

KHAIRPUR SUGAR MILLS LTD.



KHAIRPUR
SUGAR MILLS LIMITED

QUARTERLY

Financial Statements

**FOR THE
PERIOD ENDED
JUNE 30, 2017
(UN-AUDITED)**

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
Mr. Ahmed Ali Jumani
Lt. Gen (Retd). Anis Ahmed Abbasi

COMPANY SECRETARY

Mr. Abdul Wahid Naviwala

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.

COST AUDITORS

M/S. Siddiqi & Company
Cost & Management Accountants
Suite # 147, First Floor,
Haroom Shopping Emporium,
Sector 15-A-1,
North Karachi, Karachi-75850

AUDIT COMMITTEE

Lt. Gen (Retd.) Anis Ahmed Abbasi	Chairman
Mr. Ahmed Ali Jumani	Member
Mrs. Qamar Mubeen Jumani	Member

HR AND REMUNERATION COMMITTEE

Miss. 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
www.jumanigroup.com

STOCK EXCHANGE SYMBOLKPUS

DIRECTORS REPORT

Dear Members
Assalam-o-Alaikum

On behalf of the Board of Directors, it is my privilege to present before you the condensed un-audited accounts for the 3rd quarter ended 30th June, 2017.

FINANCIAL RESULTS

	30-06-2017	30-06-2016
	>>>> RUPEES IN '000' <<<<	
(Loss)/Profit before Taxation	(67,435)	49,132
Taxation	4,376	(13,879)
(Loss)/Profit after Taxation	(63,058)	35,253
(Loss)/Earning per Share	(3.94)	2.20

PERFORMANCE REVIEW

The operating results for the crushing season are mentioned here as under:

	SEASON 2016-2017	SEASON 2015-2016
Season Started	11-11-2016	20-11-2015
Season Ended	30-03-2017	13-03-2016
Number of days worked	140	115
Sugarcane Crushing (MT)	852,226.272	647,634.964
Recovery (%) Sugar	9.807	10.317
Recovery (%) Molasses	3.900	3.883
Production – Sugar (MT)	83,579.00	66,817.50
Production – Molasses (MT)	33,237.00	25,148.00

During the current quarter prices of sugar and molasses were on a decrease. Sugar recovery was lower as compared to the season of 2015-16. Management is hopeful of an early recovery in the fourth quarter.

Karachi
July 26, 2017

For and on behalf of the Board



Qamar Mubeen Jumani
Chairperson

**CONDENSED INTERIM BALANCE SHEET (UNAUDITED)
AS AT JUNE 30, 2017**

	<u>Note</u>	June 30, 2017 (Unaudited)	September 30, 2016 (Audited)
← (Rupees in 000's) →			
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
Property, Plant and Equipment	5	1,459,024	1,437,394
Long Term deposits		<u>262</u>	<u>262</u>
		1,459,286	1,437,656
<u>CURRENT ASSETS</u>			
Stores & spare and loose tools		102,611	97,452
Stock in Trade		2,543,793	97,976
Loans and Advances		199,104	218,608
Deposits, prepayments and other receivables		114,107	10,282
Cash and bank balances		4,711	25,102
		2,964,326	449,420
TOTAL ASSETS		<u>4,423,612</u>	<u>1,887,076</u>

The annexed notes from 1 to 11 form an integral part of these interim financial statements.


Muhammad Mubeen Jumani
Chief Executive

Karachi the dated July 26, 2017

	June 30, 2017 (Unaudited)	September 30, 2016 (Audited)
<u>Note</u>	← (Rupees in 000's) →	
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	<u>160,175</u>	<u>160,175</u>
Accumulated (Loss)	<u>(310,805)</u>	<u>(257,707)</u>
SHAREHOLDER'S EQUITY	(150,630)	(97,532)
Surplus on Revaluation of fixed Assets	266,962	273,036
NON-CURRENT LIABILITIES		
Long Term Financing	<u>1,025,793</u>	<u>971,856</u>
Deferred Liability	<u>111,352</u>	<u>126,443</u>
	1,137,145	1,098,299
CURRENT LIABILITIES		
Short term borrowing	<u>1,623,427</u>	<u>17,507</u>
Trade & other payables	<u>1,499,856</u>	<u>559,404</u>
Provision for taxation	<u>14,967</u>	<u>36,362</u>
Accrued Markup	<u>31,885</u>	<u>-</u>
	3,170,135	613,273
CONTINGENCIES AND COMMITMENTS	7	
Total Equity and Liabilities	<u>4,423,612</u>	<u>1,887,076</u>


 Faraz Mubeen Jumani
 Managing Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE NINE MONTHS AND THIRD QUARTER ENDED JUNE 30, 2017**

