



Quarterly
Financial
Statements
for the
Period Ended
June 30
2021

 **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. 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

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

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.

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://khaipurpursugar.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,

On behalf of the Board of Directors, it is my privilege to present before you, the Nine Month condensed un-audited accounts for the period ended 30th June, 2021.

FINANCIAL RESULTS

	30-06-2021	30-06-2020
	----- Rupees in '000 -----	
Profit before Taxation	151,580	155,696
Taxation	(35,243)	(84,018)
Profit after Taxation	116,337	71,678
	=====	=====
Earnings per Share	7.27	4.48
	=====	=====

PERFORMANCE REVIEW

The operating results for the crushing season is mentioned here under:

	SEASON	SEASON
	2020-2021	2019-2020
Season Started	05-11-2020	21-11-2019
Season Ended	06-03-2021	06-03-2020
Number of days worked	122	106
Sugarcane Crushing (MT)	573,858.360	524,252.512
Recovery (%) Sugar	9.983	9.833
Recovery (%) Molasses	4.942	4.559
Production – Sugar (MT)	57,294.00	51,552.00
Production – Molasses (MT)	28,361.00	23,900.00

The crushing season 2020-21 started on November 05, 2020 and ends on March 06, 2021. During the sugar cane season 2020-21 your company has crushed 573,858.360 M.T Sugar-cane and produced 57,294.00 M.T sugar with average recovery of 9.983% in 122 days, as compared to crushing of 524,252.512 M.T Sugar-cane and producing 51,552.00 M.T Sugar with average recovery of 9.833% in 106 days in corresponding period of last year/season 2019-20.

The Government of Sindh (Agriculture, Supply & Prices Department) has notified fixing the minimum support price of sugar-cane at Rs.202/= per 40 Kg. for crushing season 2020-21. During the current season 2020-21 sugar cane production was high as compared to previous year but, the competition was tough due to shortage of sugar cane in some part as a result of this higher rates were paid to the growers to meet the targets. Similarly, the prices of Sugar and Molasses has also shown an upward trend during the current season 2020-21. Which has resulted in profit for the half year ended 30 June 2021 and expect the same trend to continue till year end.

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:

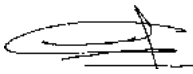
- | | |
|---------------------------|---|
| a) Independent Directors | Mr. Asif Khan Brohi
Lt. Gen (Rtd). Tahir Mahmud Qazi |
| b) Non-executive Director | Mr. Fahad Mubeen Jumani
Mrs. Qamar Mubeen Jumani |
| c) Executive Directors | Mr. Faraz Mubeen Jumani
Mr. Muhammad Mubeen Jumani
Miss. Arisha Mubeen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

For and on behalf of the Board



Faraz Mubeen Jumani
Chief Executive



Condensed Interim Statement of Financial Position

As at June 30, 2021

	June 30 2021 (Unaudited)	September 30 2020 (Audited)
	Note ---Rupees in 000's---	
<u>ASSETS</u>		
<u>Non-Current Assets</u>		
Property, Plant and Equipment	5 2,341,140	2,332,102
Intangible Assets	6,307	6,307
Long Term deposits	3,232	3,979
	2,350,679	2,342,388
<u>CURRENT ASSETS</u>		
Stores & spare and loose tools	136,927	165,071
Stock in Trade	1,477,906	426,209
Loans and Advances	535,532	453,609
Deposits, prepayments and other receivables	228,244	226,415
Cash and bank balances	402,816	50,373
	2,781,425	1,321,677
TOTAL ASSETS	5,132,104	3,664,065
<u>EQUITY AND LIABILITIES</u>		
Authorised share capital 20,000,000 ordinary shares of Rs. 10/- each	200,000	200,000
Issued, subscribed and paidup capital	160,175	160,175
Surplus on revaluation of fixed assets-net	638,212	656,590
Accumulated Profit	275,413	140,698
SHAREHOLDER'S EQUITY	1,073,800	957,463
<u>NON-CURRENT LIABILITIES</u>		
Long Term Financing	907,718	824,593
Deferred Grant	8,853	9,932
Liabilities against asset subject to finance lease	12,943	7,978
Deferred Liability	43,434	59,468
	972,948	901,971
<u>CURRENT LIABILITIES</u>		
Short term borrowing	2,200,000	1,248,043
Current portion of liabilities against assets subject to finance lease	11,921	13,333
Current portion of Long Term Loan	13,125	39,375
Trade & other payables	765,666	433,690
Provision for taxation	63,817	58,291
Accrued Markup	30,827	11,899
	3,085,356	1,804,631
CONTINGENCIES	6 -	-
Total Equity and Liabilities	5,132,104	3,664,065

The annexed notes from 1 to 9 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 or Loss Account and other Comprehensive Income (Un-audited) For the Nine Months ended June 30, 2021

