



# 2023

second quarter

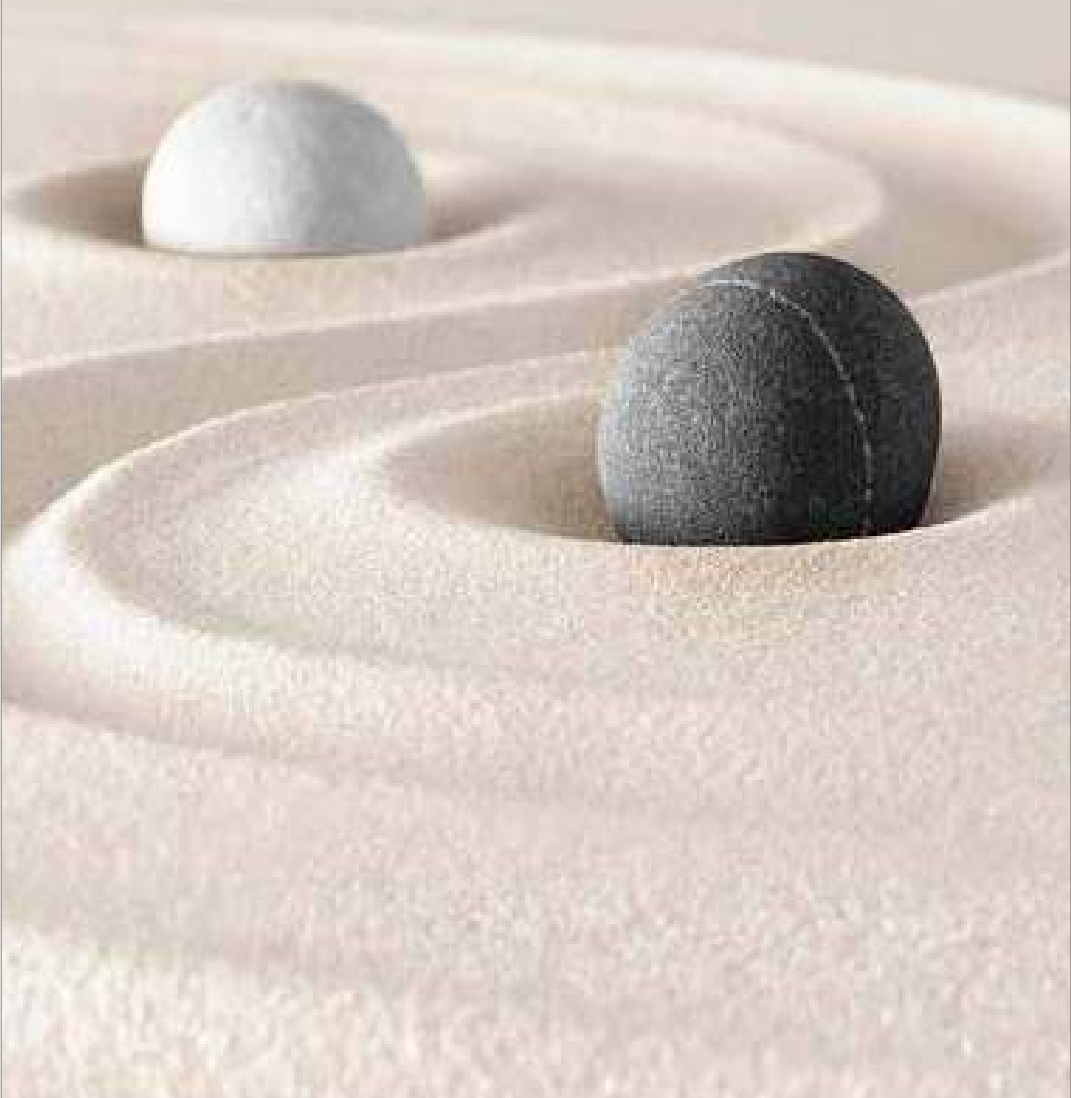
— In harmony with nature



## ABOUT THIS REPORT

Humanity has never lived in such harmony with nature as **We Do Today**; in which nature, humankind, and business of corporate sector flourish in harmony.

To live harmoniously with nature is to understand and accept the non-sentient reality of natural forces. The greater this understanding and acceptance, the greater the harmony.



