	Days	96	131
Sugar Cane Crushed	M. Tons	431,121	441,646
Sugar Produced	M. Tons	44,776	42,846
Sugar Recovery	Percentage	10.39%	9.70%
Molasses Produced	M. Tons	20,304	21,835
Molasses Recovery	Percentage	4.71%	4.94%

Directors' Review



Management is pleased to disclose that once again Company has paid hundred percent (100%) of its cane liability within twenty-four (24) hours of closing the crushing season 2018-19, a fact that has been published in local newspapers and the same has been endorsed by Cane Commissioner by issuance of clearance certificate No. C.C(admin) 1-97/19 Dated April 04, 2019.

FINANCIAL PERFORMANCE

The Company has posted top line of Rs. 471.8 Million (FY2018: 835.4 Million) mainly due to holding of 90% of its available stocks. Bottom line has shown an improvement of 708.7% as compared to the last year of corresponding period. This is attributed mainly because of increase in contribution margin of sugar, molasses and bagasse. Going forward, Company expects further improvement in financial performance during rest of period.


The Company maintains a cordial relation with all its financial institutions and is current with financial commitments.

AUDITOR REPORTS

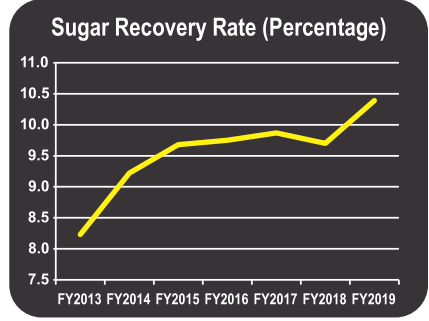
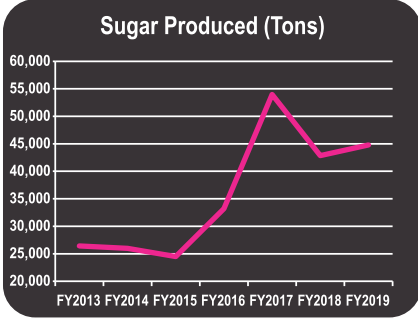
Auditors of the company are contended with financial performance and its statements thereby authorized issuance of condensed interim financial statements to its shareholders.

No Material changes and commitment affecting the financial position of your Company have occurred between the end of financial reporting period and the date of Director's Report.

For and on behalf of the Board


Jamal Ahmed
Chief Executive

Directors' Review



انتظامیہ یہ بیان کرتے ہوئے خوشی محسوس کرتی ہے کہ ایک بار پھر کمپنی نے کرشناگ سیزن 2018-19 کے اختتام کے چوتھیں (24) گھنٹوں کے اندر گنے کی اپنی واجب ادائیگیاں سو فیصد (100%) ادا کر دی ہیں، یہ حقیقت مقامی اخبارات میں بھی شائع ہوئی اور کمپن کے مشنرز نے کلیمز سروس سٹیٹیکٹ نمبر سی (ایڈمن) 1-97/19 مورخہ 04 اپریل 2019 جاری کر کے اس کی توثیق کی ہے۔

مالیاتی کارکردگی

کمپنی نے اپنے 90% اسٹاک رکھنے کی بدولت بنیادی طور پر 471.8 ملین روپے (FY18: 835.4 ملین روپے) کی بالائی لائن درج کی ہے۔ چلی لائن نے گزشتہ سال کی اسی مدت کے مقابلے میں 708.7% کی بہتری ظاہر کی ہے۔ یہ بنیادی طور پر چینی کے مارژن، مولاس اور بیگاس کے کمزری بیوشن میں اضافہ کی وجوہات سے منسوب ہے۔ آگے بڑھتے ہوئے، کمپنی کو باقی مدت کے دوران مالیاتی کارکردگی میں مزید بہتری کی توقعات ہیں۔

کمپنی فی الحال اپنی مالی ذمہ داری پوری کر رہی ہے اور اپنے پینڈیل پر تمام بینکوں کے ساتھ اچھے ورکنگ تعلقات کو برقرار رکھتی ہے۔

