

KHAIRPUR SUGAR MILLS LTD.



**KHAIRPUR**  
SUGAR MILLS LIMITED

**QUARTERLY**

**Financial Statements**

**FOR THE  
PERIOD ENDED  
DECEMBER 31, 2016  
(UN-AUDITED)**

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## 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  
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  
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,  
Haroom Shopping Emporium,  
Sector 15-A-1,  
North Karachi, Karachi-75850

**AUDIT COMMITTEE**

Lt. Gen (Retd.) Anis Ahmed Abbasi  
Mr. Ahmed Ali Jumani  
Mrs. Qamar Mubeen Jumani                      Chairman Member 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, Plot No. 15-C, 9th Commercial Lane,  
Zamzama, Defence Housing Authority, Phase V,  
Karachi. 75500  
Ph: 021-35810771-75  
Fax: 021-35810776

**MILLS**

Naroo Dhoru, Taluka Kot Diji,  
Khairpur.

**E-MAIL & WEBSITE**

[headoffice@jumanigroup.com](mailto:headoffice@jumanigroup.com)  
[www.jumanigroup.com](http://www.jumanigroup.com)

**STOCK EXCHANGE SYMBOL**

KPUS

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**DIRECTOR'S REPORT**

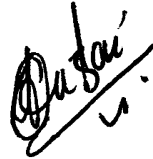
Dear Shareholders,  
Assalam-o-Alaikum,

On behalf of the Board of Directors, I feel pleasure in presenting the un-audited accounts for the First quarter ended December 31, 2016.

During the period under review, your mill started crushing (season 2016-17) from November 11, 2016. At the end of this quarter 305,493.240 M.T. Sugarcane has been crushed by producing 26,110 M.T. Sugar with average recovery of 8.758% in 51 days, as compared to crushing of 234,464.184 M.T. Sugarcane & producing 21,770 M.T. sugar with average recovery of 9.686% in 42 days in corresponding period of last year/season (2015-16).

Government of Sindh has fixed minimum price of Sugar cane at Rs. 182/- per 40 kg for crushing season 2016-17 vide notification dated 31-10-2016. During the period, Sugar prices in the local market were normal and there is no hindrance in availability of sugar cane.

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, 2017


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Qamar Mubeen Jumani  
Chairperson

**KHAIRPUR SUGAR MILLS LIMITED**  
**BALANCE SHEET (UNAUDITED)**  
**AS AT DECEMBER 31, 2016**

	31-12-2016 UNAUDITED	30-09-2016 AUDITED
	<i>Rupees in Thousand</i>	
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipments	1,437,998	1,437,394
Long term deposits	262	262
	<u>1,438,260</u>	<u>1,437,656</u>
<b>Current Assets</b>		
Stores , spares and loose tools	114,344	97,452
Stock in trade	994,789	97,976
Loans and advances	190,374	218,608
Deposits, prepayments and other receivables	10,507	10,282
Cash and bank balances	72,600	25,102
	<u>1,382,614</u>	<u>449,420</u>
<b>Total Assets</b>	<u><u>2,820,874</u></u>	<u><u>1,887,076</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital</b>		
<b>Authorised capital</b>		
20,000,000 ordinary shares of Rs. 10/- each	<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid up Capital	160,175	160,175
Accumulated (Loss)	<u>(287,800)</u>	<u>(257,707)</u>
<b>Shareholder's Equity</b>	<u>(127,625)</u>	<u>(97,532)</u>
Surplus on revaluation of fixed assets	269,601	273,036
<b>Non-Current Liabilities</b>		
Long term financing	989,835	971,856
Deferred liability	118,107	126,443
	<u>1,107,942</u>	<u>1,098,299</u>
<b>Current Liabilities</b>		
Short Term borrowings	567,075	17,507
Trade and other payables	972,346	559,404
Accrued Markup	2,334	-
Provision for taxation	29,201	36,362
	<u>1,570,956</u>	<u>613,273</u>
<b>Contingencies</b>		
<b>Total Equity and Liabilities</b>	<u><u>2,820,874</u></u>	<u><u>1,887,076</u></u>

The annexed notes form an integral part of these financial statements

  
**MUHAMMAD MUBEEN JUMANI**  
 Chief Executive Officer  
 Karachi, dated  
 the 30th January, 2017

  
**FARAZ MUBEEN JUMANI**  
 Managing Director

**KHAIRPUR SUGAR MILLS LIMITED  
PROFIT & LOSS ACCOUNT (un audited)  
FOR THE QUARTER ENDED DECEMBER 31, 2016**

	31-12-2016	31-12-2015
	<i>Rupees in Thousand</i>	
Sales net	678,258	958,719
Cost of Sales	<u>(656,370)</u>	<u>(906,017)</u>
<b>Gross Profit</b>	<b>21,888</b>	52,702
Administrative expenses	<u>(32,338)</u>	<u>(33,984)</u>
Distribution expenses	<u>(4,172)</u>	<u>(3,312)</u>
	<u>(36,510)</u>	<u>(37,296)</u>
<b>Operating Profit/(Loss)</b>	<b>(14,622)</b>	15,405
Other Income	32	1,843
	<u>(14,590)</u>	<u>17,249</u>
Financial cost	<u>(20,491)</u>	<u>(17,726)</u>
Other operating charges	<u>-</u>	<u>(2,410)</u>
	<u>(20,491)</u>	<u>(20,136)</u>
<b>(Loss) before taxation</b>	<b>(35,081)</b>	(2,887)
Taxation	1,553	(3,520)
<b>(Loss) after taxation</b>	<u><b>(33,528)</b></u>	<u>(6,407)</u>
<b>(Loss) per share - basic &amp; diluted</b>	<b>(2.09)</b>	<b>(0.40)</b>

