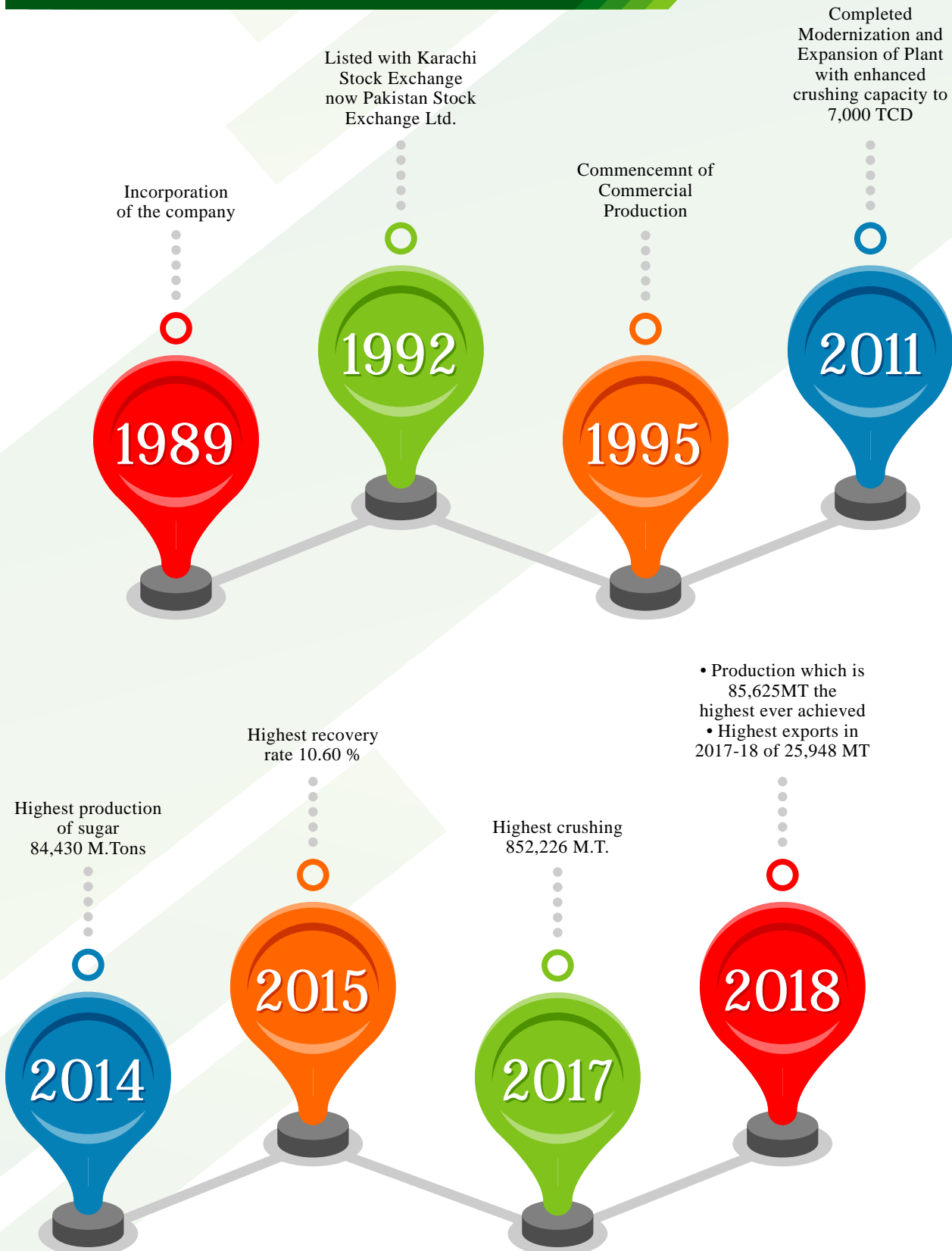


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MAJOR MILESTONES



KSML HISTORY

Khairpur Sugar Mills Limited was incorporated on August 23, 1989 as a public limited company under Companies Ordinance and the plant is located in Kot Diji area of Khairpur District, Sindh, Pakistan.

Khairpur Sugar Mills Limited has been manufactured under licence by Fives Cail Babcock (FCB) of France. Trial production began on 17 January, 1994 and commercial operation started on 01 March, 1995. The Management decided to upgrade the plant in 2008 to a proposed capacity of 7,000 metric tons daily. The up gradation was completed in 2011. Khairpur Sugar Mills Limited also facilitates the local area Cane Growers in the form of seeds and fertilizer subsidy. Khairpur Sugar Mills Limited is also a listed company with Pakistan Stock Exchange Limited (Formerly Karachi Stock Exchange Limited).





CORPORATE INFORMATION

Date of Incorporation

August 23, 1989

Date of Commencement of Business

September 13, 1989

BOARD OF DIRECTORS

Mr. Muhammad Mubeen Juman

(Chief Executive Officer)

Mr. Faraz Mubeen Juman

(Managing Director)

Mr. Fahad Mubeen Juman

Mrs. Qamar Mubeen Juman

(Chairperson)

Miss. Arisha Mubeen Juman

Lt. Gen (Retd). Tahir Mahmud Qazi

Lt. Gen (Retd). Anis Ahmed Abbasi

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

Lt. Gen (Retd.) Anis Ahmed Abbasi

(Chairman)

Lt. Gen (Retd). Tahir Mahmud Qazi

(Member)

Miss Arisha Mubeen Juman

(Member)

HR AND REMUNERATION COMMITTEE

Lt. Gen (Retd.) Anis Ahmed Abbasi

(Chairman)

Lt. Gen (Retd). Tahir Mahmud Qazi

(Member)

Mr. Muhammad Mubeen Juman

(Member)

LEGAL ADVISOR

Syed Zafar Ali Shah (Advocate)

Bukhari Law Associates, B-8, 3rd Floor,

Juman Arcade, University Road,

Gulshan-e-Iqbal, 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://khairpursugar.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.

CHIEF EXECUTIVE OFFICER'S PROFILE



Muhammad Mubeen Jumani

Mr. Muhammad Mubeen Jumani is the Chairman of Jumani Group of Companies completing his education from University of Karachi in 1972 with a Bachelor in Commerce degree, stepped into the construction industry in 1974 by founding Jumani Group of Companies. Under his leadership and guidance more than 25 high rise projects have been completed so far and at the moment two residential societies are also under development in the Gulshan-e-Iqbal area of Karachi Pakistan.

Khairpur Sugar Mills Limited was set up in the year 1989 in the Khairpur District region of Sindh with a crushing capacity of 4,000 TCD under the Jumani Group of Companies umbrella. Today, the plant's crushing capacity is 7,000 TCD and all long term loans on the project have been paid.

Mr. Jumani also head a charitable trust with the name of Hidayat Jumani Welfare Trust which is operating in the interior as well as major cities in Sindh province. It is also important to mention here that Mr. Muhammad Mubeen Jumani has served as member of board of Directors for Pakistan International Airlines (1993-1996) and Pakistan Industrial Development Corporation (2011-2013).

MANAGING DIRECTOR'S PROFILE



Faraz Mubeen Jumani

Mr. Faraz Mubeen Jumani completed his early education from BVS Parsi High School in Karachi. Moving to the United States of America for higher studies, completed his Bachelors in Business Administration from AIU South Florida and his Master in Business Administration from NOVA Southeastern University in 2011. In 2012, he officially joined KSML in full time capacity as Deputy Managing Director and in 2014 was promoted as Managing Director of the company by the board of Directors.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting of KHAIRPUR SUGAR MILLS LIMITED will be held at our registered office at 3rd floor, Plot No. 15-C, 9th Commercial Lane, Zamzama, D.H.A., Phase-V, Karachi on January 28, 2020 at 02:30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the 29th Annual General Meeting of the Company held on January 28, 2019.
2. To receive, consider and approve the Annual Audited Financial Statements of the Company for the year ended September 30, 2019 together with the Directors' and Auditors' report thereon.
3. To appoint Auditors for the year ending September 30, 2020 and fix their remuneration. The Audit Committee of the Board has recommended the retiring auditors – M/s Reanda Haroon Zakaria & Company, Chartered Accountants retire and being eligible have offered themselves for re-appointment.
4. To transact any other business with permission of the Chair.

By order of the Board


SHOAIB UL HAQUE
Company Secretary

Karachi: December 29, 2019

Notes

1. The share transfer book of the Company shall remain closed with effect from January 18, 2020 to January 27, 2020 (both days inclusive). Transfer received at the office of Share Registrar – M/s C&K Management Associates (Private) Limited, 404-Trade Tower, Abdullah Haroon Road, Near Metropole Hotel, Karachi Phone 021-35687839 & 021-35685930 at close of business on January 17, 2020 will be considered in time to attend and vote at the meeting and for the purpose of any entitlement to the transferees.
2. A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of his/her proxy, in order to be effective must reach the Company Register Office not less than 48 hours before the time of the meeting during working hours.
3. The shareholders are advised to notify the Registrar of any change in their address.
4. With reference to SRO 787(1)/2014 dated September 08, 2014 issued by SECP, shareholders have option to receive Annual Audited Financial Statements and Notice of Annual General Meeting through email. Shareholders of the company are requested to give their consent to the Company's Registered/Head Office to update our record if they wish to receive Annual Financial Statements and notice of Annual General Meeting through email. However, if shareholder, in addition, request for hard copy of audited Financial Statements, the same shall be provided free of cost within seven (7) working days of receipt of such request.
5. The audited financial statements of the Company for the year ended September 30, 2019 have been made available on the Company's website www.khairpursugar.com.pk in addition to annual and quarterly financial statements for the prior year. Printed copy of above referred statements can be provided to members upon request.

Submission of copies of CNIC and NTN Certificates (Mandatory)

Pursuant to the Securities and Exchange Commission of Pakistan (SECP) Notifications dated January 10, 2014; July 05, 2012 and August 18, 2011; it is hereby informed that the individual members who have not yet submitted photocopy of their valid CNIC to the Company are once again advised to send the same at their earliest to our Shares Registrar / Registered office of the Company. The Corporate entities are requested to provide their National Tax Number (NTN).

Guidelines for CDC Holders

CDC Accounts holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan.

A) For Attending the Meeting

I) In the case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall authenticate their identity by showing their original CNIC (Computerized National Identity Card) or original Passport at the time of attending the meeting.

II) In case of Corporation entities, the Board of Directors resolution/power of attorney with specimen signature of the nominee shall be produced at the time of the meeting (unless provided earlier).

B) For Appointing Proxies

I) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations shall submit the proxy form as per above mentioned requirements.

II) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

III) Attested copies of the CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.

IV) The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.

V) In case of Corporate Entities, the Board of Directors resolution/power of attorney with specimen signature(s) of the nominee shall be submitted (unless provided earlier) along-with the proxy form to Company.

5- 30 ستمبر 2019 کو ختم ہونے والے سال کے لیے مالیاتی گوشوارے کمپنی کی ویب سائٹ www.khairpursugar.com.pk پر دستیاب کر دیے گئے ہیں۔ اس کے علاوہ اس سے پہلے کے سالانہ اور سہ ماہی مالیاتی گوشوارے بھی دستیاب ہیں۔ درخواست پر ممبران کو مذکورہ بالا گوشواروں کی شائع شدہ کاپی بھی فراہم کی جاسکتی ہے۔

کمپیوٹرائزڈ قومی شناختی کارڈ اور این ٹی این سرٹیفیکیشن کی کاپیاں (لازمی) جمع کرنا ہوں گی

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے نوٹیفیکیشن بتاریخ جنوری 10، 2014، جولائی 05، 2012 اور اگست 18، 2011 کی روشنی میں ان تمام انفرادی ممبران کو مطلع کیا جاتا ہے کہ جنہوں نے تاحال اپنی مستند سی این آئی سی کی فوٹو کاپیاں کمپنی کو جمع نہیں کرائیں انہیں ایک بار پھر صلاح دی جاتی ہے کہ وہ ہمارے شیئرز رجسٹرار / رجسٹرڈ آفس کو فوری طور پر مذکورہ کاپیاں ارسال کریں۔ کارپوریٹ اداروں سے درخواست ہے کہ وہ اپنے قومی ٹیکس نمبر (این ٹی این) فراہم کریں۔

سی ڈی سی ہولڈرز کی رہنمائی کیلئے

سی ڈی سی اکاؤنٹس ہولڈرز سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکلر 1 بتاریخ جنوری 26، 2000 میں دی گئی ہدایات پر عملدرآمد کریں گے۔

(اے) اجلاس میں شرکت کیلئے

- (I) انفرادی ہونے کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا وہ شخص جس کی سیکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات سی ڈی سی قوانین کے تحت اپ لوڈ کی جا چکی ہوں اسے اپنے شناخت کے لیے اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ ("سی این آئی سی") یا اجلاس میں شرکت کے وقت اپنا اصل پاسپورٹ پیش کریں گے۔
- (II) کارپوریٹ اداروں کی صورت میں شرکت کے وقت بورڈ آف ڈائریکٹران کی قرارداد / پاور آف اٹارنی مع نامزد کردہ شخص کے خصوصی دستخط پیش کرنا ہوں گے۔ (اجلاس سے قبل فراہم کرنا ہوگا)

(بی) پراسیز کی تقرری کیلئے

- (I) انفرادی ہونے کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا وہ شخص جس کی سیکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات سی ڈی سی قوانین کے تحت اپ لوڈ کی جا چکی ہوں کو مذکورہ میں بتائی گئی ضروریات کے تحت اپنا پراسیز فارم جمع کرنا ہوگا۔
- (II) پراسیز فارم پر دو گواہان کے نام، پتے اور سی این آئی سی نمبرز فارم میں واضح کرنا ہوں گے۔
- (III) فائدہ مند مالکان کے سی این آئی سی یا پاسپورٹ کی مصدقہ کاپیاں پراسیز کو پراسیز فارم کے ہمراہ فراہم کرنا ہوگا۔
- (IV) پراسیز کو اجلاس کے وقت اپنا اصل سی این آئی سی یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (V) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹران کی قرارداد / نامزد کردہ نمائندے کے مخصوص دستخط کے ساتھ پاور آف اٹارنی کمپنی کو پراسیز فارم کے ہمراہ اجلاس سے قبل جمع کرنا ہوگا۔

سالانہ اجلاس عام کانوٹس

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ خیر پور شوگر ملز لمیٹڈ کا 30 واں سالانہ اجلاس عام ہمارے رجسٹرڈ آفس واقع تیسری منزل، پلاٹ نمبر C-15، 9 ویں کمرشل لین، زمزمہ، ڈی ایچ اے فیز-V، کراچی میں 28 جنوری، 2020 کو دوبارہ ڈھائی بجے منعقد ہوگا جس میں درج ذیل کاروباری امور طے کئے جائیں گے۔

