



Quarterly  
**FINANCIAL**  
**STATEMENTS**  
For the Priod Ended  
December 31  
**2021**

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# Company Profile

**DATE OF INCORPORATION**

August 23, 1989

**DATE OF COMMENCEMENT OF BUSINESS**

September 13, 1989

**BOARD OF DIRECTORS**

Mr. Faraz Mubeen Jumani  
(Chief Executive Officer)  
Mr. Muhammad Mubeen Jumani  
Mr. Fahad Mubeen Jumani  
Mrs. Qamar Mubeen Jumani  
(Chairperson)  
Miss. Arisha Mubeen Jumani  
Lt. Gen (Retd). Tahir Mahmud Qazi  
Mr. Asif Khan Brohi

**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. 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**

Mr. Asif Khan Brohi  
(Chairman)  
Lt. Gen (Retd). Tahir Mahmud Qazi  
(Member)  
Mrs. Qamar Mubeen Jumani  
(Member)

**HR AND REMUNERATION COMMITTEE**

Mr. Asif Khan Brohi  
(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.

**COST AUDITOR**

M/S A. D. Akhawala & Co.  
Chartered Accountant  
321-Uni Centre, I.I. Chundrigar Road, Karachi.

**SHARES REGISTERAR**

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

**REGISTERED OFFICE**

51/II/IV, Khayaban-e-Janbaz, 26th Street,  
Phase V Ext., D.H.A., Karachi.  
Ph: 021-35250131-35  
Fax: 021-35250136

**MILLS**

Naroo Dhoro, Taluka Kot Diji, Khairpur.

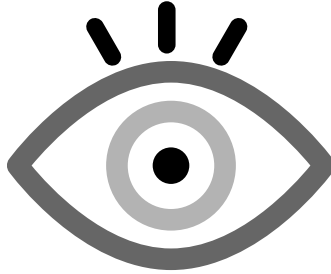
**E-MAIL & WEBSITE**

headoffice@jumanigroup.com  
http://khaipur.sugar.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, 2021.

## FINANCIAL RESULTS

During the period under review, the operation of your Company resulted in a pre-tax profits of Rs. 198,244 Million. The financial results are as under:

	<b>Rupees in thousand</b>					
Profit before taxation	...	...	...	...	...	198,244
Taxation	...	...	...	...	...	(9,106)
Profit after taxation	...	...	...	...	...	189,138

## PERFORMANCE REVIEW

The crushing season 2021-22 started on 13th November 2021 and up to the end of this quarter 268,136.6 M.T Sugar-cane has been crushed by producing 23,935.00 M.T Sugar with average recovery of 9.233% in 49 days, as compared to crushing of 269,227.010 M.T Sugar-cane and producing 23,927.00 M.T Sugar with average recovery of 9.157% in 57 days in corresponding period of last year/season 2020-21.

Government of Sindh (Agriculture Supply & Prices Department) has issued a notification fixing the minimum sugarcane support price at Rs.250/= (Rupees two hundred fifty) per 40 kg (Mds) for crushing season 2021-22. Due to which growers are getting more than the previous year and fair return of their efforts. Sugar prices dropped significantly at the start of the crushing season. Similarly, the prices of molasses are also decreasing as compared to the last year. Further combining the same with the increase in Kibor rates over the period of time by the SBP 9.75% on December 31, as a result the company is anticipating increase in the overall financing cost. All such factors will play significant role on company's cost. However, company is anticipating significant increase in sugar cane harvesting which will helps in maintaining the overall cane cost coupled with the increase in recovery rates in the coming months and the anticipation in the stability in sugar prices for the upcoming year. All these factors will have the positive bearing on the operation of the company due to which your company is anticipating to close the next financial year with decent profitability.

## 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 |

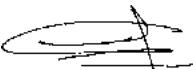
**2. The composition of board is as follows:**

- |    |                              |   |
|----|------------------------------|---|
| a) | Independent Directors        | Lt. Gen (Rtd). Tahir Mahmud Qazi<br>Mr. Asif Khan Brohi                           |
| b) | Other Non-executive Director | Mr. Fahad Mubeen Jumani<br>Mrs. Qamar Mubeen Jumani<br>Miss. Arisha Mubeen Jumani |
| c) | Executive Directors          | Mr. Muhammad Mubeen Jumani<br>Mr. Faraz Mubeen Jumani                             |
| d) | Female Directors             | Mrs. Qamar Mubeen Jumani<br>Miss. Arisha Mubeen Jumani                            |

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

- |    |                                  |          |
|----|----------------------------------|----------|
| a) | Audit Committee                  |          |
|    | Mr. Asif Khan Brohi              | Chairman |
|    | Lt. Gen Tahir Mahmud Qazi        | Member   |
|    | Mrs. Qamar Mubeen Jumani         | Member   |
| b) | HR and Remuneration Committee    |          |
|    | Mr. Asif Khan Brohi              | 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**  
Chief Executive Officer