The annexed notes form an integral part of these financial statements


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**MUHAMMAD MUBEEN JUMANI**  
 Chief Executive Officer


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**FARAZ MUBEEN JUMANI**  
 Managing Director

Karachi, dated  
the 30th January, 2017

**KHAIRPUR SUGAR MILLS LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**(Un-Audited)**  
**FOR THE QUARTER ENDED DECEMBER 31, 2016**

	Quarter ended	
	December 31 2016	December 31 2015
	<i>Rupees in Thousand</i>	
Loss for the period	(33,528)	(6,407)
<b>Other comprehensive income</b>		
Incremental depreciation transferred from surplus on revaluation of fixed assets-net of deferred tax	3,435	3,673
<b>Total comprehensive (Loss)</b>	<b>(30,093)</b>	<b>(2,734)</b>

  
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**Muhammad Mubeen Jumani**  
Chief Executive Officer

  
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**Faraz Mubeen Jumani**  
Managing Director

Karachi, dated  
the 30th January, 2017



**KHAIRPUR SUGAR MILLS LIMITED**  
**CASH FLOW STATEMENT**  
**(UN-AUDITED)**  
**FOR THE QUARTER ENDED DECEMBER 31, 2016**

	DECEMBER 31, 2016	DECEMBER 31, 2015
	<i>Rupees in Thousand</i>	
<b>CASH GENERATED FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	(468,751)	154,842
Finance cost paid	(177)	(11,533)
Taxes paid	(13,352)	(3,442)
<b>Net cash generated from operating activities</b>	<b>(482,280)</b>	<b>139,868</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(19,790)	(19,063)
<b>Net cash used in investing activities</b>	<b>(19,790)</b>	<b>(19,063)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Receipts/Repayments of long term loans net	-	71,760
Short term cash finance	549,568	-
Accrued Markup	-	(10,339)
<b>Net cash used in financing activities</b>	<b>549,568</b>	<b>61,421</b>
<b>Net increase in cash and cash equivalents</b>	<b>47,498</b>	<b>182,225</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>25,102</b>	<b>59,978</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>72,600</b>	<b>242,203</b>

The annexed notes form an integral part of these financial statements

  
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**MUHAMMAD MUBEEN JUMANI**  
 Chief Executive Officer

  
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**FARAZ MUBEEN JUMANI**  
 Managing Director

Karachi, dated  
 the 30th January, 2017

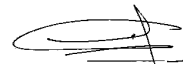
**KHAIRPUR SUGAR MILLS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**(UN-AUDITED)**  
**FOR THE QUARTER ENDED DECEMBER 31, 2016**

	Issued, subscribed & paid up Capital	Accumulated (Loss)/Profit <i>Rupees in Thousand</i>	Total
<b>Balance as on September 30, 2015</b>	160,175	(328,846)	(168,671)
Profit after taxation for the year	-	56,770	56,770
Other comprehensive income	-	14,369	14,369
Total Comprehensive (Loss)/Income	-	71,139	71,139
<b>Balance as on September 30, 2016</b>	160,175	(257,707)	(97,532)
(Loss) after taxation for the quarter	-	(33,528)	(33,528)
Other comprehensive Income	-	3,435	3,435
<b>Balance as on December 31, 2016</b>	160,175	(287,800)	(127,625)

The annexed notes form an integral part of these financial statements



**MUHAMMAD MUBEEN JUMANI**  
Chief Executive Officer



**FARAZ MUBEEN JUMANI**  
Managing Director

Karachi, dated  
the 30th January, 2017

**KHAIRPUR SUGAR MILLS LIMITED**  
**SELECTED EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**UN-AUDITED**  
**FOR THE QUARTER ENDED DECEMBER 31, 2016**

**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 3rd Floor, Plot No. 15-C, 9th Commercial Lane, Defence Housing Authority, Phase V, 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, 2016

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

	December 31, 2016	September 30, 2016
<i>Rupees in Thousand</i>		
<b>Additions</b>		
Building	6,735	-
Plant and machinery	11,853	27,458
Furniture and fixture	22	-
Office Equipment	1,180	1,346
Vehicles	-	11,043
<b>Total</b>	<b>19,790</b>	<b>39,847</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 2016)

**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**

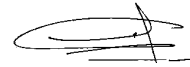
These financial statements were authorized for issuance on 30-01-2017 by the Board of Directors of the Company.

**8. GENERAL**

Figures have been rounded off to the nearest thousand rupee.



Muhammad Mubeen Jumani  
Chief Executive Officer



Faraz Mubeen Jumani  
Managing Director

Karachi, dated  
the 30th January, 2017