بسم الله الرحمن الرحيم

C O N T E N T S

COMPANY INFORMATION

BOARD OF DIRECTORS

MR. GHIAS UL HASAN	CHIEF EXECUTIVE
MR. ATIF ZAHEER FAROOQI	
MR. AMJAD BASHIR HUSSAIN	
MR. SHAHRUKH TAIMOUR	CPL NOMINEE
MR. KAMRAN ZAHOOR	CPL NOMINEE
MR. FARHAN ILYAS	CPL NOMINEE
MR. AMJAD MEHMOOD	CPL NOMINEE

AUDIT COMMITTEE

MR. AMJAD BASHIR HUSSAIN	CHAIRMAN
MR. KAMRAN ZAHOOR	MEMBER
MR. GHIAS UL HASAN	MEMBER

COMPANY SECRETARY

MR. IMRAN ILYAS

AUDITORS

M/S UHY HASSAN NAEEM & CO.
Chartered Accountants

BANKERS

FAYSAL BANK LIMITED
ALBARAKA BANK (PAKISTAN) LIMITED

SHARE REGISTRAR

M/S. CORPLINK (PVT) LIMITED
WINGS ARCADE, 1-K COMMERCIAL,
MODEL TOWN, LAHORE.
TEL : 35839182, 35887262
FAX: 35869037

LEGAL ADVISOR

MR. TALHA SAIF

REGISTERED OFFICE

OFFICE # 11-12, 4TH FLOOR,
ALI TOWER, MM ALAM ROAD
GULBERG III, LAHORE.
INTERNET: WWW.JSML.COM.PK
EMAIL : SECRETARY@JSML.COM.PK

MILLS

JAUHARABAD,
DISTRICT KHUSHAB.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Sixth Annual General Meeting of the JAUHARABAD SUGAR MILLS LIMITED (formerly Kohinoor Sugar Mills Ltd.) will be held on Saturday, January 31, 2015 at 11:30a.m., at the Registered Office No. 11&12, 4th Floor, Ali Tower, M.M. Alam Road, Gulberg-III, Lahore, to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the Extra-Ordinary General Meeting held on June 27, 2014.
2. To review and adopt the audited accounts together with Directors' and Auditors' report for the year ended September 30, 2014.
3. To appoint Auditors and to fix their remuneration.
4. To pass the following Special Resolutions for alteration of the Memorandum of Association &adoption of new Articles of Association of the Company.

5. **RESOLUTION-I**

"**RESOLVED THAT** the alterations in the Memorandum of Association as detailed in the statement under section 160(1)(b) of the Companies Ordinance, 1984 (the Statement) be and are hereby approved."

RESOLUTION-II

"**RESOLVED THAT** the authorized capital of the Company be increased from Rs. 200,000,000/- (Rupees Two Hundred Million Only) divided into 20,000,000 (Twenty Million Only) ordinary shares of Rs.10/- each to Rs. 400,000,000/- (Four Hundred Million Only) divided into 40,000,000/- (Forty Million Only) ordinary shares of Rs.10/- each."

"**FURTHER RESOLVED THAT** the words and figures "Rs. 200,000,000/- (Rupees Two Hundred Million Only) divided into 20,000,000/- (Twenty Million Only) ordinary shares of Rs.10/- each" appearing in Clause V of the Memorandum of Association and Article 5 of the Articles of Association of the Company, be substituted by the words and figure "Rs. 400,000,000/- (Rupees Four Hundred Million Only) divided into 40,000,000/- (Forty Million Only) ordinary shares of Rs.10/- each."

RESOLUTION-III

"RESOLVED THAT the new Articles of Association, as proposed in the Statement be and is hereby approved."

"FURTHER RESOLVED that the chief executive and the Company Secretary be and are hereby authorized, jointly and severally, to give effect to these resolutions and complete all legal formalities under the Company Ordinance, 1984."

6. Any other business with the permission of the chair.

A statement under section 160(1)(b) of the Companies Ordinance, 1984 is being sent to the shareholders with this Notice. The proposed changes in the Memorandum of Association and the new proposed Articles of Association will be available for inspection of the members at the meeting.

By order of the Board

Lahore: January 08, 2015.

(Imran Ilyas)
Company Secretary

NOTE:

1. The share transfer books of the Company will remain closed from January 24, 2015 to January 31, 2015 (both days inclusive).
2. A member entitled to at tend and vote at the meeting may appoint another member as his / her proxy to attend and vote. Proxies, in order to be affective, must be received at the registered office of the Company, not later than 48 hours before the time of holding of the meeting.
3. CDC share holders entitled to attend and vote for this meeting, must bring with them their CNIC/ Passports in original along with Participant's ID Numbers and their identity, and in case of Proxy, must enclose an attested copy of his/ her CNIC or Passport. Representatives of Corporate members should bring usual documents Power of Attorney/Board Resolution for attending the meeting.
4. Share holders are requested to notify the Company's Share Registrar of any change in their addresses.

STATEMENT OF ETHICS

AND

BUSINESS PRACTICES

Code of ethics is a pre-requisite for all directors and employees of Jauharabad Sugar Mills Limited. We endeavour to have fully groomed employees committed to carry out honestly activities assigned to them. Our aim is to have high standard of excellence for the products and for all those involved with our Company.

VISION STATEMENT

To become a market leader in the Industry setting out high quality standards for the Company and others to follow.

MISSION STATEMENT

To produce/manufacture quality sugar and molasses by maintaining a high standard of efficiency and staying competitive to ensure customer satisfaction and to provide a comfortable level of return to all stakeholders.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors are pleased to present the forty sixth report together with the audited accounts for the year ended September 30,2014.

FINANCIAL RESULTS

		2014	2013
		(Rs. in thousands)	
Profit / (loss) before taxation		(77,185)	434,804
Taxation	– Current	----	-----
	– Deferred	38,294	(138,961)
Profit / (loss) after taxation		(38,891)	295,843

OPERATING RESULTS

Operating results for the year and comparative figures are as under:

		2014	2013	2012	2011
Crushing Days	Nos.	**95**	97	99	114
Average Recovery	%	**9.22**	8.23	8.33	7.55
Cane Crushed	M.Tons	**281,997**	321,022	427,690	406,388
Sugar Produced	M.Tons	**25,975**	26,420	35,646	30,673

Though the Company suffered gross loss during the period under review, yet the gross margin and operating expenditures have shown significant improvement. The losses and ratios have deteriorated due to the earlier closure of sugar manufacturing units in our region, mainly caused by sugar cane disease.

PROSPECTS FOR 2014 – 2015

The management expects that the next season will be a watershed for the financial constrain of the Company. Due to BMR&E that has been carried out and the quality of sugar cane, it is expected that there will be an improvement in the profitability of the Company during the next financial year.

AUDITORS' REPORT

In reply to auditors' observations, your Directors have to comment as follows:

Although, the Company has current and accumulated losses, the equity remains positive due to surplus on revaluation of fixed assets as shown in the statement of changes in equity. As regards the doubt about the Company's ability to continue as going concern, the management is of the view that with the BMR&E which has been carried out by the Company, will enhance profitability and strengthen the financial position of the Company in the years to come.

AUDITORS

The retiring auditors M/s. UHY Hassan Naeem & Co., Chartered Accountants are eligible for the ensuing period, and have offered themselves for reappointment.

APPRECIATION

Management and employee relations remained highly satisfactory and your Directors place on record their appreciation.

BOARD OF DIRECTORS MEETINGS

During the financial year 2013-14, five Meetings of the Board of Directors were held. The attendance by each Director has been as follows:

Sr.	*Name*	*Status*	*No. of Meetings Attended*
1	Mr. Ghias Ul Hasan	Chief Executive	4
2	Mr. Atif Zaheer Farooqi	Director	3
3	Mr. Amjad Bashir Hussain	Director	1
4	Mr. Shahrukh Taimoor	Director	1
5	Mr. Kamran Zahoor	Director	3
6	Mr. Farhan Ilyas	Director	3
7	Mr. Amjad Mehmood	Director	1
8	Sheikh Asim Rafiq	Retired	4
9	Mr. Farooq Ahmed	Resigned	3
10	Mr. M. Farooque Saigol	Resigned	-
11	Mr. M. Saleem Saigol	Resigned	-
12	Mr. M. Naeem Saigol	Resigned	-

During the year, Sheikh Asim Rafiq, Mr. Farooq Ahmed, Mr. M. Farooque Saigol, Mr. M. Saleem Saigol and Mr. M. Naeem Saigol had resigned from the office of the Directors on 27-Jun-2014, 10-May-2014, 10-Jan-2014, 10-Jan-2014 and 10-Jan-2014 respectively.