	<i>Nine Month</i>		<i>Third quarter ended</i>	
	<i>June 30 2021</i>	<i>June 30 2020</i>	<i>June 30, 2021</i>	<i>June 30, 2020</i>
	-----Rupees in 000's-----			
Sales - net	3,840,854	3,038,500	1,466,561	585,229
Cost of Sales	(3,292,134)	(2,512,412)	(1,264,824)	(481,405)
Gross Profit	548,720	526,088	201,737	103,824
Administrative Expenses	(160,079)	(149,396)	(62,865)	(41,294)
Distribution Expense	(13,455)	(14,694)	(389)	(347)
Operating Profit	375,186	361,998	138,483	62,183
Other Income	4,006	208	24	-
	379,192	362,206	138,507	62,183
Financial charges	(227,612)	(206,510)	(87,836)	(47,873)
Profit before Taxation	151,580	155,696	50,671	14,310
Taxation	(35,243)	(84,018)	18,190	(8,779)
Profit after Taxation	116,337	71,678	68,861	5,531
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/profit for the period	116,337	71,678	68,861	5,531
Earnings per share-basic and diluted	7.27	4.48	4.30	0.35

The annexed notes from 1 to 9 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 (Un-audited)

For the Nine Months ended June 30, 2021

	<i>Issued, subscribed & paid-up capital</i>	<i>Capital Reserve Surplus on revaluation of fixed assts</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
<i>Total comprehensive income for the period ended June 30 2020</i>				
- Profit for the period	-	-	71,678	71,678
- Other comprehensive income for the period	-	-	-	-
	-	-	71,678	71,678
Transfer on account of incremental depreciation-net of deferred tax	-	(19,346)	19,346	-
Balance as at June 30, 2020	160,175	663,037	239,652	1,062,864
Balance as at September 30, 2020	160,175	656,590	140,698	957,463
<i>Total comprehensive income for the period ended June 30 2021</i>				
- Profit for the period	-	-	116,337	116,337
- Other comprehensive income for the period	-	-	-	-
	-	-	116,337	116,337
Transfer on account of incremental depreciation-net of deferred tax	-	(18,378)	18,378	-
Balance as at June 30, 2021	160,175	638,212	275,413	1,073,800

The annexed notes from 1 to 9 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 (Un-audited)

For the Nine Months ended June 30, 2021

	<i>June 30,</i> <i>2021</i>	<i>June 30,</i> <i>2020</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>----- Rupees in '000 -----</i>	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxation	151,580	155,696
Adjustments for:		
- Financial cost	159,407	135,468
- Depreciation	80,327	87,472
- Amortization of interest free loan	63,097	71,041
	302,831	293,981
Working capital changes:		
Stores, spares and loose tools	28,144	(11,989)
Stock in trade	(1,051,697)	(799,991)
Loans and advances - Considered good	(81,923)	(77,987)
Deposits, prepayments and other receivables	(1,829)	(2,500)
Trade and other payables	331,976	(51,913)
	(775,329)	(944,380)
	(320,918)	(494,703)
Taxes paid - net	(48,823)	(15,402)
Financial charges paid	(140,479)	(179,491)
	(189,302)	(194,893)
Net cash (used in) operating activities	(510,219)	(689,596)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(66,359)	(86,297)
Long term deposits	747	-
Capital work-in-progress	(23,005)	(1,432)
Net cash (used in) investing activities	(88,617)	(87,728)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short term borrowing	951,957	809,717
Proceeds from Long term borrowing	(3,281)	-
Repayment of lease rentals	3,553	11,180
Repayment of staff gratuity	(949)	(44,608)
Net cash generated from financing activities	951,280	776,289
Net decrease in cash and cash equivalents	352,444	(1,035)
Cash and cash equivalent at beginning of the period	50,373	80,503
Cash and cash equivalent at end of the period	402,816	79,468


The annexed notes from 1 to 9 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

Place: Karachi, Dated: July 19, 2021



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the Nine Months ended June 30, 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 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*

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, 2020.

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 Pakistan 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, 2020, 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 third quarter ended June 30, 2021.

2.1 *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, 2020. 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, 2020.

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, 2020.

		<i>Un-audited June 30, 2021</i>	<i>Audited September 30, 2020</i>
		----- Rupees in '000 -----	
5.	PROPERTY, PLANT & EQUIPMENT		
		<i>Note</i>	
	Written down value at 1 October	2,278,461	2,266,294
	Additions	66,359	133,965
	Depreciation	(80,327)	(121,798)
		2,264,493	2,278,461
	Capital work in progress	47,408	24,403
	Advance against purchase of property	29,238	29,238
		2,341,139	2,332,102
		<i>Un-audited June 30, 2021</i>	<i>Audited September 30, 2020</i>
		----- Rupees in '000 -----	
5.1	Additions		
		<i>Note</i>	
	Building on freehold land	250	-
	Plant and machinery	56,517	106,469
	Office equipment	8,331	3,527
	Factory equipment	995	-
	Furniture & fixture	-	198
	Right of use assets	-	23,763
	Vehicle	267	8
		66,359	133,965
	SHORT TERM BORROWINGS		
	<i>From Related parties - Unsecured</i>		
	- From directors	-	31,407
	<i>From banking company - Secured</i>		
	- Cash finance	6.1	875,200
		2,200,000	906,607

7 **CONTINGENCIES AND COMMITMENTS**

As at June 30, 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 2020.

8 **SEASONALITY OF OPERATIONS**

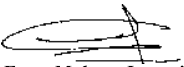
The Sugar Industry are operating on seasonal basis normally from November to March. Therefore all major production cost other than fixed cost, for example cost of goods manufactured, stock and short term finances being reflected to be high in this period.

9 **DATE OF AUTHORIZATION**

This condensed interim financial information has been authorized for issue on July 19, 2021 by the Board of Directors of the Company.

10 **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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