

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 line separates the cane field from a landscape featuring a sunset or sunrise over a valley. The bottom portion of the cover shows a field of young sugarcane plants in rows, with a dirt path running through them.

**HALF  
YEAR  
ENDED  
MARCH 31, 2023**

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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 Akhawal & 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@sugar.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 Half year ended March 31, 2023

### FINANCIAL RESULTS

During the period under review, the operation of your Company resulted in a pre-tax profits of Rs. 73.909 Million. The financial results are as under:

### FINANCIAL RESULTS

	<u>31-03-2023</u>	<u>31-03-2022</u>
	<i>Rupees in '000</i>	
<b>Profit before Taxation</b>	<b>73,909</b>	316,815
<b>Taxation</b>	<b>(50,618)</b>	(54,053)
<b>Profit after Taxation</b>	<b>23,291</b>	262,762
	=====	=====
<b>Earnings per Share</b>	<b><u>1.45</u></b>	<b><u>16.40</u></b>

### PERFORMANCE REVIEW

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

	<b>SEASON 2022-2023</b>	<b>SEASON 2021-2022</b>
Season Started	29-11-2022	13-11-2021
Season Ended	03-03-2023	28-03-2022
Number of days worked	95	136
Sugarcane Crushing (MT)	483,067.945	791,716.140
Recovery (%) Sugar	10.067	10.467
Recovery (%) Molasses	5.599	5.116
Production – Sugar (MT)	48,635.00	82,865
Production – Molasses (MT)	27,046.270	40,504.00

### PERFORMANCE REVIEW

The crushing season 2022-23 started on November 29, 2022 and ends on March 3, 2023. During the sugar cane season 2022-23 your company has crushed 483,067.945 M.T Sugar-cane and produced 48,635 M.T sugar with average recovery of 10.067% in 95 days, as compared to crushing of 791,716.140 M.T Sugar-cane and producing 82,865 M.T Sugar with average recovery of 10.467% in 136 days in corresponding period of last year/season 2022-23.

During the current season sugar industry have gone through very tough time and have faced multiple issues. The environmental affects created by rains/floods disturbed the crushing season adversely especially, upper Sindh where your mill is located. Significant cane cultivated area plus the standing cane crop was completely lost due to flood water and in certain areas it caused significant damage to crop which also affect the quality of sugar cane and consequently sugar recovery decreased by 0.4% as compared to the immediately preceding crushing season. Similarly, the significant downturn in the economic conditions which was also aggravated due to ongoing political instability and ever increasing rate of inflation the State Bank of Pakistan has also increased the policy rate to the record high which is now approximately double the rate prevailing in the immediately preceding year which will result in the overall increase in the finance cost by many folds. This not only affects the profitability but also impacts the interest cover as well. Despite of all of the above 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 which is Rs 50/ maund

more than the cane price notified in the immediately preceding season i.e. 2021-2022. Due to which growers are getting more than the previous year and fair return of their efforts. All such factors will play significant role on company's cost. Sugar prices dropped significantly at the start of the crushing season which now increased to a reasonable level. However, the prices of molasses are significantly increased as compared to the last year. Similarly, the industry were expecting the permission of sugar export quota from the federal government on excess sugar availability to be enhanced up to 500,000 Matric Tons from 250,000 MT but no further permission is granted after first approval on 250,000 MT from which your company was allowed to export 1,500 MT sugar when the prices in international market are significantly higher as compared to the prevailing domestic prices. Here it is also important to highlight that the company is also anticipating to get certain further quantities of export permission when the international prices are around \$710 per MT. Keeping all these in perspective the company's management is hopeful to finish this financial year decent profitability with all the limitations and issues as highlighted above.

#### 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	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



Muhammad Mubeen Jumani  
Director

Karachi, dated May 26, 2023

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**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF KHAIRPUR SUGAR MILLS LIMITED  
REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

***Introduction***

We have reviewed the accompanying condensed interim statement of financial position of **Khairpur Sugar Mills Limited** as at March 31, 2023 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and the condensed interim statement of cash flows and notes to the financial statements for six-month period then ended (here-in-after referred to as the "Interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

***Scope of Review***

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for the interim financial reporting.