PATTERN OF SHAREHOLDING

The pattern of shareholding of the Company is annexed with the financial statements.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The management is fully aware of the compliance with the Code of Corporate Governance and steps have been taken for its effective implementation. The various statements, as required by the Code, are given below:

PRESENTATION OF FINANCIAL STATEMENTS

The financial statements, prepared by the management of the Company, fairly present its state of affairs, the results of its operations, cash flow and changes in equity.

BOOKS OF ACCOUNT

The Company has maintained proper books of Account as required by the Companies Ordinance, 1984.

ACCOUNTING POLICIES

Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

INTERNATIONAL ACCOUNTING STANDARDS (IAS)

International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

INTERNAL CONTROL SYSTEM

The system of internal control is sound in design and has been effectively implemented and monitored. The review will continue in future for the improvement in controls.

GOING CONCERN

There are no doubts upon the Company's ability to continue as a going concern.

SUMMARIZED FINANCIAL DATA

Operating and financial summarized data for the last six years is annexed with financial statements.

INVESTMENTS IN PROVIDENT FUND

Value of Investments based on last audited accounts of Provident Fund is Rs. 13.593 million.

AUDIT COMMITTEE

The Board of Directors in compliance to the Code of Corporate Governance has established an Audit Committee comprising of the following directors.

Mr. Amjad Bashir Hussain	Chairman
Mr. Kamran Zahoor	Member
Mr. Ghias-ul-Hasan	Member

SAFETY AND ENVIRONMENTS

The Company strictly complies with the standards of the safety rules & regulations. It also follows environmental friendly policies.

TRADING IN COMPANY'S SHARES

None of the Directors, CEO, CFO, Company Secretary and their spouses and minor children has made transaction in the Company's shares during the year.

OUTSTANDING STATUTORY DUES

Detail of outstanding statutory dues is given in Note 22 to the accounts.

COMMUNICATION

Communication with the shareholders is given high priority. Annual, Half Yearly and Quarterly Accounts are distributed to them within the time specified in the Companies Ordinance, 1984. Every opportunity is given to the individual shareholders to attend and freely ask questions about the Company's operations at the Annual General Meeting.

On behalf of the Board

Ghias ul Hasan

(GHIAS UL HASAN)
Chief Executive

LAHORE: November 17, 2014.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE
Year Ended: September 30, 2014

This statement is being presented to comply with the Code of Corporate Governance (CCG) Contained in Regulation No. 35 of Listing Regulations of Karachi Stock Exchange Limited and Lahore Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages the representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names	
Independent Directors	I. II.	Mr. Atif Zaheer Farooqi Mr. Amjad Bashir Hussain
Executive Directors	III. IV. V.	Mr. Ghias ul Hasan Mr. Shahrukh Taimoor Mr. Kamran Zahoor
Non Executive Directors	VI. VII.	Mr. Farhan Ilyas Mr. Amjad Mehmood

   The Independent Directors meet the criteria of independence under clause i (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. The casual vacancies occurred on the board on 10th January, 2014 and 10th May, 2014 were filled up by the directors within 7 days and 16 days respectively.

5. The Company has prepared a "Code of Conduct"and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the board have been duly exercised and decisions on material transactions, including the appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.

8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with the agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The board arranged orientation courses for the directors during the year.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an Audit Committee. It comprises of three members of whom two are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises of three members; all of whom are non-executive directors and the chairman of the committee is an independent director.
18. The Board has set-up effective internal audit function.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services, except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. We confirm that all other material principles enshrined in the CCG have been complied with.

Ghias ul. Hasan

(GHIAS UL HASAN)
CHIEF EXECUTIVE

LAHORE: November 17, 2014

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance for the year ended 30th September 2014, prepared by the Board of Directors of **Jauharabad Sugar Mills Limited** ("the Company") to comply with the Listing Regulation No.35 of Karachi and Lahore Stock Exchanges, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control system sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal controls covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, sub-regulation (x) of Listing Regulation No. 35 of Karachi and Lahore Stock Exchanges requires the Company to place before the Board of Directors for their consideration and approval of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended 30th September, 2014.

Date : November 17, 2014.
Place : LAHORE

UHY Hassan Naeem & Co.
Chartered Accountants
Ibne Hassan FCA

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed statement of financial position of Jauharabad Sugar Mills Limited ("the Company") as at September 30, 2014 and the related condensed statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that—

(a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion:

   i) the statement of financial position and condensed statement of comprehensive income together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) In our opinion, to the best of our information and according to the explanations given to us, the statement of financial position, condensed statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2014 and of the loss, its cash flows and changes in equity for the year then ended; and

(d) in our opinion, no Zakat was deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980).

Without qualifying our opinion, we draw attention to note 3.1 in the financial statements, which indicates that the Company during the year suffered gross loss and loss before tax of Rs. 156.07 million and Rs. 77.18 million respectively. Such losses indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

Date : November 17, 2014.
Place : LAHORE

UHY Hassan Naeem & Co.
Chartered Accountants
Ibne Hassan FCA

STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2014

	Note	2014 Rupees	2013 Rupees
Non-current assets			
Fixed assets	6	2,291,389,026	2,245,285,781
Long-term deposits	7	428,811	398,811
		2,291,817,837	**2,245,684,592**
Current assets			
Stores, spare parts and loose tools	8	106,868,208	151,033,154
Stock-in-trade	9	40,673,666	438,688,478
Loans and advances	10	11,033,197	46,677,304
Trade deposits and short term prepayments	11	8,132,805	6,958,046
Other receivables	12	25,557,376	25,557,376
Tax refunds due from the Government	13	41,461,394	31,916,795
Cash and bank balances	14	7,345,620	4,902,422
		241,072,266	**705,733,575**
Current liabilities			
Trade and other payables	15	200,397,851	525,312,747
Accrued mark-up	16	2,522,374	28,856,658
Short term borrowings	17	20,000,000	-
Current portion of long term liabilities	19	13,086,937	101,449,250
		236,007,162	**655,618,655**
Working capital employed		**5,065,104**	**50,114,920**
		2,296,882,941	**2,295,799,512**
Contingencies and commitments	18		
Non-current liabilities			
Long term finances	19	26,173,872	52,347,750
Loan from associates	20	885,311,004	649,368,796
Long term advances	21	158,500,000	290,000,000
Long term provision	22	1,309,000	1,309,000
Deferred taxation	23	155,047,091	193,340,585
		1,226,340,967	**1,186,366,131**
Net capital employed		**1,070,541,974**	**1,109,433,381**
Represented by:			
Share capital and reserves			
Share capital	24	109,097,970	109,097,970
Capital reserve - premium on right shares		26,879,210	26,879,210
Revenue reserves :			
- General reserve		62,000,000	62,000,000
- Accumulated losses		(194,861,557)	(176,949,950)
		(132,861,557)	**(114,949,950)**
Revaluation surplus on property, plant and equipment - net of tax	25	**1,067,426,351**	**1,088,406,151**
		1,070,541,974	**1,109,433,381**

The annexed notes 1 to 43 form an integral part of these financial statements.

Date : November 17, 2014.
Place : LAHORE

[redacted]

Ghias ul Hasan
GHIAS UL HASAN
Chief Executive

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Note	2014 Rupees	2013 Rupees
Sales	26	1,744,055,684	1,143,758,430
Cost of sales	27	1,900,128,716	1,485,980,606
Gross loss		**(156,073,032)**	**(342,222,176)**
Operating expenses:			
Distribution cost	28	7,832,489	3,493,452
Administrative expenses	29	64,281,446	74,705,234
		(72,113,935)	**(78,198,686)**
Operating loss		**(228,186,967)**	**(420,420,862)**
Finance cost	30	(35,964,300)	(45,125,997)
Other income	31	186,966,366	900,351,327
(Loss)/ profit before taxation		**(77,184,901)**	**434,804,468**
Taxation	32	38,293,494	(138,961,252)
(Loss) / profit after taxation		**(38,891,407)**	**295,843,216**
Other comprehensive income for the year			
Items that will never be reclassified to comprehensive income			
Incremental depreciation for the year		20,979,800	24,459,981
Total comprehensive (loss)/ profit for the year		**(17,911,607)**	**320,303,197**
(Loss)/ earning per share - basic and diluted	33	**(3.56)**	**27.12**

The annexed notes 1 to 43 form an integral part of these financial statements.

