



31st Annual Report 2020

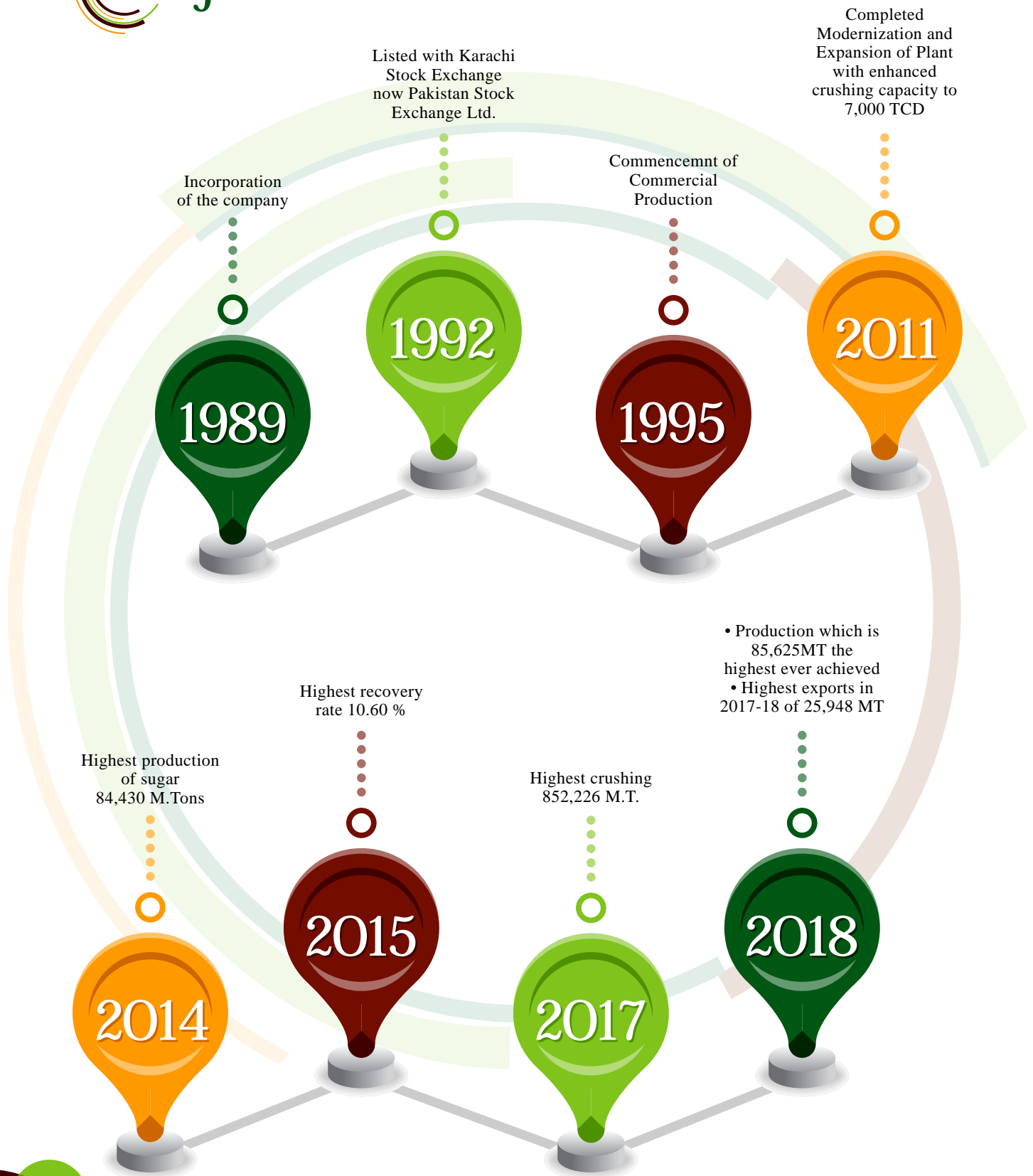


KHAIRPUR
SUGAR MILLS LIMITED

Contents

Major Milestones	02
KSML History	03
Corporate Information	05
Vision and Mission	06
Chief Executive Officer's Profile	08
Managing Director's Profile	09
Notice of Annual General Meeting	10
Notice of Annual General Meeting (Urdu)	12
Six Years' Review at a Glance	16
Directors' Report to Members	17
Directors' Report to Members (Urdu)	25
Chairman's Review Report	26
Chairman's Review Report (Urdu)	27
Statement of Compliance With Listed Companies (Code Of Corporate Governance) Regulations, 2019	30
Independent Auditor's Review Report To the Members of Khairpur Sugar Mills Limited	32
Independent Auditor's Report To The Members Of Khairpur Sugar Mills Limited On The Audit Of The Financial Statements	33
Code of Conduct	37
Financial Statements	40
Pattern of Shareholding	75
Form of Proxy	77

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 Jumani
(Chief Executive Officer)

Mr. Faraz Mubeen Jumani
(Managing Director)

Mr. Fahad Mubeen Jumani

Mrs. Qamar Mubeen Jumani
(Chairperson)

Miss. Arisha Mubeen Jumani

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. Reanda Haroon Zakaria & Company
Chartered Accountants

M-1-M4, Mezzanine Floor, Progressive Plaza,
Plot No. 5 CL - 10, Civil Lines Quarter,
Beaumont Road, Near Dawood Centre,
Karachi - 75530 PAKISTAN.

AUDIT COMMITTEE

Lt. Gen (Retd.) Anis Ahmed Abbasi
(Chairman)

Lt. Gen (Retd). Tahir Mahmud Qazi
(Member)

Miss. Arisha Mubeen Jumani
(Member)

HR AND REMUNERATION COMMITTEE

Lt. Gen (Retd.) Anis Ahmed Abbasi
(Chairman)

Lt. Gen (Retd). Tahir Mahmud Qazi
(Member)

Mr. Muhammad Mubeen Jumani
(Member)

LEGAL ADVISOR

Asad Ali Riar (Advocate)

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

SHARES REGISTERAR

M/S. C & K Management Associates (Pvt.) Limited
404, Trade Tower, Abdullah Haroon Road,
Near Metropole Hotel, Karachi.

REGISTERED OFFICE

3rd Floor, 15-C, 9th Commercial Lane,
Zamzama, Defence Housing Authority,
Phase V, Karachi.

Ph: 021-35810771-75

Fax: 021-35810776

MILLS

Naroo Dhoro, Taluka Kot Diji, Khairpur.

E-MAIL & WEBSITE

headoffice@jumanigroup.com

<http://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 31st Annual General Meeting of KHAIRPUR SUGAR MILLS LIMITED (the "Company") 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, 2021 at 02:30 p.m. to transact the following business:

ORDINARY BUSINES

1. To confirm the minutes of the 30th Annual General Meeting of the Company held on January 28, 2020.
2. To review, consider and adopt the Annual Audited Financial Statements of the Company together-with the Directors' and Auditors' Reports thereon and the Chairperson's Review Report for the year ended September 30, 2020.
3. To appoint Auditors of the Company for the next financial year ending September 30, 2021 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, offer themselves for re-appointment as Auditors of the Company.
4. To transact any other business as may be placed before the meeting with the permission of the Chair.

By order of the Board


SHOAIB UL HAQUE
Company Secretary

Karachi: January 02, 2021

Notes

1. The share transfer book of the Company shall remain closed with effect from January 21, 2021 to January 28, 2021 (both days inclusive). Transfer received at the office of Company's Shares 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 21, 2021 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 Registered 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. Pursuant to the directives given by the Securities and Exchange Commission of Pakistan through its SRO 787(1)/2014 dated September 08, 2014, 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, 2020 have been made available on the Company's website www.khairpursugar.com.pk in addition to annual and quarterly financial statements for the prior years. 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 directives of Securities and Exchange Commission of Pakistan (SECP), it is hereby informed that the individual members who have not yet submitted photocopy of their valid CNIC/SNIC (if not already provided) are once again advised to send the same at their earliest to our Shares Registrar I 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.