عام کاروبار

- 1- کمپنی کے 29 ویں سالانہ اجلاس عام منعقدہ 28 جنوری 2019 کی کارروائی کی توثیق
- 2- 30 ستمبر، 2019 کو ختم ہونے والے سال کیلئے کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں کے ساتھ ڈائریکٹران اور آڈیٹرز کی رپورٹ کی وصولی، غور اور منظوری
- 3- 30 ستمبر، 2020 کو ختم ہونے والے سال کیلئے آڈیٹرز کا تقرر اور ان کے مشاہرے کا تعین، بورڈ کی آڈٹ کمیٹی نے ریٹائر ہونے والے آڈیٹرز میسرز ریٹائرڈ اہارون زکریا اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو اہلیت کی بنیاد پر سفارش کی ہے کہ انہوں نے دوبارہ تقرری کیلئے اپنی خدمات پیش کی ہیں۔
- 4- چیئرمین کی اجازت سے دیگر کاروباری امور طے کئے جائیں گے۔

بحکم بورڈ

شعیب الحق
کمپنی سیکریٹری

کراچی: 29 دسمبر، 2019

نوٹس

- 1- کمپنی کی حصص منتقلی کی کتابیں 18 جنوری، 2020 تا 27 جنوری، 2020 (بشمول دونوں ایام) بند رہیں گی۔ شیئر رجسٹر اری میسرز سی اینڈ کے مینجمنٹ ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کے آفس واقع 404، ٹریڈ ٹاور، عبداللہ ہارون روڈ، نزد میٹرو پول ہوٹل کراچی۔
فون 021-35687839 اور 021-35685930 پر 17 جنوری، 2020 اوقات کار کے دوران موصول ہونے والے ٹرانسفرز کو بروقت تصور کیا جائے گا، ٹرانسفریز کے کسی بھی تبدیل شدہ کے استحقاق کا مقصد ووٹ دینے اور اجلاس میں شرکت کر سکے گا۔
- 2- کمپنی کا ہر ممبر ووٹ دینے اور اجلاس میں شرکت کا اہل ہے اور وہ اپنی جگہ اجلاس میں شرکت اور ووٹ دینے کیلئے اپنا پر کسی مقرر کر سکتا ہے، اس سلسلے میں اسے کمپنی رجسٹر آفس کو اجلاس سے کم سے کم 48 گھنٹہ قبل اوقات کار کے دوران مطلع کرنا ہوگا۔
- 3- حصص یافتگان کو مشورہ دیا جاتا ہے کہ وہ اپنے پتوں میں کسی بھی تبدیلی کی صورت رجسٹر اری کو مطلع کریں۔
- 4- سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی طرف سے S.R.O 787(I)/2014 تاریخ ستمبر 08، 2014 کے حوالے سے حصص داروں کو ای میل کے ذریعے سالانہ آڈٹ کردہ مالیاتی گوشوارے اور اجلاس عام کے نوٹس حاصل کرنے کا اختیار ہے۔ کمپنی کے حصص یافتگان سے درخواست کی جاتی ہے کہ وہ اپنی رضامندی کو اپنے ریکارڈ کو اپ ڈیٹ کرنے کے لئے کمپنی کے ہیڈ آفس میں بھیجیں تو اگر وہ ای میل کے ذریعے سالانہ آڈٹ کردہ مالیاتی گوشوارے اور اجلاس عام کے نوٹس حاصل کرنا چاہتے ہیں۔ تاہم اس کے علاوہ شیئر ہولڈر کو سالانہ آڈٹ کردہ مالیاتی گوشوارے کی نقل تحریری درخواست کی وصولی کے سات دن کے اندر مفت پیش کی جائے گی۔

BAGASSE

Bagasse is commonly used as a substitute for wood in many tropical and subtropical countries for the production of pulp, paper and board, However, Pakistan does not produce any bagasse products other than local chipboards, there is a lot of potential in this area, for creating green products like bags, paper cups, and other earth friendly packaging materials.



BIOGAS

The first biogas project to use sugarcane - waste created from the production of ethanol has begun operations. The grid - connected development is powered by eight Jenbacher biogas engines from GE Energy. The sugarcane biogas plant in Jhang, Pakistan provides an onsite source of power to help the mill and industrial operations to meet production requirements. The biogas used to fuel the plant is extracted from spent wash, a by product of the ethanol production operation that uses sugarcane molasses as a raw material. The plant is expected to produce approximately 20,000 tons of certified emissions reductions (CERs) annually under the Kyoto Protocol.



SIX YEARS' REVIEW AT A GLANCE

	2019	2018	2017	2016	2015	2014
OPERATIONAL TRENDS		Restated				
Sugarcane crushed - M.Tons	663,365	828,101	852,226	647,635	649,134	819,719
Sugar produced - M.Tons	68,714	85,625	83,579	66,818	68,798	84,430
Average sucrose recovery - %	10.36	10.34	9.81	10.32	10.60	10.30
Crushing days	112	148	140	115	120	155
Average crushing per day - M.Tons	5,923	5,595	6,087	5,632	5,409	5,289
BALANCE SHEET			FIGURES IN MILLION			
Share capital	160.18	160.18	160.18	160.18	160.18	160.18
Shareholders' equity	990.88	207.37	199.91	175.50	(168.67)	(559.05)
Non current liabilities	810.52	1,118.13	1,030.04	1,098.30	1,105.92	1,234.61
Current liabilities	2,171.88	2,403.29	2,430.35	613.27	1,084.36	1,143.02
Total Equity & Liabilities	3,973.28	3,728.79	3,660.38	1,887.08	2,331.06	2,143.77
Fixed Assets	2,317.19	1,608.01	1,570.60	1,437.39	1,514.11	1,495.40
Non current assets	10.28	7.86	34.64	0.26	0.26	0.26
Current assets	1,645.81	2,112.91	2,055.14	449.42	816.69	648.11
Total assets	3,973.28	3,728.79	3,660.38	1,887.08	2,331.06	2,143.77
FINANCIAL TRENDS			FIGURES IN MILLION			
Turnover	4,252.27	4,237.32	2,933.18	4,146.50	3,492.71	4,247.77
Gross profit/(loss)	395.43	41.86	193.91	326.74	467.32	323.26
Operating profit/(loss)	194.66	271.31	58.50	175.06	289.47	137.26
Pre-tax (loss)/profit	(85.12)	91.96	(110.74)	42.64	153.59	77.96
After-tax (loss)/profit	(64.00)	3.67	(93.49)	56.77	90.94	28.58
CASH FLOWS			FIGURES IN MILLION			
Operating activities	(142.68)	496.81	(1,063.22)	206.81	260.15	(98.74)
Investing activities	(247.92)	(93.98)	(209.36)	(44.84)	(101.56)	(52.82)
Financing activities	447.19	(415.96)	1,284.52	(196.85)	(119.82)	(34.57)
Cash and cash equivalents at the end of the year	80.50	23.91	37.05	25.10	59.98	(304.80)
PROFITABILITY INDICATIONS						
Gross profit/(loss) margin (%)	9.30	0.99	6.61	7.88	13.38	7.61
Net (loss)/profit margin (%)	(1.51)	0.09	(3.19)	1.37	2.60	0.67

DIRECTORS' REPORT TO MEMBERS

Dear Members

Assalam-o-alaikoom

On behalf of the Board of Directors, it is our privilege to present before you the 30th Annual Report of your Company with the audited financial statements for the year ended September 30, 2019:

FINANCIAL RESULTS

	2019 (Rupees in thousand)	2018 Restated
(Loss) / Profit before Taxation	(85,123)	91,960
Taxation	21,120	(88,286)
(Loss) / Profit after taxation	(64,003)	3,674
(Loss) /Earning per share – Basic & diluted	(4.00)	0.23

PERFORMANCE REVIEW

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

	SEASON 2018-19	SEASON 2017-18
Season Started on	26-11-2018	29-11-2017
Season closed on	17-03-2019	25-04-2018
Number of days worked	112	148
Sugarcane Crushing (mt)	663,364.694	828,100.921
Recovery (%) Sugar	10.358	10.340
Recovery (%) Molasses	4.145	4.530
Production – Sugar (MT)	68,714.00	85,625.00
Production – Molasses (MT)	27,500.00	37,516.50

The crushing season 2018-19 started on November 26, 2018 ended on March 17, 2019 after crushing 663,364.694 MT sugar-cane thereby produced 68,714 MT of Sugar with average recovery of 10.358% in 112 days, as compared to crushing of 828,100.921 MT sugar-cane and producing 85,625 MT of sugar with average recovery of 10.340% in 148 days in corresponding of last year/season (2017-18).

During crushing season 2018-19, the Government of Sindh notified the sugarcane price vide their notification number 8(142)/S.O(Ext) 2018-19 dated 07-12-2018 and fixed the price Maund @ 182/Maund which is already 22/Maund in excess of previous crushing season 2017-18. Further due to the significant down turn in the economy, The SBP have raised the base rate to 13.90% till September 30, 2019 which increased the financial cost by approximately 100% as compare to last year. Moreover the Federal Government vide budget 2019-20 abolished 3% further tax on sale of sugar to unregistered person. But increase the overall amount of Sales Tax from 11% (i.e 8% flat plus 3% further tax on Rs. 60,000/MT to 17% on Rs. 60,000/ MT of sugar) which contributed significantly in operating result deterioration. Even in these conditions company manage to export 3,000 MT through Trading Corporation of Pakistan (Private) Limited to China and managed the overall result to a greater extent. The management is very much sure that the same will be completely catered in the current crushing season.



During the period under review, our Mill earned operating profit of Rs. 194.664 Million as compared to operating profit of Rs.271.311 Million during the corresponding period of the previous year.

DIVIDEND

Due to accumulated losses of previous year and loss for the current year as well, the Directors of your company have considered it prudent not to pay dividend.

EARNINGS/ (LOSS) PER SHARE

The (Loss) / Earning per share for the year comparative to previous year is given hereunder:

	2018-19	2017-18 Restated
Basic and diluted	(4.00)	0.23

FUTURE OUTLOOK

The sugar cane crushing season 2019-20 started from 21-11-2019 and by the date of this report, your mill produced 15,420 MT Sugar with average recovery of 8.915%. The Government of Sindh (Agriculture Supply & Prices Department) has decided but not yet notified fixing the minimum sugar-cane price at Rs.192/= (Rupees one hundred Ninety two) per 40 kg (Mds) for crushing season 2019-20. Due to which growers are getting more than the previous year and fair return of their efforts. Sugar and Molasses prices are also showing up-ward trend. Under this situation, profitability of your mill is likely to be enhanced. The management is anticipating to earn healthy returns from current crushing season.



The working on 12.00 MW Bagasse/Bio-Mass Power Generation Plant is still delayed which might be completed in near future.

ENVIRONMENT

For improvement in environmental hazard Khairpur Sugar Mills Limited have taken care on priority as per Sindh 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 experts consultants 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 on 5th December 2019.



CORPORATE SOCIAL RESPONSIBILITY

Responding to needs of local communities, civil society organizations and Governments bodies includes social welfare, education, health care, infrastructural development and livelihood generation are the priorities of your company since its establishment.

CONTRIBUTION TO THE NATIONAL EXCHEQUER

The Company contributed a total amount of Rs. 563 Million to the Government Treasury in shape of taxes, levies, excise duty and sales tax.

CORPORATE GOVERNANCE

The Directors are pleased to state that your Company has complied with the provisions of the Code of Corporate Governance as required by SECP which formed part of rule book of Pakistan Stock Exchange.

STATEMENT OF CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- The Financial statements, prepared by the Management of your Company, present its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International accounting standards (IFRS) as applicable in Pakistan have been followed in preparation of these financial statements and any departure therefrom has been effectively implemented and monitored.
- Summary of key operations and financial data for the last 6 (six) years is annexed.
- There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
- Information about taxes and levies is given in the notes forming part of the financial statements.
- There is no doubt upon the Company's ability to continue as a going concern.

INDUSTRIAL RELATION

Harmonious working environment and cordial industrial relations atmosphere prevailed within the Company.

BOARD OF DIRECTORS

COMPOSITIONS

No. of meeting attended

• Mr. Muhammad Mubeen Jumani	7
• Mr. Faraz Mubeen Jumani	7
• Mr. Fahad Mubeen Jumani	5
• Mrs. Qamar Mubeen Jumani	7
• Miss. Arisha Mubeen Jumani	7
• Lt. Gen (Retd). Tahir Mahmud Qazi	4
• Lt. Gen (Retd). Anis Ahmed Abbasi	4

AUDIT COMMITTEE

The Company has established Audit Committee as required in Code of Corporate Governance. The Audit Committee comprises of three members (two of whom are independent Directors and one are non-executive Director). The Audit Committee met 4 (four) meetings during the year; attendance of the meeting is as follows:

COMPOSITIONS

No. of meeting attended

• Lt Gen.(R) Anis Ahmed Abbasi	4
• Lt. Gen.(R) Tahir Mahmud Qazi	4
• Miss. Arisha Mubeen Jumani	4

MEETING OF HR & REMUNERATION COMMITTEE

The Company has established HR & Remuneration Committee as required in the Code of Corporate Governance. The HR and Remuneration Committee comprises three members (two of whom are independent Directors). The Chief Executive Officer is also member of the Committee. The Chairman of the Committee is independent Director. The HR and Remuneration Committee met once during the year. Attendance of the meeting is as follows:

COMPOSITIONS	No. of meeting attended
• Lt. Gen.(R) Tahir Mahmud Qazi	1
• Lt. Gen.(R) Anis Ahmed Abbasi	1
• Mr. Muhammad Mubeen Jumani	1

REMUNERATION POLICY

The company has a formal Directors' Remuneration Policy duly approved by the Board of Directors. The policy was designed keeping in view the principles of transparency and fairness. There are two executive directors on the Board to whom the company is paying the remuneration and they are also entitled for company maintained vehicles. However no remuneration was paid to non-executive directors and they are only entitled for receiving the fees for attending board meetings.

AUDITORS

The Auditors – M/s Reanda Haroon Zakaria & Company, Chartered Accountants, retired and offer themselves for re-appointment.

The Audit Committee has recommended to consider the re-appointment of M/s Reanda Haroon Zakaria & Company, Chartered Accountants as Auditors of the Company for next year ending 30.09.2020.

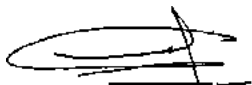
PATTERN OF SHARE-HOLDING

The pattern of shareholding as on September 30, 2019 in accordance with the requirements of Code of Corporate Governance and a statement reflecting distribution of shareholding is separately annexed to this report.

ACKNOWLEDGEMENT

We take pleasure by thanking members of the management, other employees and staff for their continued commitment to the success of the Company. We also value the support and cooperation of our Customers, suppliers, bankers and all stakeholders and wish to record our thanks and gratitude. May almighty Allah bless us in our efforts. Aameen!

