

KHAIRPUR SUGAR MILLS LTD.



**KHAIRPUR**  
SUGAR MILLS LIMITED

**QUARTERLY**

**Financial Statements**

**FOR THE  
PERIOD ENDED  
DECEMBER 31, 2018  
(UN-AUDITED)**

**CONTENTS**

S.No		S.No
01	COMPANY PROFILE	02
02	DIRECTOR'S REPORT	04
03	STATEMENT OF FINANCIAL POSITION	05
04	STATEMENT OF PROFIT AND LOSS	06
05	STATEMENT OF OTHER COMPREHENSIVE INCOME	07
06	STATEMENT OF CASH FLOWS	08
07	STATEMENT OF CHANGES IN EQUITY	09
08	INTERIM FINANCIAL INFORMATION	10

---

## COMPANY PROFILE

### CORPORATE INFORMATION

**Date of Incorporation**

August 23, 1989

**Date of Commencement of Business**

September 13, 1989

**BOARD OF DIRECTORS**

Mr. Muhammad Mubeen Jumani - Chief Executive Officer  
Mr. Faraz Mubeen Jumani - Managing Director  
Mr. Fahad Mubeen Jumani  
Mrs. Qamar Mubeen Jumani - Chairperson  
Miss. Arisha Mubeen Jumani  
Lt. Gen (Retd). Tahir Mahmud Qazi  
Lt. Gen (Retd). Anis Ahmed Abbasi

**CHIEF FINANCIAL OFFIER**

Mr. Mirza Muhammad Bilal Kamil

**COMPANY SECRETARY**

Mr. Shoailul Haque

**BANKERS**

National Bank of Pakistan  
Sindh Bank Limited  
Dubai Islamic Bank Pakistan Limited  
MCB Bank Limited  
United Bank Limited  
Allied Bank Limited  
Bank Al Falah Limited  
Habib Bank Limited

**STATUTORY AUDITORS**

M/S. Haroon Zakaria & Company  
Chartered Accountants  
M-1-M4, Mezzanine Floor, Progressive Plaza,  
Plot No. 5 CL - 10, Civil Lines Quarter,  
Beaumont Road, Near Dawood Centre,  
Karachi - 75530 PAKISTAN.

**AUDIT COMMITTEE**

Lt. Gen (Retd.) Anis Ahmed Abbasi      Chairman  
Lt. Gen (Retd.) Tahir Mahmud Qazi  
Mrs. Qamar Mubeen Jumani              Member

**HR AND REMUNERATION COMMITTEE**

Mr. Arisha Mubeen Jumani              Chairman  
Lt. Gen (Retd.) Anis Ahmed Abbasi      Member  
Mr. Muhammad Mubeen Jumani          Member

**LEGAL ADVISOR**

Syed Zafar Ali Shah (Advocate)  
Bukhari Law Associates, B-8, 3rd Floor, Jumani Arcade,  
University Road, Gulshan-e-Iqbal, Karachi.

**SHARES REGISTERAR**

M/S. C & K Management Associates (Pvt.) Limited  
404, Trade Tower, Abdullah Haroon Road, Near Metropole  
Hotel, Karachi.

**REGISTERED OFFICE**

3rd Floor, 15-C, 9th Commercial Lane,  
Zamzama, Defence Housing Authority, Phase V,  
Karachi.  
Ph: 021-35810771-75  
Fax: 021-35810776

**MILLS**

Naroo Dhoru, Taluka Kot Diji,  
Khairpur.

**E-MAIL & WEBSITE**

[headoffice@jumanigroup.com](mailto:headoffice@jumanigroup.com)  
<http://khaipurpursugar.com.pk>

**STOCK EXCHANGE SYMBOL**

KPUS

#### **VISION STATEMENT**

We aim to be a leading manufacturer of quality sugar, and other allied products and its supplier in local and international markets. We aspire to be known for the quality of our products and intend to play a pivotal role in the economic and social development of Pakistan.

#### **MISSION STATEMENT**

As a prominent producer of sugar, and other allied products, we shall continue to strive to achieve excellence in performance and aim to exceed the expectations of all stakeholders. We target to achieve technological advancements to inculcate the most efficient, ethical and time tested business practices in our management.