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*Other matter*

The figures of the condensed statement of profit or loss and other comprehensive income for the quarters ended March 31, 2023 and 2022 and the notes thereto have not been reviewed as we are required to review only the cumulative figures for the six months period ended March 31, 2023.

The engagement partner on the review resulting in this independent auditor's review report is **Muhammad Farooq**.



**Reanda Haroon Zakaria & Company**  
Chartered Accountants

**Place:** Karachi  
**Dated:** May 26, 2023  
**UDIN:** RR202310127TPwR1Ec27




**KHAIRPUR SUGAR MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2023**

		<i>March 31, 2023</i>	<i>September 30, 2022</i>
		<i>Un-Audited</i>	<i>Audited</i>
<i>Note ----- Rupees in '000 -----</i>			
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	5	5,105,193	3,338,541
Intangible assets		8,060	8,286
Long term deposits		12,910	13,482
		5,126,163	3,360,309
<b>Current Assets</b>			
Trade debts		25,115	56,813
Stores, spares and loose tools		193,852	156,813
Stock in trade	6	2,458,456	1,554,011
Short term investment		22,300	-
Loans and advances		611,032	605,380
Deposits, prepayments and other receivables		241,017	238,324
Cash and bank balances		41,353	176,565
		3,593,125	2,787,906
<b>Total Assets</b>		8,719,288	6,148,215
<b><u>EQUITIES AND LIABILITIES</u></b>			
<b>Authorized Capital</b>			
20,000,000 Ordinary shares of Rs. 10 each		200,000	200,000
<b>Share capital and reserves</b>			
Issued, subscribed and paid up capital		160,175	160,175
Revenue reserves - accumulated profit		227,365	171,329
Surplus on revaluation of property, plant and equipment - net	7	2,504,277	1,200,998
Subordinated Loan		1,140,657	1,140,657
<b>Shareholders' equity</b>		4,032,474	2,673,159
<b>Non-Current Liabilities</b>			
Deferred liabilities		778,359	287,762
Lease liability	8	35,210	39,256
		813,569	327,018
<b>Current Liabilities</b>			
Current portion of lease liability		7,221	7,583
Current portion of long term financing		-	15,140
Deferred income		-	3,235
Short term borrowings	9	2,415,706	2,044,499
Trade and other payables	10	1,275,276	887,626
Accrued markup		102,712	101,862
Provision for taxation		72,330	88,093
		3,873,245	3,148,038
<b>Contingencies</b>	11		
<b>Total Equity and Liabilities</b>		8,719,288	6,148,215

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statement.

  
Faraz Mubeen Jumani  
Chief Executive Officer

  
Mirza Muhammad Bilal Kamil  
Chief Financial Officer

  
Muhammad Mubeen Jumani  
Director


*KHAIRPUR SUGAR MILLS LIMITED*  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
*(UN-AUDITED)*  
**FOR THE SIX MONTHS ENDED MARCH 31, 2023**

	<i>Half year ended</i>		<i>Second quarter ended</i>	
	<i>March 31, 2023</i>	<i>March 31, 2022</i>	<i>March 31, 2023</i>	<i>March 31, 2022</i>
-----Rupees in '000-----				
Sales - net	3,705,870	4,092,411	1,682,859	1,403,310
Cost of sales	(3,309,463)	(3,461,688)	(1,414,826)	(1,102,697)
<b>Gross profit</b>	<b>396,407</b>	<b>630,723</b>	<b>268,033</b>	<b>300,613</b>
Administrative expenses	(160,030)	(143,388)	(87,181)	(71,097)
Distribution expenses	(42,684)	(18,532)	(38,765)	(14,556)
<b>Operating profit</b>	<b>193,693</b>	<b>468,803</b>	<b>142,087</b>	<b>214,960</b>
Other income	17,048	1,908	17,038	1,880
Other charges	(6,731)	(23,923)	(6,731)	(23,923)
	<b>204,010</b>	<b>446,788</b>	<b>152,394</b>	<b>192,917</b>
Financial charges	(130,101)	(129,973)	(99,665)	(74,346)
<b>Profit before taxation</b>	<b>73,909</b>	<b>316,815</b>	<b>52,729</b>	<b>118,571</b>
<b>Taxation</b>				
Current	(44,454)	(49,496)	(43,525)	(18,974)
Deferred	(6,164)	(4,557)	(6,164)	(25,973)
	<b>(50,618)</b>	<b>(54,053)</b>	<b>(49,689)</b>	<b>(44,947)</b>
<b>Profit after taxation</b>	<b>23,291</b>	<b>262,762</b>	<b>3,040</b>	<b>73,624</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>23,291</b>	<b>262,762</b>	<b>3,040</b>	<b>73,624</b>
<b>Earning per share-basic and diluted</b>	<b>1.45</b>	<b>16.40</b>	<b>0.19</b>	<b>4.60</b>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statement.



