



Quarterly
Financial
Statements
for the
Period Ended
December 31
2020

 **KHAIRPUR**
SUGAR MILLS LIMITED



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Company Profile

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 OFFICER

Mr. Mirza Muhammad Bilal Kamil

COMPANY SECRETARY

Mr. Shoaibul 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

JS Bank Limited

Bank Al Habib Limited

STATUTORY AUDITORS

M/S. Reanda 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

(Member)

Miss. Arisha Mubeen Jumani

(Member)

HR AND REMUNERATION COMMITTEE

Lt. Gen (Retd.) Anis Ahmed Abbasi

(Chairman)

Lt. Gen (Retd). Tahir Mahmud Qazi

(Member)

Mr. Muhammad Mubeen Jumani

(Member)

LEGAL ADVISOR

Asad Ali Riar (Advocate)

Suite No 17-18, Farid Chambers, 2nd Floor,

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

3rd Floor, 15-C, 9th Commercial Lane,

Zamzama, Defence Housing Authority,

Phase V, Karachi.

Ph: 021-35810771-75

Fax: 021-35810776

MILLS

Naroo Dhoro, Taluka Kot Diji, Khairpur.

E-MAIL & WEBSITE

headoffice@jumanigroup.com

http://khairpursugar.com.pk

STOCK EXCHANGE SYMBOL

KPUS

Vision



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



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, 2020.

FINANCIAL RESULTS

During the period under review, the operation of your Company resulted in a pre-tax profits of Rs. 102.166 Million. The financial results are as under:

	Rupees in thousand						
Profit before taxation	102,166
Taxation	(71,522)
Profit after taxation	<u>30,644</u>

PERFORMANCE REVIEW

The crushing season 2020-21 started on 5th November 2020 and up to the end of this quarter 269,227.010 M.T Sugar-cane has been crushed by producing 23,927.00 M.T Sugar with average recovery of 9.157% in 57 days, as compared to crushing of 206,802.911 M.T Sugar-cane and producing 17,440.00 M.T Sugar with average recovery of 8.926% in 41 days in corresponding period of last year/season 2019-20.

The Government of Sindh (Agriculture Supply & Prices Department) has issued a notification fixing the minimum sugarcane support price at Rs.202/= (Rupees Two hundred and two) per 40 kg (Mds) for crushing season 2020-21. Due to which growers are getting more than the previous year and fair return of their efforts. Sugar prices drop significantly at the start of the crushing season which now stabilise and still continuing to move upward. Whereas the prices of molasses are continuously moving upward. Further combining the same with the significant decrease in Kibor rates over the period of time by the SBP from 13.25% to 7%, the company is anticipating sharp decrease in the financing cost. All such factors will play significant role and company is anticipating to close the next financial year with good profitability.

The working on 12.00 MW Bagasse/Bio-Mass Power Generation Plant is under construction which might be completed in near future.

ENVIRONMENT

For improvement of environment hazard, Khairpur sugar mills limited have taken care on priority. As per Sindh's Environmental policy Act 2013, proven care has been taken care. On implementing this policy, use of water and drainage has been reduced. After approval from Sindh Environmental Protecting Agency (SEPA) and foreign expert's consultant's services for waste water, the treatment has been installed having capacity of 3000 cm/day. Which will become again useful for the use of agriculture sector to end the water scarcity and to end the pollution. By the grace of almighty Allah. Our mill inaugurated this plant during the previous accounting period.

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 7 as per the following:

- a. Male: 5
b. Female: 2

2. The composition of board is as follows:

a) Independent Directors

- Lt. Gen (Rtd). Anees Ahmed Abbasi
- Lt. Gen (Rtd). Tahir Mahmud Qazi

b) Other Non-executive Director

- Mr. Fahad Mubeen Jumani
- Mrs. Qamar Mubeen Jumani
- Miss. Arisha Mubeen Jumani

c) Executive Directors

- Mr. Muhammad Mubeen Jumani
- Mr. Faraz Mubeen Jumani

d) Female Directors

- Mrs. Qamar Mubeen Jumani
- Miss. Arisha Mubeen Jumani

3. The board has formed committees comprising of members given below:

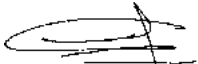
a) Audit Committee

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

b) HR and Remuneration Committee

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

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.