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# Corporate Information

## Board of Directors ▼

Mr. Syed Anwar Hussain Shahid  
Mr. Farhan Ilyas  
Mr. Muhammad Aamir Beg  
Ms. Faiza Iftikhar  
Mr. Ghias-ul-Hasan  
Mr. Amjad Javed Aftab  
Mr. Saif-ur-Rehman

Chief Executive  
Independent Director  
Independent Director  
Independent Director  
Non-Executive Director  
Non-Executive Director  
Executive Director

## Audit Committee ▼

Mr. Farhan Ilyas  
Mr. Muhammad Aamir Beg  
Mr. Amjad Javed Aftab

Chairman  
Member  
Member

## Human Resource Committee ▼

Mr. Muhammad Aamir Beg  
Mr. Syed Anwar Hussain Shahid  
Mr. Ghias-ul-Hasan

Chairman  
Member  
Member

## Chief Financial Officer ▼

Mr. Imran Ilyas

## Company Secretary ▼

Mr. Al-Yousuf

## Head of Internal Audit ▼

Mr. 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 ▼

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

#### Registered Address ▼

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

#### Mills ▼

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

#### Bankers of the Company ▼

Askari Bank Limited  
Soneri Bank Limited  
Allied Bank Limited  
MCB Bank Limited  
Samba Bank Limited  
National Bank of Pakistan  
United Bank Limited  
Habib Bank Limited  
Bank Alfalah Limited  
Habib Metropolitan Bank Limited  
PAIR Investment Company Limited  
PAK China Investment Company 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](http://www.jsml.com.pk)

# Financial Highlights



# Key Performance Indicators

Rs. 3,904.26 Billions

Sales

107.67%

Increased

Rs. 453.12 Millions

Gross Profit

65.06%

Increased

Rs. 2,927.71 Millions

Cash used in  
Operating Activities

(3.79%)

Decreased

Rs. 45.82 Millions

Profit after Tax

44.27%

Increased

Rs. 1.34

Earning per Share

44.09%

Increased

Rs. 65.03

Breakup Value per Share

4.11%

Increased

Rs. 15.06 Billions

Total Assets

27.62%

Increased

Rs. 1.30 Millions

Financial Leverage

(0.20%)

Decreased



## Directors' Report

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, 2023 that has duly been reviewed by the external auditors.

### Sector Overview

Crushing year 2022/23 sugarcane crop was cultivated on 1,280 thousand hectares, a decrease of 0.78 percent compared to last year's sown area of 1,290 thousand hectares. Sugarcane production remained at 81 million metric tons, down by nine percent from CY2021/22, due to a decrease in cultivated area and yield. The current year turned-out to be challenging one as, for the fourth year in a row, Government of Punjab had increased by thirty-three (33) percent the support price of sugarcane to Rs. 300 per maund [CY2021/22: Rs. 225 per maund) and the provincial governments had implemented strict administrative policies related to payment to growers. This, ultimately, resulted in higher cost of production of sugar in the country. Moreover, sugar production for this year remained close to 6.86 million tons, with a decrease of 9.26 percent compared to last year's production of 7.56 million tons, roughly equating historical demand i.e., of 6.70 million tons after netting off export of carry forward stocks from CY2021/22. This year and the upcoming crushing year will help in reviving the industry and will be rewarding for the farmer prospective as well.

### Operational Performance

Jauharabad Sugar Mills Limited had started crushing season 2022/23 on November 25, 2022 [CY2021/22: November 18, 2021]. The plant operated for 103 days in comparison to 146 days during last year. During the current crushing season, BMR and maintenance impact was evident due to which stoppage hours other than no sugarcane was reduced to 10% in comparison to last year which was approximately 12%. Intense competition was witnessed between the regional mills right from the start of the season, resulting in payment of incentive over minimum support price to the cane growers. Despite this, JSML has managed to crush 651,476 metric tons i.e., down by 25.32% in comparison to last year crushing. Following operational results for this crushing season have been achieved as compared to previous years;

Year Wise Performance	2021-22	2022-23
Season Start Date	18-Nov-2021	25-Nov-2022
Season End Date	12-Apr-2022	7-Mar-2023
Operational Crushing Capacity (TCD)	7,000 ~ 9,500	9,500
No. of Effective Working Days	118.88	87.95
[Total Crushing Days]	[146]	[103]
Sugarcane Crushed (M.T)	872,378	651,476
Sugar Recovery (Percentage)	9.83	9.86
Sugar Produced (M.T)	85,774	64,198
Molasses Recovery (Percentage)	4.00	4.55
Molasses Produced (M.T)	34,909	29,630

Management is pleased to disclose that once again Company has paid hundred percent (100%) of its cane liability within three working days of closing the crushing season 2022/23, a fact that has been published in local newspapers and the same has been intimated to the Cane Commissioner Office vide final SCR-II report dated 11-Mar-2023.