VI) In pursuance to Circular No.10 of 2014 dated May 21, 2014, if the Company receives consent from Members holding in aggregate ten (10) percent or more shareholding residing at geographical location, to participate in the meeting through video conference at least seven (7) days prior to the date of the meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. The Company will intimate members regarding venue of video conference facility at least five (5) days before the meeting along with complete information necessary to enable them to access such facility. In order to avail this facility, please provide the following information to our Share Registrar:

I / We _____ of _____ holding CNIC _____ being a member of KHAIRPUR SUGAR MILLS LIMITED, holder of _____ Ordinary Share(s) as per Register Folio No./CDC Account No. _____ hereby opt for video conference facility at _____

Signature of Member

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

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے نوٹیفیکیشن کی روشنی میں ان تمام انفرادی ممبران کو مطلع کیا جاتا ہے کہ جنہوں نے تاحال اپنی مستند سی این آئی سی / ایس 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 لئے 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) پراسیسز 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 پراسیس فارم جمع کرنا ہوگا۔
- (II) پراسیس فارم پروڈیوگواہان 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 پراسیس کو پراسیس فارم کے ہمراہ فراہم کرنا ہوگا۔
- (IV) پراسیس 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 پراسیس فارم کے ہمراہ اجلاس سے قبل جمع کرنا ہوگا۔

(VI) 2014 کے سرکلر نمبر 10 بتاریخ 21 مئی 2014 کے مطابق، اگر کمپنی کو (10) فیصد یا اس سے زیادہ شیئرز رکھنے والے ممبران سے جو جغرافیائی لحاظ سے ایک ہی محل وقوع پر مقیم ہوں سے اجلاس میں ووٹ کا نفرنس کے ذریعے شرکت کیلئے اجلاس کی تاریخ سے کم از کم سات (7) دن قبل رضامندی حاصل ہو جاتی ہے تو، کمپنی اس شہر میں اکروڈیو کانفرنس کی سہولت میسر ہو تو اس کا انتظام کرے گی۔ اس سلسلے میں کمپنی اجلاس سے کم از کم پانچ (5) دن پہلے ووٹ کا نفرنس کی سہولت کے مقام کے بارے میں ممبران کو مطلع کرے گی اور اس کے ساتھ ایسی تمام معلومات بھی فراہم کرے گی جس کے ذریعے ممبران کی اس سہولت تک رسائی ممکن بنائی جاسکے۔ اس سہولت سے فائدہ اٹھانے کیلئے براہ کرم ہمارے شیئرز رجسٹرار کو درج ذیل معلومات فراہم کریں:

میں / ہم _____ کے _____ شناختی کارڈ نمبر _____ خیر پور شوگر ملز لمیٹڈ کے ممبر
اور _____ عام شیئرز کے حامل ہونے کے ناطے رجسٹر فوئیو نمبر / سی ڈی سی اکاؤنٹ نمبر _____ کے
تحت _____ پروڈیو کانفرنس کی سہولت کا انتخاب کرتے ہیں۔

ممبر کے دستخط

سالانہ اجلاس عام کانوٹس

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ خیرپور شوگر ملز لمیٹڈ ("کمپنی") کا 31 واں سالانہ اجلاس عام ہمارے رجسٹرڈ آفس واقع تیسری منزل، پلاٹ نمبر C-15، 9 ویں کمرشل لین، زمزمہ، ڈی ایچ اے فیئر-7، کراچی میں 28 جنوری، 2021 کو دوپہر ڈھائی بجے منعقد ہوگا جس میں درج ذیل کاروباری امور طے کئے جائیں گے۔

عام کاروبار

- 1۔ کمپنی کے 30 ویں سالانہ اجلاس عام منعقدہ 28 جنوری 2020 کی کارروائی کی توثیق
- 2۔ 30 ستمبر، 2020 کو ختم ہونے والے سال کیلئے کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں کے ساتھ ڈائریکٹران اور آڈیٹرز کی رپورٹ کا جائزہ، غور اور منظوری
- 3۔ اگلے مالیاتی سال گویا برائے سال اختتام 30 ستمبر 2021 کیلئے آڈیٹرز کا تقرر اور ان کے مشاہرے کا تعین، بورڈ کی آڈٹ کمیٹی نے ریٹائر ہونے والے آڈیٹرز میسرز ریٹائرڈ انڈیا اصرارون 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 اجلاس سے پہلے رکھے جانے والے دیگر کاروباری امور طے کئے جائیں گے۔

محمد ہریر
شعبہ الحق
کمپنی سیکریٹری

کراچی: 02 جنوری، 2021

نوٹس

- 1۔ کمپنی کی حصص منتقلی کی کتاب میں 21 جنوری، 2021 تا 28 جنوری، 2021 (بشمول دونوں ایام) بند رہیں گی۔ کمپنی کے شیئر رجسٹرار میسرز سی اینڈ کے مینجمنٹ ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کے آفس واقع 404، ٹریڈ ٹاور، عبداللہ ہارون روڈ، نزد میٹروپول ہٹل کراچی۔ فون 021-35687839 اور 021-35685930 پر 21 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 رجسٹرڈ 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 رجسٹرار کو مطلع کریں۔
- 4۔ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی طرف سے S.R.O 787(I)/2014 بتاریخ 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 آپ 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 ساتھ دن کے اندر مفت پیش کی جائے گی۔

- 5۔ 30 ستمبر 2020 کو ختم ہونے والے سال کے لئے 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۔

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

	2020	2019	2018	2017	2016	2015
OPERATIONAL TRENDS			Restated			
Sugarcane crushed - M.Tons	524,253	663,365	828,101	852,226	647,635	649,134
Sugar produced - M.Tons	51,552	68,714	85,625	83,579	66,818	68,798
Average sucrose recovery - %	9.83	10.36	10.34	9.81	10.32	10.60
Crushing days	106	112	148	140	115	120
Average crushing per day - M.Tons	4,946	5,923	5,595	6,087	5,632	5,409
BALANCE SHEET			FIGURES IN MILLION			
Share capital	160.18	160.18	160.18	160.18	160.18	160.18
Shareholders' equity	957.46	990.88	207.37	199.91	175.50	(168.67)
Non current liabilities	901.97	810.52	1,118.13	1,030.04	1,098.30	1,105.92
Current liabilities	1,804.63	2,171.88	2,403.29	2,430.35	613.27	1,084.36
Total Equity & Liabilities	3,664.06	3,973.28	3,728.79	3,660.38	1,887.08	2,331.06
Fixed Assets	2,332.10	2,317.19	1,608.01	1,570.60	1,437.39	1,514.11
Non current assets	10.29	10.28	7.86	34.64	0.26	0.26
Current assets	1,321.67	1,645.81	2,112.91	2,055.14	449.42	816.69
Total assets	3,664.06	3,973.28	3,728.79	3,660.38	1,887.08	2,331.06
FINANCIAL TRENDS			FIGURES IN MILLION			
Turnover	4,290.85	4,252.27	4,237.32	2,933.18	4,146.50	3,492.71
Gross profit/(loss)	509.12	395.43	41.86	193.91	326.74	467.32
Operating profit/(loss)	341.75	194.66	271.31	58.50	175.06	289.47
Pre-tax (loss)/profit	5.35	(85.12)	91.96	(110.74)	42.64	153.59
After-tax (loss)/profit	(33.97)	(64.00)	3.67	(93.49)	56.77	90.94
CASH FLOWS			FIGURES IN MILLION			
Operating activities	92.78	(142.68)	496.81	(1,063.22)	206.81	260.15
Investing activities	(111.74)	(247.92)	(93.98)	(209.36)	(44.84)	(101.56)
Financing activities	(11.16)	447.19	(415.96)	1,284.52	(196.85)	(119.82)
Cash and cash equivalents at the end of the year	50.37	80.50	23.91	37.05	25.10	59.98
PROFITABILITY INDICATIONS						
Gross profit/(loss) margin (%)	11.87	9.30	0.99	6.61	7.88	13.38
Net (loss)/profit margin (%)	(0.79)	(1.51)	0.09	(3.19)	1.37	2.60

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 31st Annual Report of your Company with the audited financial statements for the year ended September 30, 2020:

FINANCIAL RESULTS

	2020	2019
	(Rupees in thousand)	
Profit / (Loss) before Taxation	5.358	85,123
Taxation	(39,330)	21,120
(Loss) / Profit after taxation	(33,972)	(64,003)
(Loss) /Earning per share – Basic & diluted	(2.12)	(4.00)

PERFORMANCE REVIEW

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

	SEASON 2019-20	SEASON 2018-19
Season Started on	21-11-2019	26-11-2018
Season closed on	05-03-2020	17-03-2019
Number of days worked	106	112
Sugarcane Crushing (mt)	524,252.512	663,364.694
Recovery (%) Sugar	9.833	10.358
Recovery (%) Molasses	4.559	4.145
Production – Sugar (MT)	51,552.00	68,714.00
Production – Molasses (MT)	23,900.00	27,500.00

The crushing season 2019-20 started on November 21, 2019 ended on March 05, 2020 after crushing 524,252.512 MT sugar-cane thereby produced 51,552 MT of Sugar with average recovery of 9.833 in 106 days, as compared to crushing of 663,364.694 MT sugar-cane and producing 68,714 MT of sugar with average recovery of 10.358% in 112 days in corresponding of last year/season (2018-19).