آڈیٹرز کی رپورٹ

کمپنی کے آڈیٹرز مالی کارکردگی سے مطمئن ہیں اور اس کے حسابات بذریعہ ہذا اس کے حصص داران کو مجموعی عبوری مالی حسابات کے اجراء کے حجاز ہیں۔ مالیاتی رپورٹنگ مدت کے اختتام اور ڈائریکٹرز رپورٹ کی تاریخ کے دوران کمپنی کی مالی حیثیت کو متاثر کرنے والی کوئی مادی تبدیلیاں اور وعدے روٹنہ نہیں ہوئے ہیں۔

مخانب بورڈ

Tamam Ahmad
جمال احمد
چیف ایگزیکٹو آفیسر

ڈائریکٹرز کی جائزہ رپورٹ

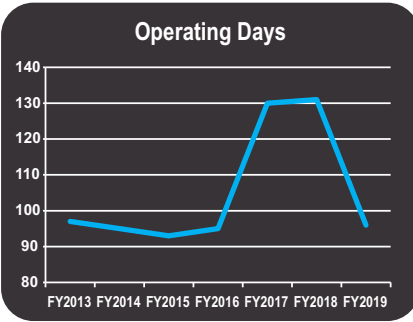
محترم حصص داران، السلام علیکم

بورڈ آف ڈائریکٹرز اور خود میری طرف سے، میں آپ کو 31 مارچ 2019 کو ختم ہونے والی ششماہی کے لئے کمپنی کے غیر نظر ثانی شدہ حسابات پیش کرتے ہوئے خوشی محسوس کرتا ہوں جسکا ایکٹیوٹیل آڈیٹرز کی طرف سے باقاعدہ جائزہ لیا گیا ہے۔

سیکٹر کا مجموعی جائزہ

شوگر کی صنعت، چینی کی پیداوار کے لئے دنیا میں نویں نمبر پر ہے، جسے پاکستان میں زراعت پر مبنی صنعتوں کے لئے ایک ماڈل کہا جاسکتا ہے۔ شوگر انڈسٹری زراعت کی قدر میں 3.6 فیصد کا اضافہ اور ملک کے مجموعی جی ڈی پی (پاکستان اقتصادی سروے 18-2017) میں 0.7 فیصد ملازمت فراہم کرنے، غیر ملکی کرنسی کے ذریعہ اور ٹیکسوں کی شکل میں سالانہ 20 بلین روپے سے زائد رقم کا حصہ شامل کرتی ہے۔ کرشنگ سیزن 2018-19 کے دوران صنعت نے گزشتہ سالوں کے مقابلے کم فصل اور پیداوار کی وجہ سے کرشنگ مدت میں کمی دیکھی ہے۔ پمپ سے منظور شدہ کوئٹہ کے مطابق مائد برآمد کرنے کے بعد موجودہ پیداوار کے ساتھ آگے آنے والا اسٹاک، ملک کی مقامی کھپت کو پورا کرنے کے لئے کافی ہے۔ شوگر کی قیمتیں، جو بڑھتے ہوئے رجحان کو ظاہر کر رہی ہیں، اس سال مارکیٹ قوتوں کے ذریعے صرف اسٹاک کا فیصلہ کئے جانے کی توقع ہے۔

آپریٹیشنل کارکردگی



آپ کی کمپنی نے موجودہ کرشنگ سیزن 2018-19، 15 دسمبر 2018 (30 نومبر 2017: CY2018) کو شروع کیا تھا۔ پلانٹ گزشتہ سال کے دوران 131 دنوں کے مقابلے 96 دنوں کے لئے چلا یا گیا اور کل کرشنگ اوقات کے استعمالات کو 90.45% تک (81.9%: CY2018) بہتر بنایا۔ گنے کی فصل کی کم دستیابی کی حقیقت کے باوجود، گنے کی بہتری کی مستحکم کوششوں، بروقت ادا نیگیوں، کاشتکاروں کی مالی امداد اور گنے کی بوائی کی جدید ٹیکنیکوں کے اطلاق کے ذریعے کمپنی گزشتہ سال کے موازنہ میں گنے کی تقریباً مساوی مقدار کرش کرنے میں کامیاب ہوئی، جو علاقائی حربوں کی کارکردگی سے کہیں زیادہ بہتر ہے۔ گزشتہ سال کے مقابلے کرشنگ سیزن 2018-19 کے لئے مندرجہ ذیل نتائج حاصل کئے گئے