For and on behalf of Board of Directors of Khairpur Sugar Mills Limited



(Faraz Mubeen Jumani)
Managing Director

Place: Karachi
Dated: December 26, 2019

ادائیگی کا طریقہ کار:

کمپنی کا ڈائریکٹر کو ادائیگی کا ایک باقاعدہ طریقہ کار ہے جو بورڈ آف ڈائریکٹر سے منظور شدہ ہے۔ یہ طریقہ کار شفافیت اور انصاف کے اصولوں پر بنایا گیا ہے۔ کمپنی کے بورڈ پر ۱۲ ایگزیکٹو ڈائریکٹر ہیں جن کو کمپنی باقاعدگی سے مہانہ تنخواہ کی ادائیگی کرتی ہے اور انہیں کمپنی کی گاڑیاں بھی ملی ہوئی ہیں۔ اس کے علاوہ نان ایگزیکٹو ڈائریکٹر کو کوئی ادائیگی نہیں ہوتی اور وہ صرف بورڈ میٹنگ میں حاضری کی فیس لے سکتے ہیں۔

آڈیٹر

موجودہ آڈیٹر، میسرز ریٹنڈ ہارون زکریا اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس ہیں۔ جنہوں نے اگلے سال کیلئے بحیثیت آڈیٹر کیلئے پیش کیا ہے اور رضامندی ظاہر کی ہے۔

آڈٹ کمپنی نے نامزدگی کی مسرزیانڈ ہارون زکریا اینڈ کمپنی چارٹرڈ اکاؤنٹینٹس کو ہماری کمپنی کے آڈیٹر برائے اگلے سال اختتام 30، ستمبر 2020 کی سفارش کی ہے۔

شیئر ہولڈرز کا پیٹرن

کمپنی کے شیئر ہولڈنگ سال کے اختتام 30، ستمبر 2019 کو کوڈ آف کارپوریٹ گورننس کے مطابق کمپنی کا شیئر ہولڈنگ کی تفصیلات سالانہ رپورٹ کے ساتھ منسلک ہے۔

اعتراف

ہم خوشی کے ساتھ اپنے تمام کارکنان، عملے، ملازمین اور منسلک افراد جنہوں نے اس مقصد کے حصول کے خاطر انکی کوششوں کا اعتراف کرتے ہوئے شکریہ ادا کرتے ہیں۔ ہم قابل عدد حصص داران، حکومتی اداروں کے نمائندوں، ایسوسی ایٹس، بینکنگ و مالیاتی اداروں کے نمائندے اور دیگر اسٹیک ہولڈرز کا جنہوں نے ہم سے تعاون کیا، ان سب کا بے حد شکر گزار ہیں۔



از طرف

بورڈ آف ڈائریکٹر

فراز مبین جمانی

مینجنگ ڈائریکٹر

کراچی بتاریخ

26، دسمبر 2019



بورڈ آف ڈائریکٹرز

کمزوریشن

بورڈ اجلاس میں شرکت کی تعداد

7	جناب محمد بنین جمانی
7	جناب فراز بنین جمانی
5	جناب فہد بنین جمانی
7	جناب قمر بنین جمانی
7	مس عریشہ بنین جمانی
4	لیفٹیننٹ جنرل (ریٹائرڈ) انیس احمد عباسی
4	لیفٹیننٹ جنرل (ریٹائرڈ) طاہر محمود قاضی

آڈٹ کمیٹی

کمپنی کے کوڈ آف کارپوریٹ گورننس کے پیش نظر آڈٹ کمیٹی تشکیل دی گئی ہے جو کہ تین (3) ممبروں پر مشتمل ہے ان میں دو ممبران نان ایگزیکٹو ڈائریکٹرز ہیں۔ اس سال کے دوران آڈٹ کمیٹی کے چار (4) میٹنگ منعقد ہوئے جس میں ہر ممبران کی شرکت درج ذیل ہے۔



اجلاس میں شرکت کی تعداد

کمزوریشن

4	لیفٹیننٹ جنرل (ریٹائرڈ) انیس احمد عباسی
4	لیفٹیننٹ جنرل (ریٹائرڈ) طاہر محمود قاضی
4	مس عریشہ بنین جمانی

HR&R کمیٹی کا اجلاس

کمپنی نے کوڈ آف کارپوریٹ گورننس کے پیش نظر HR & R کمیٹی تشکیل دی۔ HR & R کمیٹی تین ممبروں پر مشتمل ہے۔ ان میں سے دو (2) ممبران نان ایگزیکٹو ڈائریکٹرز ہیں۔ چیف ایگزیکٹو آفیسر بھی اس کے ممبر ہیں۔ کمیٹی کے چیئرمین نان ایگزیکٹو ڈائریکٹر ہیں۔ HR & R کمیٹی سال میں ایک مرتبہ اجلاس منعقد کرتے ہیں۔ ان ممبران کے نام درج ذیل ہیں۔



اجلاس میں شرکت کی تعداد

کمزوریشن

1	لیفٹیننٹ جنرل (ریٹائرڈ) انیس احمد عباسی
1	لیفٹیننٹ جنرل (ریٹائرڈ) طاہر محمود قاضی
1	جناب محمد بنین جمانی

کارپوریٹ سماجی ذمہ داری

ہم اس کام کو اپنی ذمہ داری سمجھتے ہیں کہ مندرجہ بالا ضروریات کیلئے آبادی، سول سوسائٹی کے ادارے سرکاری محکمے بشمول سماجی بہبود، تعلیم، صحت عامہ، بنیادی ڈھانچے کیلئے بھرپور تعاون کریں جو کہ دور اول سے ہماری ترجیحات میں شامل ہے۔ ہماری مل ایسی سماجی ذمہ داری کے علاوہ ماحولیاتی ذمہ داریوں کو سمجھتے ہوئے بہتری کیلئے کوشاں ہے۔

قومی خزانے میں اعانت

آپکے ادارے سے مالی سال 2018-19 میں 563 ملین روپے قومی خزانے میں مختلف شکل کے ٹیکس، لیویز، ایکسائز اور سیلز ٹیکس وغیرہ کے مد میں جمع کرائے۔

کارپوریٹ حکمرانی

آپکی کمپنی نے دوران سال اور ہر طرح سے SECP اور PSX کے قانونی اور انتظامی تقاضے پورے کئے۔

کارپوریٹ و فنانشل رپورٹنگ فریم ورک

- مینجمنٹ کے جانب سے فنانشل گوشوارہ، اسکے موجودہ امور کی حالت، آپریشن کے نتائج، نقد بہاؤ، منصفی تبدیلیوں کو شفاف طریقے سے پیش کیا گیا ہے۔
- موزوں طریقے سے اکاؤنٹس بک کمپنی نے برقرار رکھا ہے۔
- فنانشل گوشوارے کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کو بروئے کار لایا گیا ہے اور اکاؤنٹ اسٹیٹمنٹس موزوں اور زیرک فیصلے کی بنیاد پر کئے گئے ہیں۔
- بین الاقوامی اکاؤنٹنگ اسٹینڈرڈز (IFRS) جو کہ پاکستان میں قابل اطلاق ہے پورے طور پر نافذ کیا گیا ہے۔
- اندرونی کنٹرول کا سسٹم موثر طور پر نافذ ہے۔
- پچھلے چھ (6) سالوں کے اہم آپرینگز اور فنانشل کوائف کا خلاصہ منسلک ہے۔
- یہاں کارپوریٹ گورننس کے بہترین اعمال سیکورٹی مادی کو رخصت نہیں جیسا کہ لسٹنگ ریگولیشن میں بیان کیا گیا ہے۔
- ٹیکس اور لیویز سے متعلق فنانشل گوشوارے کا نوٹس اس کا حصہ ہے۔
- اس میں کوئی شک نہیں کہ کمپنی کی صلاحیت ہے کہ مسلسل چلتی رہے۔



صنعتی تعلق

کام میں ماحولیاتی ہم آہنگی اور مقوی صنعتی ریلیشن کا ماحول ہماری کمپنی نے قائم کیا ہوا ہے۔

بورڈ میٹنگ

جائزہ کے تحت سال کے دوران سات (7) بورڈ آف ڈائریکٹرز کی میٹنگ منعقد ہوئی جس میں ڈائریکٹر کی شرکت درج ذیل ہے

کرشنک سیزن 2018-19 کے دوران حکومت سندھ نے حکم نامہ بذریعہ نوٹیفیکیشن نمبر 19-2018/5.0(Ext.) (142) 8 مورخہ 07، دسمبر 2018 کو گنا کی امدادی قیمت 182 روپے فی من (40 کلوگرام) مقرر کیا۔ جو کہ 22 روپے فی من پچھلے سیزن (2017-18) کے مقابلے میں زیادہ ہے۔ جو کہ معنی خیز ہے اس گرتی ہوئی معیشت میں اسٹیٹ بینک آف پاکستان نے بنیادی شرح 13.9 فیصد 30 ستمبر 2019 تک کر دیا جو کہ مالی لاگت میں تقریباً 100 فیصد اضافہ کا باعث بنا۔ مقابلہ پچھلے سال اسکے علاوہ حکومت پاکستان نے 2019-20 کے بجٹ میں 3 فیصد اضافی ٹیکس غیر رجسٹرڈ لوگوں کو فروخت پر تھا اسے منسوخ کر کے پورے پریسلز ٹیکس 11 فیصد کر دیا (یعنی 8 فیصد یکساں نرخ اور 3 فیصد اضافی ٹیکس مبلغ - Rs.60,000 فی میٹرک ٹن سے 17 فیصد مبلغ - Rs.60,000 فی میٹرک ٹن چینی ٹریڈنگ کارپوریشن آف پاکستان کے معرفت چین کو برآمد کیا اور مجموعی طور پر نتیجہ اچھا ہوا۔ 3,000 میٹرک ٹن چینی ٹریڈنگ کارپوریشن آف پاکستان کے معرفت چین کو برآمد کیا اور مجموعی طور پر نتیجہ اچھا ہوا۔



اس مدت کے جائزہ کے مطابق ہمارے مل نے 194.664 ملین روپے کا آپریٹنگ منافع حاصل کیا۔ اس کے مقابلے میں 271.311 ملین روپے کا آپریٹنگ منافع حاصل ہوا تھا۔

ڈویڈنڈ

جمع شدہ جملہ نقصانات کی روشنی میں کمپنی کے ڈائریکٹرز نے ڈویڈنڈ نہ دینے کی سفارش کی ہے۔



فی حصص آمدن (نقصان)

2017-18

2018-19

0.23

(4.00)

بنیادی ورتیق

مستقبل کا منظر

گئے کی کرشنک سیزن 2019-20 کا آغاز مورخہ 21، نومبر 2019 کو ہوا اور اس رپورٹ کے اشاعت تک آپیکل نے 15,420 میٹرک ٹن چینی بنائی جسکی اوسط ریکوری 8.915 فیصد پر 36 دن میں حاصل کیا۔ حالانکہ حکومت سندھ نے فیصلہ کر لیا ہے لیکن اب تک نوٹیفیکیشن جاری نہیں کیا ہے جو کہ گئے کی قیمت 192 روپے فی 40 کلوگرام برائے سیزن 2019-20 ہو سکتا ہے۔ اس مناسب سے کاشتکار پچھلے سال کے مقابلے میں زیادہ قیمت طلب کر رہے ہیں۔ چینی اور مولاس کی قیمت میں اضافی کا رجحان ہے۔ ان حالات میں آپیکل اچھے منافع کی امید رکھتا ہے۔ مل انتظامیہ اچھے مراجعت اس سیزن میں توقع رکھتا ہے۔ آپکی کمپنی نے 12MW بگاس/ہاؤس پاور پیداواری پلانٹ پر کام جاری کیا تھا جس میں دیر ہوگئی ہے لیکن امید ہے مستقبل قریب میں مکمل ہو جائے گا۔

ماحولیات

خیر پور شوگر ملز نے ماحولیاتی اثرات کو بہتر کرنا اپنی اولین ترجیحات میں شامل کیا ہے۔ سندھ ماحولیاتی تحفظ (SEPA) کے ایکٹ 2013 کے تحت جامع حکومت عملی مرتب کیا ہے۔ اس منصوبے پر عمل کرتے ہوئے پانی کے استعمال اور اخراج کو کم کر دیا گیا ہے۔ SEPA کی منظوری اور غیر ملکی ماہرین کی خدمات سے تلافی پانی کا ٹریڈنٹ پلانٹ نصب کیا گیا ہے جسکی صلاحیت تقریباً تین ہزار کیوبک میٹر روزانہ کے حساب سے استعمال شدہ پانی کو دوبارہ قابل استعمال بنائے گا۔ جس سے کا شنگاری کے پانی کی کمی کو دور کرنے کے ساتھ ساتھ آلودگی کو کم کرتے ہیں۔ الحمد للہ ہمارے مل میں اس پلانٹ کا افتتاح مورخہ 05، دسمبر 2019 کو کیا جا چکا ہے۔

ڈائریکٹرز رپورٹ برائے ممبران

برائے سال 2018-2019

محترم ممبران

السلام علیکم

آپ کے ڈائریکٹرز کی جانب سے 30 ستمبر 2019 کے اختتامی سال کے لئے کمپنی کی سالانہ رپورٹ اور آڈٹ شدہ گوشوارہ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

کمپنی کی مالیاتی اعداد و شمار درج ذیل ہیں:

2018	2019	
(روپے ہزار میں)	(روپے ہزار میں)	
91,960	(85,123)	قبل از ٹیکس (نقصان / منافع)
(88,286)	21,120	ٹیکس
3,674	(64,003)	بعد از ٹیکس (نقصان) / منافع
0.23	(4.00)	فی حصص (نقصان) / آمدن

کارکردگی جائزہ

آپریشنل معلومات بمقابلہ پچھلے سیزن درج ذیل ہیں۔

سیزن 2017-18	سیزن 2018-19	
29 نومبر 2017	26 نومبر 2018	سیزن کا آغاز
25 اپریل 2018	17 مارچ 2019	سیزن کا اختتام
148	112	سیزن (کام) کا دورانیہ
828,100.921	663,364.694	گٹا کرش کیا گیا (میٹرک ٹن)
10.340	10.358	پیداواری شوگر کی ریکوری (فیصد)
4.530	4.145	مولائیس کی ریکوری (فیصد)
85,625.00	68,714.00	چینی کی پیداوار (میٹرک ٹن)
37,516.50	27,500.00	مولائیس کی پیداوار (میٹرک ٹن)

کشرنگ سیزن 2018-19 کا آغاز مورخہ 26 نومبر 2018 اور اختتام مورخہ 17 مارچ 2019 اس دوران 663,364.694 میٹرک ٹن گٹا کرشنگ کی جس سے 68,714 میٹرک ٹن چینی ہیں جو کہ اوسط ریکوری 10.358 فیصد 112 دن میں حاصل ہوا۔ اس کے مقابلے میں پچھلے سیزن 2017-18 کو 828,100.921 میٹرک ٹن گٹے کی کشرنگ سے 85,625 میٹرک ٹن چینی بنی تھی جو کہ اوسط ریکوری 10.340 فیصد 148 دن میں حاصل کیا تھا۔

CHAIRMAN'S REVIEW REPORT

Dear Shareholders

On behalf of the Board of Directors, I am pleased to present you the review report on the overall performance of the Board and the effectiveness of role played by the Board in the achievement of overall organisational objectives in terms of section 192 of the Company Act 2017.