---

**DIRECTORS' REPORT**

Dear Members

Assalam-o-alaikoom

On behalf of the Board of Directors, it is our privilege to present before you the un-audited accounts of the Company for the First Quarter ended December 31, 2018,

**FINANCIAL RESULTS**

During the period under review, the operation of your Company resulted in a pre-tax loss of Rs. 28.480 Million. The financial results are as under:

	<u>Rupees in thousand</u>
Loss before taxation ... ..	(28,480)
Taxation ... ..	(13,395)
Loss after taxation ... ..	(41,875)

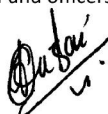
**PERFORMANCE REVIEW**

The crushing season 2018-19 started on 26<sup>th</sup> November 2018 and up to the end of this quarter 215,186.932 M.T Sugar-cane has been crushed by producing 19,725.00 M.T Sugar with average recovery of 9.522% in 36 days, as compared to crushing of 132,833.158 M.T Sugar-cane and producing 12,263.50 M.T Sugar with average recovery of 9.258% in 33 days in corresponding period of last year/season 2017-18.

The Government of Sindh (Agriculture, Supply & Prices Department) on December 07, 2018 issued notification fixing the minimum support price of sugar-cane at Rs.182/= per 40 Kg. for crushing season 2018-19. It was not justified in relation to the prevailing sugar price both in domestic and international markets. Our Mill with other sugar mills filed petition before Hon'ble High Court of Sindh challenging the said notification of Government of Sindh fixing the minimum price of sugar-cane for crushing season 2018/2019. The matter is pending with the Court.

Considering surplus stock in the country, the Federal Government (ECC – Economic Coordination Committee of the Cabinet) has allowed export of sugar with “no freight or financial support to millers/exporters by the Federal/Provincial Government” and “those Mills will be allowed to export who have cleared outstanding dues of farmers for sugar-cane crop up to 2017-18”. Apart from this, due to depress price of sugar in international market the export of sugar could not be materialized.

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.




(Mrs. Qamar Mubeen Jumani)  
Chairperson

KHAIRPUR SUGAR MILLS LIMITED  
STATEMENT OF FINANCIAL POSITION (UNAUDITED)  
AS AT DECEMBER 31, 2018

	31-12-2018 UNAUDITED	30-09-2018 AUDITED Restated
	<i>Rupees in Thousand</i>	
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipments	1,642,474	1,608,012
Intangible assets	8,871	6,307
Long term deposits	1,557	1,557
Deferred taxation	13,046	5,321
	1,665,948	1,621,197
<b>Current Assets</b>		
Stores , spares and loose tools	143,240	120,742
Stock in trade	660,887	1,174,143
Loans and advances	405,774	309,452
Deposits, prepayments and other receivables	391,777	478,379
Tax refund due from government	-	6,288
Cash and bank balances	3,832	23,908
	1,605,510	2,112,912
<b>Total Assets</b>	3,271,458	3,734,109
<b>EQUITY AND LIABILITIES</b>		
<b>Authorised capital</b>		
20,000,000 ordinary shares of Rs. 10/- each	200,000	200,000
Issued, subscribed and paid up Capital	160,175	160,175
Revenue reserves - accumulated loss	(228,256)	(189,504)
Surplus on revaluation of property, plant and equipment - net	253,088	255,329
<b>Shareholder's Equity</b>	185,007	226,000
<b>Non-Current Liabilities</b>		
Long term financing	1,022,514	1,006,238
Deferred liabilities	86,221	86,220
Liabilities against assets subject to finance lease	11,146	12,364
	1,119,881	1,104,822
<b>Current Liabilities</b>		
Current portion of liabilities against assets subject to finance lease	4,771	4,709
Short Term borrowings	648,907	894,107
Trade and other payables	1,293,627	1,479,815
Accrued Markup	11,278	24,656
Provision for taxation	7,987	-
	1,966,570	2,403,287
<b>Contingencies</b>		
<b>Total Equity and Liabilities</b>	3,271,458	3,734,109