	Nine month ended		Third quarter ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2017
	← Rupees in 000's →			
Sales - net	2,105,195	3,093,903	703,996	1,143,005
Cost of Sales	(1,916,936)	(2,834,245)	(613,575)	(1,004,416)
Gross Profit	188,259	259,658	90,421	138,589
Administrative Expenses	(113,457)	(104,480)	(34,594)	(40,800)
Distribution Expense	(16,618)	(11,460)	(437)	(322)
Operating Profit	58,184	143,718	55,390	97,467
Other Income	92	4,924	41	37
Other Operating Charges	(8,732)	(6,977)	(35)	(268)
	(8,640)	(2,053)	6	(231)
	49,544	141,665	55,396	97,236
Financial charges	(116,979)	(92,533)	(49,960)	(52,374)
(Loss)/ Profit before Taxation	(67,435)	49,132	5,436	44,862
Taxation	4,376	(13,879)	2,230	(20,060)
(Loss) / Profit after Taxation	(63,058)	35,253	7,667	24,802
(Loss) / Earnings per share-basic and diluted	(3.94)	2.20	0.48	1.55

The annexed notes from 1 to 11 form an integral part of these interim financial statements.


Muhammad Mubeen Jumani
Chief Executive


Faraz Mubeen Jumani
Managing Director

Karachi the dated July 26, 2017

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)
FOR THE NINE MONTHS AND THIRD QUARTER ENDED JUNE 30, 2017**

	Nine month ended		Third quarter ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	← (Rupees in 000's) →			
(Loss)/Profit for the period	(63,058)	35,252	7,667	24,802
Other comprehensive income:				
Incremental depreciation transferred from surplus on revaluation of fixed assets-net of deferred tax	9,960	4,764	3,320	4,764
Total Comprehensive (Loss)/Profit	(53,098)	40,016	10,987	29,566

The annexed notes from 1 to 11 form an integral part of these interim financial statements.


 Muhammad Mubeen Jumani
Chief Executive


 Faraz Mubeen Jumani
Managing Director

Karachi the dated July 26, 2017

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED JUNE 30, 2017**

	June 30, 2017 (Unaudited)	June 30, 2016 (Unaudited)
	← (Rupees in '000) →	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) / profit before taxation	(67,435)	49,131
Adjustments for:		
- Financial cost	63,042	92,533
- Depreciation	56,979	26,402
- Gratuity	-	8,238
- Amortization of interest free loan	53,937	40,125
	173,958	167,299
Working capital changes:		
Stores, spares and loose tools	(5,159)	(2,074)
Stock in trade	(2,445,817)	(571,540)
Loans and advances - Considered good	19,504	90,747
Deposits, prepayments and other receivables	(103,825)	(805)
Trade and other payables	940,452	(240,694)
	(1,594,844)	(724,365)
	(1,488,321)	(507,935)
Taxes paid - net	(7,625)	-
Financial charges paid	(63,042)	(90,027)
Net cash used in operating activities	(1,558,988)	(597,962)
CASH FLOW FROM INVESTING ACTIVITIES		
B. Fixed capital expenditure	(67,323)	(43,491)
Net cash used in investing activities	(67,323)	(43,491)
CASH FLOW FROM FINANCING ACTIVITIES		
C. Proceeds from short term borrowing and long term loan	1,605,920	646,311
Net cash generated from financing activities	1,605,920	646,311
Net decrease in cash and cash equivalents	(20,391)	4,858
Cash and cash equivalent at beginning of the period	25,102	59,978
Cash and cash equivalent at end of the period	4,711	64,836

The annexed notes from 1 to 11 form an integral part of these interim financial statements.


Muhammad Mubeen Jumani
Chief Executive


Faraz Mubeen Jumani
Managing Director

Karachi the dated July 26, 2017

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED JUNE 30, 2017**

	Issued, Subscribed & paid up Capital	Accumulated Loss	Total
----- Rupees in 000's -----			
Balance as at September 30, 2015	160,175	(328,846)	(168,671)
Total comprehensive income for the period ended June 30 2016			
- Profit for the period	-	35,253	35,253
- Other comprehensive income for the period	-	10	10
Total comprehensive income	-	35,263	35,263
Balance as at June 30, 2016	160,175	(293,583)	(133,408)
Balance as at September 30, 2016	160,175	(257,707)	(97,532)
Total comprehensive income for the period ended June 30 2017			
- Profit for the period	-	(63,058)	(63,058)
- Other comprehensive income for the period	-	9,960	9,960
	-	(53,098)	(53,098)
Balance as at June 30, 2017	160,175	(310,805)	(150,630)

The annexed notes from 1 to 11 form an integral part of these interim financial statements.


Muhammad Mubeen Jumani
Chief Executive


Faraz Mubeen Jumani
Managing Director

Karachi the dated July 26, 2017

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED JUNE 30, 2017****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.

2. BASIS OF PREPARATION

This condensed interim financial statements is unaudited and has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting which comprise of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan and provisions of, and directives issued under the Companies Act 2017; in case, where the requirements of the International Accounting Standard differ, the provisions of, and directives issued under the Companies Act 2017 (the act). In cases where the requirements of the International Accounting Standard differ, the provisions of, and directives issued under the Act shall prevail.