Company's financial year 2018-19 started with multiple challenges. Due to economic downturn and in the reduction of the overall area cultivated the cost of sugarcane increased significantly. Moreover, increased in Kibor rates increased the overall finance cost by approximately 100% and change in the sales tax rates created an additional per MT impact of Rs 3,600/-. All these factors contributed in the dilution of profitability.

Though the prices of sugar shown an upward trend in the domestic market which further coupled with the exports of 3,000MT of sugar to China. Despite of all the above efforts and the cost reduction strategies company end its year in a negative zone and reported after tax loss of Rs 64.003 M.

The composition of Board of Director reflects a mix of varied background with rich experience in the field of business to provide strategic guidance and inputs regularly to the company's management.

The Board is assisted by its committees. The Audit committee reviews the financial statements and ensures that the periodic / annual financial statements fairly represent the true financial position of the company. It also ensures the effectiveness of internal control. The HR committee overviews the HR policy framework and recommends selection and compensation of senior management team with a continuous watch on succession planning done by the company.

The Board also remains focused on increasing shareholders' value through efficiency enhancement and diversification initiatives and enduring contribution towards development of the farming community.

In the end I would like to acknowledge the immense contribution and commitment of each member of the leadership team and employees of the company, who played a role to ensure the company's continued growth and success.

Thanks and regards



Qamar Mubeen Jumani

Chairperson

Place: Karachi

Dated: December 26, 2019

چیرمین کا جائزہ

محترم شیئر ہولڈرز

بورڈ آف ڈائریکٹرز کے طرف سے میں خوشی محسوس کرتے ہوئے بورڈ کے مجموعی پرفارمنس اور تنظیمی کامیابی مدت معائنہ کے سیکشن 192 کا کمپنی ایکٹ 2017 کے تحت کیا گیا ہے۔

کمپنی کے مالی سال 2018-19 کے شروعات میں مختلف چیلنج کا سامنا رہا۔ جو کہ گرتی ہوئی معیشت اور کم ایریا میں گنے کی کاشت نے زیادہ اہم منفی کردار ادا کیا ہے۔ اسکے علاوہ کا بھر (Kibor) کے نرخ مجموعی اضافہ تقریباً 100 فیصد ہوا جس کے مالی لاگت میں مفید اضافہ کا باعث بنا۔ اور سیلز ٹیکس میں مبلغ Rs. 3,600 فی میٹرک ٹن حکومت نے اضافہ کر دیا۔ ان تمام وجوہات سے آپریٹنگ رزلٹ میں منفی منافع ہوا۔

باوجود اسکے ان دنوں چینی اور مولاس کی قیمت میں اضافی کارہجان ہے اسکے علاوہ 3,000 میٹرک ٹن چینی چین کو برآمد کیا۔ ان تمام صورتحال کے باوجود چینی کی لاگت سے اس سال منفی علاقے کی طرف ہوا۔ اور بعد از ٹیکس نقصان Rs. 64,003 میلین رہا۔

بورڈ آف ڈائریکٹرز کے ترکیب کے حساب سے مختلف پس منظر ظاہر کرتا ہے۔ انکے بے انتہا تجربہ اس کاروبار میں ہونے کی وجہ سے حکمت عملی رہنمائی اور معلومات سے کمپنی تنظیمی معاملات سے استفادہ کیا ہے۔

بورڈ کو اسکے مختلف (ذیلی) کمیٹی سے رہنمائی حاصل ہے۔ آڈٹ کمیٹی کے فنانشیال ایڈمنسٹریٹس سالانہ اور سہ ماہی نظر ثانی کرنے کے بعد کمپنی کی فنانشیال کی صورت حال کی نشاندہی کرتا ہے۔ اس کے علاوہ صحیح صورت حال سے اندرونی اختیار کی نشاندہی کرتا ہے۔ HR & Remuneration کمیٹی عمومی جائزہ اسکی پالیسی کی بنیاد پر سینئر مینجمنٹ ٹیم کے معاوضہ کا انتخاب کرتا ہے اور مجموعی طور پر کمپنی کے لئے منصوبے بنایا ہے۔

بورڈ کا شیئر ہولڈرز کے لئے اضافی کے طرف نگاہ مرکوز کرتا رہتا ہے بذریعہ اضافی قابلیت اور تبدیل شدہ اقدام کو مد نظر رکھتے ہوئے مستقل اعانت کے بنیاد پر سماجی ترقی بنانے کے عمل کے بنیاد پر۔

آخر میں ہم تسلیم کرتے ہوئے قابل قدر تمام کارکنان عملے، ملازمین اور کمپنی کے ساتھ منسلک افراد جنہوں نے اس مقصد کے حصول کے خاطر انکی کوششوں کا اعتراف کرتے ہیں۔



قمر مبین جانی (چیر پرسن)

جگہ: کراچی مورخہ: ۲۶ دسمبر ۲۰۱۹

SUGAR

Total Sugar Production per million tons has witnessed a 125% increase in 2017-18 as compared to 2009-10 while increase in Sugarcane area per hectares over the same period was 29%.



MOLASSES

The Pakistan sugar sector has the capacity to produce over 2.5 million metric tons (MMT) of molasses available for processing into ethanol. To maximize returns, the sugar industry processes molasses to produce anhydrous and hydrous ethanol. Countrywide, nineteen distillery units have an annual ethanol production capacity of over half a million tons.



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of company: KHAIRPUR SUGAR MILLS LIMITED

Year ending: 30TH SEPTEMBER 2019

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). Anees Ahmed Abbasi
Lt. Gen (Rtd). Tahir Mahmud Qazi |
| b) | 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 Juma
Miss. Arisha Mubeen Jumani |

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company;

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The board has ensured that complete record of particulars of significant policies along with the date of approval or updating is maintained by the company;

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board;

8. The board have a formal policy and transparent procedures for remuneration of directors in Accordance with the Act and these Regulations;

9. The director are expected to obtain requisite certifications under Directors' Training Program in future in order to comply with the requirements of CCG;

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. Furthermore, During the year Mr. Shoaib ul Haque has been appointed as Company Secretary;
11. CFO and CEO duly endorsed the financial statements before approval of the board;
12. The board has formed committees comprising of members given below:
 - a) Audit Committee

Lt. Gen (Retd) Anis Ahmed Abbasi	Chairman
Lt. Gen (Retd) Tahir Mahmud Qazi	Member
Miss Arisha Mubeen Jumani	Member
 - b) HR and Remuneration Committee

Lt. Gen (Retd) Anis Ahmed Abbasi	Chairman
Lt. Gen (Retd) Tahir Mahmud Qazi	Member
Mr. Muhammad Mubeen Jumani	Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committees were as per following:
 - a) Audit Committee: Four Meetings during the financial year ended September 30, 2019.
 - b) HR and Remuneration Committee: One Meeting during the financial year ended September 30, 2019.
15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they all the partners of the firm involved in the audit are not a close relative (spouses, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of Regulations 3,6,7,8,27,32,33 and 36 of the regulation have been complied with.


(MUHAMMAD MUBEEN JUMANI)
Chief Executive Officer

Place: Karachi

Date: December 26, 2019

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF KHAIRPUR SUGAR MILLS LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

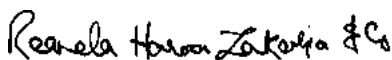
We have reviewed the enclosed Statement of Compliance with the Listed companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Khairpur Sugar Mills Limited** ("the Company") for the year ended **September 30, 2019** in accordance with the requirement of regulation 36 of the Regulation.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulation require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the Related party transaction by the board of directors upon recommendations of the Audit committee. We have not carried out procedures to assess and determine the company's process for identification of the related party and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the 'Statement of Compliance' does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended September 30, 2019.



Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi

Date: December 26, 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KHAIRPUR SUGAR MILLS LIMITED ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of Khairpur Sugar Mills Limited which comprise the statement of financial position as at September 30, 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2019 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
1. Restructuring of long-term loan	
(Refer notes no. 15 to the accompanying financial statements).	Our audit procedures included the following:
During the year, the Company has restructured its long-term loan from directors. This restructuring reduced the fair value of long term loan and resulted in gain in remeasurement.	Considering the management's process restructuring of long term loans.
	Assessing management assumption of discount rate used for calculation of present value.

Key audit matter	How the matter was addressed in our audit
1. Restructuring of long-term loan	
Due to significance of amounts involved, we considered it a key audit matter.	<p>Confirming the calculation of present value of long term loan and its resulting gain.</p> <p>Assessing the adequacy and appropriateness of the accounting treatment and disclosure provided.</p>
1. Contingencies	
<p>(Refer to notes no. 21 to the accompanying financial statements)</p> <p>Contingencies disclosed in the annexed financial statements relate to various matters which are pending before the appellate authorities and the courts.</p> <p>Contingencies require management to make judgements and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provision that may be required against such contingencies.</p> <p>Due to the significance of matters involved, inherent uncertainties with respect to the outcome of the matters and use of significant management judgements and estimates to assess the same including related financial impacts, we consider contingencies a key audit matter.</p>	<p>Our audit procedures in relation to the matter included:</p> <p>Obtained an understanding of the management's processes and controls over contingencies through meetings with the management.</p> <p>We obtained and reviewed confirmations from the Company's external advisors for their views on the legal position of the Company in relation to these contingencies.</p> <p>We also evaluated the adequacy of disclosures made in respect of these contingencies in accordance with the applicable financial reporting standards.</p>

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

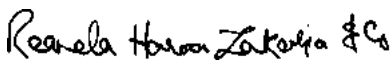
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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



Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi

Date: December 26, 2019

CODE OF CONDUCT

Management of Khairpur Sugar Mills Limited established the Company on very sound principles and envisioned its development and growth on the basis of making no compromise in any aspects of business practices. Management is guided by the following principles in its pursuit of excellence in all activities for the attainment of the Company's Objectives.

THE COMPANY

- Fulfill all statutory requirements of the Regulatory Authority and follow all applicable laws of the country together with compliance of accepted accounting principles, rules and procedures required.
- Deals with all stakeholders in an objective and transparent manner so as to meet the expectations of those who rely on the Company.
- Meet the expectations of the spectrum of the society and the Regulatory Authority by implementing an effective and fair system of financial reporting and internal controls.
- Uses all means to protect the environment and ensures health and safety of the employees.
- Activities and involvement of directors and employees of the Company in no way conflict with the interest of the Company. All acts and decisions of the management are motivated by the interest of the Company rather than their own.
- Ensures efficient and effective utilization of its resources.

AS DIRECTORS

- Promote and develop attractive environment through responsive policies and guidelines to facilitate viable and timely decisions.
- Maintain organizational effectiveness for the achievement of the Company's goals.
- Support and adherence to compliance of legal and industry requirements.
- Safeguard the interest and assets of the Company to meet and honor all obligations of the Company.
- Promote a culture that supports enterprise and innovation with appropriate short—term and long term performance related towards that are fair and achievable in motivating management and employees effectively and productively.

AS EXECUTIVE AND MANAGERS

- Ensure cost effectiveness and profitability of operations.
- Provide directors and leadership for the organization and take viable and timely decisions.
- Develop and cultivate work ethics and harmony among colleagues and associates.
- Encourage initiatives and self realization in employees through meaningful Empowerment.
- Promote and develop culture of excellence, conservation and continuous improvement.
- Provide pleasant work atmosphere and ensure an equitable way of working and rewarding system.
- Institute commitment of environmental, health and safety performance.

AS EMPLOYEE AND WORKERS

- Observe Company policies, regulations and codes of Best Business Practices.
- Exercise prudence in effective, efficient and economical utilization of resources of the Company.
- Make concerted struggle for excellence and quality.
- Devote productive time and continued efforts to strengthen the Company.
- Protect and Safeguard the interest of the Company and avoid the conflict of interest. Ensure the primary interest in all respects is that of the Company.
- Maintain financial integrity and must avoid making personal gain at the Company's cost by participating in our assisting activities which complete with the Company.

GREEN ENERGY

According to government officials and experts, it could be possible to produce 2000–3000 MW of electricity from local bagasse during the sugarcane crushing season, which normally begins in October and continues for about 120 days. Pakistan could generate 1500 MW of electricity daily by using bagasse once the sugar mills are able to acquire efficient machinery.



ANIMAL FEED

Animal feed is another source of sugarcane. Molasses is the readily available source of sugar and phosphorus to the animal body. The urea molasses diet can be successfully fed as a sole ration with little protein supplement and forage to growing calves and lactating animals. Sugarcane tops are palatable and cattle can be maintained entirely on them with a little supplement of concentrate mixture or leguminous feeds. Bagasse with High-pressure treatment improves the palatability and digestibility of bagasse. It can be fed up to 4 kg to adult cattle for maintenance after chaffing it.



STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

ASSETS

Non-Current Assets

Property, plant and equipment
Intangible assets
Long term deposits

Current Assets

Stores, spares and loose tools
Stock in trade
Loans and advances
Deposits, prepayments and other receivables
Tax refund due from government
Cash and bank balances

Total Assets

EQUITY AND LIABILITIES

Authorized Capital

20,000,000 Ordinary shares of Rs. 10 each

Share capital and reserves

Issued, subscribed and paid up capital
Revenue reserves - accumulated profit / (loss)
Surplus on revaluation of property, plant and equipment - net

Shareholders' equity

Non-Current Liabilities

Long term financing
Deferred liabilities
Liabilities against assets subject to finance lease

Current Liabilities

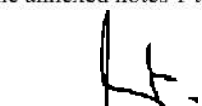
Current portion of liabilities against assets subject to finance lease
Short term borrowings
Trade and other payables
Accrued markup
Provision for taxation

Contingencies and commitments

Total Equities and Liabilities

Note	2019 Rupees in thousand	2018 (Restated)
4	2,317,193	1,608,012
5	6,307	6,307
6	3,979	1,557
	2,327,479	1,615,876
7	139,596	120,742
8	854,265	1,174,143
9	352,219	309,452
10	219,227	478,379
11	-	6,288
12	80,503	23,908
	1,645,810	2,112,912
	3,973,289	3,728,788
	200,000	200,000
13	160,175	160,175
	148,329	(208,130)
14	682,383	255,329
	990,887	207,374
15	674,177	1,006,238
16	128,890	99,525
17	7,452	12,364
	810,519	1,118,127
18	4,963	4,709
	1,345,324	894,107
19	751,210	1,479,815
	48,106	24,656
20	22,280	-
	2,171,883	2,403,287
21		
	3,973,289	3,728,788

The annexed notes 1 to 41 form an integral part of these financial statements.