*Faraz Mubeen Jumani*  
 Chief Executive Officer



*Mirza Muhammad Bilal Kamil*  
 Chief Financial Officer



*Muhammad Mubeen Jumani*  
 Director

**KHAIRPUR SUGAR MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE SIX MONTHS ENDED MARCH 31, 2023**

	<i>Issued, subscribed and paid up capital</i>	<i>Unappropriated Loss</i>	<i>Surplus on revaluation of fixed assets</i>	<i>Subordinated Loan</i>	<i>Total</i>
	----- Rupees in '000' -----				
<b>Balance as at October 01, 2021</b>	160,175	153,776	1,249,129	-	1,563,080
<i>Total comprehensive income for the period ended March 31, 2022</i>					
- Profit for the period	-	262,762	-	-	262,762
- Other comprehensive income for the period	-	-	-	-	-
	-	262,762	-	-	262,762
Transfer on account of incremental depreciation-net of deferred tax	-	24,066	(24,066)	-	-
<b>Balance as at March 31, 2022</b>	<b>160,175</b>	<b>440,604</b>	<b>1,225,063</b>	<b>-</b>	<b>1,825,842</b>
<b>Balance as at September 30, 2022</b>	160,175	171,329	1,200,998	1,140,657	2,673,159
<b>Revaluation during the period - net off deferred tax</b>	-	-	1,336,024	-	1,336,024
<i>Total comprehensive income for the period ended March 31, 2023</i>					
- Profit for the period	-	23,291	-	-	23,291
- Other comprehensive income for the period	-	-	-	-	-
	-	23,291	-	-	23,291
Transfer on account of incremental depreciation-net of deferred tax	-	32,745	(32,745)	-	-
<b>Balance as at March 31, 2023</b>	<b>160,175</b>	<b>227,365</b>	<b>2,504,277</b>	<b>1,140,657</b>	<b>4,032,474</b>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statement.



*Faraz Mubeen Jumani*  
Chief Executive Officer



*Mirza Muhammad Bilal Kamil*  
Chief Financial Officer



*Muhammad Mubeen Jumani*  
Director

**KHAIRPUR SUGAR MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)**  
**FOR THE SIX MONTHS ENDED MARCH 31, 2023**

	March 31, 2023	March 31, 2022
----- Rupees in '000 -----		
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	73,909	316,815
Adjustments for:		
Financial cost	130,101	129,973
Depreciation and amortization	90,633	76,710
Unwinding of deferred income	(3,235)	-
	217,499	206,683
Working capital changes:		
Trade debts	31,698	-
Stores, spares and loose tools	(37,039)	3,433
Stock in trade	(904,445)	(2,290,325)
Loans and advances - Considered good	(5,652)	36,544
Deposits, prepayments and other receivables	(2,693)	(1,535)
Trade and other payables	387,651	1,437,198
Cashused in operations	(530,480)	(814,685)
Taxes paid - net	(239,072)	(291,187)
Financial charges paid	(60,217)	(7,453)
Net cashused in operating activities	(129,251)	(89,966)
	(428,540)	(388,606)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(26,358)	(70,274)
Long term deposits	572	463
Short term investments	(22,300)	-
Capital work-in-progress	(10,245)	(6,093)
Net cashused in investing activities	(58,331)	(75,904)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term loans	(15,140)	(31,500)
Proceeds from short term borrowing	371,207	469,574
Payment of lease rentals	(4,408)	(5,848)
Net cash generated from financing activities	351,659	432,226
Net decrease in cash and cash equivalents	(135,212)	(32,284)
Cash and cash equivalent at beginning of the period	176,565	92,724
Cash and cash equivalent at end of the period	41,353	60,440

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statement.