During crushing season 2019-20, the Government of Sindh had decided but not notified the sugarcane price and fixed the price/ Maund @ 192/Maund which is already 10/Maund in excess of previous crushing season 2018-19. Further due to late decrease in the policy rates by the SBP the impact of rate decrease only materializes in the last quarter of the company's year due to which overall finance cost was ended on the company's record highest. Moreover, the war for obtaining the cane during the season led the company to pay extra Rs 36.11 per over the minimum support price. Apart from these the rate of income tax / minimum tax also enhanced through the finance act 2020 which also contributed negatively to the overall performance of the entity.



Keeping all the above in perspective, our Mill earned operating profit of Rs. 341.759 Million as compared to operating profit of Rs.194.664 Million during the corresponding period of the previous year which is above par in the conditions and limitations as mentioned earlier.

DIVIDEND

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

(LOSS) PER SHARE

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

	2019-20	2018-19
Basic and diluted	(2.12)	(4.00)

FUTURE OUTLOOK

The sugar cane crushing season 2020-21 started from 05-11-2020 and by the date of this report, your mill produced 23,927 MT Sugar with average recovery of 9.157%. The Government of Sindh (Agriculture Supply & Prices Department) has issued a notification fixing the minimum sugarcane support price at Rs.202/= (Rupees Two hundred and two) per 40 kg (Mds) for crushing season 2020-21. Due to which growers are getting more than the previous year and fair return of their efforts. Sugar prices drop significantly at the start of the crushing season which now stabilise and still continuing to move upward. Whereas the prices of molasses are continuously moving upward. Further combining the same with the significant decrease in Kibor rates over the period of time by the SBP from 13.25% to 7%, the company is anticipating sharp decrease in the financing cost. All such factors will play significant role and company is anticipating to close the next financial year with good profitability.



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

ENVIRONMENT

For improvement of environment hazard, Khairpur sugar mills limited have taken care on priority. As per Sindh's Environmental policy Act 2013, proven care has been taken care. On implementing this policy, use of water and drainage has been reduced. After approval from Sindh Environmental Protecting Agency (SEPA) and foreign expert's consultant's services for waste water, the treatment has been installed having capacity of 3000 cm/day. Which will become again useful for the use of agriculture sector to end the water scarcity and to end the pollution. By the grace of almighty Allah. Our mill inaugurated this plant during the current accounting period.



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. 683.750 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	6
• Mrs. Qamar Mubeen Jumani	6
• Miss. Arisha Mubeen Jumani	5
• Lt. Gen (Retd). Anis Ahmed Abbasi	5
• Lt. Gen (Retd). Tahir Mahmud Qazi	5

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 is 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

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 30.09.2021.

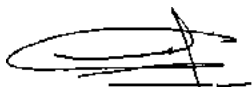
PATTERN OF SHARE-HOLDING

The pattern of shareholding as on September 30, 2020 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: January 01, 2021

آڈیٹرز

موجودہ آڈیٹرز میسرز یانڈا ہارون زکریا اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس ہیں جنہوں نے اگلے سال کیلئے بحیثیت آڈیٹرز کیلئے پیش کیا ہے اور رضامندی ظاہر کی ہے۔ آڈٹ کمپنی نے تاحر دی کی سرز ریٹائڈ ہارون زکریا اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو ہماری کمپنی کے آڈیٹرز برائے اگلے سال اختتام 30 ستمبر 2021ء کی سفارش کی ہے۔

شیئر ہولڈرز کا پیٹرن

کمپنی کے شیئر ہولڈنگ سال کے اختتام 30 ستمبر 2020ء کو کوڈ آف کارپوریٹ گورننس کے مطابق کمپنی کا شیئر ہولڈنگ کی تفصیلات مع شیئر ہولڈنگ کی تقسیم کی عکاسی کا بیان سالانہ رپورٹ کے ساتھ علیحدہ سے منسلک ہے۔



اعتراف

ہم خوشی کے ساتھ اپنے تمام کارکنان، عملے، ملازمین اور منسلک افراد جنہوں نے اس مقصد کے حصول کے خاطر ان کی 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۔ اللہ تعالیٰ ہماری کوششوں میں خیر فرمائے۔ (امین)

منجانب بورڈ آف ڈائریکٹرز

خیر پور شوگر ملز

فراز مبین جمانی

چیئرمین ڈائریکٹرز

کراچی بتاریخ

یکم جنوری 2021



صنعتی تعلق

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

بورڈ کا اجلاس

بورڈ اجلاس میں شرکت کی تعداد

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ڈائریکٹرز کے نام

جناب محمد تبین جمالی

جناب فرازمین جمالی

جناب فہد تبین جمالی

جناب قمر تبین جمالی

مس عریشہ تبین جمالی

لیفٹیننٹ جنرل (ریٹائرڈ) انیس احمد عباسی

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 آزاد ڈائریکٹرز ہیں اس سال کے دوران آڈٹ کمیٹی کے چار (4) اجلاس منعقد ہوئے جس میں ہر ممبران کی شرکت درج ذیل ہے۔



اجلاس میں شرکت کی تعداد

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ڈائریکٹرز کے نام

لیفٹیننٹ جنرل (ریٹائرڈ) انیس احمد عباسی

لیفٹیننٹ جنرل (ریٹائرڈ) طاہر محمود قاضی

مس عریشہ تبین جمالی

ہیومن ریسورس اور معاوضہ کمیٹی کا اجلاس

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



اجلاس میں شرکت کی تعداد

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ڈائریکٹرز کے نام

لیفٹیننٹ جنرل (ریٹائرڈ) انیس احمد عباسی

لیفٹیننٹ جنرل (ریٹائرڈ) طاہر محمود قاضی

جناب محمد تبین جمالی

اور غیر ملکی ماہرین کی خدمات سے ملنے پانی کا ٹریٹمنٹ پلانٹ نصب کیا گیا ہے جس کی صلاحیت تقریباً تین ہزار کیوبک میٹر روزانہ کے حساب سے استعمال شدہ پانی کو دوبارہ قابل استعمال بنائے گا جس سے کاشتکاری کے پانی کی کمی کو دور کرنے کے ساتھ ساتھ آلودگی کو کم کرتے ہیں۔ الحمد للہ ہمارے مل میں اس پلانٹ کا افتتاح موجودہ مدت میں کیا جا چکا ہے۔

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 کے لئے بھرپور تعاون کریں جو کہ دورا دل 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

آپ کے ادارے نے 683.750 ملین روپے قومی خزانے میں مختلف شکل کے ٹیکس لیویز، ایکسائز اور سیلز ٹیکس وغیرہ کے مد میں جمع کرائے۔

کارپوریٹ حکمرانی

ڈائریکٹرز بخوشی بیان کرتے ہیں کہ آپ کی کمپنی نے دوران سال اور ہر طرح سے SECP اور پاکستان اسٹاک ایکس چینج کے قانونی اور انتظامی تقاضے پورے کئے۔