### Financial Performance

The Company has posted top line of Rs. 3,904 million (2QRT FY2022: Rs. 1,880 million) mainly due to sale of by-products. Bottom line has shown significant improvement as compared to the last year. Despite massive increase in financial cost mainly due to rising interbank base rate . The Company has still managed to retain its stakeholders return reflecting an increase in EPS by 44% to Rs. 1.94 per share. A better contribution of the by-products i.e., molasses and bagasse, along with upward trend in sale price of sugar is expected despite the Government intervention at the end of this financial year. The Company, in order to provide relief during the month of Ramzan, has also supplied sugar at a reduced rates as was notified by the Government.

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

### Auditor Reports

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

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 & on Behalf of Board



**Syed Anwar Hussain Shahid**

Chief Executive

کمپنی کی انتظامیہ انتہائی مطمئن اور اللہ تعالیٰ کی شکر گزار ہے کہ کمپنی نے ایک بار پھر کرشننگ سیزن 2022/23 کے ختم ہونے کے تین یوم کار کے اندر اپنے گنے کے واجبات کی سو فیصد (100%) ادائیگی کر دی تھی، یہ حقیقت مقامی اخبارات میں بھی شائع کی گئی اور اس کی نشاندہی کین کشنر آفس نے فائل SCR-II رپورٹ بتاریخ 11 مارچ 2023 کی رُو سے کی ہے۔

## مالیاتی کارکردگی

کمپنی نے بنیادی طور پر بائی پراڈکٹس کی فروخت کے سبب 3,904 ملین روپے (1,880:2QRT FY2022 ملین روپے) کی ٹاپ لائن درج کی۔ زیریں لائن نے گزشتہ سال کے مقابلے نمایاں بہتری دکھائی ہے۔ بنیادی طور پر انٹرنیٹک ٹیس ریٹ بڑھنے کی وجہ سے مالی لاگت میں بھاری اضافہ ہوا۔ پھر بھی کمپنی نے اپنے اسٹیک ہولڈر کے منافع کو برقرار رکھا جو کہ EPS میں 44% کا اضافہ 1.94 روپے فی شیئر ظاہر کرتا ہے۔ اس مالی سال کے اختتام پر سرکاری انٹر وینشن کے باوجود چینی کی فروخت قیمت میں اضافہ کے رجحان کے ساتھ، بائی پراڈکٹس یعنی موالس اور بیگاس کی بہتر شراکت متوقع ہے۔ رمضان کے مہینہ کے دوران ریلیف فراہم کرنے کے لئے کمپنی نے بھی حکومت کی طرف سے اعلان کردہ کم شرحوں پر چینی فراہم کی ہے۔

کمپنی نے تمام اپنے مالی اداروں کے ساتھ بہتر تعلقات کو برقرار رکھا اور مالی وعدوں پر کاربند ہے۔

## آڈیٹری رپورٹس

کمپنی کے آڈیٹریز مالیاتی کارکردگی اور اس کے حسابات سے مطمئن ہیں لہذا اپنے ارکان کو کنڈینسڈ عبوری مالیاتی حسابات جاری کرنے کی اجازت دیتے ہیں۔

مالیاتی رپورٹنگ مدت کے اختتام اور ڈائریکٹری رپورٹ کی تاریخ کے درمیان آپ کی کمپنی کی مالی پوزیشن پر اثر انداز ہونے والی کوئی مادی تبدیلیاں اور عوامی واقع نہیں ہوئے ہیں۔