ہیں:

2018	2019	تاریخ	کرشنگ سیزن منتہ
09 اپریل 2018	21 مارچ 2019	17 نومبر 2018	15 دسمبر 2018
131	96	دن	سیزن کا آغاز
441,646	431,121	میٹرک ٹن	درکنگ ایام
42,846	44,776	میٹرک ٹن	گنے کی کرشنگ
9.70%	10.39%	فیصد	چینی کی پیداوار
21,835	20,304	میٹرک ٹن	چینی کی ریکوری
4.94%	4.71%	فیصد	مولاسس کی پیداوار
			مولاسس کی ریکوری

Auditors' Report to the Members on Review of Condensed Interim Financial Information

We have reviewed the accompanying condensed interim statement of financial position of Jauharabad Sugar Mills Limited as at March 31, 2019 and the related condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the notes forming part thereof, (here-in-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 financial interim 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 Standards on Review Engagement 2410.

“Review of Interim Financial Information Performed by the Independent Auditors of the entity”. A review of interim financial information consists of making inquiries, primarily of the persons responsible for the financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than 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 an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that cause us to believe that the accompanying condensed interim financial information as of and for the half year ended March 31, 2019 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Lahore: May 24, 2019


UHY Hassan & Co.
Chartered Accountants
Imran Nagar FCA

2nd Quarter Financial Year 2019

Condensed Interim Statement of Financial Position


As at March 31, 2019

Assets	Note	Un-audited Mar 31, 2019	Audited Sep 30, 2018
(Rupees in thousands)			
Non-current assets			
Property, plant and equipment	5	3,262,264	3,239,614
Intangible assets		322	386
Long term deposits		2,997	664
		3,265,583	3,240,664
Current assets			
Stores, spare parts and loose tools		76,145	71,486
Stock-in-trade		2,831,894	753,446
Loans and advances		66,980	75,643
Trade debts- unsecured considered good		35,556	327,299
Trade deposits and short term prepayments		4,617	2,542
Other receivables		47,358	47,358
Tax refunds due from the government		134,564	124,476
Cash and bank balances		83,318	46,519
		3,280,432	1,448,770
Total Assets		6,546,015	4,689,434

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

Lahore
May 24, 2019


Jamal Ahmed
Chief Executive Officer


Amjad Bashir Hussain
Director


Imran Ilyas
Chief Financial Officer

Condensed Interim Statement of Financial Position

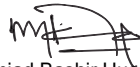
As at March 31, 2019

Equity and Liabilities	Note	Un-audited Mar 31, 2019	Audited Sep 30, 2018
(Rupees in thousands)			
Share capital and reserves			
Authorized share capital		700,000	700,000
Share capital			
Capital reserves:		284,404	284,404
Share premium		429,283	429,283
Revenue reserves:			
Accumulated profits		161,033	87,333
Loan from sponsors		495,645	610,003
Revaluation surplus on property, plant and equipment	6	1,325,951	1,333,960
Total Equity		2,696,316	2,744,983
Non-current liabilities			
Long term loans from banking companies - secured	7	167,287	268,878
Liabilities against assets subject to finance lease - secured		-	134
Long term advances		200,000	-
Long term provision		1,309	1,309
Deferred taxation		226,983	240,225
		595,579	510,546
Current liabilities			
Trade and other payables		283,285	207,502
Unclaimed dividend		1,185	1,043
Current portion of:			
- Long term loans from banking companies - secured	7	101,254	58,700
- Liabilities against assets subject to finance lease - secured		394	505
Accrued mark-up		69,808	52,197
Short term borrowings - secured	8	2,794,044	1,113,958
Provision for taxation		4,150	-
		3,254,120	1,433,905
Contingencies and commitments	9	-	-
		6,546,015	4,689,434

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

Lahore
May 24, 2019


Jamal Ahmed
Chief Executive Officer


Amjad Bashir Hussain
Director


Imran Ilyas
Chief Financial Officer

2nd Quarter Financial Year 2019

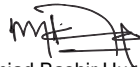
Condensed Interim Statement of Profit or Loss For the Half Year Ended March 31, 2019