Date : November 17, 2014.
Place : LAHORE

[redacted]

Ghias ul. Hasan
GHIAS UL HASAN
Chief Executive

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Note	2014 Rupees	2013 Rupees
Cash flow from operating activities			
(Loss)/ profit before taxation		**(77,184,901)**	**434,804,468**
Adjustments for:			
Depreciation		60,022,368	61,509,447
Balances written off		(175,000,000)	(907,511,882)
Provision for surcharge		(10,668,240)	10,668,240
Finance cost		35,964,300	45,125,997
Gain on disposal of property, plant and equipment		(1,224,861)	(2,738,771)
Operating loss before working capital changes		**(168,091,334)**	**(358,142,501)**
Working capital changes			
Stores, spare parts and loose tools		44,164,946	12,289,136
Stock-in-trade		398,014,812	(116,409,968)
Trade debts		-	22,862,761
Loans and advances		35,644,107	(31,185,998)
Trade deposits and short term prepayments		(1,174,759)	(124,769)
Other receivables		-	(11,480,150)
Trade and other payables		(314,234,561)	2,719,624
		162,414,545	**(121,329,364)**
Cash used in operations		**(5,676,789)**	**(479,471,865)**
Tax paid		(9,544,599)	(6,831,251)
Dividend paid		(12,095)	(10,619)
Finance cost paid		(62,444,724)	(76,578,624)
		(72,001,418)	**(83,420,494)**
Net cash used in operating activities		**(77,678,207)**	**(562,892,359)**
Addition in property, plant and equipment		(106,124,612)	(35,699,267)
Sale proceeds on disposal of property, plant and equipment		1,370,000	8,280,187
Long term deposits		(30,000)	628,240
Long term advances		43,500,000	115,000,000
Net cash (used in)/generated from investing activities		**(61,284,612)**	**88,209,160**
Cash flow from financing activities			
Long term finances		(114,536,191)	(173,156,000)
Lease liabilities		-	(3,036,722)
Short term borrowings		20,000,000	(300,000,000)
Sponsors' loan		235,942,208	950,157,180
Net cash generated from financing activities		**141,406,017**	**473,964,458**
Net increase / (decrease) in cash and cash equivalents		**2,443,198**	**(718,741)**
Cash and cash equivalents at beginning of the year		**4,902,422**	**5,621,163**
Cash and cash equivalents at end of the year	14	**7,345,620**	**4,902,422**

The annexed notes 1 to 43 form an integral part of these financial statements.

Date : November 17, 2014.
Place : LAHORE

[redacted]

Ghias ul Hasan
GHIAS UL HASAN
Chief Executive

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Share capital	Share premium	General reserve	Revaluation surplus	Accumulated losses	Total
	(Rupees)					
Balance as on Oct 01, 2012	109,097,970	26,879,210	62,000,000	1,338,237,258	(497,253,147)	1,038,961,291
Revaluation surplus for the year	-	-	-	(249,831,107)	-	(249,831,107)
Total comprehensive income for the year	-	-	-	-	320,303,197	320,303,197
Balance as on September 30, 2013	**109,097,970**	**26,879,210**	**62,000,000**	**1,088,406,151**	**(176,949,950)**	**1,109,433,381**
Balance as on Oct 01, 2013	109,097,970	26,879,210	62,000,000	1,088,406,151	(176,949,950)	1,109,433,381
Incremental depreciation for the year	-	-	-	(20,979,800)	-	(20,979,800)
Total comprehensive income for the year	-	-	-	-	(17,911,607)	(17,911,607)
Balance as on September 30, 2014	**109,097,970**	**26,879,210**	**62,000,000**	**1,067,426,351**	**(194,861,557)**	**1,070,541,974**

The annexed notes 1 to 43 form an integral part of these financial statements.

[redacted]

Ghias ul Hasan

GHIAS UL HASAN
Chief Executive

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

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 Ordinance, 1984). The shares of the Company are listed on the Karachi and Lahore Stock Exchanges. The registered office of the Company is situated at Office # 11 & 12, 4th Floor, Ali Tower, M.M Alam Road, Gulberg III, Lahore, and the mills is located at Jauharabad, District Khushab, Pakistan. The principal activity of the Company is manufacturing and sale of sugar and its by-products.

2 Significant events

2.1 Change of name

The name of the Company has been changed from Kohinoor Sugar Mills Limited to Jauharabad Sugar Mills Limited with effect from August 27, 2014 and all the requirement related and precedental there to have been complied with.

2.2 Change of management

During the year, the management of the Company was changed by way of sale of sponsors shares. To this effect an advertisement was made in a daily newspaper on October 11, 2013 showing intention of Cane Processing (Pvt) Limited for acquisition of shares. Necessary intimation to Security and Exchange Commission of Pakistan as well as Karachi and Lahore Stock Exchanges were made.

Approval to proceed for the transfer of shares have been granted by Securities and Exchange Commission of Pakistan (SECP) dated November 28, 2013 and thereby sponsoring shares of the Company have been transferred to new management dated January 01, 2014 and February 12, 2014.

3 Basis of preparation

3.1 Going concern assumption

Due to low sugar sales prices and because of surplus availability in the Country, the Company, in previous years as well as in current year, has incurred gross loss of Rs.156.07 million (2013: Rs.342.22 million) and has accumulated losses amounting to Rs. 194.86 million at the year end. Further the equity remains positive due to surplus on revaluation of assets as reflected in the statements of changes in equity.

The management is confident that it will continue to be supported by the sponsors, the lenders and with the removal of bottle necks in the machinery and replacement of unapproved variety of cane, sustainable situation will be achieved in future.

The financial statements have been prepared on a going concern basis based on management's expectation that:

- the Company will continue to get support of sponsors;
- removal of bottle necks in the machinery in future
- replacement of unapproved variety of cane

The financial statements have been prepared on going concern basis on the grounds that the Company will be able to achieve satisfactory levels of profitability in the future based on the plans drawn up by the management for this purpose.

3.2 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved Accounting Standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984 or the directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives take precedence.

3.3 Basis of measurement

These financial statements have been prepared under historical cost convention except for freehold land, building and plant & machinery which is stated at revalued amount.

The Company's significant accounting policies are stated in note 5. Not all of these significant policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies the management considers critical because of their complexity, judgment of estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows.

Property, plant and equipment

The Company reviews the useful lives and residual values of property, plant and equipment on a regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and the impairment.

Taxation

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's view differs from the views taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Provision for inventory obsolescence and doubtful receivables

The Company reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related stores and spares. Further the carrying amounts of trade and other receivables are assessed on a regular basis and if there is any doubt about the reliability of these receivables, appropriate amount of provision is made.

Other areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows.

- Estimation of net realizable value
- Computation of deferred taxation
- Disclosure of contingencies

4 Initial application of new standards, interpretations or amendments to existing standards and forthcoming requirements

4.1 Standards, amendments or interpretations which became effective during the year

During the year certain amendments to standards or new interpretations became effective, however, the amendments or interpretation did not have any material effect on the financial statements of the Company.

4.2 New accounting standards and IFRIC interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 October 2014:

- IFRIC 21- Levies 'an Interpretation on the accounting for levies imposed by governments' (effective for annual periods beginning on or after 1 January 2014). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation is not likely to have an impact on Company's financial statements.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off'; and that some gross settlement systems may be considered equivalent to net settlement. The amendments are not likely to have an impact on Company's financial statements.

- Amendment to IAS 36 "Impairment of Assets" Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014). These narrow-scope amendments to IAS 36 Impairment of Assets address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

- Amendments to IAS 19 "Employee Benefits" Employee contributions – a practical approach (effective for annual periods beginning on or after 1 July 2014). The practical expedient addresses an issue that arose when amendments were made in 2011 to the previous pension accounting requirements. The amendments introduce a relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. The amendments are relevant only to defined benefit plans that involve contributions from employees or third parties meeting certain criteria.

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Company's financial statements.

- IFRS 10 'Consolidated Financial Statements' – (effective for annual periods beginning on or after 1 January 2015) replaces the part of IAS 27 'Consolidated and Separate Financial Statements. IFRS 10 introduces a new approach to determining which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called 'Separate Financial Statements' and will deal with only separate financial statements.

- IFRS 12 'Disclosure of Interest in Other Entities' (effective for annual periods beginning on or after 1 January 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, into one place.

- IFRS 13 'Fair Value Measurement' (effective for annual periods beginning on or after 1 January 2015) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.

- Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction.