Muhammad Mubeen Jumani
Chief Executive Officer


Mirza Muhammad Bilal Kamil
Chief Financial Officer


Faraz Mubeen Jumani
Managing Director

Place: Karachi, Date: December 26, 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED SEPTEMBER 30, 2019

		2019	2018
	Note	Rupees in thousand	(Restated)
Sales - net	22	4,252,277	4,237,317
Cost of sales	23	(3,856,845)	(4,195,459)
Gross profit		395,432	41,858
Administrative expenses	24	(192,991)	(185,162)
Distribution cost	25	(26,249)	(77,714)
Other incomes	26	20,364	502,596
Other operating expenses	27	(1,892)	(10,267)
		(200,768)	229,453
Operating profit		194,664	271,311
Finance cost	28	(279,787)	(179,351)
(Loss) / Profit before taxation		(85,123)	91,960
Taxation	29	21,120	(88,286)
(Loss) / Profit after taxation		(64,003)	3,674
Other comprehensive income for the year			
(a) Items to be classified to profit and loss account in subsequent period		-	-
(b) Items that will not be reclassified to profit and loss account in subsequent period		-	-
		-	-
Total comprehensive (loss) / income for the year		(64,003)	3,674
(Loss) / earning per share - basic and diluted	30	(4.00)	0.23

The annexed notes 1 to 41 form an integral part of these financial statements.


Muhammad Mubeen Jumani
Chief Executive Officer


Mirza Muhammad Bilal Kamil
Chief Financial Officer


Faraz Mubeen Jumani
Managing Director

Place: Karachi, Date: December 26, 2019

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

2019 2018
 Note ----- Rupees in thousand -----

A. CASH FLOWS FROM OPERATING ACTIVITIES

(Loss) / Profit before taxation	(85,123)	91,960
Adjustment for non-cash charges and other items:		
Depreciation	101,629	79,197
Provision for Workers' Welfare Fund	-	3,716
Provision for Workers' Profit Participation fund	-	5,036
Gratuity	9,008	5,294
Finance cost	271,369	171,559
Working capital changes	31.1 (204,896)	373,174
Cash generated from operations	91,987	729,936
Finance cost paid	(182,816)	(112,105)
Workers' Profit Participation paid	(6,300)	(52,066)
Gratuity paid	(6,572)	-
Income tax paid	(38,979)	(68,960)
Net cash (used in) / generated from operating activities	(142,680)	496,805

B. CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure	(239,926)	(84,696)
Capital work-in-progress	(5,574)	(7,993)
Long term deposits paid	(2,422)	(1,295)
Net cash used in investing activities	(247,922)	(93,984)

C. CASH FLOWS FROM FINANCING ACTIVITIES

Market Committee fee	(4,020)	(4,020)
Short term finance - net	451,217	(411,941)
Net cash generated from / (used in) financing activities	447,197	(415,961)
Net increase / (decrease) in cash and cash equivalents	56,595	(13,140)
Cash and cash equivalents at the beginning of the year	23,908	37,048
Cash and cash equivalents at the end of the year	80,503	23,908

The annexed notes 1 to 41 form an integral part of these financial statements.


 Muhammad Mubeen Jumani
 Chief Executive Officer


 Mirza Muhammad Bilal Kamil
 Chief Financial Officer


 Faraz Mubeen Jumani
 Managing Director

Place: Karachi, Date: December 26, 2019

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<i>Issued, subscribed & paid-up capital</i>	<i>Revenue reserves - Accumulated (loss) / gain</i>	<i>Revaluation surplus on property, plant and equipment</i>	<i>Total</i>
	<i>----- Rupees in thousand -----</i>			
Balance as at September 30, 2017	160,175	(224,767)	264,583	199,991
Profit for the year - Restated (note 16.2.2)	-	3,674	-	3,674
Total comprehensive income	-	3,674	-	3,674
Transfer of incremental depreciation from revaluation surplus on property, plant and machinery - net of tax	-	12,963	(12,963)	-
Reversal of deferred tax due to change of rate	-	-	3,709	3,709
	-	12,963	(9,254)	3,709
Balance as at September 30, 2018 - Restated	160,175	(208,130)	255,329	207,374
Loss for the year	-	(64,003)	-	(64,003)
Total comprehensive income	-	(64,003)	-	(64,003)
Revaluation surplus arises during the year - net of tax	-	-	450,352	450,352
Present value of long term loan on initial recognition	-	466,480	-	466,480
Reversal of present value adjustment of long term loan on derecognition	-	(69,316)	-	(69,316)
Transfer of incremental depreciation from revaluation surplus on property, plant and machinery - net of tax	-	23,298	(23,298)	-
	-	420,462	427,054	847,516
Balance as at September 30, 2019	160,175	148,329	682,383	990,887

The annexed notes 1 to 41 form an integral part of these financial statements.


Muhammad Mubeen Jumani
Chief Executive Officer


Mirza Muhammad Bilal Kamil
Chief Financial Officer


Faraz Mubeen Jumani
Managing Director

Place: Karachi, Date: December 26, 2019

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

Khairpur Sugar Mills Limited (the Company) was incorporated in Pakistan on August 23, 1989 as a public limited company under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017). The Company is listed on Pakistan Stock Exchange Limited. The company is principally engaged in the manufacture and sale of sugar and by-products.

The geographical location and address of the Company's business units, including plant is as under:

- The registered office of the Company is situated at 3rd Floor, Plot No. 15-C, 9th Commercial Lane, Zamzama, D.H.A. Phase-V, Karachi.
- The manufacturing facilities of the company are situated at Naroo Dhoro, Tando Masti road, Taluka Kot Diji, Khairpur in the province of Sindh.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial reporting standards (IFRS standards) issued by international Accounting standards Board (IASB) as notified under 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 from IFRS standards, the provisions of and directives issued under the companies Act, 2017 have been followed

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention, except as otherwise disclosed hereafter.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani rupees which is the functional currency of the company. Figures are rounded off to the nearest thousand rupee.

2.4 Significant accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

- Determining the residual values and useful lives of property, plant and equipments (Note 3.2)
- Impairment / adjustments of inventories and stores to their net realizable value (Note 3.5 & 3.6)
- Accounting for staff retirement benefits (Note 3.10)
- Recognition of taxation and deferred tax (Note 3.11) and
- Impairment of assets (Note 3.16.5 & 3.18)

2.5 Standards, interpretations and amendments to approved accounting standards

There are new and amended standards and interpretations that are mandatory for accounting periods beginning 01 October 2018 other than those disclosed in note 3.1 are considered not to be relevant or do not have any significant effect on the Company's financial statements and are therefore not stated in these financial statements.

2.5.1 New standards, amendments to standards and IFRS interpretations that are effective for the year ended September 30, 2019

The following revised standards, amendments and improvements with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations:

<i>Standards or interpretations</i>	<i>Effective date (annual periods beginning on or after)</i>
- IFRS 2 Share-based Payments - Classification and Measurement of Share-based Payments Transactions (Amendments)	January 1, 2018
- IFRS 9 Financial instruments	Annual period ending on or after June 30, 2019
- IFRS 15 Revenue From Contracts With Customers	July 01, 2018
- IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance contracts - (Amendments)	January 1, 2018
- IAS 40 Investment Property - Transfer of Investment Property (Amendments)	January 1, 2018
- IFRIC 22 Foreign Currency Transactions and Advance Consideration	January 1, 2018

Certain annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

First time adoption of new Standards

IFRS 9 - Financial Instruments

This standard has been notified by the SECP to be effective for annual periods ending on or after June 30, 2019. This standard replaced the majority of requirement of IAS 39 - Financial Instruments: Recognition and Measurement (IAS 39) and covers the classification, measurement and de-recognition of financial

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

assets and financial liabilities. It requires all fair value movements on equity investments to be recognized either in the profit or loss or in other comprehensive income, on a case-by-case basis, and also introduced a new impairment model for financial assets based on expected losses rather than incurred losses and provides a new hedge accounting model.

The impact of the adoption of IFRS 9 has been in the following areas:

(i) Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements of IAS 39 for the classification and measurement of financial liabilities. However, it replaces the previous IAS 39 categories for financial assets i.e. loans and receivables, fair value through profit or loss (FVTPL), available for sale and held to maturity with the categories such as amortized cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVTOCI).

There is no significant impact of IFRS 9 on the classification and measurement of financial assets for the year ended September 30, 2019 other than that loans and receivables are classified under the category of amortized cost. Under IFRS 9, the classification of financial assets is based on the objective of the entity's business model that is the Company's objective is to hold assets only to collect cash flows, or to collect cash flows and to sell ("the Business Model test") and the contractual cash flows of an asset give rise to payments on specified dates that are solely payments of principal and interest ("SPPI") on the principal amount outstanding ("the SPPI test").

(ii) Hedge accounting

IFRS 9 requires that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

There is no impact of the said change on these financial statements as there is no hedge activity carried on by the Company during the year ended September 30, 2019.

(iii) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model of IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVTOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

Under IFRS 9, loss allowances are measured on either of the following basis:

- 12 - months ECLs: These are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: These are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company has elected to measure provision against financial assets on the basis of life

Lifetime ECL is only recognized if the credit risk at the reporting date has increased significantly relative to the credit risk at initial recognition. Further, the Company considers the impact of

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

forward looking information (such Company's internal factors and economic environment of the country of customers) on ECLs.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity and the cash flows that the Company expects to receive). Since these financial assets are short term in nature, therefore no credit loss is expected on these balances

Presentation of impairment

Provision against financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Impact of the new impairment model

For assets within the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Company has determined that the application of IFRS 9's impairment requirements on the reporting date does not have a material impact on provision for doubtful debts measured under IAS 39.

IFRS 15 - Revenue from Contracts with Customers

This standard was notified by the Securities and Exchange Commission of Pakistan ('SECP') to be effective for annual periods beginning on or after July 1, 2018. IFRS 15 - Revenue from contracts with customers (IFRS 15) replaced IAS 18 - Revenue, IAS 11 - Construction Contracts, IFRIC 13 - Customer Loyalty Programs, IFRIC 15 - Agreements for the Construction of Real Estate, IFRIC 18 - Transfers of Assets from Customers and SIC 31 - Revenue - Barter Transactions involving Advertising Services.

IFRS 15 provides a unified five-step model for determining the timing, measurement and recognition of revenue. The focus of the new standard is to recognize revenue as performance obligations are made rather than based on the transfer of risk and rewards. IFRS 15 includes a comprehensive set of disclosure requirements including qualitative and quantitative information about contracts with customers to understand the nature, amount, timing and uncertainty of revenue.

Under IFRS 15, revenue is recognised when performance obligation is satisfied by transferring control of goods or services to Customer

The above is generally consistent with the timing and amounts of revenue the Company recognised in accordance with the previous standard, IAS 18. Therefore, the adoption of IFRS 15 does not have a material impact on the timing and amounts of revenue recognition of the Company.

2.5.2 Amendments to standards and IFRS interpretations that are not yet effective

The following amendments to accounting standards and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Effective from accounting period beginning on or after

- IFRS 3 Business Combinations: Amendments to clarify the definition of a business January 1, 2020
- IFRS 9 Prepayment Features with Negative Compensation and modifications of financial liabilities - (Amendments) January 1, 2019
- IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment) Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.
- IFRS 16 Leases January 1, 2019

Effective from accounting period beginning on or after

- IAS 1 Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors': Amendments regarding the definition of material (Amendments) January 1, 2020
- IAS 19 Plan Amendment, Curtailment or Settlement (Amendments) January 1, 2019
- IAS 28 Long term interests in Associates and Joint ventures (Amendments) January 1, 2019
- IFRIC 23 Uncertainty over Income Tax Treatment January 1, 2019

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2020. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation

- IFRS 1 First Time Adoption of International Financial Reporting Standards
- IFRS 14 Regulatory Deferral Accounts
- IFRS 17 Insurance Contracts

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Change in classification of financial assets

The following table explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as at 30 September 2018.

	<i>Original Classification Under IAS 39</i>	<i>New Classification under IFRS 9</i>	<i>Original Carrying amount</i>	<i>New Carrying amount</i>
As at 30 September 2018				
Long term deposits	Loans & receivables	Amortized cost	1,557	1,557
Loans and advances	Loans & receivables	Amortized cost	309,452	309,452
Deposits, prepayments and other receivables	Loans & receivables	Amortized cost	478,379	478,379
Cash and bank balances	Loans & receivables	Amortized cost	23,908	23,908

3.2 Property, plant and equipment

Operating fixed assets - Owned

These are stated at cost less accumulated depreciation and impairment losses, if any, except for freehold land, building and plant and machinery. Land is stated at revalued amount less impairment losses, if any. Building and plant & machinery are stated at revalued amount less accumulated depreciation and impairment losses, if any. Depreciation on fixed assets is charged to income by applying reducing balance method at the rates specified in the relevant note.

Monthly depreciation is charged on the assets acquired during the month, whereas, no depreciation is charged from the month of disposal.

Normal repairs and maintenance are charged to income as and when incurred. Major renewals and improvements are capitalized.

The carrying values of tangible fixed assets are reviewed for impairment when event or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

Gain/ loss on disposal of fixed assets are recognized in the profit and loss account.

Operating fixed assets - Leased

Leased asset held under finance lease are stated at the lower of cost or present value of minimum lease payments less accumulated depreciation at the rates and basis applied to the Company's owned assets. The outstanding obligations relating to assets subject to finance lease are accounted for at the net present value of liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Financial charges are calculated at the interest rate implicit in the lease and are charged to the profit and loss account, except for financial charges in respect of leased assets relating to capital work in progress, which are capitalized until the asset is transferred to fixed assets.

3.3 Capital work in progress

Capital work-in-progress is stated at cost accumulated up to the balance sheet date less impairment if any. Transfer are made to relevant property, plant and equipment category as and when assets are available for their intended use.

3.4 Intangible Assets

An intangible asset is recognized as an assets if it is probable that economic benefits attributable to the assets will flow to the company and cost of the assets can be measured reliably.

Intangible assets having finite useful life are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged from the date the asset is available for use while in the case of assets disposed of, it is charged till the date of disposal. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

Intangible assets having an indefinite useful life are stated at cost less accumulated impairment losses, if any. An intangible asset is regarded as having an indefinite useful life, when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which asset is expected to generate net cash inflows for the Company.

An intangible asset with an indefinite useful life is not amortized. However, the carrying amount is reviewed at each reporting date or whenever there is an indication that the asset may be impaired, to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds the estimated recoverable amount, it is written down to its estimated recoverable amount.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit and loss account when the asset is derecognized.

3.5 Stores and Spares

These are valued at lower of the moving average cost or net realizable value. Net realizable value comprise of estimated selling price in the ordinary course of the business less estimated cost necessary to make the sale. Provision is made for items considered obsolete and slow moving. Items in transit are valued at cost comprising invoice price and other charges paid thereon.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Major stores and spare parts qualify for recognition as property, plant and equipment when the Company expects to use these for more than one year. Transfer are made to relevant operating fixed assets category as and when such items are issued for use.