## 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 آف ڈائریکٹرز



سید انوار حسین شاہد  
چیف ایگزیکٹو



## ڈائریکٹرز کی جائزہ رپورٹ

محترم اراکین، اسلام علیکم

بورڈ آف ڈائریکٹرز کی جانب سے، میں 31 مارچ 2023 کو ختم ہونے والی پہلی ششماہی کے لئے کمپنی کے غیر نظر ثانی شدہ ششماہی مالی حسابات پیش کرتے ہوئے خوشی محسوس کرتا ہوں جن کا بیرونی آڈیٹرز نے باقاعدگی سے جائزہ لیا ہے۔

### سکینر کا جائزہ

کرشنگ سال 2022/23 میں گنے کی فصل 1,280 ہزار ہیکٹرز پر کاشت کی گئی جو کہ گزشتہ سال کے 1,290 ہزار ہیکٹرز کے رقبہ کے مقابلے میں 0.78 فیصد کمی تھی۔ گنے کی پیداوار 81 ملین میٹرک ٹن رہی، جو کہ کاشت شدہ رقبہ اور گنے کی پیداوار میں کمی کی وجہ سے، مالی سال 2021/22 سے نو فیصد کم ہے۔ موجودہ سال ایک چیلنجنگ ثابت ہوا کیونکہ حکومت پنجاب نے لگاتار چوتھے سال گنے کی امدادی قیمت میں تینتیس (33) فیصد اضافہ کر کے 300 روپے فی من [CY2021/22: 225 فی من] مقرر کی اور صوبائی حکومتوں نے کاشتکاروں کو ادائیگی سے متعلق سخت انتظامی پالیسیاں نافذ کیں۔ اس کے نتیجے میں ملک میں چینی کی پیداواری لاگت میں اضافہ ہو گیا۔ مزید برآں، اس سال چینی کی پیداوار 6.86 ملین ٹن کے قریب رہی، جو کہ گزشتہ سال کی 7.56 ملین ٹن کی پیداوار کے مقابلے میں 9.26 فیصد کمی کے ساتھ تقریباً تارخجی طلب کے برابر، یعنی CY2021/22 سے کیری فارورڈ اسٹاک کی برآمد کے بعد 6.70 ملین ٹن ہے۔ یہ سال اور آئندہ کرشنگ سال صنعت کی بحالی میں مددگار ثابت ہوگا اور کسانوں کے لیے بھی فائدہ مند ثابت ہوگا۔

### آپریشنل کارکردگی

جوہر آباد شوگر ملز لمیٹڈ نے کرشنگ سیزن 2022/23 کا آغاز 25 نومبر 2022 [CY2021/22: 18 نومبر 2021] کو کیا۔ پلانٹ گزشتہ سال کے دوران 146 دنوں کے مقابلے میں 103 دنوں تک چلا یا گیا۔ موجودہ کرشنگ سیزن کے دوران، بی ایم آر اور دیگر بھال کا اثرو واضح تھا جس کی وجہ سے گنے کی کمی کے علاوہ کسی بھی وقت رکنے کے اوقات کو گزشتہ سال کے مقابلے میں 10 فیصد تک کم کیا گیا جو کہ تقریباً 12 فیصد تھا۔ سیزن کے آغاز سے ہی علاقائی ملوں کے درمیان شدید مقابلہ دیکھنے میں آیا، جس کے نتیجے میں گنے کے کاشتکاروں کو کم از کم امدادی قیمت سے زیادہ کی ادائیگی کی گئی۔ اس کے باوجود JSML نے 651,476 میٹرک ٹن گنا کرش کیا ہے یعنی گزشتہ سال کی کرشنگ کے مقابلے میں 25.32 فیصد کم ہے۔ پچھلے سالوں کے مقابلے میں اس کرشنگ سیزن کے لیے درج ذیل آپریشنل نتائج حاصل کیے گئے ہیں۔

2022-23	2021-22	سال دائرہ کار کردگی
25 نومبر 2022	18 نومبر 21	سیزن کے آغاز کی تاریخ
7 مارچ 2023	12 اپریل 2022	سیزن کے اختتام کی تاریخ
9,500	7,000-9,500	آپریشنل کرشنگ کپیسٹی (TCD)
87.95	118.88	مؤثر یوم کار کی تعداد
[103]	[146]	[کل کرشنگ یوم]
651,476	872,378	گنے کی کرشنگ (میٹرک ٹن)
9.86%	9.83%	چینی کی ریکوری (فیصد)
64,198	85,774	چینی کی پیداوار (میٹرک ٹن)
4.55%	4.00%	مولاس کی ریکوری
29,630	34,909	مولاس کی پیداوار

## Independent Auditor's Review Report

To the Members of Jauharabad Sugar Mills Limited  
Report on Review of Interim Financial Statements

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Jauharabad Sugar Mills Limited ("the Company") as at March 31, 2023 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended March 31, 2022 and 2023 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended March 31, 2023.