5 Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated:

5.1 Staff retirement benefits

Defined contribution plan

The Company operates a defined contribution provident fund scheme (the Fund) for its permanent employees. Equal monthly contributions are made to the fund both by the Company and employees at the rate of 10% of basic salary. The Company's contribution is charged to the condensed statement of comprehensive income.

5.2 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit and loss account, except to the extent that it relates to items recognized directly in equity or below equity, in which case it is recognized in equity or below equity respectively.

Current

Provision for current taxation is based on taxable income, as adjusted for tax purposes, at the current rate of tax after taking into account all tax credits, rebates and available tax losses determined in accordance with prevailing tax laws. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments made during the year for such years.

Deferred

Deferred tax is provided, using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses and tax credits to the extent that it is probable that future taxable profits will be available against which deferred tax asset can be utilized, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability that, at the time of transaction, affects neither the accounting nor taxable profits.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax asset and liability is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

5.3 Property, plant and equipment - owned

Recognition

Property, plant and equipment except for freehold land, buildings, plant and machinery are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land, buildings, plant and machinery are stated at revalued amount. Cost of tangible assets consists of historical cost pertaining to erection / construction period and other directly attributable cost of bringing the asset to working condition.

Subsequent cost are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Depreciation

Depreciation on all items of property, plant and equipment except for freehold land is charged to income applying the reducing balance method so as to write off the historical cost/revalued amounts of an asset over its estimated useful life at the rates as disclosed in note 5. Depreciation on addition is charged from the date the asset is available for use and on disposal up to date when the asset is derecognized.

Derecognition

An item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on Derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the condensed statement of comprehensive income for the year the asset is derecognized.

5.4 Accounting for leases and assets subject to finance lease

5.4.1 Finance lease

Recognition

Leases where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Assets subject to finance lease are initially recognized at the commencement of the lease term at the lower of present value of minimum lease payments under the lease agreements and the fair value of the leased assets, each determined at the inception of the lease. Subsequently these assets are stated at cost less accumulated depreciation and any identified impairment loss. The related rental obligations, net off finance cost, are included in liabilities against assets subject to finance lease. The liabilities are classified as current and non current depending upon the timing of payments.

Financial charges

Lease payments are allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The finance cost is charged to income over the lease term.

Depreciation

Assets acquired under a finance lease are depreciated in the same manner and at the same rates used for similar owned assets, so as to depreciate these assets over their estimated useful lives in view of certainty of ownership of these assets at the end of lease term. Depreciation of the leased assets is charged to income.

Deferred income

Income arising from sale and lease back transaction, if any, which results in finance lease, is deferred and amortized equally over the lease period.

5.4.2 ***Operating lease***

Leases where significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income on a straight-line basis over the period of lease.

5.5 Capital work-in-progress

Capital work in progress is stated at cost less any identified impairment losses. Transfers are made to relevant fixed assets category as and when assets are available for use.

5.6 Impairment

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Recoverable amount is the greater of fair value less cost to sell and value in use.

5.7 Stores, spare parts and loose tools

These are valued at lower of cost and net realizable value. Cost is determined at average running cost. Items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon. Cost is determined at average running cost.

5.8 Stock in trade

These are valued at lower of cost and net realizable value (NRV) except molasses which is valued at NRV. Cost in relation to raw material, work in process and finished goods represents average cost comprising direct material, labour and appropriate manufacturing overheads. NRV represents the estimated selling price less cost necessarily to be incurred for such sale. Cost is determined as follows;

Work-in-process	: At estimated cost.
Finished goods - sugar	: Lower of weighted average cost and net realizable value

5.9 Revenue recognition

Sales are recorded on dispatch of goods to customers. Profit on deposits and advances is accounted for on a time proportion basis using the applicable rate of return.

5.10 Borrowings and borrowing costs

Borrowings are recorded at the proceeds received. Finance costs are accounted for on an accrual basis and are included in current liabilities to the extent of the amount remaining unpaid.

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of the borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalized as part of the cost of that asset up to the date of its commissioning.

5.11 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past event, and it is probable that an out flow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

5.12 Trade debts and other receivables

Trade debts originated by the Company are recognized and carried at original invoice value less any allowance for uncollectible amounts. An estimated provision for doubtful debts is made when there is objective evidence that collection of the full amount is no longer probable. The amount of provision is charged to income. Bad debts are written off as incurred. Other receivables are stated at amortized cost. Known impaired receivables are written off, while receivables considered doubtful are provided for.

5.13 Trade and other payables

Liabilities of trade and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

5.14 Dividend

The dividend distribution to the shareholders is recognized as a liability in the period in which it is approved by the shareholders.

5.15 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and derecognized when the Company loses control of contractual rights that comprise the financial assets and in case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is included in the condensed statement of comprehensive income for the year.

All financial assets and financial liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

5.16 Offsetting of financial assets and liabilities

A financial asset and financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legal enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the assets and the liabilities simultaneously.

5.17 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise of cash in hand and bank balances.

5.18 Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into Pak Rupee at the rate of exchange prevailing at the balance sheet date, except those covered by forward contracts, which are stated at contracted rates. Foreign currency transactions are translated into Pak Rupees at the rates prevailing at the date of transaction except for those covered by forward contracts, which are translated at contracted rates. Non monetary items are translated into Pak Rupee on the date of transaction or on the date when fair values are determined. Exchange differences are included in income currently.

5.19 Related party transactions

All transactions with related parties are carried out as arms' length transactions by the Company using the methods prescribed under the Companies Ordinance, 1984.

5.20 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

6	Fixed assets	Note	2014 Rupees	2013 Rupees
	Property, plant and equipment	*6.1*	1,922,075,355	1,721,214,005
	Capital work-in-progress		369,313,671	524,071,776
			2,291,389,026	**2,245,285,781**

6.1 Property, plant and equipment

Particulars	Owned assets								Leased assets	
	Land Freehold	Building on freehold land	Plant and machinery	Service and other equipment	Furniture and fixture	Office equipment	Vehicles	Sub Total	Vehicles	Grand Total
Cost										
Balance at October 01, 2012	677,039,750	205,903,145	1,390,433,828	10,067,579	5,992,930	3,727,097	19,033,851	**2,312,198,180**	4,528,890	2,316,727,070
Additions	-	-	30,509,141	387,542	1,850,968	344,246	7,800	**33,099,697**	-	33,099,697
Disposals	(10,434)	(134,587)	-	(372,743)	(1,163,371)	(866,232)	(10,457,598)	**(13,004,965)**	-	(13,004,965)
Transfers	-	-	-	-	-	-	4,528,890	**4,528,890**	(4,528,890)	-
Balance at September 30, 2013	**677,029,316**	**205,768,558**	**1,420,942,969**	**10,082,378**	**6,680,527**	**3,205,111**	**13,112,943**	**2,336,821,802**	**-**	2,336,821,802
Balance at October 01, 2013	677,029,316	205,768,558	1,420,942,969	10,082,378	6,680,527	3,205,111	13,112,943	**2,336,821,802**	-	2,336,821,802
Additions	-	33,826,604	217,365,358	95,400	738,165	688,280	8,315,050	**261,028,857**	-	261,028,857
Disposals	-	-	-	-	-	-	(1,112,950)	**(1,112,950)**	-	(1,112,950)
Balance at September 30, 2014	**677,029,316**	**239,595,162**	**1,638,308,327**	**10,177,778**	**7,418,692**	**3,893,391**	**20,315,043**	**2,596,737,709**	**-**	**2,596,737,709**
Depreciation										
Balance at October 01, 2012	-	70,941,795	460,033,828	7,147,122	4,456,511	2,944,072	14,384,480	**559,907,808**	1,654,091	561,561,899
For the year	-	13,358,893	46,644,903	288,695	182,620	77,689	681,418	**61,234,218**	275,229	61,509,447
Disposals	-	(128,605)	-	(220,313)	(838,105)	(666,504)	(5,610,022)	**(7,463,549)**	-	(7,463,549)
Transfers	-	-	-	-	-	-	1,929,320	**1,929,320**	(1,929,320)	-
Balance at September 30, 2013	**-**	**84,172,083**	**506,678,731**	**7,215,504**	**3,801,026**	**2,355,257**	**11,385,196**	**615,607,797**	**-**	**615,607,797**
Balance at October 01, 2013	-	84,172,083	506,678,731	7,215,504	3,801,026	2,355,257	11,385,196	**615,607,797**	-	615,607,797
For the year	-	12,159,647	45,713,212	290,869	333,915	134,233	1,390,492	**60,022,368**	-	60,022,368
Disposals	-	-	-	-	-	-	(967,811)	**(967,811)**	-	(967,811)
Balance at September 30, 2014	**-**	**96,331,730**	**552,391,943**	**7,506,373**	**4,134,941**	**2,489,490**	**11,807,877**	**674,662,354**	**-**	**674,662,354**
Carrying value 2013	**677,029,316**	**121,596,475**	**914,264,238**	**2,866,874**	**2,879,501**	**849,854**	**1,727,747**	**1,721,214,005**	**-**	**1,721,214,005**
Carrying value 2014	**677,029,316**	**143,263,432**	**1,085,916,384**	**2,671,405**	**3,283,751**	**1,403,901**	**8,507,166**	**1,922,075,355**	**-**	**1,922,075,355**
Rates of depreciation %	**0%**	**5-10 %**	**5%**	**10%**	**10%**	**10%**	**20%**		**20%**	