This condensed interim financial statements does not include all the information required for full annual financial statements and should be read in conjunction with the audited financial statements of the company as at and for the year ended September 30, 2016.

These condensed interim financial statements are being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the listing regulations of the Karachi Stock Exchange.

The comparative balance sheet presented in these interim financial statements has been extracted from the audited financial statements of the Company for the year ended September 30, 2016, whereas the comparative profit and loss account, statement of changes in equity, statement of comprehensive income and cash flow statement are extracted from the unaudited interim financial statements for the nine months period ended June 30, 2017.

2.2 Functional and Presentation Currency

These condensed interim financial statements are prepared in Pakistani Rupees

which is also the Company's functional currency and all the numbers presented have been rounded off to the nearest thousand.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial statements are the same as those applied in the preparation of the audited financial statements of the company as at and for the year ended September 30, 2016. Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the company's operations and did not have any impact on the accounting policies of the company.

4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts. Actual results may differ from these estimates, assumptions and judgements. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended September 30, 2016.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended September 30, 2016.

	Un-audited	Audited
Note	June 30,	September 30,
	2017	2016
	← (Rupees in '000) →	
5. PROPERTY, PLANT & EQUIPMENT		
Written down value at 1 October	1,431,737	1,514,110
Deficit arising from the revaluation during the period- net off deferred tax	-	(44,962)
Additions 5.1	56,286	39,847
Disposals		(666)
Depreciation	(56,979)	(76,592)
	1,431,044	1,431,737
Capital work in progress	27,981	5,657
	1,459,025	1,437,394
5.1 Additions		
Building on freehold land	-	-
Plant and machinery	52,283	27,458
Office equipment	68	1,346
Furniture & fixture	22	-
Factory equipment	1,313	-
Vehicles	2,600	11,043
	56,286	39,847
6. SHORT TERM BORROWINGS		
From Related parties - Unsecured		
- From directors	21,007	17,507
From banking company - Secured		
- Cash finance 6.1	1,602,420	-
	1,623,427	17,507
6.1	This represents roll over secured cash financing of Rs. 1,800 million (2016 : Rs. 1,200 millions) from Banking companies and carries markup ranges from 3 Month KIBOR + 2.5% to 3 Month KIBOR + 5 % (2016 : 3 Month KIBOR + 2.5% to 3 Month KIBOR 2.5% to 5%) per annum. The facility is	

secured against pledge of sugar stock of the Company, first equitable mortgage over land and property of associated company and personal guarantees of all directors of the Company.

7. CONTINGENCIES AND COMMITMENTS

As at 30 June 2017, 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 2016.

8. SEASONALITY OF OPERATIONS

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 in this period.

9. TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise group companies, associates, directors and key management personnel.

During the period, following transactions with related parties are carried out: -

	Nine months ended	
	June 30, 2017	June 30, 2016
	← Rupees in '000' →	
Loan from directors - receipts	11,500	170,600
Loan from directors - repayments	8,000	153,132

10. DATE OF AUTHORIZATION

This condensed interim financial information has been authorized for issue on 26-07-2017 by the Board of Directors of the Company.

11. GENERAL

Figures have been rounded off to the nearest thousand rupees.


Muhammad Mubeen Jumani
Chief Executive


Faraz Mubeen Jumani
Managing Director

Karachi the dated July 26, 2017


معزز حصص یافتگان

السلام علیکم

بورڈ آف ڈائریکٹرز کی جانب سے تیسری سہ ماہی سال 2016-17 کے اکاؤنٹ اختتام
30 جون 2017ء کو پیش کرنا ایک اعزاز ہے۔

30-06-2016 Rs. 000	30-06-2017 Rs. 000	مالیاتی نتائج
49,132	(67,435)	(نقصان) / منافع قبل از ٹیکس
(13,879)	4,376	ٹیکس
35,253	(63,058)	(نقصان) / منافع بعد از ٹیکس
2.20	(3.94)	(نقصان) / منافع فی حصص
سیزن 2015-2016	سیزن 2016-2017	کارکردگی کا جائزہ
20-11-2015	11-11-2016	کریٹنگ سیزن کا آغاز
13-03-2016	30-03-2017	کریٹنگ سیزن کا اختتام
115	140	کل متحرک ایام
647,634.964	852,226.272	گنے کی کریٹنگ (میٹرک ٹن)
10.317	9.807	شکر کی اوسط ریکوری
3.883	3.900	مولاسس اوسط ریکوری
66,817.50	83,579.00	شکر کی پیداوار (میٹرک ٹن)
25,148.00	33,237.00	مولاسس کی پیداوار (میٹرک ٹن)

موجودہ سہ ماہی کے دوران شکر اور مولاس کی قیمتیں کم تھیں۔ دوسری جانب شکر کی اوسط ریکوری سال 2015-16 کے مقابلے میں کم رہی۔ انتظامیہ چوتھی سہ ماہی کے نقصانات کی تلافی کیلئے پُر امید ہے


قمر مبین جمانی
چیئر پرسن

کراچی:
26 جولائی 2017