کارپوریشن و فنانشل رپورٹنگ فریم ورک

- مینجمنٹ کے جانب سے فنانشل گواشرہ اس کے موجودہ امور کی حالت آپریشن کے نتائج، مقصد بہاؤ، منصفی تبدیلیوں کو شفاف طریقے سے پیش کیا گیا ہے۔
- موزوں طریقے سے اکاؤنٹس بک کمپنی نے برقرار رکھا ہے۔
- فنانشل گواشرے کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کو بروئے کار لایا گیا ہے اور اکاؤنٹس سسٹم موزوں اور زیرک فیصلے کی بنیاد پر کئے گئے ہیں۔
- بین الاقوامی اکاؤنٹنگ اسٹینڈرڈ (IRRS) جو کہ پاکستان میں قابل اطلاق ہے پورے طور پر نافذ کیا گیا ہے۔
- پچھلے چھ (6) سالوں کے اہم آپرینٹنگ 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 گواشرے کا نوٹس اس کا حصہ ہے۔
- اس میں کوئی شک نہیں کہ کمپنی کی صلاحیت ہے کہ مسلسل چلتی رہے۔



کو 663,364.694 میٹرک ٹن گنے کی کرشنگ سے 68,714 میٹرک ٹن چینی بنی تھی جو کہ اوسط ریکوری 10.358 فیصد 112 دن میں حاصل کیا تھا۔ کرشنگ سیزن 2019-20 کے دوران، حکومت سندھ نے فیصلہ کیا تھا لیکن گنے کی قیمت کا اعلان نہیں کیا تھا اور قیمت 192 ماؤنڈ پر فی من مقرر کی تھی جو پچھلے کرشنگ سیزن 2018-19 کے مقابلے میں پہلے ہی 10 من اضافی ہے۔ مزید برآں اسٹیٹ بینک آف پاکستان کی جانب سے پالیسی نرخوں میں کمی میں تاخیر کی وجہ سے کمپنی کے سال کی آخری سرمایہ میں شرح میں کمی کا اثر صرف اس صورت میں نکلا ہے جس کی وجہ سے کمپنی کے ریکارڈ پر سب سے زیادہ مالیاتی لاگت ختم ہو گئی۔ مزید یہ کہ موجودہ سیزن کے دوران گنے کے حصول کی جدوجہد کے نتیجے میں کمپنی کو کم سے کم قیمت سے زیادہ 36.11 روپے فی من کی ادائیگی کی گئی۔ اس کے علاوہ انکم ٹیکس / کم سے کم ٹیکس کی شرح میں بھی فنانس ایکٹ 2020 کے ذریعے اضافہ کیا گیا جس نے اس ادارے کی مجموعی کارکردگی میں بھی منفی کردار ادا کیا۔

مذکورہ بالا تمام صورت حال کو مد نظر رکھتے ہوئے، ہماری مل نے گذشتہ سال کے اسی عرصے کے دوران 194.664 ملین روپے کے آپریٹنگ منافع کے مقابلے میں 341.759 ملین روپے کا آپریٹنگ منافع حاصل کیا جو پہلے بیان کی گئی شرائط اور حدود کے برابر ہے۔



ڈویڈنڈ

پچھلے سال اور موجودہ سال کے جمع شدہ جملہ نقصانات کی روشنی میں کمپنی کے ڈائریکٹرز نے ڈویڈنڈ دینے کی سفارش کی ہے

2018-19	2019-20
(4.00)	(2.12)

بنیادی ورثہ



مستقبل کا منظر

گنے کی کرشنگ سیزن 2020-21 آغاز مورخہ 5 نومبر 2020 کو ہوا اور اس رپورٹ کے اشاعت تک آپ کے مل نے 23,927 میٹرک ٹن چینی بنائی جس کی اوسط ریکوری 9.157 فیصد پر حاصل کیا۔

حکومت سندھ (محکمہ زراعت سلائی اینڈ پرائسز) نے کرشنگ سیزن 2020-21 کیلئے گنے کی کم سے کم قیمت -/202 (صرف دو سو روپے) 40 کلوگرام (ایم ڈی ایس) پر طے کرنے کا نوٹیفکیشن جاری کیا ہے۔ جس کی وجہ سے کاشتکاروں کو پچھلے سال کے مقابلے میں زیادہ منافع مل رہا ہے اور ان کی کاوشوں کی متصفانہ صلہ ہے۔ کرشنگ سیزن کے آغاز پر چینی کی قیمتوں میں نمایاں کمی واقع ہوئی ہے جو اب استحکام اور اب بھی اوپر کی طرف بڑھ رہے ہیں۔ جبکہ گڑ کی قیمتیں مسلسل بڑھ رہی ہیں۔ جبکہ اسٹیٹ بینک کے ذریعہ وقتاً فوقتاً 13.25 فیصد سے 7 فیصد تک کا بہر KIBOR کے نرخوں میں نمایاں کمی کے ساتھ بھی اس کا استخراج کیا جا رہا ہے، اس کمپنی کو مالیاتی لاگت میں تیزی سے کمی کی توقع کی جا رہی ہے۔ ایسے تمام عوامل نمایاں کردار ادا کریں گے اور کمپنی اگلے مالی سال کو اچھے منافع کے ساتھ منافع حاصل کرنے کی توقع کر رہی ہے۔

12 میگا واٹ بگاس / ہاؤس پاور پیداواری پلانٹ پر کام جاری ہے جو مستقبل غنقریب میں مکمل ہو سکتا ہے۔

ماحولیات

خیر پور شوگر مل نے ماحولیاتی اثرات کو بہتر کرنا اپنی اولین ترجیحات میں شامل کیا ہے۔ سندھ ماحولیاتی تحفظ ایکٹ (SEPA) مجریہ 2013ء کے تحت جامع حکومت عملی مرتب کی ہے اس منصوبے پر عمل کرتے ہوئے پانی کے استعمال اور اخراج کو کم کر دیا گیا ہے۔ سندھ ماحولیاتی تحفظ ایجنسی (SEPA) کی منظوری

ڈائریکٹر رپورٹ برائے ممبران

محترم ممبران

السلام علیکم

آپ کے ڈائریکٹر کی جانب سے 30 ستمبر 2020ء کے اختتامی سال کے لئے کمپنی کی سالانہ رپورٹ اور آڈٹ شدہ گوشارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی اعداد و شمار	2020ء (روپے ہزار میں)	2019ء (روپے ہزار میں)
قبل از ٹیکس (نقصان) / منافع	5.358	(85,123)
ٹیکس	(39,330)	21,120
بعد از ٹیکس (نقصان)	(33,972)	(64,003)
فی حصص (نقصان) - بنیادی ورثیق	(2.12)	(4.00)

کارکردگی جائزہ

آپریشنل نتائج بمقابلہ پچھلے سیزن درج ذیل ہیں۔

گذشتہ سیزن کے مقابلے میں کرشنگ سیزن کے آپریشنل نتائج کا تذکرہ ذیل میں کیا گیا ہے:

سیزن	سیزن
2019-20	2018-19
سیزن کا آغاز	21 نومبر 2019ء
سیزن کا اختتام	5 مارچ 2020ء
کام کا دورانیہ	106
گنا کرش کیا گیا (میٹرک ٹن)	524,252.512
پیداوار شوگر کی ریکوری (فیصد)	9.833
مولائیس کی ریکوری (فیصد)	4.559
چینی کی پیداوار (میٹرک ٹن)	51,552.00
مولائیس کی پیداوار (میٹرک ٹن)	23,900.00
	68,714.00
	10.358
	4.145
	112
	17 مارچ 2019ء
	26 نومبر 2018ء
	663,364.694

کرشنگ سیزن 2019-20ء کا آغاز موری 21 نومبر 2019ء اور اختتام موری 5 مارچ 2020ء کو ہوا، اس دوران 524,252.512 میٹرک ٹن گنے کی کرشنگ کی جس سے 51,552 میٹرک ٹن چینی ہیں جو کہ اوسط ریکوری 9.833 فیصد 106 دن میں حاصل ہوا اس کے مقابلے میں پچھلے سیزن 2018-19

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.

The Company's financial year 2019-20 started with multiple challenges which were not only related to the financial factors but also the non-financial factors i.e. the outbreak of the corona virus pandemic. Due to prevailing economic downturn which further aggravated due to the corona lock downs and further the reduction in the overall area cultivated the cost of sugarcane procured increased significantly. However, policy rates were decreased by the State Bank of Pakistan during the accounting year 2019-20 but their impact were only materializes in the last quarter of the company's operation hence does not contributed a lot to the company's cause. All these factors contributed in the dilution of profitability.