6.1.1 Depreciation for the year has been allocated as under:

	Note	2014 Rupees	2013 Rupees
Cost of sales	*27*	58,821,921	60,549,410
Administrative expenses	*29*	1,200,447	960,037
		60,022,368	**61,509,447**

6.1.2 The value of labour colony land at Jauharabad acquired from Housing and Physical Planning, Jauharabad has not yet been settled. The estimated liability on this account amounting to Rs.1,309,000 is duly accounted for in books of accounts the Company (see Note 22).

6.1.3 Disposal of property, plant and equipment

Particulars	Cost	Accumulated depreciation	Carrying value	Sales proceeds	Profit
Vehicles					
Toyota Hilux LOT-616	392,950	368,647	24,303	840,000	815,697
Chang'an KBA-7561	360,000	299,582	60,418	265,000	204,582
Chang'an KBA-7562	360,000	299,582	60,418	265,000	204,582
2014	**1,112,950**	**967,811**	**145,139**	**1,370,000**	**1,224,861**
2013	**13,004,965**	**7,463,549**	**5,541,416**	**8,280,187**	**2,738,771**

6.1.4 Disposal proceeds were made to third parties at arm length transaction.

6.1.5 If the freehold land, building and plant and machinery were measured using the cost model, the carrying amount would be as follows:

Particulars	Cost	Accumulated depreciation	Net book value
2014			
Freehold land	650,000,000	-	**650,000,000**
Building on freehold land	126,593,464	70,883,458	**55,710,006**
Plant and machinery	798,558,417	481,191,249	**317,367,168**
	1,575,151,881	**552,074,707**	**1,023,077,174**
2013			
Freehold land	650,000,000	-	**650,000,000**
Building on freehold land	126,593,464	67,951,353	**58,642,111**
Plant and machinery	798,558,417	461,276,226	**337,282,191**
	1,575,151,881	**529,227,579**	**1,045,924,302**

6.2 Capital work-in-progress

This is made up of cost incurred at BMR&E programme of the Company up to the year end and is made up as follows:

	2014 Rupees	2013 Rupees
Building on freehold land	6,154,872	39,981,476
Plant and machinery	363,158,799	484,090,300
	369,313,671	**524,071,776**

7	**Long-term deposits**	Note	2014 Rupees	2013 Rupees
	Security deposits against utilities	*7.1*	**428,811**	**398,811**

7.1 This represents interest free deposits for provision of utilities at plant and are refundable on disconnection of services.

8	**Stores, spare parts and loose tools**	2014 Rupees	2013 Rupees
	Stores	75,921,184	89,517,768
	Spare parts	30,673,549	61,253,383
	Loose tools	273,475	262,003
		106,868,208	**151,033,154**

9	**Stock-in-trade**	Note	2014 Rupees	2013 Rupees
	Work in process		2,723,666	1,717,746
	Finished goods	*9.1*	37,950,000	436,970,732
			40,673,666	**438,688,478**

9.1 Finished goods are unencumbered and free of charge.

10	**Loans and advances**	Note	2014 Rupees	2013 Rupees
	Advances to suppliers		7,012,196	39,816,807
	Advances to employees		1,861,881	3,418,127
	Agricultural loan	*10.1*	1,024,461	1,024,461
	Others		1,134,659	2,417,909
			11,033,197	**46,677,304**

10.1 It represents interest free advances to sugarcane growers, which are adjustable against sugarcane supply by them.

11	Trade deposits and short term prepayments	2014 Rupees	2013 Rupees
	Prepaid expenses	1,638,405	463,646
	TCP deposit	6,494,400	6,494,400
		8,132,805	**6,958,046**

12	Other receivables - *unsecured considered good*	*Note*	2014 Rupees	2013 Rupees
	Excise duty recoverable	*12.1*	10,500,922	10,500,922
	Export fund refund	*12.2*	2,746,250	2,746,250
	Special excise duty refundable	*12.3*	505,200	505,200
	Others	*12.4*	11,805,004	11,805,004
			25,557,376	**25,557,376**

12.1 This represents the refund allowed by the Central Excise Appellate Tribunal, Lahore, in the light of criteria set up by the Supreme Court of Pakistan, against Central Excise Duty paid during the season 1988-89.

12.2 This represents the relief granted by the Lahore High Court against previous years' demand.

12.3 This represents the amount paid under protest as 1% Special Excise Duty on the goods manufactured prior to Finance Bill 2007, whereas it was leviable on goods manufactured/ imported from July-01,2007, vide Circular No. 1(3) Fed 2007 dated 28th August, 2007.

12.4 This represents the FED/Sales tax amount recoverable from customers against sale of goods.

13	Tax refunds due from the Government	2014 Rupees	2013 Rupees
	Opening balance	31,916,795	41,940,868
	Payments made during the year	9,544,599	6,831,251
	Adjustments during the year	-	(16,855,324)
		41,461,394	**31,916,795**

13.1 The assessments of the Company have been completed for and up to financial year ended on September 30, 2012.

14	Cash and bank balances	2014 Rupees	2013 Rupees
	Cash in hand	423,911	311,279
	Cash at banks - current accounts	6,921,709	4,591,143
		7,345,620	**4,902,422**

15	Trade and other payables	Note	2014 Rupees	2013 Rupees
	Creditors		129,600,579	173,159,817
	Salaries and wages payable		2,164,205	10,750,066
	Accrued liabilities		2,087,562	4,959,583
	Advances from customers	*15.1*	36,545,678	309,049,913
	Income tax deducted at source		55,976	457,910
	Sugarcane cess payable	*15.2*	3,001,109	3,001,109
	FED/ Sales tax payable	*15.3*	25,042,987	22,660,189
	Security deposit		1,292,285	654,595
	Unclaimed dividend		607,470	619,565
			200,397,851	**525,312,747**

15.1 This represents advances received from customers against sugar sales.

15.2 This represents sugarcane cess demanded by Cane Commissioner, Lahore against sugarcane purchased from NWFP.

15.3 This includes Rs. 2.797 million as further sales tax demanded by the Collectorate of Sales Tax after audit of financial year 1999-2000 and Rs. 0.644 million as difference of sales rate demanded by Deputy Collectorate of CED and Sales Tax, Sargodha. The remaining balance represents Federal Excise Duty and Sales Tax payable for the month of September, 2014.

16	Accrued mark-up	2014 Rupees	2013 Rupees
	Accrued mark-up on long term finances	**2,522,374**	**28,856,658**

17	Short term borrowings - *secured*	Note	2014 Rupees	2013 Rupees
	Al Baraka Bank Pakistan Limited	*17.1*	**20,000,000**	**-**

17.1 This represents short term borrowing facility obtained for balancing, moderanization and replacement of equipment of boiler house at mills site for the period of 12 months. The said facility carry mark-up at the rate of matching KIBOR plus 3% per annum and is secured against Diminishing Musharka of Rs. 20 million.

These were secured by undivided share in musharika asset. These were subject to mark up rates 12 months KIBOR

18 Contingencies and commitments

18.1 Contingencies

The followings are known contingencies as on September 30, 2014 (2013 : Rs. 30.656 million)

18.1.1 Performance bond of Rs. 3.855 million provided to TCP against supply of 3000 M.Tons of sugar.

18.1.2 Since Federal Excise Duty (FED) is leviable on goods produced or manufactured, therefore FED is not leviable on sale of sugar produced prior to the Finance Bill 2011. Hence FED amounting to Rs. 58.881 million has not been accounted for in these financial statements. The Company has filed a writ petition in the Honourable Lahore High Court against FBR show cause notice dated 19-09-2012 against the demand of Rs. 58.881 million.