Major stores and spare parts are valued at cost less accumulated impairment, if any.

3.6 *Stock in trade*

These are valued at lower of weighted average cost and net realizable value. Cost is determined as follows:-

- Work in process Prime cost plus proportionate allocation of manufacturing overheads based on stage of completion.
- Finished goods Prime cost plus an appropriate allocation of manufacturing overheads.
- Stock of by product Net realizable value.

Net realizable value comprises of estimated selling price in the ordinary course of the business less estimated cost necessary to make the sale.

3.7 *Trade debts*

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss (ECL).

3.8 *Loans, advances, deposits and prepayments*

These are stated at their nominal values net of any allowance for uncollectable amounts (if any).

3.9 *Trade and other payables*

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

3.10 *Employee benefits*

a) Defined contribution plan

The Company operates a recognised provident fund for all its eligible employees. Equal contributions are made, both by the Company and the employees, to the fund at the rate of 8.33% of the basic salary. The

NOTES TO THE FINANCIAL STATEMENTS

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Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due.

b) Defined benefit plan

The Company used to operate an unapproved gratuity scheme (defined benefit plan) for its employees. The Company has discontinued its present gratuity scheme.

3.11 Taxation

Current

Provision for current taxation is determined in accordance with provision of Income Tax Ordinance, 2001.

Deferred

Deferred tax is recognized using the balance sheet liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts appearing in the financial statements. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in the future and taxable income will be available against which the temporary differences can be utilized.

The carrying amount of all deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the balance sheet date.

3.12 Provisions

A provision is recognized when the Company has an obligation (legal or constructive), as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.13 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

received or receivable, and is reduced for the allowances such as taxes, duties, commissions, sales returns and trade discounts. The following recognition criteria must be met before revenue is recognized:

- Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, which coincides with dispatch of the goods to the customers.
- Return on bank deposits is recognized on a time proportion basis on the principal amount outstanding and the rate applicable while income from held to maturity investments is recorded using effective yield method.
- Miscellaneous income is recognized on occurrence of transactions.

3.14 Cash and cash equivalents

For the purpose of cash flow statement, these include cash in hand and balances at bank.

3.15 Borrowing Cost

These are incurred on short term borrowings and are charged to profit and loss account in the year in which it is incurred except to the extent of borrowing costs that are directly attributable to the acquisition, contribution and commissioning of a qualify asset which are capitalized.

3.16 Financial Instruments

3.16.1 Initial Recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortized cost as the case may be.

3.16.2 Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at amortized cost.
- at fair value through other comprehensive income ("FVTOCI"), or
- at fair value through profit and loss ("FVTPL"),

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through OCI

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

However, Company may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

Financial assets at fair value through P&L

A financial asset is measured at fair value through P&L unless it is measured at amortized or at fair value through OCI.

3.16.3 Financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit and loss ("FVTPL"), or
- at amortized cost.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

3.16.4 Subsequent measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in OCI.

Investments in un-quoted equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value. However, in limited circumstances, where there is insufficient recent information is available or where there is wide range of possible fair value measurements, the cost may be an appropriate estimate of fair value.

NOTES TO THE FINANCIAL STATEMENTS

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Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income/(loss). Currently, there are no financial liabilities designated at FVTPL.

3.16.5 Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses (ECLs) on financial assets that are measured at amortized cost. Loss allowances are measured on the basis of life time (ECLs) that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL is only recognized if the credit risk at the reporting date has increased significantly relative to the credit risk at initial recognition. Further, the Company considers the impact of forward looking information (such Company's internal factors and economic environment of the country of customers) on ECLs. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity and the cash flows that the Company expects to receive) Provision against financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

3.16.6 Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognized in profit or loss.

In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to revenue reserve.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of profit or loss and other comprehensive income.

3.16.7 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.17 Translation of foreign

Transaction in foreign currencies are recorded into rupees at the rates approximating those prevailing on the date of each transaction. Monetary assets and liabilities in foreign currencies are reported in rupees using the exchange rates approximating those prevailing on the balance sheet date. Exchange differences are included in income currently.

3.18 Impairment

Non-financial assets

The Company assesses at each balance sheet date whether there is any indication that assets, may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit and loss account. The recoverable amount is the higher of an asset's 'fair value less costs to sell' and 'value in use'.

When impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized. Reversal of impairment loss is recognized as income.

3.19 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit and loss attributable to ordinary share holders of the Company by the weighted average number of ordinary shares. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary share holders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

			2019	2018
			----- Rupees in thousand -----	
4 PROPERTY, PLANT AND EQUIPMENT	Note			
Operating fixed assets - tangible	4.1		2,266,294	1,591,925
Capital work in progress	4.2		21,661	16,087
Advance against purchase of fixed assets			29,238	-
			<u>2,317,193</u>	<u>1,608,012</u>
4.1 Operating fixed assets - tangible				
			</	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

		2019	2018
		----- Rupees in thousand -----	
4.1.1 Depreciation charge for the year has been allocated as follows:	Note		
Cost of sales	23	97,197	75,290
Administration expense	24	4,432	3,907
		<u>101,629</u>	<u>79,197</u>

4.1.2 Had the Free hold land, Factory building on free hold land and plant and machinery not been revalued, the total carrying values as at September 30, would have been as follows;

	2019	2018
	----- Rupees in thousand -----	
Free hold land	11,831	11,831
Factory building on free hold land	188,282	128,144
Plant and machinery	1,105,288	1,040,701
	<u>1,305,401</u>	<u>1,180,676</u>

4.1.3 The forced sale value of free hold land, Factory building and plant & machinery is assessed at Rs.153.000, Rs.251.260 and Rs.126.750 million respectively.

		2019	2018
		----- Rupees in thousand -----	
4.1 Capital work in progress	Note		
Civil works		6,308	3,627
Plant and machinery		15,353	12,460
		<u>21,661</u>	<u>16,087</u>

5 INTANGIBLE ASSETS

Software in process	5.1	<u>6,307</u>	<u>6,307</u>
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5.1 Software in process

Opening	6,307	-
Addition during the year	-	6,307
	<u>6,307</u>	<u>6,307</u>

6 LONG TERM DEPOSITS

Deposits against Ijarah financing	2,422	-
Other deposits	1,557	1,557
	<u>3,979</u>	<u>1,557</u>

7 STORES, SPARES AND LOOSE TOOLS

Stores, spares and loose tools		150,375	131,521
Provision for slow moving and obsolete items	7.1	(10,779)	(10,779)
		<u>139,596</u>	<u>120,742</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

7.1 Movement in provision for slow moving items and obsolescence during the year is as follows

	2019	2018
	----- Rupees in thousand -----	
Balance at beginning of the year	(10,779)	(10,779)
Provision made during the year	-	-
Balance at end of the year	<u>(10,779)</u>	<u>(10,779)</u>

7.2 Most items of the stores and spares are interchangeable in nature and can be used as machine spares or consumed as stores.

8 STOCK IN TRADE

Finished goods

- Sugar
- Bagasse

	2019	2018
	----- Rupees in thousand -----	
	821,447	1,157,311
	31,833	15,906
8.1	<u>853,280</u>	<u>1,173,217</u>
	985	926
	<u>854,265</u>	<u>1,174,143</u>

8.1 Inventory having carrying value of Rs. 683.899 (2018 : Rs. 1,082.643) million has been pledged against bank financing.

9 LOANS AND ADVANCES

Advances

- to growers
- to suppliers
- for expenses - considered good
- to staff

	2019	2018
	----- Rupees in thousand -----	
9.1	143,174	118,410
9.2	181,967	167,384
	19,099	16,046
9.3	<u>7,979</u>	<u>7,612</u>
	<u>352,219</u>	<u>309,452</u>

9.1 Advances to growers

- Considered good
- Considered bad

Provision for doubtful advances

	143,174	118,410
	1,428	1,428
	<u>144,602</u>	<u>119,838</u>
	<u>(1,428)</u>	<u>(1,428)</u>
	<u>143,174</u>	<u>118,410</u>

9.2 Advances to suppliers

- Considered good
- Considered bad

Provision for doubtful advances

	181,967	167,384
	6,294	6,294
	<u>188,261</u>	<u>173,678</u>
	<u>(6,294)</u>	<u>(6,294)</u>
	<u>181,967</u>	<u>167,384</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

		2019	2018
		----- Rupees in thousand -----	
9.3 Advances to staff	Note		
Considered good		7,979	7,612
Considered bad		367	367
		<u>8,346</u>	<u>7,979</u>
Provision for doubtful advances		(367)	(367)
		<u>7,979</u>	<u>7,612</u>
10 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Deposits	10.1	5,841	7,691
Prepayments		5,369	3,744
Other Receivables	10.2	208,017	466,944
		<u>219,227</u>	<u>478,379</u>

10.1 In the year ended September 30, 2008, the company has paid Rs.5.220 million as performance money in relation to its agreement with Trading Corporation of Pakistan (TCP) for the purchase of 5,000 M. Tons sugar the season 2007-2008 at a price of Rs. 20,880 per metric ton. Due to non-performance of obligation by Trading Corporation of Pakistan, the company has withdrawn from the agreement but performance money is not refunded by TCP. The case has been decided in favour of TCP during the year and company has filed review appeal in the Honorable Sindh high court.

10.2 This includes Rs. 202.196 (2018: 463.644) million receivable against the cash freight subsidy related to sugar exports made during the previous year from federal government and the government of sindh.

		2019	2018
		----- Rupees in thousand -----	
11 TAX REFUND DUE FROM GOVERNMENT	Note		
Income tax refundable	20	-	6,288

12 CASH AND BANK BALANCES

Cash in hand	44	151
Cash at banks - in current account	80,459	23,757
	<u>80,503</u>	<u>23,908</u>

13 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2019	2018		
Number of Shares			
16,017,500	16,017,500	Ordinary shares of Rs.10 each fully paid in cash	
		13.1	
		<u>160,175</u>	<u>160,175</u>

13.1 This include 12.059 (2018 : 11.738) million ordinary shares of Rs. 10 each held by the directors and related parties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

14 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET

Revaluation surplus

	2019	2018
	----- Rupees in thousand -----	
Balance as at October 01	357,605	375,864
Add: Surplus arises during the year	569,968	-
Less : Transferred to unappropriated profit in respect of incremental depreciation charged during the year	(32,815)	(18,259)
	894,758	357,605

Related deferred tax liability

	2019	2018
Balance as at October 01	(102,276)	(111,281)
Increase in revaluation surplus during the year	(119,616)	-
Effect of rate changed	-	3,709
Deferred tax on incremental depreciation charged during the year	9,517	5,296
	(212,375)	(102,276)
	682,383	255,329

14.1 During the year, the Company has carried out revaluation of freehold land, factory building and plant & machinery by independent valuer M/s.Oceanic Surveyors (Pvt) Limited as at 16 January 2019 which resulted in revaluation surplus by Rs. 569.968 million. The basis of valuation is assessed / evaluated at market value.

Previously, Revaluation was carried out by independent valuer M/s. Amir Evaluations & Consultants and M/s. Consultancy Support & Services (Management Consultants) as at January 25, 2016 and March 29, 2013, December 11, 2007, which resulted in revaluation (deficit) / surplus amounting to Rs. (44.962) million, Rs.125.753 million and Rs.201.386 million respectively.

15 LONG TERM FINANCING

From related parties

- Directors

	Note	2019	2018
		----- Rupees in thousand -----	
Original value of loan		1,140,657	1,140,657
Less: Present value adjustment	15.1 & 15.2	(531,584)	(393,842)
Add: Interest charged to profit and loss account to date		65,104	259,423
		674,177	1,006,238

Present value adjustment

	2019	2018
Opening balance	134,419	393,842
Present value adjustment recognized during the year	466,480	-
Reversal of present value adjustment on derecognition	(69,316)	-
Transferred to profit or loss in previous years	-	(259,423)
	531,583	134,419

15.1 These loans have been obtained from directors and is unsecured. In accordance with IFRS 9: Financial Instruments, these loans have been measured at amortized cost calculated at one year kibar rate.

15.2 The company has made arrangement for restructuring of long term loan from directors. The maturity date is now extended till September 2023 resulting in unamortised cost of Rs. 397.165 million credited in equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

		2019	2018
	Note	----- Rupees in thousand -----	
16 DEFERRED LIABILITIES			
Staff retirement gratuity	16.1	66,547	64,111
Deferred tax liability	16.2	44,254	13,305
Market Committee fee	16.3	22,109	26,129
Less: Current portion		(4,020)	(4,020)
		18,089	22,109
		128,890	99,525

16.1 Staff retirement benefits

Movement in defined obligation Present value of defined benefit obligation

At beginning of the year		64,111	58,817
Charge for the year	16.1.1	9,008	5,294
Benefit paid during the year		(6,572)	-
At the end of year		66,547	64,111

16.1.1 Charge for the year

Interest cost	9,008	5,294
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16.1.2 The latest actuarial valuation for gratuity fund was carried out as at September 30, 2017, using the Projected Unit Credit Method (PUCM). The principal actuarial assumptions used for the purpose of the valuation are stated below. During the year, the company has updated the assumptions related to interest rates due to change in circumstances.

	2019	2018
Discount rate used for interest cost in P&L charge	14.05%	9.00%
Discount rate for year end obligation	14.05%	9.00%
Expected rate of increase in salary	N/A	N/A
Mortality rates	N/A	N/A
Retirement Assumption	Age 60	Age 60

2019
Discount Rate
+100 bps -100 bps
----- Rupees in thousand -----

16.1.3 Sensitivity analysis

(+/- 100 bps) on present value of defined benefit obligation

Present value of defined benefit obligation	65,819	67,525
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

16.2 Deferred tax liability

	Note	2019 ----- Rupees in thousand -----	2018 (Restated)
Deductible temporary differences:			
Tax losses		357,672	271,456
Minimum tax credit		150,436	89,590
Provision for gratuity		18,409	18,592
Provision for stores, loans and advances		5,118	5,471
		<u>531,635</u>	<u>385,109</u>
Taxable temporary differences:			
Accelerated depreciation		(255,670)	(206,548)
Surplus on revaluation		(212,375)	(102,276)
		<u>(468,045)</u>	<u>(308,824)</u>
Unrecognized deferred tax asset		(107,844)	(89,590)
Deferred tax liability		<u>(44,254)</u>	<u>(13,305)</u>

16.2.1 The deferred tax asset of Rs. 107.844 million (2018 : Rs.89.590 million) has not been recognised owing to uncertainty regarding future profitability against which deferred tax asset could be set off.

16.2.2 Correction of error

Prior year deferred tax is restated due to error reported in assessed tax losses and unrecognised deferred tax asset which resulted in overstatement of deferred tax asset and understatement of deferred tax expense.

