

The background of the cover is a composite image. The top portion shows a dense field of green sugarcane stalks. Below this, a white curved band separates the cane field from a landscape of a sunset or sunrise over a field. The bottom portion of the cover shows a field of green sugarcane plants with a dirt path leading through them.

**FIRST  
QUARTER  
ENDED  
December 31, 2022**

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**CORPORATE INFORMATION****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 OFFIER**

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  
Habib Bank Islamic  
JS Bank Limited  
Bank Al Habib Limited  
Faysal Islamic Bank Limited  
Habib Metropolitan 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.

**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  
Suite No 17-18 Farid Chambers, 2nd Floor  
Abdullah Haroon Road, Karachi

**COST AUDITOR**

M/S A.D Akhwalala & 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,  
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](mailto:headoffice@jumanigroup.com)  
<http://khaipur sugars.com.pk>

**STOCK EXCHANGE SYMBOL**KPUS

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### **VISION STATEMENT**

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 STATEMENT**

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.

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**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, 2022.

**FINANCIAL RESULTS**

During the period under review, the operation of your Company resulted in a pre-tax profits of Rs. 21,180 Million. The financial results are as under:

	<u>Rupees in thousand</u>						
Profit before taxation	...	...	...	...	...	...	21,180
Taxation	...	...	...	...	...	...	(929)
Profit after taxation	...	...	...	...	...	...	20,252

**PERFORMANCE REVIEW**

The crushing season 2022-23 started on 29<sup>th</sup> November 2022 and up to the end of this quarter 167,081.845 M.T Sugar-cane has been crushed by producing 14,900 M.T Sugar with average recovery of 9.422% in 33 days, as compared to crushing of 268,136.610 M.T Sugar-cane and producing 23,935 M.T Sugar with average recovery of 9.233% in 49 days in corresponding period of last year/season 2021-22.

The Government of Sindh (Agriculture Supply & Prices Department) has issued a notification fixing the minimum sugarcane support price at Rs.302/= (Rupees Three hundred and two) per 40 kg (Mds) for crushing season 2022-23. 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. However, the prices of molasses are significantly increased as compared to the last year. Further combining the same with the increase in Kibor rates over the period of time. 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, despite the current flood situation the company is still anticipating moderate increase in sugar cane harvesting which will help 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. Similarly, the industry expecting the permission of sugar export quota from the federal government on excess sugar availability to be enhanced up to 500,000 Metric Tons from 250,000 MT. Permission of export would help the company to maintain the profitability for upcoming year further it will help to mitigate current economic crises which the country facing in the form of foreign exchange inflows. 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.

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  
Mr. Asif Khan Brohi
- 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  
Mr. Asif Khan Brohi  
Lt. Gen Tahir Mahmud Qazi  
Mrs. Qamar Mubeen Jumani  
Chairman  
Member  
Member
- b) HR and Remuneration Committee  
Mr. Asif Khan Brohi  
Lt. Gen (Retd) Tahir Mahmud Qazi  
Mr. Muhammad Mubeen Jumani  
Chairman  
Member  
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



Muhammad Mubeen Jumani  
Director

Karachi, dated January 30, 2023

**KHAIRPUR SUGAR MILLS LIMITED**  
**STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT December 31, 2022**

v

	December 31 2022 (Unaudited)	September 30 2022 (Audited)
<b>ASSETS</b>	—Rupees in 000's—	
<b>Non-Current Assets</b>		
Property, Plant and Equipment	3,345,596	3,338,541
Intangible Assets	8,182	8,286
Long Term deposits	11,382	13,482
	<u>3,365,160</u>	<u>3,360,309</u>
<b>CURRENT ASSETS</b>		
Trade Debts	59,582	56,813
Stores & spare and loose tools	215,508	156,813
Stock in Trade	1,119,138	1,554,011
Loans and Advances	585,946	605,380
Deposits, prepayments and other receivables	222,979	238,324
Cash and bank balances	183,324	176,565
	<u>2,386,477</u>	<u>2,787,906</u>
<b>TOTAL ASSETS</b>	<u><u>5,751,637</u></u>	<u><u>6,148,215</u></u>
<b>EQUITY AND LIABILITIES</b>		
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	1,189,567	1,200,998
Subordinated Loan	1,140,657	1,140,657
Accumulated Profit	203,012	171,329
<b>SHAREHOLDER'S EQUITY</b>	<u>2,693,411</u>	<u>2,673,159</u>
<b>NON-CURRENT LIABILITIES</b>		
Liabilities against asset subject to finance lease	37,707	39,256
Deferred Liability	263,310	287,762
	<u>301,017</u>	<u>327,018</u>
<b>CURRENT LIABILITIES</b>		
Short term borrowing	1,805,279	887,626
Current portion of Long Term Loan	7,875	15,140
assets subject to finance lease	7,583	7,583
Deferred income	-	3,235
Trade & other payables	823,562	2,044,499
Provision for taxation	56,078	101,862
Accrued Markup	56,833	88,093
	<u>2,757,210</u>	<u>3,148,038</u>
<b>CONTINGENCIES</b>		
Total Equity and Liabilities	<u><u>5,751,637</u></u>	<u><u>6,148,215</u></u>

The annexed notes from 1 to 10 form an integral part of these interim financial statements.