18.1.3 The Income Tax Department raised a demand of Rs. 197.075 million on account of non deduction of tax while making payment to sugar cane suppliers. The demand was abolished by the Commissioner of income tax like in some other similar cases. However, the department has filed an appeal against the Commissioner's order. The company is hopeful that the tribunal decision would be in its favour.

18.2 Commitments

Commitments in respect of capital expenditure at the year end is Rs. 8.145 million (2013: Rs. 12.390 million).

19	**Long term finances** - secured	Note	2014 Rupees	2013 Rupees
	Habib Bank Limited	*19.1*	-	84,000,000
	Faysal Bank Limited	*19.2*	39,260,809	69,797,000
			39,260,809	**153,797,000**
	Less: Current portion		13,086,937	101,449,250
			26,173,872	**52,347,750**

19.1 Habaib Bank Limited had sanctioned long term loan of Rs. 180 million for five years including one year grace period for on going BMR&E. In the year 2009, the said loan was restructured by the bank on request of the Company and was paid till March 31, 2014 on restructured terms and it carried mark-up at 3 months KIBOR plus 150 basis points. The said loan was secured against;

i) First charge ranking pari passu on fixed assets to the extent of Rs. 300 million.

ii) Mortgage of properties as collateral.

iii) Demand promissory note

iv) Personal guarantee of sponsoring directors.

19.2 This represents long term loan obtained from Faysal Bank Limited and carries mark-up at the rate of KIBOR plus 200 basis points and mark-up is payable on quarterly baiss. The said loan is secured against:

i) First pari passu charge on fixed assets to the extent of Rs. 75 million.

ii) First charge over current assets of the Company excluding stocks up to Rs. 70 million.

iii) Demand promissory note

iv) Personal guarantee of sponsoring directors.

The loan is to be repaid in 14 equal quarterly principal instalments.

20	**Loan from associates**	Note	2014 Rupees	2013 Rupees
	Principal outstanding	*20.1*	860,569,627	649,368,796
	Mark-up accrued		24,741,377	-
			885,311,004	**649,368,796**

20.1 This loan has been raised to fulfil the financial commitments of the Company, repayments will be made at the discretion of the Company. It carries mark-up at the rate of 11.5% per annum, effective from July 01, 2014.

21 Long term advances - unsecured

These represents interest free unsecured advances received from customers which are adjustable against sales after September 30, 2015.

22 Long term provision

It represents labour colony land at Jauharabad against which a case is pending with Physical and Planning Department, Jauharabad. On account of legal proceedings the management expects that the payment against this liability shall arise after September 30, 2015.

23 Deferred taxation

	2014 Rupees	2013 Rupees
Accelerated tax depreciation	116,436,776	82,030,022
Assessed tax losses	(163,352,438)	(101,459,966)
Surplus on revaluation of related assets	201,962,753	212,770,529
	155,047,091	**193,340,585**

24 Share capital

2014	2013		2014	2013
----------(Number)--------			----------(Rupees)--------	
24.1 Authorized share capital				
20,000,000	**20,000,000**	Ordinary shares of Rs. 10/- each	**200,000,000**	**200,000,000**
24.2 Issued, subscribed and paid-up capital				
873,180	873,180	Shares allotted on reorganization of Kohinoor Industries Limited of Rs.10/- each	8,731,800	8,731,800
125,008	125,008	Shares issued for cash of Rs. 10 each	1,250,080	1,250,080
2,005,959	2,005,959	Shares issued as fully paid bonus shares of Rs. 10/- each	20,059,590	20,059,590
7,905,650	7,905,650	Right shares of Rs. 10/- each	79,056,500	79,056,500
10,909,797	**10,909,797**		**109,097,970**	**109,097,970**

25 Revaluation surplus on property, plant and equipment - net of tax

	2014 Rupees	2013 Rupees
Land	675,381,006	675,381,006
Buildings	78,355,288	78,355,288
Plant and machinery	584,500,964	584,500,964
	1,338,237,258	**1,338,237,258**
Less : Accumulated incremental depreciation	(68,848,154)	(37,060,578)
	1,269,389,104	**1,301,176,680**
Less: Deferred tax liability		
Opening balance	212,770,529	-
Addition during the year	-	225,371,126
Incremental depreciation for the year	(10,807,776)	(12,600,597)
	201,962,753	**212,770,529**
	1,067,426,351	**1,088,406,151**

26	Sales		2014 Rupees	2013 Rupees
	Sugar		1,753,009,995	1,118,600,900
	Molasses		131,766,529	122,960,000
	Mud		3,508,374	1,770,771
	Bagasse		-	581,160
			1,888,284,898	**1,243,912,831**
	Federal excise duty		129,852,592	82,859,326
	Sales tax		14,376,622	17,295,075
			144,229,214	**100,154,401**
			1,744,055,684	**1,143,758,430**

27	Cost of sales	Note	2014 Rupees	2013 Rupees
	Cost of sugarcane purchased and consumed		1,228,122,004	1,396,706,916
	Salaries, wages and benefits	*27.1*	60,716,169	63,377,382
	Chemicals and stores consumed		22,236,558	17,514,645
	Packing material		11,743,043	9,872,220
	Fuel		58,603,121	5,809,395
	Power		13,756,628	13,502,001
	Repairs and maintenance		37,109,268	20,251,887
	Workers' welfare		4,882,490	9,996,427
	Insurance		865,438	1,061,959
	Depreciation	*6.1.1*	58,821,921	60,549,410
	Other factory expenses		5,257,264	9,225,874
			1,502,113,904	**1,607,868,116**
	Opening work-in-process		1,717,746	1,843,694
	Closing work-in-process		(2,723,666)	(1,717,746)
			(1,005,920)	125,948
	Cost of goods manufactured		**1,501,107,984**	**1,607,994,064**
	Opening stock of finished goods		436,970,732	314,957,274
	Closing stock of finished goods		(37,950,000)	(436,970,732)
			399,020,732	**(122,013,458)**
			1,900,128,716	**1,485,980,606**

27.1 This includes a sum of Rs. 712,032 (2013: Rs. 823,935) relating to retirement benefits.

28	Distribution cost	Note	2014 Rupees	2013 Rupees
	Salaries, wages and benefits	*28.1*	586,034	597,362
	Stock handling expenses		3,928,262	2,628,463
	Commission		2,769,000	-
	Communication		119,524	108,287
	Vehicles running and maintenance		17,610	14,400
	General charges		412,059	144,940
			7,832,489	**3,493,452**

28.1 This includes a sum of Rs. 1,393 (2013: Rs. 5,918) relating to retirement benefits.

29	Administrative expenses	Note	2014 Rupees	2013 Rupees
	Salaries, wages and other benefits	29.1	40,281,782	45,418,313
	Staff welfare		2,721,914	5,187,405
	Legal and professional charges		6,163,536	4,208,589
	Rent, rate and taxes		1,963,528	1,581,063
	Fuel and power		4,808,516	6,488,162
	Vehicles running and maintenance		3,143,567	5,802,218
	Travelling and conveyance		934,207	675,417
	Printing and stationery		557,283	470,640
	Telecommunication		377,113	528,456
	Repair and maintenance		353,584	622,873
	Postage and telegrams		154,300	109,498
	Advertisement		99,070	79,690
	Directors' meeting fee		17,500	20,000
	Auditors' remuneration	29.2	605,000	590,000
	Charity and donations	29.3	214,305	264,000
	Depreciation	6.1.1	1,200,447	960,037
	Insurance		7,033	81,472
	Miscellaneous		678,761	1,617,401
			64,281,446	**74,705,234**

29.1 This includes a sum of Rs. 469,283 (2013: Rs. 823,935) relating to retirement benefits.

29.2 Auditors' remuneration

	2014	2013
Annual audit fee	240,000	235,000
Half yearly review	50,000	40,000
Tax consultancy	315,000	315,000
	605,000	**590,000**

29.3 The Company's directors or their spouses have no interest in any donation.

30	Finance cost	Note	2014 Rupees	2013 Rupees
	Mark-up on long term finances		9,339,036	34,151,568
	Mark-up on short term borrowings		-	3,136,895
	Finance charges on leased assets		-	215,855
	Mark up on long term loan	20	24,741,377	-
	Commission and bank charges		1,883,887	7,621,679
			35,964,300	**45,125,997**

31	Other income	Note	2014 Rupees	2013 Rupees
	Sale of scrap		-	706,552
	Gain on disposal of property, plant and equipment	*6.1.3*	1,224,861	2,738,771
	Bad debts/advances written off		175,000,000	140,240,606
	Sponsors loan written off		-	752,883,464
	Federal excise duty surcharge	*31.1*	10,668,240	(10,668,240)
	Mark-up written off		-	14,387,812
	Miscellaneous		73,265	62,362
			186,966,366	**900,351,327**

31.1 This relates to surcharge on account of Federal Excise Duty payable.

32	Taxation	Note	2014 Rupees	2013 Rupees
	Current taxation			
	Current year	*32.1*	-	-
	Deferred tax		38,293,494	(138,961,252)
			38,293,494	**(138,961,252)**

32.1 Provision for current taxation is not made as per clause 1 of section 113 of the Income Tax Ordinance, 2001.

32.2 The numerical reconciliation between the average tax rate and the applicable tax rate has not been presented in these financial statements, as the total income of the Company falls under section 113 of the Income Tax Ordinance, 2001.