The errors have been corrected by restating prior year financial statements line item as follows:

	30 September 2018		
	As Previously reported	Increase / (Decrease)	As restated
	----- Rupees in thousand -----		
Effect on Statement of Financial Position			
Deferred tax asset / (liability)	5,321	(18,626)	(13,305)
Effect on Statement of profit or loss and Other Comprehensive Income			
Deferred tax expense	32,769	18,626	51,395
Profit after tax	22,300	(18,626)	3,674
Earning per share	1.39	(1.16)	0.23

16.3 Market committee fee payable

In the year ended 30 September 2015, the Company has settled the petition filed before the Honorable High Court of Sindh against Market Committee, Kotdegi for payment of Market Committee fee for pending years from 2003-2004 to 2014-2015. As per agreed terms, the Company is liable to pay Rs. 40.199 million in 20 installments.

17 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

In 2018, the Company entered into lease agreement with leasing company 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 is 16.86% per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

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

	<i>Note</i>	<i>2019</i> ----- Rupees in thousand -----	<i>2018</i>
Minimum lease payment			
Upto one year		6,745	6,343
More than one year but less than five years		8,421	14,272
		15,166	20,615
Financial charges			
Upto one year		1,782	1,634
More than one year but less than five years		969	1,908
		2,751	3,542
Present value of minimum lease payments			
Upto one year		4,963	4,709
More than one year but less than five years		7,452	12,364
		12,415	17,073
Current maturity shown under current liabilities		(4,963)	(4,709)
		7,452	12,364

18 SHORT TERM BORROWINGS

- From Banking Companies

Secured

Cash finance	18.1	1,313,917	875,200
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- From Related parties

Unsecured

from directors	18.2	31,407	18,907
		1,345,324	894,107

18.1 This represents roll over secured cash financing facilities from banking companies. These facilities carries mark-up at 3 Month KIBOR + 2.5% to 5% (2018 : 3 Month KIBOR + 2.5% to 5%) per annum respectively. The facilities are 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 and

<i>Nature of Facility</i>	<i>Available Limits</i>		<i>Unavailed Limits</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
	----- Rupees in million -----			
Running Finance	2,500	2,000	1,186	1,125
Fleet Finance	22.72	25	3.18	8.35
LC at sight	62	62	40	44

18.2 This represents loan from directors which is unsecured and interest free and payable on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

19 TRADE AND OTHER PAYABLES	Note	2019	2018
		----- Rupees in thousand -----	
Creditors		106,446	477,615
Accrued liabilities		11,045	11,315
Market committee fee payable		5,720	18,197
Advance from customers		496,920	927,998
Unclaimed gratuity		14,341	14,341
Sales tax payables		9,827	12,225
Workers' Profit Participation Fund	19.1	840	6,266
Workers' Welfare Fund		9,199	10,185
Income tax payable		1,022	1,673
Other payables - Related Party	19.2	95,850	-
		<u>751,210</u>	<u>1,479,815</u>

19.1 Workers' Profit Participation Fund

Balance at 01 October	6,266	51,610
Interest on funds utilized in the Company's business	874	1,686
Charge for the year	-	5,036
Paid during the year	(6,300)	(52,066)
	<u>840</u>	<u>6,266</u>

The Company retains the allocation to this fund for its business operations till the amounts are paid together with interest at prescribed rate under the Act.

19.2 Other payables - Related Party

This represents unsecured and interest free loan obtained from associated company and payable on demand.

20 PROVISION FOR TAXATION	2019	2018
	----- Rupees in thousand -----	
Opening Balance	(6,288)	25,781
Provision for the year	62,805	36,891
Prior year	4,742	-
	<u>61,259</u>	<u>62,672</u>
Income tax paid / deducted during the year	(38,979)	(68,960)
Tax payable / (refundable)	<u>22,280</u>	<u>(6,288)</u>

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

- 21.1.1** The Company has filed three petitions against the impugned contribution amount of totalling Rs.8.37 million against Social Security, Sukkur Directorate and Sindh Employees Social Security Institution, Karachi. If these cases are allowed against the company, then the company has to pay a sum of Rs.8.37 million.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

The Company expects favourable outcome of these cases, hence no provision has been made in these financial statements.

21.1.2 A show cause notice has been served by the Collectorate of Customs, Sales Tax and Central Excise regarding non-payment / charging of further tax to unregistered persons on sales made in the month of December 2000, January 2001 and May 2001 amounting to Rs.2.318 million and order against the company has been obtained by the Collectorate. The company has challenged that Order dated December 25, 2008 in the High Court of Sindh. In current year, The Hon'ble High Court of Sindh has decided the case in favour of company, the department has filed the appeal in the Hon'ble Supreme Court of Pakistan.

21.1.3 During the year 2009-10, the Company along with other sugar mills filed a Constitutional petition before the Honorable High Court of Sindh against Pakistan Standards and Quality Controls Authority - PSQCA challenging the notification issued in respect of registration of the standard mark for refined sugar manufactured and sold by the Company and levy of marking fee at the rate of 0.1 % of ex-factory price of sugar sold with effect from January 01, 2009.

The Honorable High Court of Sindh decided the case in favour of Company. Against the said order, PSQCA filed an appeal before the Honorable Supreme Court of Pakistan. The Honorable Supreme Court of Pakistan passed the interim order against PSQCA restraining from demanding any marks or licensing fee from the sugar mills till further order.

The Company is of the view that the demand raised is without any lawful authority and is in violation of the Constitution, hence , no provision is made in this regard.

21.1.4 During the year, various growers have filed constitutional petition in Sindh High Court (SHC) against sugar mills in the province of Sindh for non-compliance of the judgment of the Supreme Court relating to quality premium to sugarcane growers. Subsequent to the year end, the SHC has directed the provincial cane commissioner to determine the sucrose recovery rate for the crushing seasons of the last 20 years to determine quality premium payable by the sugar mills in province. Since the matter is subject to determination of sucrose recovery rate by the cane commissioner, the expected liability in respect of quality premium (if any) can not be determined at this stage as the rate is not yet determined by the cane commissioner till the date of the authorization of these financial statements. Therefore, no provision has been made in the financial statements.

21.1.5 During the year, the company has filed an appeal with CIR (appeals) Sukkur against order passed u/s 161 of Income Tax Ordinance, 2001 raising a disputed demand of Rs. 3.414 million. The said appeal is pending but management & legal advisor are expecting a favorable outcome. Hence, no provision in made in this regard.

21.2 Commitments

Outstanding letter of credits

Commitments against fleet finance

2019 2018
----- Rupees in thousand -----

21,864 18,455

19,538 16,650

22 SALES - NET

Sugar - local

Sugar - export

Sale of by-products

Sales tax

4,233,122 3,412,914

195,915 972,278

4,429,037 4,385,192

348,405 251,214

4,777,442 4,636,406

(525,165) (399,089)

4,252,277 4,237,317

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

		2019	2018
		----- Rupees in thousand -----	
23 COST OF SALES	Note		
Raw material consumed		3,125,792	3,355,520
Stores and spares consumed		32,395	36,667
Packing material consumed		38,962	40,181
Salaries and wages	23.1	130,809	137,507
Power and fuel		33,422	28,860
Freight and handling		3,676	3,999
Wastage removing and cane feeding		8,984	9,277
Repair and maintenance		45,456	46,415
Printing and stationery		1,581	3,746
Vehicle running expenses		10,081	7,095
Insurance		8,612	6,382
Depreciation	4.1.1	97,197	75,290
Manufacturing expenses		3,536,967	3,750,939
Opening stock of work in process		926	1,226
Closing stock of work in process		(985)	(926)
		(59)	300
Cost of goods manufactured		3,536,908	3,751,239
Opening stock of finished goods		1,173,217	1,617,437
Closing stock of finished goods		(853,280)	(1,173,217)
		319,937	444,220
		3,856,845	4,195,459

23.1 These include an amount of Rs. 5.479 (2018 : Rs. 3.6) million in respect of staff retirement benefits.

		2019	2018
		----- Rupees in thousand -----	
24 ADMINISTRATIVE EXPENSES	Note		
Salaries and other benefit	24.1	120,754	112,682
Communication expenses		3,442	3,182
Repair and maintenance		3,796	10,446
Traveling and conveyance		14,222	6,674
Electricity and gas		8,570	6,969
Legal and professional charges		9,390	9,200
Fees and subscription		4,162	2,831
Rent, rates and taxes		5,198	5,299
Printing and stationery		1,320	1,463
Entertainment		7,097	9,686
Insurance		5,742	4,255
Auditors' remuneration	24.2	904	897
Security expenses		1,941	6,533
General expenses		2,021	1,138
Depreciation	4.1.1	4,432	3,907
		192,991	185,162

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

24.1 These include an amount of Rs. 3.529 (2018 : Rs. 1.694) million in respect of staff retirement benefits.

24.2 Auditors' remuneration	Note	2019 ----- Rupees in thousand -----	2018
Statutory audit		665	653
Half yearly review		121	119
Review report on code of corporate governance		67	61
Other certifications		18	17
Out of pocket expenses		33	47
		<u>904</u>	<u>897</u>

25 DISTRIBUTION COST

Export expenses	10,165	60,178
Loading and unloading	14,605	16,011
Advertisement and publicity	109	320
Miscellaneous	1,370	1,205
	<u>26,249</u>	<u>77,714</u>

26 OTHER INCOMES

Income from non-financial assets

Insurance claim	511	3,934
Exchange gain	-	35,018
Subsidy income	10.2	463,644
Scrap sales	19,853	-
	<u>20,364</u>	<u>502,596</u>

27 OTHER OPERATING EXPENSES

Workers' Profit Participation Fund	-	5,036
Workers' Welfare Fund	-	3,716
Charity and donation	27.1	1,892
	<u>1,892</u>	<u>10,267</u>

27.1 No donation was paid to any person or institution in which director or his spouse is interested.

28 FINANCE COST

Amortization of long term loan from directors	65,104	61,147
Mark-up on cash finance	206,265	110,412
Lease finance charges	1,854	1,354
Ijarah rental	4,089	-
Interest on Workers' Profit Participation Fund	874	1,686
Bank charges	1,601	4,752
	<u>279,787</u>	<u>179,351</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

29 TAXATION

Current

- for the year
- prior year

Deferred

- for the year

	2019	2018
	----- Rupees in thousand -----	(Restated)
	62,805	36,891
	4,742	-
	<u>67,547</u>	<u>36,891</u>
	(88,667)	51,395
	<u>(21,120)</u>	<u>88,286</u>

29.1 The income tax assessments of the Company have been finalised up to and including the tax year 2019. Tax returns which are submitted with Federal Board of Revenue are deemed to be assessed under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select the deemed assessment order for audit.

29.2 Due to the brought forward tax losses, provision for current income tax is based on section 113 of the Income Tax Ordinance, 2001. Accordingly tax expense reconciliation with the accounting profit is not reported.

29.3 The provision for current year tax represents tax on annual turnover at the rate of 1.50% (2018: 1.25%). The computed current tax expense based on the generally accepted interpretation of tax laws to ensure that the sufficient provision for the purpose of taxation is available. According to management, the tax provision made in the financial statement is sufficient. A comparison of last three years of income tax provision with tax assessed is presented below:

	2018	2017	2016
	----- Rupees in thousand -----		
Income tax provision for the year	<u>36,891</u>	<u>28,339</u>	<u>38,719</u>
Income tax as per tax assessment	<u>41,633</u>	<u>28,306</u>	<u>38,719</u>

30 (LOSS) / EARNING PER SHARE

- Basic and diluted

(Loss) / profit after tax

Weighted average number of ordinary shares

(Loss) / earnings per share - basic and diluted

	2019	2018
		(Restated)
	<u>(64,003)</u>	<u>3,674</u>
	<u>16,017,500</u>	<u>16,017,500</u>
	<u>(4.00)</u>	<u>0.23</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

31 CASH GENERATED FROM OPERATIONS

2019 2018
----- Rupees in thousand -----

31.1 Working capital changes

(Increase) / decrease in current assets

- Stores and spares	(18,854)	(11,743)
- Stock-in-trade	319,878	444,520
- Loans and advances	(42,767)	(46,328)
- Trade deposits and short term prepayments	259,152	(464,235)
- Trade and other payables	(722,305)	450,960
	<u>(204,896)</u>	<u>373,174</u>

32 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the accounts for remuneration, including certain benefits to Directors, Chief Executive and executives of the company as follows:

	2019			
	Chief Executive	Directors	Executive	Total
	----- Rupees in Thousand -----			
Managerial remuneration	10,800	4,500	9,960	25,260
Utilities	2,160	900	4,981	8,041
Perquisites and other benefits	8,640	3,600	4,981	17,221
	<u>21,600</u>	<u>9,000</u>	<u>19,922</u>	<u>50,522</u>
Number of persons	<u>1</u>	<u>1</u>	<u>11</u>	<u>-</u>
	2018			
	Chief Executive	Directors	Executive	Total
	----- Rupees in Thousand -----			
Managerial remuneration	7,200	2,925	9,900	20,025
Utilities	1,440	585	4,951	6,976
Perquisites and other benefits	5,760	2,340	4,951	13,051
	<u>14,400</u>	<u>5,850</u>	<u>19,802</u>	<u>40,052</u>
Number of persons	<u>1</u>	<u>1</u>	<u>11</u>	<u>-</u>

32.1 The Chief Executive and executive directors are also entitled for company maintained vehicles in accordance with Company's policy.

32.2 An aggregate amount of Rs. 1.75 (2018: Nil) million was paid to non-executive director during the year for attending meetings.

33 PROVIDENT FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

The investment out of provident fund have been made in accordance with the provision of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

34 NUMBER OF EMPLOYEES	2019		2018	
	Head Office	Factory	Head Office	Factory
Number of employees including contractual employees at the end of year	77	638	79	679
Average number of employees including contractual employees during the year	78	786	79	837

35 TRANSACTIONS WITH RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party and exercise significant influence over other party in making financial and operating decisions.

