



**KHAIRPUR**  
**SUGAR MILLS LIMITED**



**1st**  
**QUARTER**  
**ENDED December**  
**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 OPERATION OFFICER**

Mr. Suleman Kanjiani

**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  
Faysal Islamic Bank Limited  
Habib Metropolitan Bank Limited  
MCB Islamic 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.

**COST AUDITORS**

M/s Siddiqui & Company  
Suit# 147, 1st Floor, Haroon Shopping Emporium,  
Sector 15-A/1, North Karachi

**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**

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  
<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 First Quarter ended December 31, 2023.

### FINANCIAL RESULTS

During the period under review, the operation of your Company resulted in a pre-tax profits of Rs. 208,238 Million. The financial results are as under:

Rupees in thousand

<b>Profit before taxation</b>	<b>208,238</b>
<b>Taxation</b>	<b>(80,710)</b>
<b>Profit after taxation</b>	<b><u>127,528</u></b>

### PERFORMANCE REVIEW

The crushing season 2023-24 started on 16th November 2023 and up to the end of this quarter 334,187.782 M.T Sugar-cane has been crushed by producing 32,485 M.T Sugar with average recovery of 9.984% in 46 days, as compared to crushing of 167,081.845 M.T Sugar-cane and producing 14,900 M.T Sugar with average recovery of 9.422% in 33 days in corresponding period of last year/season 2022-23.

The Government of Sindh (Agriculture Supply & Prices Department) has issued a notification fixing the minimum sugarcane support price at Rs.425/= (Rupees four hundred and twenty five) per 40 kg (Mds) for crushing season 2023-24. Due to which growers are getting more than the previous year and fair return of their efforts. Sugar prices kept by and large uniform during the crushing season. However, the prices of molasses are increased as compared to the last year. Further combining the same with the Kibor rates over the period remain unchanged. as a result the company is anticipating marginal increase in the overall financing cost. All such factors will play significant role on company's cost. However, the company is anticipating moderate increase in sugar cane harvesting which will helps in maintaining the overall cane cost coupled with the increase recovery rates in the coming months and the anticipation in the stability in sugar prices for the upcoming year. Moreover, this is the first year that the continuous pan is operating due to which the company is anticipating increase in final recovery % of sugar. 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.

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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

Place: Karachi, dated: January 29, 2024

**KHAIRPUR SUGAR MILLS LIMITED**  
**STATEMENT OF INTERIM FINANCIAL POSITION (UNAUDITED)**  
**AS AT DECEMBER 31, 2023**

	December 31 2023 (Unaudited)	September 30 2023 (Audited)
Note	----Rupees in 000's----	
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	5 5,009,446	5,046,600
Intangible Assets	7,863	7,872
Long Term deposits	<u>12,833</u>	<u>12,832</u>
	<u>5,030,142</u>	<u>5,067,304</u>
<b>CURRENT ASSETS</b>		
Trade Debts	12,210	12,210
Stores & spare and loose tools	281,424	269,993
Short Term Investment	22,300	22,300
Stock in Trade	3,399,124	2,249,478
Loans and Advances	682,782	804,562
Deposits, prepayments and other receivables	281,160	294,027
Cash and bank balances	<u>472,608</u>	<u>28,300</u>
	<u>5,151,608</u>	<u>3,680,870</u>
<b>TOTAL ASSETS</b>	<u><u>10,181,750</u></u>	<u><u>8,748,174</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	2,444,443	2,469,860
Subordinated Loan	1,140,657	1,140,657
Accumulated Profit	<u>387,356</u>	<u>234,411</u>
<b>SHAREHOLDER'S EQUITY</b>	<u>4,132,631</u>	<u>4,005,103</u>
<b>NON-CURRENT LIABILITIES</b>		
Liabilities against asset subject to finance lease	30,499	32,846
Long Term Financing	<u>435,157</u>	<u>482,539</u>
Deferred Liability	<u>838,124</u>	<u>802,237</u>
	<u>1,303,780</u>	<u>1,317,622</u>
<b>CURRENT LIABILITIES</b>		
Short term borrowing	6 1,894,680	1,981,248
assets subject to finance lease	7,583	6,741
Trade & other payables	2,647,853	1,169,004
Provision for taxation	18,493	65,453
Accrued Markup	<u>176,731</u>	<u>203,003</u>
	<u>4,745,340</u>	<u>3,425,449</u>
<b>Contingencies</b>	7 -	-
Total Equity and Liabilities	<u><u>10,181,750</u></u>	<u><u>8,748,174</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