33	(Loss)/ earning per share		2014 Rupees	2013 Rupees
33.1	**(Loss)/ earning per share - basic**			
	Loss after taxation	*Rupees*	**(38,891,407)**	**295,843,216**
	Weighted average number of ordinary shares	*Number*	**10,909,797**	**10,909,797**
	(Loss)/ earning per share - basic	*Rupees*	**(3.56)**	**27.12**

33.2 Loss per share - diluted

There is no dilution effect on the basic loss per share as the Company has no such commitments.

34 Remuneration of Chief Executive, Director and Executives

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to the chief executive, full time working directors and executives of the Company is as follows:

	Chairman		Chief executive		Executive Directors		Non Executive Directors		Executives	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(Rupees)									
Managerial remuneration	-	-	-	732,000	-	732,000	-	-	1,800,000	1,544,603
Utilities	-	-	-	502,640	-	211,974	-	-	-	101,148
	-	**-**	**-**	**1,234,640**	**-**	**943,974**	**-**	**-**	**1,800,000**	**1,645,751**
Number of key executives / non executives	1	1	* 1	* 1	2	2	2	2	2	1

* The Chief executive hold 5,000 shares of the Company.

34.1 Executives are employees whose basic salaries exceed Rs. 500,000 in a financial year.

34.2 The Chief Executive and Directors have voluntarily forgone their remuneration and allowances with effect from April, 2013.

35 Operating segments

35.1 These financial statements have been prepared on the basis of single reportable segment.

35.2 Revenue from sale of sugar represents 91.07% (2013 : 90.56%) of the total revenue of the Company.

35.3 100% (2013: 100 %) sales of the Company relates to customers in Pakistan.

35.4 All non-current assets of the Company as at 30 September 2014 are located in Pakistan.

36 Financial assets and liabilities

Financial assets

	Maturity up to one year	Maturity after one year up to five years	Maturity after five year	2014	2013
	Rupees				
Non-interest bearing					
Long term deposits	-	428,811	-	**428,811**	**398,811**
Trade debts	-	-	-	**-**	**-**
Advances, deposits, prepayments and other receivables	25,557,376	-	-	**25,557,376**	**25,557,376**
Cash and bank balances	7,345,620	-	-	**7,345,620**	**4,902,422**
	32,902,996	**428,811**	**-**	**33,331,807**	**30,858,609**

Financial liabilities

	Effective yield / mark up rate	Maturity up to one year	Maturity after one year up to five years	Maturity after five year	2014	2013
	Rupees					
Interest bearing						
Balance sheet items						
Long term finances	11.50% to 11.67%	13,086,937	26,173,872	-	**39,260,809**	**153,797,000**
Short term borrowings		20,000,000	-	-	**20,000,000**	**-**
Associated loan		-	885,311,004	-	**885,311,004**	**649,368,796**
Non - interest bearing						
Long term advances		-	158,500,000	-	**158,500,000**	**290,000,000**
Other liabilities		-	1,309,000	-	**1,309,000**	**1,309,000**
Trade and other payables		25,042,987	138,809,186	-	**163,852,173**	**216,262,834**
Accrued mark-up		-	2,522,374	-	**2,522,374**	**28,856,658**
		58,129,924	**1,212,625,436**	**-**	**1,270,755,360**	**1,339,594,288**
Off balance sheets items						
Performance Bonds		**3,855,000**	**-**	-	**3,855,000**	**3,855,000**
Federal Excise Duty		**58,880,664**	**-**	-	**58,880,664**	**58,880,664**
Income Tax		**197,075,000**	-	-	**197,075,000**	**197,075,000**
Capital expenditure		**8,145,686**	-	-	**8,145,686**	**12,390,270**
		267,956,350	**-**	-	**267,956,350**	**272,200,934**
		326,086,274	**1,212,625,436**	**-**	**1,538,711,710**	**1,611,795,222**

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted.

Credit risk from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institution, as well as credit exposures to customers, including trade receivables and committed transactions. Out of total financial assets of Rs. 33.482 million (2013: Rs. 30.859 million), the financial assets that are subject to credit risk amounted to Rs. 25.99 million (2013: Rs.30.547 million).

For trade receivables, internal risk assessment process determines the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal and external ratings in accordance with the limits set by the management. The utilization of credit limit is regularly monitored. Accordingly, the credit risk is minimal and the company also believes that it is not exposed to major concentration of credit risk.

Concentration of the credit risk arises when the number of counter parties engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The company believes that it is not exposed to major concentration risk.

The carrying amount of the financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is:

	2014	2013
	Rupees	Rupees
Long term deposits	428,811	398,811
Other receivables	25,557,376	25,557,376
Cash and bank balances	7,345,620	4,902,422
	33,331,807	**30,858,609**

No provision for doubtful debt has been made during the year for local and foreign customers.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Company is not materially exposed to liquidity risk as substantially all obligations / commitments of the Company are short term in nature and are restricted to the extent of available liquidity. In addition, the Company has obtained running finance facilities from various commercial banks to meet any deficit, if required to meet the short term liquidity commitments.

Significant balances of financial assets and liabilities shall mature within twelve months as evident from the information presented above.

Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the US Dollar with all other variables held constant, post-tax loss / profit for the year would have been lower by the amount shown below, mainly as a result of net foreign exchange gain on translation of foreign currency bank account and foreign creditors.

The sensitivity analysis prepared is not necessarily indicative of the effects on (loss) / profit for the year and assets / liabilities of the Company.

Interest rate risk

At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	Effective interest rate		Carrying amount	
	2014	2013	2014	2013
	Percentage	Percentage	Rupees	Rupees
Financial liabilities				
Variable rate instruments				
Long term finance	11.50% to 11.67%	11.93% to 12.58%	39,260,809	153,797,000
Loan from associates	11.50%	-	885,311,004	649,368,796
Short term borrowings	12.02% to 13.29%	-	20,000,000	-

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2013.

	Profit and loss 100 bp	
	Increase	decrease
As at 30 September 2014	Rs.	Rs.
Cash flow sensitivity-Variable rate financial liabilities	(93,390)	93,390
As at 30 September 2013		
Cash flow sensitivity-Variable rate financial liabilities	(375,043)	375,043

The sensitivity analysis prepared is not necessarily indicative of the effects on loss for the year and assets / liabilities of the Company.

Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

Capital risk management

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide adequate returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses. The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, appropriation of amounts to capital reserves or/and issue new shares.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectations of the shareholders. Debt is calculated as total borrowings ("long term loan" and "short term borrowings" as shown in the statement of financial position). Total capital comprises shareholders' equity as shown in the balance sheet under "share capital and reserves".

The salient information relation to capital risk management of the Company as of September 30, 2014 and September 30, 2013 were as follows:

	2014 Rupees	2013 Rupees
Total borrowings	944,571,813	803,165,796
Less: Cash and cash equivalents	(7,345,620)	(4,902,422)
Net debt	**937,226,193**	**798,263,374**
Total equity	**1,070,541,974**	**1,109,433,381**
Total capital	**2,007,768,167**	**1,907,696,755**
Gearing ratio	**46.68%**	**41.84%**

37 Number of employees

	2014 Number	2013 Number
Average number of employees for the year	280	350
Total number of employees at year end	242	327

38 Plant capacity and production

		Sanctioned capacity	2014	2013
Cane crushing	M. Tons	237,684	281,997	321,022
Per day	M. Tons	1,486	2,968.389	3,309.505
Production	M. Tons	20,322	25,975.000	26,420.000
Per day	M. Tons	127	273	272
Days	No.	160	95	97

38.1 The maximum installed cane crushing capacity is 4,386 M.Tons per day.

39 Related party transactions

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

	2014 Rupees	2013 Rupees
Kohinoor Enterprises (Pvt.) Ltd	-	1,320,000
Provident Fund Trust (PF)	1,182,698	1,243,852
Sponsors' and other associates loan	211,200,831	649,368,796
Mark-up accrued	24,741,377	-

40 Disclosure relating to Provident Fund Trust

The following information is based on latest audited financial statements of Provident Fund Trust.