### Scope of Review

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

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Mr. Ibne Hasan.

Lahore  
Date: May 26, 2023  
UDIN:RR202310300Kd3CjLqSo



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

UHY Hassan Naeem & Co.  
Chartered Accountant





## Condensed Interim Statement of Financial Position (Un-audited)

As at March 31, 2023

	Note	Un-audited Mar 31 2023 (Rupees in thousands)	Audited Sep 30 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	9,904,315	9,514,621
Intangible assets		65	78
Long term deposits		3,091	2,800
		<u>9,907,471</u>	<u>9,517,499</u>
<b>Current assets</b>			
Stores, spare parts and loose tools		163,304	221,628
Stock-in-trade		3,777,764	1,573,365
Loans and advances		252,087	334,696
Trade debts- unsecured considered good		740,152	5,943
Trade deposits and short term prepayments		13,359	3,328
Other receivables		22,220	22,221
Tax refunds due from the government		100,963	70,871
Short term investments		15,000	18,569
Cash and bank balances		67,233	32,446
		<u>5,152,082</u>	<u>2,283,067</u>
		<u>15,059,553</u>	<u>11,800,566</u>

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

Lahore:  
May 26, 2023

  
Syed Anwar Hussain  
Chief Executive

  
Ghias-ul-Hasan  
Director

  
Imran Ilyas  
Chief Financial Officer

## Condensed Interim Statement of Financial Position (Un-audited)

As at March 31, 2023

	Note	Un-audited Mar 31 2023 (Rupees in thousands)	Audited Sep 30 2022
<b>Share capital and reserves</b>			
Authorized share capital		700,000	700,000
Share capital		341,285	341,285
<b>Capital reserves:</b>			
Share premium		372,403	372,403
<b>Revenue reserves:</b>			
Accumulated profits		780,281	709,072
Loan from sponsors		725,337	709,047
Revaluation surplus on property, plant and equipment - net of tax	6	6,329,951	6,389,467
<b>Total Equity</b>		<b>8,549,257</b>	<b>8,521,274</b>
<b>Non-current liabilities</b>			
Long term loans from banking companies - secured	7	-	-
Liability against assets subject to finance lease		4,328	5,132
Deferred liabilities		1,030,158	1,053,911
		1,034,486	1,059,043
<b>Current liabilities</b>			
Trade and other payables		537,821	927,908
Unclaimed dividend		1,647	1,881
<b>Current portion of:</b>			
- Long term loans from banking companies - secured	7	-	9,430
- Liability against assets subject to finance lease		1,229	1,153
- Government grant		-	1,191
Accrued mark-up		176,271	59,649
Short term borrowings - secured	8	4,646,107	1,154,282
Provision for taxation		112,735	64,755
		5,475,810	2,220,249
<b>Contingencies and commitments</b>			
	9	15,059,553	11,800,566

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

Lahore:  
Mary 26, 2023

  
Syed Anwar Hussain  
Chief Executive

  
Ghias-ul-Hasan  
Director

  
Imran Ilyas  
Chief Financial Officer

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

For the half year ended March 31, 2023

	Note	Six month period ended March 31		Three month period ended March 31	
		2023	2022	2023	2022
(Rupees in thousands)					
Sales - net	10	3,904,263	1,880,060	1,945,753	1,130,218
Cost of sales	11	(3,451,145)	(1,605,539)	(1,629,209)	(947,714)
<b>Gross profit</b>		<b>453,118</b>	<b>274,521</b>	<b>316,544</b>	<b>182,504</b>
<b>Operating expenses:</b>					
Administrative expenses		(139,878)	(113,512)	(90,860)	(70,194)
Distribution cost		(9,580)	(4,008)	(8,118)	(391)
		(149,458)	(117,520)	(98,978)	(70,585)
<b>Operating profit</b>		<b>303,660</b>	<b>157,001</b>	<b>217,566</b>	<b>111,919</b>
Finance cost		(235,564)	(95,406)	(202,977)	(82,332)
Other income/(expense)		1,953	(1,376)	3,145	(1,231)
<b>Profit before taxation</b>		<b>70,049</b>	<b>60,219</b>	<b>17,734</b>	<b>28,356</b>
Taxation	12	(24,227)	(28,457)	(6,822)	(21,769)
<b>Profit after taxation</b>		<b>45,822</b>	<b>31,762</b>	<b>10,912</b>	<b>6,587</b>
<b>Earnings per share (Rupees)</b>					
Basic & diluted		1.34	0.93	0.32	0.19

