

KHAIRPUR SUGAR MILLS LTD.



KHAIRPUR
SUGAR MILLS LIMITED

QUARTERLY

Financial Statements

FOR THE
QUARTER ENDED
DECEMBER 31, 2013
(UN-AUDITED)

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COMPANY PROFILE

BOARD OF DIRECTORS	Mr. Muhammad Mubeen Jumani (Chief Executive) Mr. Faraz Mubeen Jumani Mr. Fahad Mubeen Jumani Miss Arisha Mubeen Jumani Mrs. Qamar Mubeen Jumani Mr. Ahmed Ali Jumani Mr. Muhammad Bux Jumani
COMPANY SECRETARY	Mr. Abdul Wahid Naviwala
BANKERS	Bankers Equity Limited (Under Liquidation) National Bank Of Pakistan United Bank Limited Allied Bank Limited MCB Bank Limited Askari Bank Limited
STATUTORY AUDITORS	M/S. Haroon Zakaria & Company Chartered Accountants Room 211, 2nd Floor, Progressive Plaza, Plot No. 5 CL - 10, Civil Lines Quarter, Beaumont Road, Near Dawood Centre, Karachi - 75530 PAKISTAN.
COST AUDITORS	M/S. Siddiqi & Company Cost & Management Accountants Suite # 147, First Floor, Haroon Shopping Emporium, Sector 15-A-1, North Karachi, Karachi-75850
AUDIT COMMITTEE	Mr. Muhammad Bux Jumani Chairman Mr. Ahmed Ali Jumani Member Mrs. Qamar Mubeen Jumani Member
HR AND REMUNERATION COMMITTEE	Mr. Fahad Mubeen Jumani Chairman Miss. Arisha Mubeen Jumani Member Mr. Muhammad Mubeen Jumani Member
LEGAL ADVISOR	Mr. Mirza Ghulam Dastagir (Advocate) Falak Numa Building, Abdullah Haroon Road, Karachi.
SHARES REGISTERAR	M/S. C & K Management Associates (Pvt.) Limited 404, Trade Tower, Abdullah Haroon Road, Near Metropole Hotel, Karachi.
REGISTERED OFFICE	Khairpur House, G-22/II, Gizri Avenue Defence Housing Authority, Phase IV, Karachi.
FACTORY	Naroo Dhoru, Taluka Kot Diji, Khairpur.

DIRECTOR'S REPORT

IN THE NAME OF ALMIGHTY ALLAH, THE MOST GRACIOUS, THE MERCIFUL

Dear Shareholders,
Assalam-o-Alaikum,

On behalf of the Board of Directors, I feel pleasure in presenting the un-audited accounts for the First quarter ended December 31, 2013

During the period under review, your mill started crushing (season 2013-14) from November 01, 2013. At the end of this quarter 267,877.175 M.T. Sugarcane has been crushed by producing 24,015 M.T. Sugar with average recovery of 9.258% in 61 days, as compared to crushing of 149,194.503 M.T. Sugarcane & producing 11,222.500 M.T. sugar with average recovery of 8.063% in 56 days in corresponding period of last year/season (2012-13).

At the beginning of current crushing season, supply of sugarcane was intermittent and due to some reasons mill's operation was blocked for about 13 days but thereafter curshing is going smoothly. The Sugar and Molasses prices in the open and international market remain depressed .

In the end, I would like to place on record the sincere efforts and hard work put up by workers, staff and officers of the company.

Karachi, dated
the 30th January, 2014

Muhammad Mubeen Jumani
Chief Executive

BALANCE SHEET
(UN-AUDITED)
AS AT DECEMBER 31, 2013

	31-12-2013 Rupees UNAUDITED	30-09-2013 Rupees AUDITED
ASSETS		
Non-Current Assets		
Property, plant and equipments	1,508,214,607	1,520,744,999
Long term loans and advances	694,735	694,735
Long term deposits	218,899	218,899
Current Assets		
Stores , spares and loose tools	97,736,253	83,754,046
Stock in trade	509,998,236	300,047,331
Loans and advances	185,290,925	156,530,787
Deposits, prepayments and other receivables	6,859,330	6,821,330
Tax refunds due from government	25,327,417	29,568,840
Cash and bank balances	162,543,942	119,438,447
	987,756,102	696,160,781
Total Assets	2,496,884,344	2,217,819,414