The annexed notes form an integral part of these financial statements

  
\_\_\_\_\_  
**MUHAMMAD MUBEEN JUMANI**  
Chief Executive Officer  
Karachi, dated January 29, 2019

  
\_\_\_\_\_  
**MIRZA MUHAMMAD BILAL KAMIL**  
Chief Financial Officer

  
\_\_\_\_\_  
**FARAZ MUBEEN JUMANI**  
Managing Director

**KHAIRPUR SUGAR MILLS LIMITED**  
**STATEMENT OF PROFIT & LOSS (UN-AUDITED)**  
**FOR THE QUARTER ENDED DECEMBER 31, 2018**

	31-12-2018	31-12-2017
	<i>Rupees in Thousand</i>	
Sales net	1,579,250	1,419,069
Cost of Sales	<u>(1,512,905)</u>	<u>(1,514,181)</u>
<b>Gross Profit / Loss</b>	<b>66,345</b>	<b>(95,112)</b>
Administrative expenses	<u>(53,552)</u>	<u>(39,190)</u>
Distribution expenses	<u>(4,164)</u>	<u>(2,665)</u>
	<u>(57,716)</u>	<u>(41,855)</u>
<b>Operating Profit/(Loss)</b>	<b>8,629</b>	<b>(136,967)</b>
Other Income	<u>1</u>	<u>33</u>
	<b>8,630</b>	<b>(136,934)</b>
Financial cost	<u>(37,110)</u>	<u>(32,753)</u>
Other operating charges	<u>-</u>	<u>(1,578)</u>
	<u>(37,110)</u>	<u>(34,331)</u>
<b>(Loss) before taxation</b>	<b>(28,480)</b>	<b>(171,265)</b>
Taxation	<b>(13,395)</b>	49,521
<b>(Loss) after taxation</b>	<b><u>(41,875)</u></b>	<b><u>(121,744)</u></b>
<b>(Loss) per share - basic &amp; diluted</b>	<b><u>(2.61)</u></b>	<b><u>(7.60)</u></b>

The annexed notes form an integral part of these financial statements



MUHAMMAD MUBEEN JUMANI  
Chief Executive Officer



MIRZA MUHAMMAD BILAL  
KAMIL  
Chief Financial Officer



FARAZ MUBEEN JUMANI  
Managing Director

Karachi, dated January 29, 2019

**KHAIRPUR SUGAR MILLS LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**(UN-AUDITED)**  
**FOR THE QUARTER ENDED DECEMBER 31, 2018**

	Quarter ended	
	December 31 2018	December 31 2017
	<i>Rupees in Thousand</i> (Restated)	
Loss for the period	(41,875)	(121,744)
Other comprehensive income	-	-
Total comprehensive (Loss) for the quarter	(41,875)	(121,744)

  
\_\_\_\_\_  
MUHAMMAD MUBEEN JUMANI  
Chief Executive Officer

  
\_\_\_\_\_  
MIRZA MUHAMMAD BILAL  
KAMIL  
Chief Financial Officer

  
\_\_\_\_\_  
FARAZ MUBEEN JUMANI  
Managing Director

Karachi, dated January 29, 2019



**KHAIRPUR SUGAR MILLS LIMITED**  
**STATEMENT OF CASH FLOWS**  
**(UN-AUDITED)**  
**FOR THE QUARTER ENDED DECEMBER 31, 2018**

	DECEMBER 31, 2018	DECEMBER 31, 2017
<i>Rupees in Thousand</i>		
<b>CASH GENERATED FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	309,086	982,444
Finance cost paid	(21,711)	(15,597)
Taxes paid	(5,963)	(25,827)
<b>Net cash generated from operating activities</b>	<b>281,412</b>	<b>941,019</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(52,560)	(54,451)
Capital Work in Progress	(3,728)	-
<b>Net cash (used in) investing activities</b>	<b>(56,288)</b>	<b>(54,451)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Receipts/Repayments of long term loans - net	-	-
Short term cash finance	(245,200)	(874,541)
Accrued Markup	-	(26,207)
<b>Net cash (used in) financing activities</b>	<b>(245,200)</b>	<b>(900,748)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(20,076)</b>	<b>(14,180)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>23,908</b>	<b>37,048</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>3,832</b>	<b>22,868</b>