  
 Faraz Mubeen Jumani  
 Chief Executive Officer

  
 Mirza Muhammad Bilal Kamil  
 Chief Financial Officer

  
 Muhammad Mubeen Jumani  
 Director

***KHAIRPUR SUGAR MILLS LIMITED***  
***NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)***  
***FOR THE HALF YEAR ENDED MARCH 31, 2023***

***1 NATURE AND STATUS OF BUSINESS***

The Company was incorporated in Pakistan on August 23, 1989 as a public limited company under the repealed Companies Ordinance, 1984 now the Companies Act, 2017, (The Act). 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 company is principally engaged in the manufacture and sale of sugar and by products.

***2 BASIS OF PREPARATION***

***2.1 Statement of compliance***

These condensed interim financial statement have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information and disclosure required for the annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Company for year ended 30 September 2022.

The comparative statement of financial position presented in this condensed interim financial statements has been extracted from the audited annual financial statements of the Company for the year ended 30 September 2022, whereas the comparative condensed interim statement of Profit or Loss and Other Comprehensive Income, condensed interim Statement of Changes in Equity and condensed interim Statement Cash Flow are extracted from the unaudited condensed interim financial information for the period ended 31 March 2022.

This condensed interim financial statements are unaudited but subject to limited scope review by the statutory auditors as required by the Companies Act, 2017. The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended March 31, 2023 and March 31, 2022 have not been reviewed by the statutory auditors of the Company as they have reviewed the cumulative figures for the six months ended March 31, 2023 and March 31, 2022.

***2.2 Functional and presentation currency***

This condensed interim financial information is presented in Pakistani Rupees which is also the Company's functional currency. All figures have been rounded off to the nearest thousand rupees.

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### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial statement are the same as those applied in the preparation of the financial statements for the year ended September 30, 2022.

### 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 recognized 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, 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>March 31,</i>	<i>September 30,</i>
	<i>2023</i>	<i>2022</i>
	<i>Un-Audited</i>	<i>Audited</i>
<i>Note</i>	<i>----- Rupees in '000 -----</i>	

### 5 PROPERTY, PLANT & EQUIPMENT

Written down value at 1 October		3,295,764	3,207,084
Additions during the period	5.1	26,358	262,116
Disposals during the period		-	(2,520)
Revaluation during the period	7	1,820,456	-
<b>Depreciation charged</b>			
on owned asset		(86,258)	(160,544)
on right of used assets		(4,149)	(10,372)
		(90,407)	(170,916)
		5,052,171	3,295,764
Capital work in progress		53,022	42,777
		<b>5,105,193</b>	<b>3,338,541</b>

#### 5.1 Additions

Building on freehold land	-	14,030
Plant and machinery	23,792	135,002
Office equipment	460	11,508
Furniture and fixture	1,215	4,124
Factory equipment	320	729
Vehicles	571	96,723
	<b>26,358</b>	<b>262,116</b>

*March 31,      September 30,*  
*2023                      2022*  
*Un-Audited      Audited*  
*----- Rupees in '000 -----*

**6 STOCK IN TRADE**

**Finished goods**

- Sugar	2,339,044	1,419,092
- Molasses	4,353	126,352
- Bagasse	<u>114,000</u>	<u>7,552</u>
	<u>2,457,397</u>	<u>1,552,996</u>
Work in process	<u>1,059</u>	<u>1,015</u>
	<u><u>2,458,456</u></u>	<u><u>1,554,011</u></u>

**6.1** The finished goods are pledged with banks against cash finance limit of **Rs. 1,850 million** (September 2022: Rs.680.15 million).

**7 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT**

The company carried out revaluation of its freehold land, building and plant and machinery on February 16, 2023 by an independent valuer M/s. Oceanic Surveyors (Private) Limited, which resulted in revaluation surplus of Rs. 1,820.456 millions (Net of deferred tax: Rs. 1,336.024 millions).

**8 LEASE LIABILITY**

The Company had entered into lease agreement with bank to acquire plant and machinery. The purchase option is available to the Company after payment of the last installment and on surrender of deposit at the end of the lease period. Taxes, repairs and maintenance, insurance and other costs relating to the leased assets are to be borne by the Company. The implicit rate of return on lease finance ranges from 11.72% to 18.77% per annum (2022:11.72% to 18.77%).