Though the prices of sugar shown an upward trend in the domestic market during last quarter due to late decrease in the policy rates by the SBP overall finance cost was ended on the companys' record highest. Moreover, the war for obtaining the cane during the season led the company to pay substantially over the minimum support price. Apart from these the rate of income tax / minimum tax also enhanced through the finance act 2020 which also contributed negatively to the overall performance of the entity. 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 33.972 M.

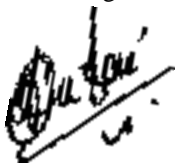
The composition of Board of Director reflects a mix of varied background with rich experience in the field of business to provide strategic guidance and inputs regularly to the company's management.

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: January 01, 2021

چیرمین کا جائزہ

عزیز شیئر ہولڈرز

بورڈ آف ڈائریکٹرز کی طرف سے میں خوشی محسوس کرتے ہوئے میں آپ کو بورڈ ایکٹ کی مجموعی کارکردگی اور کمپنی ایکٹ مگر یہ 2017 کے سیکشن 192 کے تحت مجموعی تنظیمی مقاصد کے حصول میں بورڈ کی طرف سے ادا کردہ کردار کی تاثیر پر جائزہ رپورٹ پیش کرتا ہوں۔

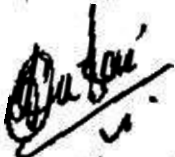
کمپنی کا مالی سال 2020 - 2019ء میں مختلف چیلنج کا سامنا رہا جس کا تعلق نہ صرف مالیاتی عوامل سے تھا بلکہ غیر مالی عوامل سے بھی تھا یعنی کورونا وائرس وبائی بیماری کا پھیلاؤ۔ موجودہ معاشی بحران جو کہ کورونا لاک ڈاؤن کی وجہ سے مزید بڑھ گیا ہے اور اس کے نتیجے میں مجموعی علاقے میں کاشت کیے گئے گئے کی قیمت میں نمایاں اضافہ ہوا ہے۔ تاہم، اکاؤنٹنگ سال 2019-20 کے دوران اسٹیٹ بینک آف پاکستان کے ذریعہ پالیسی کے نرخوں میں کمی کی گئی تھی لیکن اس کے اثرات صرف کمپنی کی آخری سہ ماہی میں ظاہر ہوئے تھے لہذا کمپنی کے مقاصد میں زیادہ مددگار ثابت نہیں ہوا۔ ان سارے عوامل نے منافع میں کمی میں اہم کردار ادا کیا۔

اگرچہ گذشتہ سہ ماہی کے دوران ڈومیسٹک مارکیٹ میں چینی کی قیمتوں میں اضافے کا رجحان ظاہر ہوا ہے جبکہ اسٹیٹ بینک کی جانب سے مالی لاگت کو کمپنیوں کے ریکارڈز میں سب سے زیادہ ختم کر دیا گیا تھا۔ مزید برآں موجودہ بیزنس کے دوران گئے کے حصول کے لئے جدوجہد کے نتیجے میں کمپنی کو کم سے کم قیمت سے زیادہ قیمت ادا کرنے پڑے۔ اس کے علاوہ انکم ٹیکس / کم سے کم ٹیکس کی شرح میں بھی فنانس ایکٹ 2020 کے ذریعے اضافہ کیا گیا جس نے اس ادوارے کی مجموعی کارکردگی میں بھی منفی کردار ادا کیا۔ مذکورہ بالا تمام کوششوں اور لاگت میں کمی کی حکمت عملیوں کے باوجود کمپنی نے اپنا سال ایک منفی زون میں ختم کیا اور 33.972 ملین روپے خسارہ بعد از ٹیکس ریکارڈ کیا۔

بورڈ آف ڈائریکٹرز کی تشکیل کمپنی کے انتظام کو مستقل حکمت عملی اور رہنمائی فراہم کرنے کے لئے کاروبار کے شعبے میں بھرپور تجربہ کے ساتھ مختلف پس منظر کے استرجاع کی عکاسی کرتی ہے۔ بورڈ کو اس کی کمیٹیوں کے ذریعہ مدد ملتی ہے۔ آڈٹ کمیٹی مالی بیانات کا جائزہ لیتی ہے اور یقینی بناتی ہے کہ وہ قانوناً / سالانہ مالی بیانات کمپنی کی حقیقی مالی حیثیت کی منصفانہ نمائندگی کرتے ہیں۔ یہ اندرونی اختیار کی نشاندہی کرتے ہیں۔ HR & Remuneration کمیٹی عمومی جائزہ اس کی پالیسی کی بنیاد پر سینئر مینجمنٹ ٹیم کے معاوضہ کا انتخاب کرتی ہے اور مجموعی طور پر کمپنی کے لئے منصوبہ بندی کرتی ہے۔

بورڈ کا شیئر ہولڈرز کے لئے اضافی کے طرف نگاہ مرکوز کرتا رہتا ہے اور کاشتکاری برادری کی ترقی میں پائیدار شراکت کے ذریعہ حصص یافتگان کی قدر بڑھانے پر بھی مرکوز ہے۔ 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 ان کی کوششوں کا اعتراف کرتے ہیں۔

شکریہ اور احترام



قمر بین جمانی (چیر پرسن)

کراچی بتاریخ یکم جنوری 2021

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 2020

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) Other Non-executive Director | Mr. Fahad Mubeen Jumani
Mrs. Qamar Mubeen Jumani
Miss. Arisha Mubeen Jumani |
| c) Executive Directors | Mr. Muhammad Mubeen Jumani
Mr. Faraz Mubeen Jumani |
| d) Female Directors | Mrs. Qamar Mubeen Jumani
Miss. Arisha Mubeen Jumani |

Fraction (0.33) related to the requirement for number of independent Director is less than 0.5 and therefore, has not been rounded up as one.

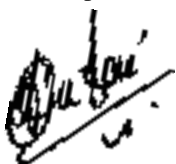
3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company;
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting 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 the significant policies along with their 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 of directors have a formal policy and transparent procedures for remuneration of directors in Accordance with the Act and these Regulations.
9. Out of seven Directors one Director is exempted from Directors training program on the basis of level of education and length of experience as provided in the Regulation. Other remaining Directors could

not attend the Director training program due to the outbreak of corona virus and multiple challenges. However, the relevant compliance will be made till the next financial year end.

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.
11. Chief Financial Officer and Chief Executive Officer (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 of the committees were as per following.

a)	Audit Committee	Quarterly
b)	HR and Remuneration Committee	One meeting was held during the year.
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 Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, 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; and
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;



Qamar Mubeen Jumani
Chairperson

Place: Karachi
Dated: January 01, 2021

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, 2020 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. 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, 2020.



Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi

Dated: January 01, 2021

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, 2020, 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, 2020 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. Long Term Financing	
(Refer to notes no. 14 to the accompanying financial statements).	Our audit procedures included the following:
During the year, company obtained loan under SBP refinance Scheme to finance salaries as were available to company due to ongoing pandemic. The pricing is below the market rates and accordingly, loan is accounted for under IFRS -9 and as well as IAS - 20.	Understanding of SBP Refinance Scheme by obtaining the relevant documents.
	Assessing management assumption of discount rate through alternative market source including company's incremental borrowing rate as well as calculating the effective interest rate used for calculation of present value.

Key audit matter	How the matter was addressed in our audit
Owing to use of Judgement involved in ascertaining the present value and portion of Grant involved, we considered it a key audit matter.	Confirming the calculation of present value of long-term loan and its resulting deferred income. Assessing the adequacy and appropriateness of the accounting treatment and disclosure provided.
2. IFRS - 16	
<p>(Refer to notes no. 2.5.1 to the accompanying financial statements)</p> <p>The company has adopted IFRS 16 “Leases” on July, 2019. Under the requirement of IFRS 16, the company recognized right of use assets and lease liabilities for certain lease payments i.e., these leases are on the statement of financial position.</p> <p>The matter is considered as a key audit matter because the application of this standard requires management to make judgements, estimates and assumptions with regard to lease term and discount rate for calculation of lease liabilities.</p>	<p>Our audit procedures in relation to the matter included:</p> <p>Obtained an understanding of the company’s processes and related internal controls for lease accounting, including those relating to assessment of discount rate, lease term and extension options and considered their appropriateness.</p> <p>On a sample basis, tested the lease data by comparing the lease agreement with related IFRS 16 calculations.</p> <p>Tested on a sample basis, the calculation of right of use asset and lease liability by performing recalculation and tracing the terms with relevant supporting documents.</p> <p>We also considered the adequacy of the related disclosures and assessed these are in accordance with the applicable financial reporting standards and the Companies Act, 2017.</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 Haroon**.



Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi

Dated: January 01, 2021

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, 2020

	Note	2020 Rupees in thousand	2019
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	2,332,102	2,317,193
Intangible assets	5	6,307	6,307
Long term deposits	6	3,979	3,979
		2,342,388	2,327,479
Current Assets			
Stores, spares and loose tools	7	165,071	139,596
Stock in trade	8	426,209	854,265
Loans and advances	9	453,609	352,219
Deposits, prepayments and other receivables	10	226,415	219,227
Cash and bank balances	11	50,373	80,503
		1,321,677	1,645,810
Total Assets		3,664,065	3,973,289
EQUITY AND LIABILITIES			
Authorized Capital			
20,000,000 Ordinary shares of Rs. 10 each		200,000	200,000
Share capital and reserves			
Issued, subscribed and paid up capital	12	160,175	160,175
Revenue reserves - accumulated profit / (loss)		140,698	148,329
Surplus on revaluation of property, plant and equipment - net	13	656,590	682,383
Shareholders' equity		957,463	990,887
Non-Current Liabilities			
Long term financing	14	824,593	674,177
Deferred liabilities	15	59,468	128,890
Deferred grant		9,932	-
Finance lease	16	7,978	7,452
		901,971	810,519
Current Liabilities			
Current portion of finance lease	16	13,333	4,963
Current portion of long term financing	14	39,375	-
Short term borrowings	17	1,248,043	1,345,324
Trade and other payables	18	433,690	751,210
Accrued markup		11,899	48,106
Provision for taxation	19	58,291	22,280
		1,804,631	2,171,883
Contingencies and commitments	20		
Total Equities and Liabilities		3,664,065	3,973,289

The annexed notes 1 to 40 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, Dated: January 01, 2021

Statement of Profit or Loss & Other Comprehensive Income For The Year Ended September 30, 2020

	Note	2020 ----- Rupees in thousand -----	2019
Sales - net	21	4,290,858	4,252,277
Cost of sales	22	(3,781,737)	(3,856,845)
Gross profit		509,121	395,432
Administrative expenses	23	(179,017)	(192,991)
Distribution cost	24	(15,084)	(26,249)
Other incomes	25	27,025	20,364
Other operating expenses	26	(286)	(1,892)
		(167,362)	(200,768)
Operating profit		341,759	194,664
Finance cost	27	(336,401)	(279,787)
Profit / (loss) before taxation		5,358	(85,123)
Taxation	28	(39,330)	21,120
Loss after taxation		(33,972)	(64,003)
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		-	-
Remeasurement of defined benefit liability - net		548	-
		548	-
Total comprehensive loss for the year		(33,424)	(64,003)
Loss per share - basic and diluted	29	(2.12)	(4.00)

The annexed notes 1 to 40 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, Dated: January 01, 2021

Statement Of Changes In Equity

For The Year Ended September 30, 2020

	Issued, subscribed & paid-up capital	Revenue reserves - Accumulated (loss) / gain	Revaluation surplus on property, plant and equipment	Total
	----- Rupees in thousand -----			
Balance as at September 30, 2018	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
Loss for the year	-	(33,972)	-	(33,972)
Other comprehensive income	-	548	-	548
Total comprehensive income	-	(33,424)	-	(33,424)
Present value of long term loan on initial recognition	-	-	-	-
Reversal of present value adjustment of long term loan on derecognition	-	-	-	-
Transfer of incremental depreciation from revaluation surplus on property, plant and machinery - net of tax	-	25,793	(25,793)	-
	-	25,793	(25,793)	-
Balance as at September 30, 2020	160,175	140,698	656,590	957,463

The annexed notes 1 to 40 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, Dated: January 01, 2021

Statement Of Cash Flows

For The Year Ended September 30, 2020

	2020	2019
Note	Rupees in thousand	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	5,358	(85,123)
Adjustment for non-cash charges and other items:		
Depreciation	120,639	101,629
Gratuity	2,742	9,008
Finance cost	336,401	271,369
Gain on disposal	(42)	-
Working capital changes	30.1 (23,618)	(204,896)
Cash generated from operations	441,480	91,987
Finance cost paid	(277,785)	(182,816)
Workers' Profit Participation paid	-	(6,300)
Gratuity paid	(44,608)	(6,572)
Income tax paid	(26,307)	(38,979)
Net cash generated from / (used in) operating activities	92,780	(142,680)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(110,200)	(239,926)
Capital work-in-progress	(2,742)	(5,574)
Long term deposits paid	-	(2,422)
Proceeds from disposal of property, plant and equipment	1,200	-
Net cash used in investing activities	(111,742)	(247,922)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Market Committee fee	(4,020)	(4,020)
Long term loans	105,000	-
Payment of lease liability	(14,867)	-
Short term finance - net	(97,281)	451,217
Net cash (used in) / generated from financing activities	(11,168)	447,197
Net increase / (decrease) in cash and cash equivalents	(30,130)	56,595
Cash and cash equivalents at the beginning of the year	80,503	23,908
Cash and cash equivalents at the end of the year	50,373	80,503

The annexed notes 1 to 40 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, Dated: January 01, 2021

Notes To The Financial Statements

For The Year Ended September 30, 2020

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 Dhoru, Tando Masti road, Taluka Kot Diji, Khairpur in the province of Sindh.

1.1 A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on 11 March 2020, impacting countries globally including Pakistan. Government of Pakistan has taken certain measures to reduce the spread of the COVID-19 including lockdown of businesses, suspension of flight operations, intercity movements, cancellation of major events etc. These measures have resulted in an overall economic slowdown, disruptions to various business. However, currently, the potential impacts from COVID-19 remain uncertain, including, among other things, on economic conditions, businesses and consumers. The extent of these impacts on the Company are unclear. The Company is conducting business with some modifications to employee working and cancellation of certain events, among other modifications while following all necessary Standard Operating Procedures (SOPs). The Company will continue to actively monitor the situation and may take further actions that alter its business operations as may be required by federal, provincial or local authorities or that are in the best interests of our employees, customers, partners, suppliers and stockholders. However, the management based on its current assessment considered that there would be no significant impact that will adversely affect its businesses, results of operations and financial condition in future period.

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.

Notes To The Financial Statements

For The Year Ended September 30, 2020

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.

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

- a) Determining the residual values and useful lives of property, plant and equipments (Note 3.1)
- b) Impairment / adjustments of inventories and stores to their net realizable value (Note 3.4 & 3.5)
- c) Accounting for staff retirement benefits (Note 3.9)
- d) Recognition of taxation and deferred tax (Note 3.1) and
- e) Impairment of assets (Note 3.15.5 & 3.17)

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 2019 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 First time adoption of new Standards

The Company adopted IFRS 16, Leases, for its annual reporting periods beginning on October 1st, 2019.

IFRS 16 'Leases' is issued by International Accounting Standards Board (IASB) in January 2016 which supersedes IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases-Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'.

IFRS 16 introduces new requirements for lease accounting model for leases entered by the lessee. A lessee recognizes a right-of-use asset representing its right of using the underlying asset and a corresponding lease liability representing its obligations to make lease payments. Lessor accounting largely remains unchanged i.e. lessors continue to classify leases as either finance or operating leases.

The Company has adopted IFRS 16 using the modified retrospective restatement approach and has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard.

On adoption of IFRS 16, the Company has recognized liabilities in respect of leases which had previously been classified as operating leases under IAS 17. These liabilities were initially measured as the present

Notes To The Financial Statements

For The Year Ended September 30, 2020

value of the remaining lease payments, discounted using the Company's incremental weighted average borrowing rate of 16.36 % per annum at October 01, 2019. The lease liability is subsequently measured at amortized cost using the effective interest rate method.