Place: Karachi, Dated: January 29, 2024

**KHAIRPUR SUGAR MILLS LIMITED**  
**STATEMENT OF INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)**  
**FOR THE QUARTER ENDED DECEMBER 31, 2023**

	December 31 2023	December 31 2022
-----Rupees in 000's-----		
Sales - net	3,164,969	2,023,011
Cost of Sales	<u>(2,712,773)</u>	<u>(1,894,637)</u>
<b>Gross Profit</b>	<b>452,196</b>	<b>128,374</b>
Administrative Expenses	<span style="border: 1px solid black; padding: 2px;">(84,142)</span>	<span style="border: 1px solid black; padding: 2px;">(71,978)</span>
Other Operating Expenses	<span style="border: 1px solid black; padding: 2px;">(9,998)</span>	<span style="border: 1px solid black; padding: 2px;">(871)</span>
Distribution Expense	<span style="border: 1px solid black; padding: 2px;">(7,412)</span>	<span style="border: 1px solid black; padding: 2px;">(3,919)</span>
	<u>(101,552)</u>	<u>(76,768)</u>
<b>Operating Profit</b>	<b>350,644</b>	<b>51,606</b>
Other Income	<u>7</u>	<u>10</u>
	<b>350,652</b>	<b>51,616</b>
Financial charges	<u>(142,414)</u>	<u>(30,436)</u>
<b>Profit before Taxation</b>	<b>208,238</b>	<b>21,180</b>
Taxation		
Current	<u>(80,710)</u>	<u>(929)</u>
<b>Profit after Taxation</b>	<b>127,528</b>	<b>20,252</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive profit for the period</b>	<u><b>127,528</b></u>	<u><b>20,252</b></u>
<b>Earnings per share-basic and diluted</b>	<u><b>7.97</b></u>	<u><b>1.27</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

Place: Karachi, Dated: January 29, 2024



**KHAIRPUR SUGAR MILLS LIMITED**  
**STATEMENT OF INTERIM CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE QUARTER ENDED DECEMBER 31, 2023**

	Issued, subscribed & paid-up capita	Capital Reserve Surplus on revaluation of fixed assts	Accumulated Profit	Subordinated Loan	Total
----Rupees in 000's----					
Balance as at September 30, 2022	160,175	1,200,998	171,329	1,140,657	2,673,159
Revaluation during the period - net off deferred tax		-	-		-
<b>Total comprehensive income for the period ended September 30 2022</b>					
- Profit for the period	-	-	17,358		17,358
- Other comprehensive income for the period	-	-	-	-	-
Present value adjustment of long term loan due to modification	-	1,314,586	-		1,314,586
Transfer on account of incremental depreciation-net of deferred tax	-	(45,724)	45,724		-
<b>Balance as at September 30, 2023</b>	<b>160,175</b>	<b>2,469,860</b>	<b>234,411</b>	<b>1,140,657</b>	<b>4,005,103</b>
<b>Balance as at September 30, 2023</b>	<b>160,175</b>	<b>2,469,860</b>	<b>234,411</b>	<b>1,140,657</b>	<b>4,005,103</b>
Revaluation during the period - net off deferred tax					
<b>Total comprehensive income for the year ended December 31 2023</b>					
- Profit for the period	-	-	127,528		127,528
- Other comprehensive income for the period	-	-	-	-	-
Transfer on account of incremental depreciation-net of deferred tax	-	(25,417)	25,417		-
<b>Balance as at December 31, 2023</b>	<b>160,175</b>	<b>2,444,443</b>	<b>387,356</b>	<b>1,140,657</b>	<b>4,132,631</b>

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

Place: Karachi, Dated: January 29, 2024

**KHAIRPUR SUGAR MILLS LIMITED**  
**STATEMENT OF INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**AS AT DECEMBER 31, 2023**