	Note	Un-audited Half Year Ended March 31		Un-audited Quarter Ended March 31	
		2019	2018	2019	2018
(Rupees in thousands)					
Sales - net	10	471,885	835,414	220,869	214,747
Cost of sales	11	(215,218)	(838,460)	(4,521)	(192,635)
Gross profit/(Loss)		256,667	(3,046)	216,348	22,112
Operating expenses:					
Administrative Expenses		84,142	68,547	59,617	45,707
Distribution Cost		4,575	4,530	3,623	3,869
		88,717	73,077	63,240	49,576
Operating profits		167,950	(76,123)	153,108	(27,464)
Finance cost		(79,447)	(45,166)	(69,045)	(40,203)
Other income		(2,098)	143,316	(2,480)	87,864
Profit before taxation		86,405	22,027	81,583	20,197
Taxation	12	434	(11,180)	434	(10,609)
Profit after taxation		86,839	10,847	82,017	9,588
Earnings per share (rupees)					
Basic & diluted		3.05	0.38	2.88	0.34

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

Lahore
May 24, 2019


Jamal Ahmed
Chief Executive Officer


Amjad Bashir Hussain
Director


Imran Ilyas
Chief Financial Officer


Condensed Interim Statement of Comprehensive Income For the Half Year Ended March 31, 2019

	Note	Un-audited Half Year Ended March 31		Un-audited Quarter Ended March 31	
		2019	2018	2019	2018
(Rupees in thousands)					
Profit after taxation		86,839	10,847	82,017	9,588
Other comprehensive income for the period					
Items that will not be reclassified to profit and loss account:					
Incremental depreciation for the period		15,301	24,826	7,604	16,171
Total comprehensive income for the period		102,140	35,673	89,621	25,759

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

Lahore
May 24, 2019


Jamal Ahmed
Chief Executive Officer


Amjad Bashir Hussain
Director


Imran Ilyas
Chief Financial Officer

Condensed Interim Statement of Cash Flows

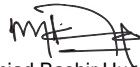
For the Half Year Ended March 31, 2019

	Half Year Ended	
	Mar 31, 2019	Mar 31, 2018
	Un-audited	Un-audited
(Rupees in thousands)		
Cash flow from operating activities		
Profit before taxation	86,405	22,027
Adjustments for:		
Depreciation	55,096	52,162
Amortization	64	87
Balance written off	-	(115,000)
Loss/(gain) on disposal of property, plant and equipment	29	(47)
Provision for WPPF	4,548	-
Finance cost	79,447	45,166
	139,184	(17,632)
Profit before working capital changes	225,589	4,395
Working capital changes		
Stores, spare parts and loose tools	(4,659)	(3,139)
Stock in trade	(2,078,448)	(1,323,048)
Loans and advances	8,663	(171,077)
Trade debts- unsecured considered good	291,743	(268,924)
Trade deposits and short term prepayments	(2,075)	(3,837)
Other receivables	-	(29,880)
Trade and other payables	71,235	(239,430)
	(1,713,540)	(2,039,334)
Cash used in operations	(1,487,951)	(2,034,939)
Finance cost paid	(81,435)	(31,559)
Taxes paid	(11,454)	(14,828)
Dividend paid	(28,298)	(24,375)
Net cash used in operating activities	(1,609,138)	(2,105,701)

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

Lahore
May 24, 2019


Jamal Ahmed
Chief Executive Officer


Amjad Bashir Hussain
Director


Imran Ilyas
Chief Financial Officer

2nd Quarter Financial Year 2019

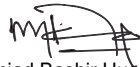
Condensed Interim Statement of Cash Flows For the Half Year Ended March 31, 2019

	Half Year Ended	
	Mar 31, 2019	Mar 31, 2018
	Un-audited	Un-audited
	(Rupees in thousands)	
Cash flow from investing activities		
Addition to fixed assets	(58,152)	(83,799)
Long term deposits	(2,333)	(400)
Proceeds from sale of fixed assets	8	6,216
Net cash generated (used in) investing activities	(60,477)	(77,983)
Cash flow from financing activities		
Long term finances	(59,037)	139,616
Long Term Advances	200,000	-
Short term borrowings	1,680,086	2,118,479
Lease rentals paid	(276)	(270)
Loan from associates	(114,358)	48,577
Net cash generated from financing activities	1,706,415	2,306,402
Net increase in cash and cash equivalents	36,799	122,718
Cash and cash equivalents at beginning of the period	46,519	27,113
Cash and cash equivalents at the end of the period	83,318	149,831