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

Lahore:  
May 26, 2023

  
Syed Anwar Hussain  
Chief Executive

  
Ghias-ul-Hasan  
Director

  
Imran Ilyas  
Chief Financial Officer



## Condensed Interim Statement of Comprehensive Income (Un-audited)

For the half year ended March 31, 2023

	Six month period ended March 31		Three month period ended March 31	
	2023	2022	2023	2022
	(Rupees in thousands)			
Profit after taxation	45,822	31,762	10,912	6,587
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	45,822	31,762	10,912	6,587

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

Lahore:  
May 26, 2023



Syed Anwar Hussain  
Chief Executive



Ghias-ul-Hasan  
Director



Imran Ilyas  
Chief Financial Officer

## Condensed Interim Statement of Cash Flows (Un-audited)

For the half year ended March 31, 2023

	Six month period ended March 31	
	2023	2022
	(Rupees in thousands)	
<b>Cash flow from operating activities</b>		
Profit before taxation	70,049	60,219
<b>Adjustments for:</b>		
Depreciation	148,104	67,947
Amortization	13	19
Loss/(gain) on disposal of property, plant and equipment	387	29
Provision for WPPF	3,687	3,232
Government grant	(1,191)	(2,360)
Finance cost	235,564	95,406
	386,564	164,273
<b>Profit before working capital changes</b>	456,613	224,492
<b>Working capital changes</b>		
Stores, spare parts and loose tools	58,324	(58,966)
Stock in trade	(2,204,399)	(3,722,296)
Loans and advances	82,609	36,521
Trade debts- unsecured considered good	(734,209)	(193,272)
Trade deposits and short term prepayments	(10,031)	(5,028)
Trade and other payables	(393,776)	762,265
	(3,201,482)	(3,180,776)
<b>Cash used in operations</b>	(2,744,869)	(2,956,284)
Finance cost paid	(118,383)	(24,955)
Taxes paid	(30,092)	(28,023)
Dividend paid	(34,362)	(33,739)
<b>Net cash used in operating activities</b>	(2,927,706)	(3,043,001)

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

Lahore:  
May 26, 2023



Syed Anwar Hussain  
Chief Executive



Ghias-ul-Hasan  
Director



Imran Ilyas  
Chief Financial Officer

## Condensed Interim Statement of Cash Flows (Un-audited)

For the half year ended March 31, 2023

	Six month period ended	
	2023	2022
	March 31	
	(Rupees in thousands)	
<b>Cash flow from investing activities</b>		
Addition to fixed assets	(540,290)	(198,887)
Long term deposits	(291)	-
Proceeds from sale of fixed assets	2,107	34
<b>Net cash used in investing activities</b>	<b>(538,474)</b>	<b>(198,853)</b>
<b>Cash flow from financing activities</b>		
Long term finances	(9,430)	(44,385)
Lease rentals paid	(1,286)	(1,618)
Loan from associates	16,290	18,950
<b>Net cash generated/(used in) from financing activities</b>	<b>5,574</b>	<b>(27,053)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(3,460,607)</b>	<b>(3,268,907)</b>
Cash and cash equivalents at beginning of the period	(1,103,267)	(104,037)
<b>Cash and cash equivalents at the end of the period</b>	<b>(4,563,874)</b>	<b>(3,372,944)</b>
Cash and cash equivalents comprise of following statement of financial position amounts:		
- Short term investments	15,000	18,038
- Cash and bank balances	67,233	132,934
- Short term borrowings	(4,646,107)	(3,523,916)
	<b>(4,563,874)</b>	<b>(3,372,944)</b>