**Faraz Mubeen Jumani**  
Chief Executive Officer



**Mirza Muhammad Bilal Kamil**  
Chief Financial Officer



**Muhammad Mubeen Jumani**  
Director

**Karachi Dated : January 30, 2023**


**KHAIRPUR SUGAR MILLS LTD**  
**STATEMENT OF PROFIT AND LOSS ACCOUNT (UNAUDITED)**  
**FOR THE QUARTER ENDED DECEMBER 31, 2022**

	<i>December 31</i> <i>2022</i>	<i>December 31</i> <i>2021</i>
<i>-----Rupees in 000's-----</i>		
Sales - net	2,023,011	2,689,101
Cost of Sales	<u>(1,894,637)</u>	<u>(2,358,991)</u>
<b>Gross Profit</b>	<b>128,374</b>	<b>330,110</b>
Administrative Expenses	<u>(71,978)</u>	<u>(72,291)</u>
Other Operating Expenses	<u>(871)</u>	<u>-</u>
Distribution Expense	<u>(3,919)</u>	<u>(3,976)</u>
	<u>(76,768)</u>	<u>(76,267)</u>
<b>Operating Profit</b>	<b>51,606</b>	<b>253,843</b>
Other Income	<u>10</u>	<u>28</u>
	<u>51,616</u>	<u>253,871</u>
Financial charges	<u>(30,436)</u>	<u>(55,627)</u>
<b>Profit before Taxation</b>	<b>21,180</b>	<b>198,244</b>
<b>Taxation</b>		
Current	<u>(929)</u>	<u>(9,106)</u>
<b>Profit after Taxation</b>	<b>20,252</b>	<b>189,138</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
Total comprehensive income for the period	<u><b>20,252</b></u>	<u><b>189,138</b></u>
<b>Earnings per share-basic and diluted</b>	<u><b>1.27</b></u>	<u><b>11.82</b></u>

The annexed notes from 1 to 10 form an integral part of these interim financial statements.

  
 Faraz Mubeen Jumani  
 Chief Executive Officer

  
 Mirza Muhammad Bilal Kamil  
 Chief Financial Officer

  
 Muhammad Mubeen Jumani  
 Director


**Karachi Dated : January 30, 2023**



**KHAIRPUR SUGAR MILLS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE QUARTER ENDED DECEMBER 31, 2022**

	<i>Issued, subscribed &amp; paid-up capital</i>	<i>Capital Reserve Surplus on revaluation of fixed assts</i>	<i>Accumulated Profit</i>	<i>Total</i>
-----Rupees in 000's-----				
<b>Balance as at September 30, 2021</b>	160,175	1,249,129	153,776	1,563,080
<b>Revaluation during the period - net off deferred tax</b>		-	-	-
<b>Total comprehensive income for the period ended September 30 2021</b>				
- Profit for the period	-	-	116,921	116,921
- Other comprehensive income for the period	-	-	-	-
	-	-	116,921	116,921
Present value adjustment of long term loan due to modification	-	-	(147,499)	(147,499)
Transfer on account of incremental depreciation-net of deferred tax	-	(48,131)	48,131	-
<b>Balance as at September 30, 2022</b>	<b>160,175</b>	<b>1,200,998</b>	<b>171,329</b>	<b>1,532,502</b>
<b>Balance as at September 30, 2022</b>	<b>160,175</b>	<b>1,200,998</b>	<b>171,329</b>	<b>1,532,502</b>
<b>Revaluation during the period - net off deferred tax</b>		-		
<b>Total comprehensive income for the Quarter ended December 31 2022</b>				
- Profit for the period	-	-	20,252	20,252
- Other comprehensive income for the period	-	-	-	-
	-	-	20,252	20,252
Transfer on account of incremental depreciation-net of deferred tax	-	(11,431)	11,431	-
<b>Balance as at December 31, 2022</b>	<b>160,175</b>	<b>1,189,567</b>	<b>203,012</b>	<b>1,552,754</b>