Faraz Mubeen Jumani
Managing Director

Place: Karachi, Dated: January 29, 2021

Statement of Financial Position (Unaudited)

As At December 31, 2020

	December 31 2020 (Unaudited)	September 30 2020 (Audited)
ASSETS	-----Rupees in 000's-----	
Non-Current Assets		
Property, Plant and Equipment	4 2,326,541	2,332,102
Intangible Assets	6,307	6,307
Long Term deposits	3,232	3,979
	<u>2,336,080</u>	<u>2,342,388</u>
CURRENT ASSETS		
Stores & spare and loose tools	198,217	165,071
Stock in Trade	1,029,670	426,209
Loans and Advances	481,459	453,609
Deposits, prepayments and other receivables	224,582	226,415
Cash and bank balances	300,717	50,373
	<u>2,234,645</u>	<u>1,321,677</u>
TOTAL ASSETS	<u>4,570,725</u>	<u>3,664,065</u>
EQUITY AND LIABILITIES		
Authorised share capital		
20,000,000 ordinary shares of Rs. 10/- each	<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paidup capital	160,175	160,175
Surplus on revaluation of fixed assets-net	650,464	656,590
Accumulated Profit	177,469	140,698
SHAREHOLDER'S EQUITY	<u>988,108</u>	<u>957,463</u>
NON-CURRENT LIABILITIES		
Long Term Financing	872,600	824,593
Deferred Grant	9,932	9,932
Liabilities against asset subject to finance lease	7,978	7,978
Deferred Liability	113,453	59,468
	<u>1,003,963</u>	<u>901,971</u>
CURRENT LIABILITIES		
Short term borrowing	1,755,998	1,248,043
Current portion of liabilities against assets subject to finance lease	11,921	13,333
Current portion of Long Term Loan	39,375	39,375
Trade & other payables	727,728	433,690
Provision for taxation	38,444	58,291
Accrued Markup	5,189	11,899
	<u>2,578,355</u>	<u>1,804,631</u>
CONTINGENCIES	5	
Total Equity and Liabilities	<u>4,570,725</u>	<u>3,664,065</u>

The annexed notes from 1 to 8 form an integral part of these interim financial statements.



Muhammad Mubeen Jumani
Chief Executive Officer



Mirza Muhammad Bilal Kamil
Chief Financial Officer



Faraz Mubeen Jumani
Managing Director

Statement of Profit or Loss & Other Comprehensive Income (Unaudited)

For The Quarter Ended December 31, 2020

	<i>First Quarter Ended</i>	
	<i>Dec 31, 2020</i>	<i>Dec 31, 2019</i>
-----Rupees in 000's-----		
Sales - net	1,360,801	1,405,038
Cost of Sales	<u>(1,147,641)</u>	<u>(1,232,081)</u>
Gross Profit	213,160	172,957
Administrative Expenses	<u>(47,264)</u>	<u>(57,530)</u>
Distribution Expense	<u>(4,618)</u>	<u>(5,332)</u>
Operating Profit / (loss)	161,278	110,095
Other Income	<u>1</u>	<u>26</u>
	161,279	110,121
Financial charges	<u>(59,113)</u>	<u>(67,186)</u>
Profit before Taxation	102,166	42,935
Taxation	(71,522)	(21,986)
Profit after Taxation	30,644	20,949
Other comprehensive income	-	-
Total comprehensive income for the period	30,644	20,949
Earnings per share-basic and diluted	1.92	1.31

The annexed notes from 1 to 8 form an integral part of these interim financial statements.



Muhammad Mubeen Jumani
Chief Executive Officer



Mirza Muhammad Bilal Kamil
Chief Financial Officer



Faraz Mubeen Jumani
Managing Director



Statement of Changes in Equity (Unaudited)

For The Quarter Ended December 31, 2020

	<i>Issued, subscribed & paid-up capital</i>	<i>Capital Reserve Surplus on revaluation of fixed assets</i>	<i>Accumulated loss</i>	<i>Total</i>
-----Rupees in 000's-----				
Balance as at September 30, 2019	160,175	682,383	148,329	990,887
Revaluation during the period - net off deferred tax		-		
Total comprehensive income for the period ended June 30 2019				
- Profit for the period	-	-	(33,972)	(33,972)
- Other comprehensive income for the period	-	-	548	548
	-	-	(33,424)	(33,424)
Transfer on account of incremental depreciation-net of deferred tax	-	(25,793)	25,793	-
Balance as at September 30, 2020	160,175	656,590	140,698	957,463
Balance as at September 30, 2020	160,175	656,590	140,698	957,463
Revaluation during the period - net off deferred tax		-		
Total comprehensive income for the period ended December 31 2020				
- Profit for the period	-	-	30,644	30,644
- Other comprehensive income for the period	-	-	-	-
	-	-	30,644	30,644
Transfer on account of incremental depreciation-net of deferred tax	-	(6,126)	6,126	-
Balance as at December 31, 2020	160,175	650,464	177,468	988,107

The annexed notes from 1 to 8 form an integral part of these interim financial statements.