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

Lahore:  
May 26, 2023

  
Syed Anwar Hussain  
Chief Executive

  
Ghias-ul-Hasan  
Director

  
Imran Ilyas  
Chief Financial Officer

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

For the half year ended March 31, 2023

	Share Capital	Share Premium	Accumulated profits	Revaluation Surplus	Loan from Sponsors	Total
----- Rupees in thousand -----						
Balance as on October 01, 2021 (audited)	341,285	372,403	594,462	2,843,928	610,097	4,762,175
Profit after taxation	-	-	31,762	-	-	31,762
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	31,762	-	-	31,762
Transactions made during the period	-	-	-	-	18,950	18,950
Transfer of incremental depreciation (net of tax)	-	-	21,624	(21,624)	-	-
Final dividend paid for the year ended September 30, 2021 (Re. 1 per share)	-	-	(34,128)	-	-	(34,128)
Balance as on March 31, 2022 (un-audited)	341,285	372,403	613,720	2,822,304	629,047	4,778,759
Balance as on October 01, 2022 (audited)	341,285	372,403	709,072	6,389,466	709,047	8,521,273
Profit after taxation	-	-	45,822	-	-	45,822
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	45,822	-	-	45,822
Transactions made during the period	-	-	-	-	16,290	16,290
Transfer of incremental depreciation (net of tax)	-	-	59,515	(59,515)	-	-
Final dividend paid for the year ended September 30, 2021 (Re. 1 per share)	-	-	(34,128)	-	-	(34,128)
Balance as on March 31, 2023 (un-audited)	341,285	372,403	780,281	6,329,951	725,337	8,549,257

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

Lahore:  
May 26, 2023

  
Syed Anwar Hussain  
Chief Executive

  
Ghias-ul-Hasan  
Director

  
Imran Ilyas  
Chief Financial Officer

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

For the half year ended March 31, 2023

### 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 comprise the condensed interim statement of financial position of the company as at March 31, 2023 and the related condensed interim statement of comprehensive income, the condensed interim statement of cash flows and the condensed interim statement of changes in equity together with the notes forming part thereof.

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) and Islamic Financial Accounting Standards ("IFAS") issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017;
- 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.

These condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual audited financial statements as at and for the year ended September 30, 2022. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of September 30, 2022, whereas comparatives for condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity and related notes are extracted from condensed interim financial statements of the Company for the Six month period ended March 31, 2022.

#### 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.



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

For the half year ended March 31, 2023

### 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, 2022.

## 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, 2022.

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.

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

For the half year ended March 31, 2023

	Note	Un-audited Mar 31 2023 (Rupees in thousands)	Audited Sep 30 2022
<b>5 Property, plant and equipment</b>			
Property, plant and equipment	5.1	9,898,259	9,508,138
Capital work-in-progress		6,056	6,483
		<u>9,904,315</u>	<u>9,514,621</u>
<b>5.1 Property, plant and equipment</b>			
Balance at beginning of the period / year		9,508,138	4,580,856
Add: Revaluation surplus		-	4,182,676
Add: Additions during the period / year		540,717	268,732
Transfer from CWIP		-	621,976
Less: Book value of operating assets disposed - off during the period / year		(2,492)	(2,767)
		<u>10,046,363</u>	<u>9,651,473</u>
Depreciation charged during the period / year		(148,104)	(143,335)
		<u>9,898,259</u>	<u>9,508,138</u>
<b>6 Revaluation surplus on property, plant and equipment - net of tax</b>			
Land		4,112,812	4,112,812
Building		249,113	249,113
Plant and machinery		3,362,805	3,362,805
		<u>7,724,730</u>	<u>7,724,730</u>
Less: Accumulated incremental depreciation		(487,046)	(403,222)
		<u>7,237,684</u>	<u>7,321,508</u>
Less: Deferred tax liability			
Opening balance		932,041	324,506
Deferred tax liability on addition in revaluation surplus		-	616,120
Incremental depreciation for the period		(24,308)	(8,585)
		<u>907,733</u>	<u>932,041</u>
		<u>6,329,951</u>	<u>6,389,467</u>
<b>7 Long term loans from banking companies - secured</b>			
Faysal Bank Limited	7.1	-	9,430
		-	9,430
Less: Current portion		-	(9,430)
		-	-

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

For the half year ended March 31, 2023

### 7.1 Faysal 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 was 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.

The Loan from sponsors of the Company are subordinated under subordination agreement.