The annexed notes from 1 to 10 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

Karachi Dated : January 30, 2023

**KHAIRPUR SUGAR MILLS LIMITED**  
**STATEMENT OF CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE QUARTER ENDED DECEMBER 31, 2022**

	<i>December 31</i> <i>2022</i> <i>(Unaudited)</i>	<i>December 31</i> <i>2021</i> <i>(Unaudited)</i>
<i>----- Rupees in '000 -----</i>		
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before taxation	21,180	198,244
<b>Adjustments for:</b>		
- Financial cost	30,436	32,544
- Depreciation	41,820	37,627
- Amortization of interest free loan	-	23,083
	72,256	93,254
<b>Working capital changes:</b>		
Trade Debts	(2,769)	-
Stores, spares and loose tools	(58,695)	(39,574)
Stock in trade	434,873	369,514
Loans and advances - Considered good	19,434	(166,390)
Deposits, prepayments and other receivables	15,345	(956)
Trade and other payables	(1,220,937)	217,592
	(812,749)	380,186
	(719,313)	671,684
Taxes paid - net	(75,185)	797
Financial charges paid	(55,958)	(50,840)
	(131,143)	(50,043)
<b>Net cash (used in) operating activities</b>	<b>(850,456)</b>	<b>621,640</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(39,747)	(69,298)
Long term deposits	2,100	463
Capital work-in-progress	(3,477)	(2,998)
<b>Net cash (used in) investing activities</b>	<b>(41,124)</b>	<b>(71,833)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short term borrowing	917,653	(449,156)
Proceeds from Long term borrowing	(10,500)	(11,880)
	(8,814)	(1,976)
<b>Net cash generated from financing activities</b>	<b>898,339</b>	<b>(463,012)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>6,759</b>	<b>86,795</b>
<b>Cash and cash equivalent at beginning of the period</b>	<b>176,565</b>	<b>92,724</b>
<b>Cash and cash equivalent at end of the period</b>	<b>183,324</b>	<b>179,519</b>

The annexed notes from 1 to 10 form an integral part of these interim financial statements.

**Karachi Dated : January 30, 2023**

***KHAIRPUR SUGAR MILLS LIMITED***  
***NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED)***  
***FOR THE QUARTER ENDED DECEMBER 31, 2022***

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**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/IV 26th Street Khayaban e Janbaz, 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, 2022.

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, 2022, 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 first quarter ended December 31, 2022.

**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, 2022. 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.

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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, 2022.

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, 2022.

		<i>Un-audited December 31, 2022</i>	<i>Audited September 30, 2022</i>
	<i>Note</i>	<i>----- Rupees in '000 -----</i>	
<b>5. PROPERTY, PLANT &amp; EQUIPMENT</b>			
Written down value at 1 October		3,295,764	3,207,084
Additions	5.1	39,747	262,116
Disposals - net		-	(2,520)
Depreciation		<u>(41,820)</u>	<u>(170,916)</u>
Capital work in progress		<u>51,904</u>	<u>42,777</u>
		<u>3,345,595</u>	<u>3,338,541</u>
		<i>Un-audited June 30, 2021</i>	<i>Audited September 30, 2020</i>
	<i>Note</i>	<i>----- Rupees in '000 -----</i>	
<b>5.1 Additions</b>			
Building on freehold land		-	14,030
Plant and machinery		35,529	135,002
Office equipment		4,178	4,124
Factory equipment		729	729
Furniture & fixture		-	11,508
Right of use assets		-	48,690
Vehicle		-	48,033
		<u>39,707</u>	<u>262,116</u>
<b>6. SHORT TERM BORROWINGS</b>			
<i>From related parties - Unsecured</i>			
- Directors			
- Other related party		496,690	531,432
<i>From Related parties - Unsecured</i>			
- From directors		40,029	113,067
<i>From banking company - Secured</i>			
- Cash finance	6.1	<u>1,268,560</u>	<u>1,400,000</u>
		<u>1,308,589</u>	<u>1,513,067</u>

**7 CONTINGENCIES AND COMMITMENTS**

As at December 31, 2022, 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 2022.

**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 **January 30, 2023** 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

*Karachi Dated : January 30, 2023*

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# More than Sugarcane

The graphic features a brown bowl filled with golden-brown sugar granules on the left, and a green sugarcane stalk with a yellowish cut end on the right. Small orange and yellow granules are scattered around the bowl and stalk. The text 'More than Sugarcane' is written in a green, sans-serif font, with 'More than' on the top line and 'Sugarcane' on the bottom line.

51/II/IV, Khayaban-e-Janbaz, Phase-V Ext., D.H.A., Karachi.

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