Muhammad Mubeen Jumani
Chief Executive Officer



Mirza Muhammad Bilal Kamil
Chief Financial Officer



Faraz Mubeen Jumani
Managing Director

Statement of Cash Flow (Unaudited)

For The Quarter Ended December 31, 2020

	December 31, 2020 (Unaudited)	December 31, 2019 (Unaudited)
----- Rupees in '000 -----		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before taxation	102,166	42,935
Adjustments for:		
- Financial cost	32,075	43,505
- Depreciation	26,776	28,860
- Amortization of interest free loan	27,008	23,680
	85,859	96,045
Working capital changes:		
Stores, spares and loose tools	(33,146)	(14,840)
Stock in trade	(603,461)	52,619
Loans and advances - Considered good	219,763	(13,633)
Deposits, prepayments and other receivables	1,833	(905)
Trade and other payables	46,425	81,110
	(368,586)	104,351
	(180,561)	243,331
Taxes paid - net	(37,210)	(11,961)
Financial charges paid	(38,816)	(87,476)
	(76,026)	(99,437)
Net cash (used in) operating activities	(256,587)	143,894
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	-	(42,500)
Long term deposits	747	-
Capital work-in-progress	(21,214)	(1,924)
Net cash (used in) investing activities	(20,467)	(44,423)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short term borrowing	507,955	(61,445)
Proceeds from Long term borrowing	21,000	-
Repayment of lease rentals	(1,412)	-
Repayment of staff gratuity	(146)	-
Net cash generated from financing activities	527,397	(61,445)
Net decrease in cash and cash equivalents	250,344	38,026
Cash and cash equivalent at beginning of the period	50,373	80,503
Cash and cash equivalent at end of the period	300,717	118,529

The annexed notes from 1 to 8 form an integral part of these interim financial statements.



Muhammad Mubeen Jumani
Chief Executive Officer



Mirza Muhammad Bilal Kamil
Chief Financial Officer



Faraz Mubeen Jumani
Managing Director

Notes to the Financial Statement (Unaudited)

For The Quarter Ended December 31, 2020

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 Limited (formerly Karachi Stock Exchange). The registered office of the Company is situated at 3rd floor, Plot No.15C, 9th Commercial lane, Zamzama, D.H.A Karachi.

The principal activity of the Company is 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 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

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, 2020

4 PROPERTY, PLANT & EQUIPMENT

		<i>Un-audited</i> December 31,	<i>Audited</i> September 30,
		<i>2020</i>	<i>2020</i>
	<i>Note</i>	<i>----- Rupees in '000 -----</i>	
Written down value at 1 October		2,278,461	2,266,294
Additions	4.1	-	133,965
Depreciation		<u>(26,776)</u>	<u>(121,798)</u>
		2,251,685	2,278,461
Capital work in progress		45,617	24,403
Advance against purchase of property		<u>29,238</u>	<u>29,238</u>
		<u>2,326,540</u>	<u>2,332,102</u>

4.1 Additions

Plant and machinery

		<i>Un-audited</i> December 31,	<i>Audited</i> September 30,
		<i>2020</i>	<i>2020</i>
	<i>Note</i>	<i>----- Rupees in '000 -----</i>	
		-	45,500
		<u>-</u>	<u>45,500</u>



Muhammad Mubeen Jumani
Chief Executive Officer



Mirza Muhammad Bilal Kamil
Chief Financial Officer



Faraz Mubeen Jumani
Managing Director

5 CONTINGENCIES AND COMMITMENTS

As at December 31, 2020, there is no material change in the status of matters reported as contingencies and commitments in the notes to financial statements of the company for the year ending 30 September 2020.

6 SEASONALITY OF OPERATIONS

The Sugar Industry are operating on seasonal basis normally from November to March. 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 in this period.

7 DATE OF AUTHORIZATION

This condensed interim financial information has been authorized for issue on **January 29, 2021** by the Board of Directors of the Company.

8 GENERAL

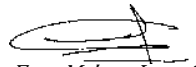
Figures have been rounded off to the nearest thousand rupees.



Muhammad Mubeen Jumani
Chief Executive Officer



Mirza Muhammad Bilal Kamil
Chief Financial Officer



Faraz Mubeen Jumani
Managing Director



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