## Condensed Interim Statement of Financial Position (Unaudited)

As at December 31, 2021

	December 31 2021 (Unaudited)	September 30 2021 (Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	4 3,290,181	3,255,511
Intangible Assets	5,992	5,992
Long Term deposits	2,769	3,232
	<b>3,298,942</b>	<b>3,264,735</b>
<b>CURRENT ASSETS</b>		
Stores & spare and loose tools	184,042	144,468
Stock in Trade	570,645	940,159
Loans and Advances	699,299	532,909
Deposits, prepayments and other receivables	232,200	231,244
Tax refund due from Government	-	-
Cash and bank balances	179,519	92,724
	<b>1,865,705</b>	<b>1,941,504</b>
<b>TOTAL ASSETS</b>	<b>5,164,647</b>	<b>5,206,239</b>
<b>EQUITY AND LIABILITIES</b>		
Authorised share capital 20,000,000 ordinary shares of Rs. 10/- each	<b>200,000</b>	<b>200,000</b>
Issued, subscribed and paidup capital	160,175	160,175
Surplus on revaluation of fixed assets-net	1,237,096	1,249,129
Accumulated Profit	354,947	153,776
<b>SHAREHOLDER'S EQUITY</b>	<b>1,752,218</b>	<b>1,563,080</b>
<b>NON-CURRENT LIABILITIES</b>		
Long Term Financing	977,242	949,127
Deferred Grant	4,542	9,707
Liabilities against asset subject to finance lease	-	1,420
Deferred Liability	257,130	274,525
	<b>1,238,914</b>	<b>1,234,779</b>
<b>CURRENT LIABILITIES</b>		
Short term borrowing	1,280,167	1,729,323
Current portion of liabilities against assets subject to finance lease	6,002	6,558
Current portion of Long Term Loan	53,782	69,532
Trade & other payables	769,226	551,634
Provision for taxation	45,783	14,464
Accrued Markup	18,555	36,869
	<b>2,173,515</b>	<b>2,408,380</b>
<b>CONTINGENCIES</b>	5 -	-
Total Equity and Liabilities	<b>5,164,647</b>	<b>5,206,239</b>

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



**Faraz Mubeen Jumani**  
Chief Executive



**Mirza Muhammad Bilal Kamil**  
Chief Financial Officer



**Muhammad Mubeen Jumani**  
Director

## Condensed Interim Statement of Profit & Loss Account (Unaudited)

For the quarter ended December 31, 2021

	<i>December 31</i> 2021	<i>December 31</i> 2020
	-----Rupees in 000's-----	
Sales - net	2,689,101	1,360,801
Cost of Sales	<u>(2,358,991)</u>	<u>(1,147,641)</u>
<b>Gross Profit</b>	<b>330,110</b>	<b>213,160</b>
Administrative Expenses	(72,291)	(47,264)
Distribution Expense	(3,976)	(4,618)
<b>Operating Profit</b>	<b>253,843</b>	<b>161,278</b>
Other Income	<u>28</u>	<u>1</u>
	253,871	161,279
Financial charges	(55,627)	(59,113)
<b>Profit before Taxation</b>	<b>198,244</b>	<b>102,166</b>
Taxation	(9,106)	(71,522)
<b>Profit after Taxation</b>	<b>189,138</b>	<b>30,644</b>
Other comprehensive income	-	-
<b>Total comprehensive profit for the period</b>	<b>189,138</b>	<b>30,644</b>
<b>Earnings per share-basic and diluted</b>	<b>11.82</b>	<b>1.92</b>

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



*Faraz Mubeen Jumani*  
Chief Executive



*Mirza Muhammad Bilal Kamil*  
Chief Financial Officer



*Muhammad Mubeen Jumani*  
Director



## Condensed Interim Statement of Changes in Equity (Unaudited)

For the quarter ended December 31, 2021

	<i>Issued, subscribed &amp; paid-up capital</i>	<i>Capital Reserve Surplus on revaluation of fixed assets</i>	<i>Accumulated profit</i>	<i>Total</i>
-----Rupees in 000's-----				
<b>Balance as at September 30, 2020</b>	160,175	656,590	140,698	957,463
<b>Revaluation during the period - net off deferred tax</b>		617,043	-	617,043
<b>Total comprehensive income for the period ended September 30 2020</b>				
- Profit for the period	-	-	82,537	82,537
- Other comprehensive income for the period	-	-	-	-
	-	-	82,537	82,537
Present value adjustment of long term loan due to modification	-	-	(93,963)	(93,963)
Transfer on account of incremental depreciation-net of deferred tax	-	(24,504)	24,504	-
<b>Balance as at September 30, 2021</b>	<b>160,175</b>	<b>1,249,129</b>	<b>153,776</b>	<b>1,563,080</b>
<b>Balance as at September 30, 2021</b>	<b>160,175</b>	<b>1,249,129</b>	<b>153,776</b>	<b>1,563,080</b>
<b>Revaluation during the period - net off deferred tax</b>		-		
<b>Total comprehensive income for the period ended December 31 2021</b>				
- Profit for the period	-	-	189,138	189,138
- Other comprehensive income for the period	-	-	-	-
	-	-	189,138	189,138
Transfer on account of incremental depreciation-net of deferred tax	-	(12,033)	12,033	-
<b>Balance as at December 31, 2021</b>	<b>160,175</b>	<b>1,237,096</b>	<b>354,947</b>	<b>1,752,218</b>