	Dec 31 2023 (Unaudited)	Dec 31 2023 (Audited)
Note	----Rupees in 000's----	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before taxation	208,238	21,180
<b>Adjustments for:</b>		
- Financial cost	142,414	30,436
- Depreciation	61,085	41,716
- Amortization	9	104
	<u>203,508</u>	<u>72,256</u>
<b>Working capital changes:</b>		
Trade Debts	-	(2,769)
Stores, spares and loose tools	(11,431)	(58,695)
Stock in trade	(1,149,646)	434,873
Loans and advances - Considered good	121,780	19,434
Deposits, prepayments and other receivables	12,867	15,345
Trade and other payables	<u>1,478,849</u>	<u>(1,220,937)</u>
	<u>452,419</u>	<u>(812,749)</u>
	<u>864,164</u>	<u>(719,313)</u>
Taxes paid - net	(92,088)	(75,185)
Financial charges paid	<u>(168,382)</u>	<u>(55,958)</u>
	<u>(260,471)</u>	<u>(131,143)</u>
<b>Net cash from/generated (used in) operating activities</b>	<u>603,694</u>	<u>(850,456)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(23,223)	(39,747)
Long term deposits	(1)	2,100
Capital work-in-progress	(707)	(3,477)
<b>Net cash (used in) investing activities</b>	<u>(23,931)</u>	<u>(41,124)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short term borrowing	(86,568)	917,653
Market Committee fee paid		(10,500)
Proceeds from Long term borrowing	(47,382)	-
Repayment of lease rentals	(1,505)	(8,814)
<b>Net cash/(used in) generated from financing activities</b>	<u>(135,455)</u>	<u>898,339</u>
<b>Net increase in cash and cash equivalents</b>	444,308	6,759
<b>Cash and cash equivalent at beginning of the period</b>	<u>28,300</u>	<u>176,565</u>
<b>Cash and cash equivalent at end of the period</b>	<u>472,608</u>	<u>183,324</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

Place: Karachi, Dated: January 29, 2024

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**KHAIRPUR SUGAR MILLS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL**  
**STATEMENT (UN-AUDITED)**  
**FOR THE QUARTER ENDED DECEMBER 31, 2023**

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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, 2023.

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, 2023, 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, 2023.

**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, 2023. 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, 2023.

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, 2023.

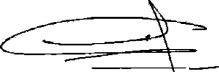
	<b>Un-audited December 31, 2023</b>	<b>Audited September 30, 2023</b>
<b>Note</b>	<b>-----Rupees in 000's-----</b>	
<b>5. PROPERTY, PLANT &amp; EQUIPMENT</b>		
Written down value at 1 October	<b>4,990,720</b>	3,295,764
Additions	5.1 <b>23,223</b>	129,322
Disposals - net	-	-
Revaluation	-	1,790,262
Depreciation	<b>(61,085)</b>	<b>(224,628)</b>
	<u><b>4,952,858</b></u>	<u>4,990,720</u>
Capital work in progress	<u><b>56,587</b></u>	<u>55,880</u>
	<u><b>5,009,445</b></u>	<u>5,046,600</u>
<b>5.1 Additions</b>		
Plant and machinery	<u><b>20,857</b></u>	104,198
	<u><b>20,857</b></u>	<u>104,198</u>
<b>6. SHORT TERM BORROWINGS</b>		
<b>From Related parties - Unsecured</b>		
- From directors	<b>387,222</b>	378,640
<b>From banking company - Secured</b>		
- Cash finance	6.1 <u><b>1,507,458</b></u>	<u>1,602,608</u>
	<u><b>1,894,680</b></u>	<u>1,981,248</u>
<b>7 CONTINGENCIES AND COMMITMENTS</b>		
As at December 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 ending 30 September 2023.		
<b>8 SEASONALITY OF OPERATIONS</b>		
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 29, 2024 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 Officer



*Mirza Muhammad Bilal Kamil*  
Chief Financial Officer



*Muhammad Mubeen Jumani*  
Director

Place: Karachi, Dated: January 29, 2024

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