The amount of future lease payments and the period in which they fall due are as follows: -

	<i>March 31,</i> <i>2023</i> <i>Un-Audited</i>	<i>September 30,</i> <i>2022</i> <i>Audited</i>
<i>Note</i>	<i>----- Rupees in '000 -----</i>	
<b>Minimum lease payment</b>		
Upto one year	12,378	13,391
More than one year but less than five years	<u>42,553</u>	<u>49,019</u>
	<u>54,931</u>	<u>62,410</u>
<b>Financial charges</b>		
Upto one year	5,157	5,808
More than one year but less than five years	7,343	9,763
	<u>12,500</u>	<u>15,571</u>
<b>Present value of minimum lease payments</b>		
Upto one year	7,221	7,583
More than one year but less than five years	35,210	39,256
	<u>42,431</u>	<u>46,839</u>
Current maturity shown under current liabilities	<u>(7,221)</u>	<u>(7,583)</u>
	<u><u>35,210</u></u>	<u><u>39,256</u></u>

**9 SHORT TERM BORROWINGS**

*From Related parties - Unsecured*

	<i>March 31,</i>	<i>September 30,</i>
	<i>2023</i>	<i>2022</i>
	<i>Un-Audited</i>	<i>Audited</i>
	<i>----- Rupees in '000 -----</i>	
- From Directors	<b>209,637</b>	113,067
- From Associated Undertakings	<b>556,069</b>	531,432
	<u>765,706</u>	<u>644,499</u>
<b><i>From Banking company - Secured</i></b>		
- Cash finance	9.1 <b>1,650,000</b>	1,400,000
	<u><b>2,415,706</b></u>	<u>2,044,499</u>

9.1 This represents roll over secured cash financing of **Rs. 1,850 million** (September 2022 : Rs. 1,400 millions) from Banking companies and carries markup ranges from 3 Month KIBOR + 2.5% to 4% (September 2022: 3 Month KIBOR + 2.5% to 4%) 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.

**10 TRADE AND OTHER PAYABLES**

Creditors	<b>560,976</b>	124,639
Accrued liabilities	<b>51,581</b>	12,847
Market committee fee payable	<b>6,926</b>	14,310
Advance from customers	<b>541,014</b>	613,542
Unclaimed gratuity	<b>14,341</b>	14,341
Sales tax payables	<b>44,355</b>	64,449
Workers' Profit Participation Fund	<b>28,377</b>	24,436
Workers' Welfare Fund	<b>17,078</b>	16,100
Payable to provident fund	<b>9,230</b>	-
Withholding tax payable	<b>1,398</b>	2,962
	<u><b>1,275,276</b></u>	<u>887,626</u>

**11 CONTINGENCIES**

As at March 31, 2023, 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 ended 30 September 2022.

**12 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.



**13 TRANSACTIONS WITH RELATED PARTIES**

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

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


	<i>Un-Audited</i>			
	<i>Half year ended</i>		<i>Second quarter ended</i>	
	<i>March 31,</i> <i>2023</i>	<i>March 31,</i> <i>2022</i>	<i>March 31,</i> <i>2023</i>	<i>March 31,</i> <i>2022</i>
	----- Rupees in '000 -----			
Loan from director - receipts	<b>196,718</b>	116,740	<b>174,808</b>	94,000
Loan from director - repayments	<b>100,148</b>	18,546	<b>7,700</b>	-
Loan from associates - receipts	<b>133,963</b>	607,967	-	557,800
Loan from associates - repayments	<b>106,722</b>	452,120	<b>43,700</b>	267,800
KSML employees provident fund	<b>8,629</b>	2,743	<b>4,270</b>	1,371
Office premises rent payable to directors	-	2,658	-	1,329
Remuneration and other benefits of Chief Executive and Directors	<b>28,200</b>	20,250	<b>14,100</b>	12,600

**14 DATE OF AUTHORIZATION**


This condensed interim financial information has been authorized for issue on May 26, 2023 by the Board of Directors of the Company.



**Faraz Mubeen Jumani**  
Chief Executive Officer



**Mirza Muhammad Bilal Kamil**  
Chief Financial Officer



**Muhammad Mubeen Jumani**  
Director

# More than Sugarcane



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