The annexed notes form an integral part of these financial statements

  
**MUHAMMAD MUBEEN JUMANI**  
 Chief Executive Officer

  
**MIRZA MUHAMMAD BILAL**  
**KAMIL**  
 Chief Financial Officer


  
**FARAZ MUBEEN JUMANI**  
 Managing Director

Karachi, dated January 29, 2019

**KHAIRPUR SUGAR MILLS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
(Un-Adited)  
**FOR THE QUARTER ENDED DECEMBER 31, 2018**

	Issued, subscribed & paid up Capital	Accumulated (Loss)/Profit	Revaluation Surplus	Total
	<i>Rupees in Thousand</i>			
<b>Balance as on September 30, 2017 - Restated</b>	160,175	(224,767)	264,583	199,991
Profit after taxation for the year	-	22,300	-	22,300
Other comprehensive income	-	-	-	-
<b>Total Comprehensive Income</b>	-	22,300	-	22,300
Transfer of incremental depreciation from revaluation surplus on property, plant and machinery - net of tax	-	12,963	(12,963)	-
Reversal of deferred tax due to change in rate	-	-	3,709	3,709
	-	12,963	(9,254)	3,709
<b>Balance as at September 30, 2018</b>	160,175	(189,504)	255,329	226,000
(Loss) after taxation for the year	-	(41,875)	-	(41,875)
Other comprehensive income	-	-	-	-
<b>Total Comprehensive Income</b>	-	(41,875)	-	(41,875)
Transfer of incremental depreciation from revaluation surplus on property, plant and machinery - net of tax	-	3,122	(3,122)	-
Reversal of deferred tax due to change in rate	-	-	882	882
	-	3,122	(2,241)	882
<b>Balance as at December 31, 2018</b>	160,175	(228,256)	253,088	185,007

The annexed notes form an integral part of these financial statements

  
**MUHAMMAD MUBEEN JUMANI**  
Chief Executive Officer

  
**MIRZA MUHAMMAD BILAL**  
**KAMIL**  
Chief Financial Officer

  
**FARAZ MUBEEN JUMANI**  
Managing Director

Karachi, dated January 29, 2019

**KHAIRPUR SUGAR MILLS LIMITED**  
**SELECTED EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**UN-AUDITED**  
**FOR THE QUARTER ENDED DECEMBER 31, 2018**

**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 (The Ordinance). The company is listed on Pakistan Stock Exchange (formerly Karachi Stock Exchange). The registered office of the Company is situated at 3rd Floor, Plot No. 15-C, 9th Commercial Lane, DHA, Phase V, Karachi.

The company is principally engaged in the manufacture and sale of sugar and by products.

**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 237 of the Companies Act, 2017.

**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, 2018

**4. ACQUISITION AND DISPOSAL OF FIXED ASSETS**

	December 31, 2018	September 30, 2018
	<i>Rupees in Thousand</i>	
<b>Additions</b>		
Building	-	19,858
Plant and machinery - Owned	<b>51,500</b>	182,809
Furniture and fixture	<b>1,060</b>	146
Office Equipment	-	-
Factory equipment	-	64
Vehicles	-	64
Plant and machinery - Leased	-	25,430
<b>Total</b>	<b>52,560</b>	<b>228,371</b>

**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 2018)

6. SEASONALLY

The Sugar Industry are operating on seasonal basis normally from November to April. 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 **January 29, 2019** by the Board of Directors of the Company.

8. GENERAL

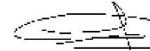
Figures have been rounded off to the nearest thousand rupees.



**MUHAMMAD MUBEEN JUMANI**  
Chief Executive Officer



**MIRZA MUHAMMAD BILAL  
KAMIL**  
Chief Financial Officer



**FARAZ MUBEEN JUMANI**  
Managing Director

Karachi, dated January 29, 2019