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

Lahore
May 24, 2019


Jamal Ahmed
Chief Executive Officer


Amjad Bashir Hussain
Director


Imran Ilyas
Chief Financial Officer

2nd Quarter Financial Year 2019

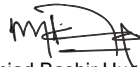
Condensed Interim Statement of Changes in Equity For the Half Year Ended March 31, 2019

	Share Capital	Share Premium	Accumulated profits	Revaluation Surplus	Loan from Sponsors	Total
	(Rupees in thousands)					
Balance as on October 01, 2017	247,308	466,380	74,292	1,360,978	444,871	2,593,829
Payments made during the year	-	-	-	-	(61,423)	(61,423)
Loan received during the year	-	-	-	-	110,000	110,000
Dividend paid @ Re. 1 per share	-	-	(24,731)	-	-	(24,731)
Incremental depreciation for the period	-	-	-	(24,826)	-	(24,826)
Revaluation surplus on assets disposed off	-	-	-	(3,021)	-	(3,021)
Total comprehensive income for the period	-	-	35,673	-	-	35,673
Balance as on March 31, 2018	247,308	466,380	85,234	1,333,131	493,448	2,625,501
Balance as on October 01, 2018	284,404	429,283	87,333	1,333,960	610,003	2,744,983
Payments made during the year	-	-	-	-	(346,858)	(346,858)
Loan received during the year	-	-	-	-	232,500	232,500
Dividend paid @ Re. 1 per share	-	-	(28,440)	-	-	(28,440)
Total comprehensive gain for the period	-	-	102,140	-	-	102,140
Incremental depreciation for the period	-	-	-	(15,301)	-	(15,301)
Effect of change in tax rate	-	-	-	7,292	-	7,292
Balance as on March 31, 2019	284,404	429,283	161,033	1,325,951	495,645	2,696,316

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

Lahore
May 24, 2019


Jamal Ahmed
Chief Executive Officer


Amjad Bashir Hussain
Director


Imran Ilyas
Chief Financial Officer

Notes to the Condensed Interim Financial Information

For the Half Year Ended March 31, 2019

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 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, 2018. 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, 2018, 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 half year ended March 31, 2018.

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, 2018.

Notes to the Condensed Interim Financial Information

For the Half Year Ended March 31, 2019

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, 2018, 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. 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.

5 Property, plant and equipment	Note	Un-audited	Audited
		Mar 31, 2019	Sep 30, 2018
(Rupees in thousands)			
Property, plant and equipment	5.1	2,841,494	2,823,089
Capital work-in-progress	5.2	420,770	416,525
		3,262,264	3,239,614
5.1 Property, plant and equipment			
Balance at beginning of the period / year		2,823,089	2,781,632
Add: Additions during the period / year		52,656	98,060
Add: Transfer from CWIP		20,881	62,328
Less: Book value of operating assets disposed - off during the period / year		(37)	(10,781)
		2,896,589	2,931,239
Depreciation charged during the period / year		(55,095)	(108,150)
		2,841,494	2,823,089

- 5.1.1 Property, plant and equipment includes mark up capitalized amounting to Rs. 2.45 million (September 30, 2018 : Rs. 2.55 million).
- 5.2 Capital work in progress includes mark up capitalized amounting to Rs. 17.18 million (September 30, 2018 : Rs. 22.13 million).

Notes to the Condensed Interim Financial Information

For the Half Year Ended March 31, 2019

6 Revaluation surplus on property, plant and equipment	Note	Un-audited Mar 31, 2019	Audited Sep 30, 2018
(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		(247,675)	(223,403)
Less: Revaluation surplus on buildings disposed off		-	(3,021)
		1,524,180	1,545,431
Less: Deferred tax liability			
Opening balance		211,471	233,468
Effect of change in rate of tax		(7,292)	(7,782)
Disposal of fixed asset		-	(876)
Incremental depreciation for the period		(5,950)	(13,338)
		198,229	211,471
		1,325,951	1,333,960

7 Long term loans from banking companies - secured

Soneri Bank Limited	7.1	120,810	182,606
Albaraka Bank Pakistan Limited	7.2	147,731	144,972
		268,541	327,578
Less: Current portion		(101,254)	(58,700)
		167,287	268,878

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 3 months 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.