	<i>September 30, 2020 Rupees</i>	<i>October 01, 2019 Rupees</i>
Total lease liability recognized	9,265	18,811

On adoption of IFRS 16, the associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of prepaid lease payments recognized in the statement of financial position immediately before the date of initial application.

The right-of-use assets recognized subsequent to the adoption are measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use assets are depreciated on a straight line basis over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use assets are reduced by impairment losses, if any, and adjusted for certain remeasurements of lease liability.

	<i>September 30, 2020 Rupees</i>	<i>October 01, 2019 Rupees</i>
The recognized right-of-use assets relate to the following type of asset:		
Office premises	8,828	18,811

The effect of this change in accounting policy is as follows:

Impact on Statement of Financial Position

Increase in fixed assets - right-of-use assets	8,828	18,811
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Impact on Profit or Loss Account

Increase in mark-up expense - lease liability against right-of-use assets	(2,112)	-
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(Increase) / decrease in administrative expenses:

Depreciation on right-of-use assets	(9,983)	-
Rent expense	18,815	-
Increase in loss before tax	6,720	-

While implementing IFRS 16, the Company has used a single discount rate methodology for a portfolio of leases with similar characteristics.

Notes To The Financial Statements

For The Year Ended September 30, 2020

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:

		<i>Effective from accounting period beginning on or after</i>
-	IFRS 3 Business Combinations: Amendments to clarify the definition of a business (Amendments)	January 1, 2020
-	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 39, IFRS 9 & IFRS 7 Amendment for interest rate benchmark reform.	January 1, 2020
-	IFRS 16 Amendment in 'LEASES' to provide practical relief for lessee in accounting for rent concession.	June 1, 2020
-	IAS 1 Amendments in 'Presentation of Financial Statements' for classification of liabilities as current or non-current	January 1, 2022
-	IAS 37 Amendments in 'Provisions, Contingent Liabilities and Contingent Assets' for Onerous contract-cos of fulfilling contract.	January 1, 2022
-	IAS 16 Amendments in 'Property, Plant and Equipment' for proceeds before intended use.	January 1, 2022

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.

Notes To The Financial Statements

For The Year Ended September 30, 2020

2.5.3 Annual Improvements to IFRS standards 2018-2020

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022.

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The above amendments are not likely to affect the financial statements of the Company

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

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.

Right of use asset

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The entity mainly leases properties for its operations. The entity recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated at the rates and basis applied to the company's owned assets over the shorter of the lease term and the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

Notes To The Financial Statements

For The Year Ended September 30, 2020

Lease Liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

3.2 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.

3.3 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 lives 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 lives 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.

3.4 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.

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.

Notes To The Financial Statements

For The Year Ended September 30, 2020

3.5 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.

3.6 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).

3.7 Loans, advances, deposits and prepayments

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

3.8 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.

3.9 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 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.

3.10 Taxation

Current

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

Notes To The Financial Statements

For The Year Ended September 30, 2020

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.

3.11 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.

3.12 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 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.

3.13 Cash and cash equivalents

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

3.14 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.

3.15 Financial Instruments

3.15.1 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.

Notes To The Financial Statements

For The Year Ended September 30, 2020

3.15.2 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:

- 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.

3.15.3 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.

3.15.4 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.

Notes To The Financial Statements

For The Year Ended September 30, 2020

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.

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.

3.15.5 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.

3.15.6 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, 2020

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.

3.15.7 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.

3.16 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.

3.17 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.

3.18 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.

3.19 Government Grant

This represents benefit of lower interest rate which is amortized and credited to income in the same year in which payment of installments including mark up expense falls.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

Notes To The Financial Statements

For The Year Ended September 30, 2020

	Note	2020 ----- Rupees in thousand -----	2019									
4 PROPERTY, PLANT AND EQUIPMENT												
Operating fixed assets - tangible	4.1	2,278,461	2,266,294									
Capital work in progress	4.2	24,403	21,661									
Advance against purchase of fixed assets		29,238	29,238									
		2,332,102	2,317,193									
4.1 Operating fixed assets - tangible												
		Owned	Right to use									
		<i>Freehold land Building on freehold land Plant and machinery Furniture & fittings Office equipment Factory equipment Vehicles Plant & Machinery Office Premises Vehicle</i>	<i>Total</i>									
		Rupees in thousand										
Net book values		22,500	152,348	1,371,760	597	5,375	2,168	13,019	24,158	-	-	1,591,925
For the year ended Sep 30, 2019												
Additions during the year		-	67,180	120,793	-	10,144	-	7,913	-	-	-	206,030
Revaluation surplus during the year		157,500	140,416	272,052	-	-	-	-	-	-	-	569,968
Depreciation for the year		-	(13,451)	(82,321)	(60)	(986)	(217)	(3,386)	(1,208)	-	-	(101,629)
Net book values		180,000	346,493	1,682,284	537	14,533	1,951	17,546	22,950	-	-	2,266,294
For the year ended Sep 30, 2020												
Additions during the year		-	-	106,469	198	3,527	-	8	-	4,098	19,665	133,965
Disposal		-	-	-	-	-	-	-	-	-	-	-
Cost		-	-	-	-	-	-	2600	-	-	-	2,600
Accumulated Depreciation		-	-	-	-	-	-	(1,442)	-	-	-	(1,442)
		-	-	-	-	-	-	1,158	-	-	-	1,158
Revaluation surplus during the year		-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year		-	(17,325)	(87,217)	(69)	(1,735)	(195)	(3,381)	(1,148)	(4,098)	(5,472)	(120,639)
Net book values		180,000	329,168	1,701,536	666	16,325	1,756	13,015	21,802	15,567	(1,374)	2,278,461
As at September 30, 2019												
Cost or revaluation		180,000	379,909	1,937,651	4,321	22,618	7,981	45,871	25,430	-	-	2,603,781
Accumulated depreciation		-	(33,416)	(255,367)	(3,784)	(8,085)	(6,030)	(28,325)	(2,480)	-	-	(337,487)
Net book values		180,000	346,493	1,682,284	537	14,533	1,951	17,546	22,950	-	-	2,266,294
As at September 30, 2020												
Cost or revaluation		180,000	379,909	2,044,120	4,519	26,145	7,981	43,279	25,430	19,665	4,098	2,735,146
Accumulated depreciation		-	(50,741)	(342,584)	(3,853)	(9,820)	(6,225)	(30,264)	(3,628)	(4,098)	(5,472)	(456,684)
Net book values		180,000	329,168	1,701,536	666	16,325	1,756	13,015	21,802	15,567	(1,374)	2,278,461
		0%	5%	5%	10%	10%	10%	20%	5%			

Notes To The Financial Statements

For The Year Ended September 30, 2020

	Note	2020 ----- Rupees in thousand -----	2019
4.1.1 Depreciation charge for the year has been allocated as follows:			
Cost of sales	22	109,983	97,197
Administration expense	23	10,656	4,432
		120,639	101,629

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;

	2020 ----- Rupees in thousand -----	2019
Free hold land	-	11,831
Factory building on free hold land	-	188,282
Plant and machinery	11,831	1,105,288
	11,831	1,305,401

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.