The annexed notes form an integral part of these financial statements

MUHAMMAD MUBEEN JUMANI
Chief Executive

Karachi, dated
the 30th January, 2014

	31-12-2013 Rupees UNAUDITED	30-09-2013 Rupees AUDITED
EQUITY AND LIABILITIES		
Share capital		
Authorised capital		
20,000,000 ordinary shares of Rs. 10/- each	200,000,000	200,000,000
Issued, subscribed and paid up Capital	160,175,000	160,175,000
Accumulated loss	(775,629,754)	(721,555,389)
Shareholder's Equity	(615,454,754)	(561,380,389)
Surplus on revaluation of fixed assets	341,737,405	341,737,405
Non-Current Liabilities		
Long term financing	988,671,743	988,671,743
Deferred liability	43,014,664	38,514,664
Current Liabilities		
Short Term borrowings	412,319,263	426,804,038
Trade and other payables	1,326,596,022	972,898,862
Accrued Markup	-	10,573,091
Provision for taxation	(0)	-
	1,738,915,285	1,410,275,991
Contingencies		
Total Equity and Liabilities	<u>2,496,884,344</u>	<u>2,217,819,414</u>

FARAZ MUBEEN JUMANI
Managing Director

PROFIT & LOSS ACCOUNT
UN-AUDITED
FOR THE QUARTER ENDED DECEMBER 31, 2013

	31-12-2013 Rupees	31-12-2012 Rupees
Sales net	1,007,981,347	338,529,052
Cost of Sales	<u>1,024,884,419</u>	<u>333,816,237</u>
Gross (Loss)/Profit	(16,903,072)	4,712,815
Administrative expenses	<u>27,336,064</u>	<u>24,436,041</u>
Distribution expenses	<u>3,965,304</u>	<u>284,803</u>
	<u>31,301,368</u>	<u>24,720,844</u>
Operating (Loss)	(48,204,439)	(20,008,029)
Other Operating Income	<u>(805)</u>	<u>15,222</u>
	(48,203,634)	(19,992,807)
Financial cost	<u>830,824</u>	<u>1,698,507</u>
(Loss) before taxation	(49,034,458)	(21,691,314)
Taxation	<u>5,039,907</u>	<u>1,692,645</u>
(Loss) after taxation	<u>(54,074,365)</u>	<u>(23,383,959)</u>
(Loss) per share - basic & diluted	(3.38)	(1.46)

The annexed notes form an integral part of these financial statements

MUHAMMAD MUBEEN JUMANI
Chief Executive

FARAZ MUBEEN JUMANI
Managing Director

Karachi, dated
the 30th January, 2014

STATEMENT OF OTHER COMPREHENSIVE INCOME
(UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2013

	QUARTER ENDED	
	December 31 2013	December 31 2012
Loss for the period	(54,074,365)	(23,383,959)
Other comprehensive income	-	-
Total comprehensive (Loss)	(54,074,365)	(23,383,959)