The related parties comprise of major shareholders, directors of the company and key management personnel and staff / workers funds. Remuneration and benefits to executives of the company are in accordance with the terms of the employment while contribution to the provident fund and gratuity are in accordance with staff service rules. Details of transactions with related parties other than disclosed elsewhere in financial statements are as follows:

Name of Related party	Relationship	Percentage of Shareholding	Transaction during the year	2019 - - - Rupees in thousands - - -	2018
Muhammad Mubeen Jumani	Director	54.80%	Receipts of loan	12,500	-
			Repayment of loan	-	15,000
Qamar Mubeen Jumani	Director	6.50%	Repayment of loan	-	15,000
Faraz Mubeen Jumani	Director	3.80%	Repayment of loan	-	15,100
Shoukat	Close family	0.00%	Repayment of loan	-	42,903
Centex (Pvt) Ltd	Common directorship	0.00%	Receipts of loan	113,500	-
			Repayment of loan	19,700	-

36 PRODUCTION CAPACITY	2019		2018	
Crushing capacity	7,000	M. Tons per day	7,000	M. Tons per day
Duration of season	112	days	148	days
Crushing capacity based on actual days	784,000	M. Tons	1,036,000	M. Tons
Actual cane crushed	663,365	M. Tons	828,101	M. Tons
Sucrose recovery	10.36%		10.34%	
Production - sugar	68,714	M. Tons	85,625	M. Tons

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

36.1 Cane crushed is less than installed capacity due to the seasonal availability of sugarcane.

	2019	2018
37 FINANCIAL INSTRUMENTS	----- Rupees in thousand -----	
37.1 Financial assets and liabilities		
Financial assets		
Loans and advances	7,979	7,612
Trade deposits and other receivables	217,837	476,192
Cash and bank balances	80,503	23,908
	306,319	507,712
Financial liabilities		
Long term financing	674,177	1,006,238
Market committee fee payable	18,089	22,109
Short term borrowings	1,345,324	894,107
Trade and other payables	238,927	535,803
Accrued markup	48,106	24,656
	2,324,623	2,482,913

37.2 Financial risk management objectives and policies

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous period in the manner described in notes below.

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

37.2.1 Credit risk

Credit risk is the risk which assess with a possibility that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

Credit risk arises when changes in economic or industry factors similarly affects Company's of counter

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

parties whose aggregate credit exposure is significant in relation the Company's total credit exposure. Out of the total financial assets of Rs. 306.319 million (2018 : Rs. 507.712 million), the financial assets which are subject to credit risk amounted to Rs. 306.275 million (2018 : Rs. 507.561 million).

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to the credit risk at the reporting date is:

	2019	2018
	----- Rupees in thousand -----	
Loans and advances	7,979	7,612
Trade deposits and other receivables	217,837	476,192
Bank balances	80,459	23,757
	<u>306,275</u>	<u>507,561</u>

Quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external long term credit ratings or the historical information about counter party default rates as shown below:

	2019	2018
	----- Rupees in thousand -----	
Bank Balances		
AAA	52,630	17,577
AA+	9,814	2,441
A+	115	-
AA	-	609
AA-	17,900	3,130

37.2.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash on demand to meet expected working capital requirements. The company's exposure to liquidity risk along with expected maturities is as follows:

	2019				
	Carrying amount	Contractual cash flows	Six months or less	Six months to twelve months	More than twelve months
	----- (Rupees in thousand) -----				
Non-derivative financial liabilities					
Liabilities against assets subject to finance lease	12,415	(15,166)	(3,372.5)	(3,372.5)	(8,421)
Long term loan	674,177	(1,140,657)	-	-	(1,140,657)
Short term finance	1,345,324	(1,345,324)	(1,345,324)	-	-
Trade and other payables	751,210	(751,210)	(751,210)	-	-
Accrued mark up	22,280	(22,280)	(22,280)	-	-
	<u>2 805 406</u>	<u>(3 274 637)</u>	<u>(2 122 187)</u>	<u>(3 373)</u>	<u>(1 149 078)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	2018				
	Carrying amount	Contractual cash flows	Six months or less	Six months to twelve months	More than twelve months
<i>Non-derivative financial liabilities</i>	<i>(Rupees in thousand)</i>				
Liabilities against assets subject to finance lease	17,073	(20,615)	(3,172)	(3,172)	(14,272)
Long term loan	1,006,238	(1,140,657)	-	-	(1,140,657)
Short term finance	894,107	(894,107)	(894,107)	-	-
Trade and other payables	535,803	(535,803)	(535,803)	-	-
Accrued mark up	24,656	(24,656)	(24,656)	-	-
	<u>2,477,877</u>	<u>(2,615,838)</u>	<u>(1,457,738)</u>	<u>(3,172)</u>	<u>(1,154,929)</u>

37.2.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. At year end, the Company is not exposed to foreign exchange currency risk.

	2019	2018
	<i>----- Rupees in thousand -----</i>	
Outstanding letters of credits		
- in GBP	-	(3,985)
- in EURO	-	(11,786)
- in USD	-	(2,684)
- in JYP	(21,864)	-
Balance sheet exposure	<u>(21,864)</u>	<u>(18,455)</u>
Following Spot rates are applied at reporting date		
GBP to PKR	-	162.228
EURO to PKR	-	144.175
USD to PKR	-	124.246
JYP to PKR	<u>1.463</u>	-

Sensitivity analysis

At reporting date, if the PKR had weakened by 10% against the foreign currency with all other variables held constant, pre-tax profit for the year have been lower by the amount shown below:

	2019	2018
	<i>----- Rupees in thousand -----</i>	
Effect on profit or loss		
GBP	-	(399)
EURO	-	(1,179)
USD	-	(268)
JYP	(2,186)	-
	<u>(2,186)</u>	<u>(1,846)</u>

The strengthening of the PKR against foreign currency would have had an equal but opposite impact on the pre tax profit.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

b) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the balance sheet date the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	2019	2018
Variable Rate Instruments	Effective Interest Rate	
Financial liabilities	(In Percent)	
- Short term borrowings	17.18%	11.65%

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) loss/profit and equity for the year by the amounts shown below. The analysis assumes that all other variables remain constant.

	2019	2018
Cash flow Sensitivity - Variable Rate Instruments	Rupees in thousand	
- Increase	13,453	8,941
- Decrease	(13,453)	(8,941)

The sensitivity analysis prepared is not necessarily indicative of the effects on loss/profit for the year and assets of the Company.

c) Price risk

Price risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments.

Sensitivity analysis

At reporting date, the company is not exposed to sensitivity analysis as the company has no investment and interest bearing financial instruments.

37.3 Capital risk management

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The company finances its operations through equity and by managing working capital.

Consistent with others in the industry, the company monitors capital on the basis of the its gearing ratio. This is calculated as net debt divided by total capital which is equal to net debt and share holders' equity. Net debt is calculated as total borrowings from financial institutions, if any, and directors less cash and bank balances. Total capital is calculated as equity as shown in the balance sheet plus sponsors' loan, if any, subordinate to equity and net debt.

	2019	2018
	Rupees in thousand	
Long term borrowings	674,177	1,006,238
Short term finance	1,345,324	894,107
Total debt	2,019,501	1,900,345
Less: Cash and bank balances	80,503	23,908
Net Debt	1,938,998	1,876,437
Share capital	160,175	160,175
Net debt and share capital	2,099,173	2,036,612
Gearing ratio (%)	92.37%	92.14%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Net debt is calculated as total borrowings from financial institutions, if any, and directors less cash and bank balances. Total capital is calculated as equity as shown in the balance sheet plus sponsors' loan, if any, subordinate to equity and net debt.

	2019	2018
	----- Rupees in thousand -----	
Long term borrowings	674,177	1,006,238
Short term finance	1,345,324	894,107
Total debt	2,019,501	1,900,345
Less: Cash and bank balances	80,503	23,908
Net Debt	1,938,998	1,876,437
Share capital	160,175	160,175
Net debt and share capital	2,099,173	2,036,612
Gearing ratio (%)	92.37%	92.14%

38 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of the financial assets and financial liabilities as at the balance sheet date approximate their fair values.

39 OPERATING SEGMENT

39.1 These financial statements have been prepared on the basis of a single reportable segment.

39.2 Revenue from sale of sugar represents 93% (2018 : 95%) of the gross sales of the Company.

39.3 96% (2018 : 79%) of the gross sales of the Company are made to customers located in Pakistan.

39.4 All non-current assets of the Company at September 30, 2019 are located in Pakistan.

40 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on **26th December, 2019** by the Board of Directors of the company.

41 GENERAL

Figures have been rounded off to the nearest thousand rupees except as stated otherwise.


Muhammad Mubeen Jumani
Chief Executive Officer


Mirza Muhammad Bilal Kamil
Chief Financial Officer


Faraz Mubeen Jumani
Managing Director

Place: Karachi, Date: December 26, 2019

PATTERN OF SHAREHOLDING

AS AT SEPTEMBER 30, 2019

No. of Shareholders		Size of Shareholding				Total Number of Shares Held
31	FROM	1	TO	100	SHARES	789
82	FROM	101	TO	500	SHARES	39,361
8	FROM	501	TO	1,000	SHARES	7,900
8	FROM	1,001	TO	10,000	SHARES	26,000
NIL	FROM	10,001	TO	20,000	SHARES	NIL
1	FROM	20,001	TO	50,000	SHARES	25,000
1	FROM	50,001	TO	100,000	SHARES	60,000
1	FROM	100,001	TO	200,000	SHARES	170,283
NIL	FROM	200,001	TO	300,000	SHARES	NIL
1	FROM	300,001	TO	400,000	SHARES	381,849
NIL	FROM	400,001	TO	500,000	SHARES	NIL
4	FROM	500,001	TO	1,000,000	SHARES	2,819,094
1	FROM	1,000,001	TO	2,000,000	SHARES	1,040,500
1	FROM	2,000,001	TO	3,000,000	SHARES	2,669,600
1	FROM	3,000,001	TO	9,000,000	SHARES	8,777,124
140	TOTAL					16,017,500

PATTERN OF SHAREHOLDING (ADDITIONAL INFORMATION)

AS AT SEPTEMBER 30, 2019

			No. of Shareholders	Shares Held	Percentage
Associated Cos., Undertaking and Related Parties			-	-	-
Director, CEO and their spouses and Minor Children					
Mr. Muhammad Mubeen Jumani	Chief Executive Officer	1	8,777,174	54.80	
Mrs. Qamar Mubeen Jumani	Chairperson	1	1,040,500	6.50	
Mr. Faraz Mubeen Jumani	Managing Director	1	608,400	3.80	
Mr Fahad Mubeen Jumani	Director	1	608,949	3.80	
Miss. Arisha Mubeen Jumani	Director	1	381,849	2.38	
Mr. Lt. Gen Anis Ahmed Abbasi	Director	1	500	0.00	
Mr. Lt. Gen Tahir Mahmood Qazi	Director	1	500	0.00	
Mrs. Yasmeen Mubeen Jumani	Spouse	1	640,698	4.00	
Banks, DFIs, Insurance Companies, Modarabas and Mutual Funds.					
- Bankers Equity Limited		1	2,669,600	16.67	
- E.F.U. General Insurance		1	500	0.00	
Share holders five percent or more interest					
Mr. Muhammad Mubeen Jumani	Chief Executive Officer	1	8,777,174	54.80	
Mrs. Qamar Mubeen Jumani	Chairperson	1	1,040,500	6.50	
Mr. Allah Warayo Jumani		1	961,047	6.00	
Bankers Equity Limited		1	2,669,600	16.67	

FORM OF PROXY

The Company Secretary
Khairpur Sugar Mills Limited,
3rd Floor, Plot No. 15-C, 9th Commercial Lane,
Zamzama, DHA Phase V,
Karachi.

I / We _____ of (full address) _____

being a member / members of Khairpur Sugar Mills Limited holding _____ ordinary shares,

as per Share Registrar Folio No. _____ and / or CDC Participant's I.D. Numbers _____

and Account/Sub-Account No. _____ hereby appoint. _____

Of (full address) _____ or falling him / her

_____ of (full address) _____ who

is also a member of Khairpur Sugar Mills Limited, as my proxy in my/ our absence to attend and vote for me /us and on my/ our behalf at the 30th Annual General Meeting of the Company to be held at 3rd floor, Plot NO. 15-C, 9th Commercial Lane, Zamzama, D.H.A. phase V, Karachi on January 28, 2020 and / or any adjournment thereof.

Signed this _____ day of January, 2020

Witnesses

1. Signature _____

Name _____

CNIC _____

Address _____

**Rs. 5/
Revenue Stamp**

Signature of Member(s)

2. Signature _____

Name _____

CNIC _____

Address _____

Note:

- 1) All proxies, in order to be effective, must be received at the Company's Registered Office not less than forty eight (48) hours before the time fixed for holding the Annual General Meeting and must be duly stamped, signed and witnessed as required.
- 2) If a member appoints more than one proxy and more than one form of proxy are deposited by a member with the company, all such forms of proxy shall be rendered invalid.
- 3) In case of proxy for an individual beneficial owner of shares from CDC, attested copies of beneficial owner's computerized national identity card (CNIC) or passport, account and participant's ID numbers must be deposited along with the form of proxy. In case of proxy for representative of corporate members from CDC, board of directors' resolution and power of attorney and the specimen signature of the nominee must be deposited along with the form of proxy. The proxy shall produce his / her original CNIC or passport at the time of meeting



The Company Secretary
Khairpur Sugar Mills Limited
3rd Floor, Plot No.15-C, 9th Commercial Lane,
Zamzama, Defence Housing Authority,
Phase V, Karachi. - 75500

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کمپنی سیکریٹری

خیر پور شوگر ملز لمیٹڈ

تیسری منزل پلاٹ نمبر C-15, 9th کمرشل لین زمزمہ، ڈی ایچ اے، فیڑ، کراچی

میں/ ہم _____ ساکن _____
میں بحیثیت ممبر خیر پور شوگر ملز لمیٹڈ مقرر کرتا ہوں/ کرتی ہوں/ کرتے ہیں _____ ساکن _____
عام شیئرز جن کے شیئرز رجسٹرڈ فیو نمبر _____ اور/ یا سی ڈی سی پازیشنس آئی ڈی نمبر _____
اور ڈیلی اکاؤنٹ نمبر _____ بذریعہ ہذا _____ ساکن _____
اور اگر ان کے لئے ممکن نہ ہو تو _____ ساکن _____
کو بطور اپنا/ ہمارا پراکسی مقرر کرتا/ کرتی ہوں تاکہ 28 جنوری 2020ء منعقدہ کئے جانے والے کمپنی کے 30 ویں سالانہ اجلاس عام میں میری/ ہماری جگہ ووٹ دے سکیں۔

دستخط _____ مورخہ _____

ممبر کے دستخط

دستخط
مبلغ ۵ روپے
کے ڈاک ٹکٹ

گواہان:

دستخط _____	دستخط _____
نام _____	نام _____
پتہ _____	پتہ _____
شناختی کارڈ نمبر _____	شناختی کارڈ نمبر _____
پاسپورٹ نمبر _____	پاسپورٹ نمبر _____

نوٹ:

- (۱) مختار پراکسی کو کمپنی کارکن (ممبر) ہونا ضروری ہے۔
- (۲) ممبر (رکن) کے دستخط شدہ/ اندراج شدہ دستخط سے مماثلت ضروری ہے۔
- (۳) سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو مختار نامہ (پراکسی فارم) کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل منسلک کرنا ضروری ہے۔ کارپوریٹ اداروں کے نمائندوں کو معمول کے مطابق دستاویزات لانا ضروری ہے۔
- (۴) مختار نامہ (پراکسی فارم) مکمل پر شدہ کمپنی کے رجسٹر آفس میں اجلاس کے مقررہ وقت سے کم از کم 48 گھنٹے قبل جمع کرنا ضروری ہے۔



The Company Secretary
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