Notes to the Condensed Interim Financial Information

For the Half Year Ended March 31, 2019

The loan is to be repaid on quarterly basis within 3 years after installation 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 3 months 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.

8 Short term borrowings - secured	Sanction limit	Note	Un-audited Mar 31, 2019	Audited Sep 30, 2018
(Rupees in thousands)				
Mark-up based borrowings				
Running finance	100,000	8.1	74,756	96,998
Cash finance	1,900,000		1,600,001	573,287
	2,000,000		1,674,757	670,285
Islamic mode of financing				
Morabaha finance	500,000	8.2	499,983	391,998
Bai salam	1,050,000		619,304	51,675
	1,550,000		1,119,287	443,673
	3,550,000		2,794,044	1,113,958

- 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 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 KIBOR or + 2% to 3 months KIBOR + 2.50% per annum payable quarterly.

The aggregate available short term funded facilities amounting to Rs. 2.00 billion (September 30, 2018: Rs. 1.90 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, lien over import documents and personal guarantees of sponsors and corporate guarantee of Cane Processing (Pvt.) Limited.

These facilities carry mark-up at the rates ranging from matching KIBOR or + 2% to matching KIBOR + 3% per annum payable quarterly.

The aggregate available short term funded facilities amounting to Rs.1.55 billion (September 30, 2018: Rs. 1.45 billion).

Notes to the Condensed Interim Financial Information

For the Half Year Ended March 31, 2019

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 2018.

9.2 Commitments

Commitments in respect of capital expenditure at the period end is Rs. Nil (September 30, 2018: Rs. 9.45 million).

10 Sales - net	Un-audited Half Year Ended March 31		Un-audited Quarter Ended March 31	
	2019	2018	2019	2018
			(Rupees in thousands)	
Local	526,096	783,754	243,790	148,918
Export	-	138,256	-	81,110
	526,096	922,010	243,790	230,028
Less:				
Sales tax	(52,243)	(85,346)	(21,322)	(15,176)
Commission	(1,968)	(1,250)	(1,599)	(105)
	471,885	835,414	220,869	214,747
11 Cost of sales				
Raw material cane purchased and consumed	2,052,438	1,961,875	1,649,788	1,592,632
Salaries, wages and other benefits	70,208	62,186	41,926	33,195
Chemicals, fuel, lubes and packing material	52,147	36,782	41,700	26,915
Manufacturing expenses	64,815	49,461	39,826	28,971
Depreciation	53,995	51,119	27,642	24,679
Amortization	63	85	32	42
	2,293,666	2,161,508	1,800,914	1,706,434
Work-in-process - (net)	(747)	(24,907)	32,293	(1,148)
Cost of goods manufactured	2,292,919	2,136,601	1,833,207	1,705,286
Opening stock of finished goods	751,517	554,453	1,000,532	339,943
	3,044,436	2,691,054	1,833,207	1,705,286
Closing stock of finished goods	(2,829,218)	(1,852,594)	(2,829,218)	(1,852,594)
Cost of sales	215,218	838,460	4,521	192,635

Notes to the Condensed Interim Financial Information

For the Half Year Ended March 31, 2019

12 Taxation

Provision for taxation for the period has been calculated as per the requirements of Section 113C 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 2019 (refer to note 15) 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 31 March 2019.

13 Transactions with related parties

	Mar 31, 2019	Sep 30, 2018
	Un-audited	Audited

(Rupees in thousands)

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		
Post employment benefit plan	Provident fund contribution (Paid)	(1,248)	2,023
Cane Processing Pvt Limited(CPL)	Received/(Paid) during the period/year	192	132,498
Loan from sponsors	Received/(Paid) during the period/year	(114,550)	(77,201)

Notes to the Condensed Interim Financial Information

For the Half Year Ended March 31, 2019

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 2018.

15 Date of authorization

These condensed interim financial information were authorized for issue on May 24, 2019 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
May 24, 2019


Jamal Ahmed
Chief Executive Officer


Amjad Bashir Hussain
Director


Imran Ilyas
Chief Financial Officer

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*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.

JAUHARABAD SUGAR MILLS LIMITED

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