	Sanction limit 'Rupees in thousand'	Note	Un-audited Mar 31 2023 (Rupees in thousands)	Audited Sep 30 2022
<b>8 Short term borrowings - secured</b>				
<b>Mark-up based borrowings from Conventional Banks</b>				
Running finance	350,000	8.1	336,746	292,168
Cash finance	2,675,000		2,574,410	602,697
	3,025,000		2,911,156	894,865
<b>Islamic mode of financing</b>				
Murabaha finance	690,000	8.2	689,807	109,317
Bai salam / Istisna	1,525,000		1,045,144	150,100
	2,215,000		1,734,951	259,417
	5,240,000		4,646,107	1,154,282

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

For the half year ended March 31, 2023

- 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. 3.03 billion (2022: Rs. 2.52 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 shares of Company, 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 matching KIBOR + 2.25% to matching KIBOR + 2.75% per annum.

The aggregate available short term funded facilities amount to Rs.2.22 billion (2022: Rs. 1.98 billion).

- 8.3 The loans from sponsors of the Company are subordinated under subordination agreement.

## 9 Contingencies and commitments

### 9.1 Contingencies

There is no material change in contingencies from the period audited financial statements of the Company for the year ended September 30, 2022.

### 9.2 Commitments

Commitments in respect of irrevocable letter of credits for stores and spares at the period end is Nil (September 30, 2022: Nil).

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

For the half year ended March 31, 2023

Note	Un-audited		Un-audited	
	Six month period ended	March 31	Three month period ended	March 31
	(Rupees in thousands)			
<b>10 Sales - net</b>				
Local	4,118,892	2,157,761	1,824,595	1,297,173
Export	329,497	-	329,497	-
	<u>4,448,389</u>	<u>2,157,761</u>	<u>2,154,092</u>	<u>1,297,173</u>
Less:				
Sales tax	(541,371)	(275,942)	(207,873)	(166,080)
Commission	(2,755)	(1,759)	(466)	(875)
	<u>3,904,263</u>	<u>1,880,060</u>	<u>1,945,753</u>	<u>1,130,218</u>
<b>11 Cost of sales</b>				
Raw material cane purchased and consumed	5,088,898	4,977,430	3,252,634	3,545,984
Salaries, wages and other benefits	132,030	95,068	92,486	58,460
Chemicals, fuel, lubes and packing material	147,483	109,336	118,798	86,041
Manufacturing expenses	141,978	79,393	88,086	40,862
Depreciation	145,142	66,588	74,183	33,531
Amortization	13	19	7	9
	<u>5,655,544</u>	<u>5,327,834</u>	<u>3,626,194</u>	<u>3,764,887</u>
Opening work-in-process	3,115	3,752	127,182	35,884
Closing work-in-process	(5,281)	(76,146)	(5,281)	(76,146)
Cost of goods manufactured	<u>5,653,378</u>	<u>5,255,440</u>	<u>3,748,095</u>	<u>3,724,625</u>
Opening stock of finished goods	1,570,250	89,709	1,653,597	962,699
	<u>7,223,628</u>	<u>5,345,149</u>	<u>5,401,692</u>	<u>4,687,324</u>
Closing stock of finished goods	(3,772,483)	(3,739,610)	(3,772,483)	(3,739,610)
Cost of sales	<u>3,451,145</u>	<u>1,605,539</u>	<u>1,629,209</u>	<u>947,714</u>



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

For the half year ended March 31, 2023

### 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 holding 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	Audited
		Mar 31 2023 (Rupees in thousands)	Sep 30 2022
Post employment benefit plan	Provident fund contribution paid	2,072	3,652
Cane Processing (Pvt) Limited	Loan repaid during the period/year	210	1,050
Loan from sponsors	Loan received during the period/year	110,000	200,000
	Loan repaid during	93,500	100,000

### 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 2022.

### 15 Date of authorization

These un-audited condensed interim financial statements were authorized for issue on May 26, 2023 by the Board of Directors of the Company.

### 16 General

16.1 Figures have been rounded off to the nearest thousand Rupees.

Lahore:  
May 26, 2023

  
Syed Anwar Hussain  
Chief Executive

  
Ghias-ul-Hasan  
Director

  
Imran Ilyas  
Chief Financial Officer

# Jama Punji Information



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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.



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