	Unit	2014	2013
Size of fund - total assets	*Rupees*	27,666,110	45,047,539
Cost of investments made	*Rupees*	13,593,000	23,924,000
Percentage of investments made	*Percentage*	49.13%	53.11%
Fair value of investment	*Rupees*	23,124,030	36,512,960

The breakup of fair value of investments is as follows:

	2014		2013	
	Rupees	**Percentage**	**Rupees**	**Percentage**
Defence Saving Certificates	23,124,030	49.13%	36,512,960	53.11%
	23,124,030	49.13%	**36,512,960**	53.11%

The investments of the Provident Fund Trust are in compliance with the provision of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

41 Events after the statement of financial position date

There are no subsequent events occurring after the statement of financial position date which required disclosure in these financial statements.

42 Date of authorization for issue

These financial statements were authorized for issue on November 17, 2014 by the Board of Directors of the Company.

43 General

43.1 Figures have been rearranged / reclassified whenever necessary for the purpose of comparison.

43.2 Figures have been rounded off to the nearest rupee.

[redacted]

GHIAS UL HASAN
Chief Executive

SIX YEARS' SUMMARY

Financial Results		2009 (Rupees)	2010 (Rupees)	2011 (Rupees)	2012 (Rupees)	2013 (Rupees)	2014 (Rupees)
Sales		1,379,043,093	1,387,004,223	1,640,934,618	1,963,708,283	1,143,758,430	1,744,055,684
Cost of Sales		1,196,613,437	1,360,587,791	1,499,230,308	2,060,071,986	1,485,980,606	1,900,128,716
Gross Profit / (Loss)		182,429,656	26,416,432	141,704,310	(96,363,703)	(342,222,176)	(156,073,032)
Operating, Financial and Other Expenses		176,640,517	140,183,723	186,272,123	180,065,887	(777,025,644)	(78,888,131)
Net Profit / (Loss) before Taxation		5,789,139	(113,767,291)	(44,567,813)	(276,429,590)	434,803,468	(77,184,901)
Taxation							
Current		(1,267,032)	(7,756,096)	(16,435,485)	(16,855,324)	-	-
Deferred		7,927,885	47,597,534	9,194,802	95,687,657	(138,961,252)	38,293,494
Net Profit / (Loss) after Taxation		12,449,992	(73,925,853)	(51,808,496)	(197,597,257)	295,842,216	(38,891,407)
Dividend / Bonus Share (B)		-	-	-	-	-	-
Authorised Capital		200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Paid-up Capital		109,097,970	109,097,970	109,097,970	109,097,970	109,097,970	109,097,970
Fixed Capital Expenditure (Net)		1,629,705,111	1,597,852,850	1,587,791,655	2,279,236,947	2,245,285,781	2,291,389,026
Other Results							
Cane Crushing	**M.Tons**	318,959	280,977	406,388	427,690	321,022	281,997
Recovery	**%**	9.14	7.64	7.55	8.33	8.227	9.218
Sugar Production	**M.Tons**	29,163	21,470	30,673	35,646	26,420	25,975
Crushing Days	**Nos.**	117	86	114	99	97	95

THE COMPANIES ORDINANCE 1984
(Section 236(1) and 464)
PATTERN OF SHAREHOLDING

1. Incorporation Number	**0002804**	
2. Name of the Company	**JAUHARABAD SUGAR MILLS LIMITED**	**FORM 34**
3. Pattern of holding of the shares held by the shareholders as at		**30-09-2014**

4. No. of Shareholders	------Shareholding------ From	To	Total Shares Held
616	1	100	14,744
224	101	500	52,796
55	501	1,000	42,106
105	1,001	5,000	246,191
13	5,001	10,000	96,359
3	10,001	15,000	39,371
2	15,001	20,000	35,641
2	20,001	25,000	43,609
1	25,001	30,000	26,451
3	30,001	35,000	97,911
1	35,001	40,000	36,912
1	45,001	50,000	50,000
1	60,001	65,000	64,210
1	65,001	70,000	65,821
1	150,001	155,000	152,622
1	390,001	395,000	391,887
1	405,001	410,000	405,795
1	590,001	595,000	594,205
1	715,001	720,000	719,955
2	1,015,001	1,020,000	2,035,046
1	2,745,001	2,750,000	2,746,667
1	2,950,001	2,955,000	2,951,498
1037			**10,909,797**

5. Categories of shareholders	Shares held	Percentage
5.1 Directors, Chief Executive Officers, and their spouse and minor childern	33,141	0.3038%
5.2 Associated Companies, undertakings and related parties.	5,698,165	52.2298%
5.3 NIT and ICP	723,465	6.6313%
5.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	3,497	0.0321%
5.5 Insurance Companies	179,559	1.6459%
5.6 Modarabas and Mutual Funds	0	0.0000%
5.7 Share holders holding 10% or more	5,698,165	52.2298%
5.8 General Public		
a. Local	4,191,908	38.4233%
b. Foreign	--	--
5.9 Others (to be specified)		
Joint Stock Companies	11,522	0.1056%
Pension Funds	65,821	0.6033%
Others	2,719	0.0249%

6. Signature of Company Secretary			
7. Name of Signatory	Imran Ilyas		
8. Designation	Company Secretary		
9. CNIC Number			
10 Date	30	09	2014

Catagories of Shareholding required under Code of Coprorate Governance (CCG)
As on September 30, 2014

Sr. No.	Name	No. of Shares	Percentage
	Associated Companies, Undertakings and Related Parties (Name Wise Detail):		
1	CANE PROCESSING (PVT) LTD. (CDC)	5,698,165	52.2298%
	Mutual Funds (Name Wise Detail)	--	--
	Directors and their Spouse and Minor Chidren (Name Wise Detail):		
1	MR. ATIF ZAHEER FAROOQI	5,000	0.0458%
2	MR. GYAS-UL-HASAN	5,000	0.0458%
3	MR. FARHAN ILYAS (CPL Nominee)	2,500	0.0229%
4	MR. KAMRAN ZAHOOR (CPL Nominee)	2,500	0.0229%
5	MR. AMJAD BASHIR HUSSAIN	2,500	0.0229%
6	MR. AMJAD MEHMOOD (CDC) (CPL Nominee)	15,641	0.1434%
7	MR. SHAHRUKH TAIMOUR (CPL Nominee)	--	--
Executives:		391,887	3.5921%
Public Sector Companies & Corporations:		--	--
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		248,877	2.2812%

Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)

S. No.	Name	Holding	Percentage
1	CANE PROCESSING (PVT) LTD. (CDC)	5,698,165	52.2298%
2	MRS. MARYAM A. MAQBOOL	1,018,844	9.3388%
3	MRS. ISMA AHMAD	1,016,202	9.3146%
4	MR. MUHAMMAD ALI	594,205	5.4465%
5	NATIONAL BANK OF PAKISTAN NATIONAL BANK OF PAKISTAN - TRUSTEE DEPTT. (CDC)	720,694	6.6059%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S. No.	NAME	SALE	PURCHASE
1	MR. FARHAN ILYAS (CPL Nominee)	-	2,500
2	MR. KAMRAN ZAHOOR (CPL Nominee)	-	2,500
3	MR. AMJAD BASHIR HUSSAIN	-	2,500

FORM OF PROXY

CDC A/C NO.	FOLIO NO.	SHARES HELD

I/We ____

of ____

being a member of JAUHARABAD SUGAR MILLS LIMITED, hereby appoint

____
(NAME)

of ____

or failing him ____
(NAME)

of ____

(being a member of the Company) as my/our proxy to attend, act and vote for me/us and on my/our behalf, at the Forty Sixth Annual General Meeting of the Company to be held at its Registered Office, Office No. 11-12, 4th Floor, Ali Tower, M.M. Alam Road, Gulberg-III, Lahore on Saturday, January 31, 2015, at 11:30 a.m. and at every adjournment thereof.

As witness my/our hand this ____________________ day of ____________________ 2015.

Signed by the said ____

of ____

Signature

Witness

AFFIX
REVENUE STAMP

Signature

Note : Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.