MUHAMMAD MUBEEN JUMANI
Chief Executive

FARAZ MUBEEN JUMANI
Managing Director

Karachi, dated
the 30th January, 2014

CASH FLOW STATEMENT
UN-AUDITED
FOR THE QUARTER ENDED DECEMBER 31, 2013

	Dec. 31, 2013 Rupees	Dec. 31, 2012 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) for the period	(49,034,458)	(21,691,314)
Adjustments for:		
financial charges	830,824	1,698,507
Grauity (Net	4,500,000	500,000
Depreciation	19,111,894	18,033,816
Cash generated from operations before working capital	24,591,741	(1,458,991)
Effect of changes in working capital (increase)/decrease in current assets		
Store & spare	(13,982,207)	(31,515,979)
Stock in trade	(209,950,905)	(382,472,404)
Trade Debts	-	37,043,527
Loan, Advances, Deposits, prepayments & other receivables	(24,556,715)	58,150,741
	(248,489,826)	(318,794,115)
increase/ (decrease) in current liabilities		
Trade & other payables	353,697,160	391,634,757
Cash (used in)/ generated from operating activities	80,615,594	71,381,651
Taxes paid	5,039,908	1,692,645
Financial charges paid	830,824	1,698,507
	5,870,732	3,391,152
Net cash (used in)/generated from operating activities	74,744,862	67,990,499
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to tangible fixed assets and Capital	6,581,501	3,116,456
Long term deposits	-	-
Net cash (used in) investing activities	6,581,501	3,116,456
CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing	0	36,868,395
Shor Term Finance	(14,484,775)	53,100,000
Accrued Markup	(10,573,091)	(9,351,462)
Net cash generated from financing activities	(25,057,866)	80,616,933
Net increase / (decrease) in cash and cash equivalents	43,105,495	145,490,977
Cash and cash equivalents at beginning of the year	119,438,447	8,357,799
Cash and cash equivalents at end of the year	162,543,942	153,848,776
	(0)	

The annexed notes form an integral part of these financial statements

Karachi, dated
the 30th January, 2014

MUHAMMAD MUBEEN JUMANI
Chief Executive

FARAZ MUBEEN JUMANI
Managing Director

STATEMENT OF CHANGES IN EQUITY
UN-AUDITED
FOR THE QUARTER ENDED DECEMBER 31, 2013

	Issued, subscribed & paid up Capital	Accumulated Losses	Total
	----- Rupees -----		
Balance as on September 30, 2012	160,175,000	(403,643,578)	(243,468,578)
(Loss) after taxation for the year	-	(333,117,567)	(333,117,567)
Incremental depreciation transferred from surplus net-of deferred tax		15,205,756	15,205,756
Total Comprehensive (Loss)		(317,911,811)	(317,911,811)
Balance as on September 30, 2013	<u>160,175,000</u>	<u>(721,555,389)</u>	<u>(561,380,389)</u>
(Loss) after taxation for the quarter (Comprehensive Income)	-	(54,074,365)	(54,074,365)
Balance as on December 31, 2013	<u><u>160,175,000</u></u>	<u><u>(775,629,754)</u></u>	<u><u>(615,454,754)</u></u>

The annexed notes form an integral part of these financial statements

MUHAMMAD MUBEEN JUMANI
 Chief Executive

FARAZ MUBEEN JUMANI
 Managing Director

Karachi, dated
 the 30th January, 2014

**SELECTED EXPLANATORY
NOTES TO THE FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2013**

1. NATURE AND STATUS OF BUSINESS

The Company was incorporated in Pakistan on August 23, 1989 as a public limited company under the Companies Ordinance, 1984 and its shares are quoted on the Karachi Stock Exchange. The registered office of the Company is situated at Khairpur House, G-22/II, Gizri Avenue, Defence Housing Authority, Phase IV, Karachi. The principal activity of the Company is to produce and sale of white sugar.

2. BASIS OF PREPARATION

These financial statements are unaudited and prepared as required by a Code of Corporate Governance under listing regulations at the Stock Exchanges and being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation followed while finalizing this quarterly financial statements are the same as those of the published annual audited financial statements for the year ended September 30, 2013

4. ACQUISITION AND DISPOSAL OF FIXED ASSETS

	December 31, 2013 Rupees	September 30, 2013 Rupees
<u>Additions</u>		
Building	2,634,914	
Plant and machinery	781,447	1,966,456
Furniture and fixture	71,640	
Vehicles	<u>3,093,500</u>	<u>1,150,000</u>
Total	6,581,501	3,116,456

5. CONTINGENCIES AND COMMITMENTS

There has been no significant changes in the contingencies and commitments since the last audited financial statements. (i.e. as of 30th September 2013)

6. SEASONALLY

The Sugar Industry are operating on seasonal basis normally from November to April/May. Therefore all major production cost other than fixed cost, (for example cost of goods manufactured, stock and short term finances) being reflected to be high during this period.

7. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issuance on 30-01-2014 by the Board of Directors of the Company.

8. GENERAL

Figures have been rounded off to the nearest rupee.

MUHAMMAD MUBEEN JUMANI
Chief Executive

FARAZ MUBEEN JUMANI
Managing Director

Karachi, dated
the 30th January, 2014