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



**Faraz Mubeen Jumani**  
Chief Executive



**Mirza Muhammad Bilal Kamil**  
Chief Financial Officer



**Muhammad Mubeen Jumani**  
Director

## Condensed Interim Statement of Cash Flow Statement (Unaudited)

For the quarter ended December 31, 2021

	December 31 2021 (Unaudited)	December 31 2020 (Unaudited)
	----- Rupees in '000 -----	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before taxation	198,244	102,166
<b>Adjustments for:</b>		
- Financial cost	32,544	32,075
- Depreciation	37,627	26,776
- Amortization of interest free loan	23,083	27,008
	93,254	85,859
<b>Working capital changes:</b>		
Stores, spares and loose tools	(39,574)	(33,146)
Stock in trade	369,514	(603,461)
Loans and advances - Considered goods	(166,390)	219,763
Deposits, prepayments and other receivables	(956)	1,833
Trade and other payables	217,592	46,425
	380,186	(368,586)
	671,684	(180,561)
Taxes paid - net	797	(37,210)
Financial charges paid	(50,840)	(38,816)
	(50,043)	(76,026)
<b>Net cash (used in) operating activities</b>	621,640	(256,587)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(69,298)	-
Long term deposits	463	747
Capital work-in-progress	(2,998)	(21,214)
<b>Net cash (used in) investing activities</b>	(71,833)	(20,467)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short term borrowing	(449,156)	507,955
Proceeds from Long term borrowing	(11,880)	21,000
Repayment of Staff Gratuity	-	(146)
Repayment of lease rentals	(1,976)	(1,412)
<b>Net cash generated from financing activities</b>	(463,012)	527,397
<b>Net decrease in cash and cash equivalents</b>	86,795	250,343
<b>Cash and cash equivalent at beginning of the period</b>	92,724	50,373
<b>Cash and cash equivalent at end of the period</b>	179,519	300,716

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



**Faraz Mubeen Jumani**  
Chief Executive



**Mirza Muhammad Bilal Kamil**  
Chief Financial Officer



**Muhammad Mubeen Jumani**  
Director

## Notes to the Condensed Interim Financial Statements (Unaudited)

For the quarter ended December 31, 2021

### 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 51/II/TV, Khayaban-e-Janbaz, 26th Street, Phase V Ext., 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, 2021

<i>Note</i>	<i>Un-audited December 31, 2021</i>	<i>Audited September 30, 2021</i>
	----- Rupees in '000 -----	

### 4 PROPERTY, PLANT & EQUIPMENT

Written down value at 1 October		3,207,085	2,278,461
Additions	5.1	69,298	223,811
Disposals - net		-	-
Revaluation		-	820,061
Depreciation		(37,627)	(115,249)
		<u>3,238,756</u>	<u>3,207,084</u>
Capital work in progress		51,425	48,427
		<u>3,290,181</u>	<u>3,255,511</u>

## Notes to the Condensed Interim Financial Statements (Unaudited)

For the quarter ended December 31, 2021

	<i>Un-audited</i> <i>December 31,</i> <i>2021</i>	<i>Audited</i> <i>September 30,</i> <i>2021</i>
<i>Note</i>	<i>----- Rupees in '000 -----</i>	
<b>4.1 Additions</b>		
Building on freehold land	2,343	5,175
Plant and machinery	59,387	201,014
Office equipment	235	12,117
Furniture & fixture	818	3,145
Factory equipment	2,837	2,045
Vehicle	3,679	315
	66,138	223,811

### 5 CONTINGENCIES AND COMMITMENTS

As at December 31, 2021, 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 2021.

### 6 SEASONALITY OF OPERATIONS

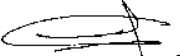
The Sugar Industry are operating on seasonal basis normally from November to March. Therefore all major production cost other than fixed cost, for example cost of goods manufactured, stock and short term finances being reflected to be high in this period.

### 7 DATE OF AUTHORIZATION

This condensed interim financial information has been authorized for issue on January 28, 2022 by the Board of Directors of the Company.

### 8 GENERAL

Figures have been rounded off to the nearest thousand rupees.



*Faraz Mubeen Jumani*  
Chief Executive



*Mirza Muhammad Bilal Kamil*  
Chief Financial Officer



*Muhammad Mubeen Jumani*  
Director





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Website: [www.khairpursugar.com.pk](http://www.khairpursugar.com.pk)