	Note	2020 ----- Rupees in thousand -----	2019
4.2 Capital work in progress			
Civil works		9,050	6,308
Plant and machinery		15,353	15,353
		24,403	21,661

5 INTANGIBLE ASSETS

Software in process	5.1	6,307	6,307
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5.1 Software in process

Opening	6,307	6,307
Addition during the year	-	-
	6,307	6,307

6 LONG TERM DEPOSITS

Deposits against equipment and vehicle financing	2,422	2,422
Other deposits	1,557	1,557
	3,979	3,979

7 STORES, SPARES AND LOOSE TOOLS

Stores, spares and loose tools		175,850	150,375
Provision for slow moving and obsolete items	7.1	(10,779)	(10,779)
		165,071	139,596

Notes To The Financial Statements

For The Year Ended September 30, 2020

		2020	2019
		----- Rupees in thousand -----	
7.1	Movement in provision for slow moving items and obsolescence during the year is as follows		
	Balance at beginning of the year	(10,779)	(10,779)
	Provision made during the year	-	-
	Balance at end of the year	(10,779)	(10,779)
7.2	Most items of the stores and spares are interchangeable in nature and can be used as machine spares or consumed as stores.		
		2020	2019
		----- Rupees in thousand -----	
8	STOCK IN TRADE		
	Finished goods		
	- Sugar	392,872	821,447
	- Bagasse	32,004	31,833
		424,876	853,280
	Work in process	1,333	985
		426,209	854,265
8.1	Inventory having carrying value of Rs. 388.3 (2019 : Rs. 683.899) million has been pledged against bank financing.		
		2020	2019
		----- Rupees in thousand -----	
9	LOANS AND ADVANCES		
	Advances		
	- to growers	178,686	143,174
	- to suppliers	239,312	181,967
	- for expenses - considered good	26,008	19,099
	- to staff	9,603	7,979
		453,609	352,219
9.1	Advances to growers		
	Considered good	178,686	143,174
	Considered bad	1,428	1,428
		180,114	144,602
	Provision for doubtful advances	(1,428)	(1,428)
		178,686	143,174
9.2	Advances to suppliers		
	Considered good	239,312	181,967
	Considered bad	6,294	6,294
		245,606	188,261
	Provision for doubtful advances	(6,294)	(6,294)
		239,312	181,967

Notes To The Financial Statements

For The Year Ended September 30, 2020

	Note	2020 Rupees in thousand	2019 Rupees in thousand
9.3 Advances to staff			
Considered good		9,603	7,979
Considered bad		367	367
		9,970	8,346
Provision for doubtful advances		(367)	(367)
		9,603	7,979
10 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Deposits	10.1	5,841	5,841
Prepayments		9,016	5,369
Other Receivables		9,362	5,821
Freight subsidy	10.2	202,196	202,196
		226,415	219,227
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 (2019 : Rs.202,196) million receivable against the cash freight subsidy related to sugar exports made during the financial year 2018 from Federal Government and the Government of Sindh.		
11 CASH AND BANK BALANCES			
Cash in hand		588	44
Cash at banks - in current account		49,785	80,459
		50,373	80,503
12 ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
2020 Number of Shares	2019 Number of Shares		
16,017,500	16,017,500	Ordinary shares of Rs.10 each fully paid in cash	12.1
		160,175	160,175
12.1	This include 12.057 (2019 : 12.059) 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, 2020

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

Revaluation surplus

	2020	2019
	----- Rupees in thousand -----	
Balance as at October 01	894,758	357,605
Add: Surplus arises during the year	-	569,968
Less : Transferred to unappropriated profit in respect of incremental depreciation charged during the year	(36,329)	(32,815)
	858,429	894,758

Related deferred tax liability

Balance as at October 01	(212,375)	(102,276)
Increase in revaluation surplus during the year	-	(119,616)
Deferred tax on incremental depreciation charged during the year	10,536	9,517
	(201,839)	(212,375)
	656,590	682,383

13.1 In 2019, 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.

14 LONG TERM FINANCING

	Note	2020	2019
		----- Rupees in thousand -----	
Loan from related parties	14.1	768,900	674,177
SBP payroll refinancing	14.2	55,693	-
		824,593	674,177
14.1 Loan from related parties			
- Directors			
Original value of loan		1,140,657	1,140,657
Less: Present value adjustment	14.1.1	(466,479)	(531,584)
Add: Interest charged to profit and loss account to date		94,722	65,104
		768,900	674,177
Present value adjustment			
Opening balance		531,583	134,419
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		(65,104)	-
		466,479	531,583

14.1.1 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.

Notes To The Financial Statements

For The Year Ended September 30, 2020

14.2 Payroll Financing

Note 2020 2019
----- Rupees in thousand -----

Opening	-	-
Addition	105,000	-
Present value adjustment	(11,541)	-
	93,459	-
Current portion	(39,375)	-
Deferred grant	1,609	-
	55,693	-

15 DEFERRED LIABILITIES

Staff retirement gratuity	15.1	24,133	66,547
Deferred tax liability	15.2	21,266	44,254
Market Committee fee	15.3	18,089	22,109
Less: Current portion		(4,020)	(4,020)
		14,069	18,089
		59,468	128,890

15.1 Staff retirement benefits

Movement in defined obligation Present value of defined benefit obligation

At beginning of the year	15.1.1	66,547	64,111
Charge for the year		2,742	9,008
Other Comprehensive income		(548)	-
Benefit paid during the year		(44,608)	(6,572)
At the end of year		24,133	66,547

15.1.1 Charge for the year

Interest cost	2,742	9,008
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15.1.2 The latest actuarial valuation for gratuity fund was carried out as at September 30, 2020, 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.

	2020	2019
Discount rate used for interest cost in P&L charge	12.50%	14.05%
Discount rate for year end obligation	9.75%	14.05%
Expected rate of increase in salary	N/A	N/A
Mortality rates	N/A	N/A
Retirement Assumption	Age 60	Age 60

2020

Discount Rate

+100 bps -100 bps

----- Rupees in thousand -----

Notes To The Financial Statements

For The Year Ended September 30, 2020

15.1.3 Sensitivity analysis

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

23,892	24,374
--------	--------

2020 2019
----- Rupees in thousand -----

15.2 Deferred tax liability

Deductible temporary differences:

Tax losses	326,889	357,672
Minimum tax credit	208,665	150,436
Provision for gratuity	6,332	18,409
Provision for stores, loans and advances	4,950	5,118
	546,836	531,635

Taxable temporary differences:

Accelerated depreciation	(237,123)	(255,670)
Surplus on revaluation	(201,839)	(212,375)
	(438,962)	(468,045)
Unrecognized deferred tax asset	(129,140)	(107,844)
Deferred tax liability	(21,266)	(44,254)

15.2.1 The deferred tax asset of Rs. 129.140 million (2019 : Rs.107.844 million) has not been recognised owing to uncertainty regarding future profitability against which deferred tax asset could be set off.

15.3 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.

16 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 16.36% per annum.

During the year the Company has entered into a lease agreement with leasing company to acquire a fork lifter.

During the year the company recognise right of use asset for its office premises and vehicles which were previously classified as operating lease asset.

Set out below the carrying amount of lease liabilities and the movements during the year:

Notes To The Financial Statements

For The Year Ended September 30, 2020

	Note	2020 Rupees in thousand	2019 Rupees in thousand
As at October 01		12,415	17,073
Additions		23,763	-
Interest expense		3,948	1,854
Payments		(18,815)	(6,512)
As at September 30		21,311	12,415
Current		13,333	4,963
Non-current		7,978	7,452
		21,311	12,415
16.1 Lease liabilities are payable as follows:			
Minimum lease payment			
Upto one year		15,595	6,745
More than one year but less than five years		8,660	8,421
		24,255	15,166
Financial charges			
Upto one year		2,262	1,782
More than one year but less than five years		682	969
		2,944	2,751
Present value of minimum lease payments			
Upto one year		13,333	4,963
More than one year but less than five years		7,978	7,452
		21,311	12,415
Current maturity shown under current liabilities		(13,333)	(4,963)
		7,978	7,452
17 SHORT TERM BORROWINGS			
- From Banking Companies			
Secured			
Cash finance	17.1	1,188,300	1,313,917
- From Related parties			
Unsecured			
from directors	17.2	59,743	31,407
		1,248,043	1,345,324

17.1 This represents roll over secured cash financing facilities from banking companies. These facilities carries mark-up at 3 Month KIBOR + 2.5% to 4% (2019 : 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 subordination.

Nature of Facility	Available Limits		Unavailed Limits	
	2020	2019	2020	2019
	Rupees in million			
Running Finance	2,200	2,500	1,012	1,186
Fleet Finance	17.11	23	5.61	3.18
LC at sight	-	62	-	40

Notes To The Financial Statements

For The Year Ended September 30, 2020

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

		2020	2019
	Note	----- Rupees in thousand -----	
18 TRADE AND OTHER PAYABLES			
Creditors		35,500	106,446
Accrued liabilities		16,491	11,045
Market committee fee payable		10,631	5,720
Advance from customers		115,284	496,920
Unclaimed gratuity		14,341	14,341
Sales tax payables		61,107	9,827
Workers' Profit Participation Fund	18.1	941	840
Workers' Welfare Fund		9,199	9,199
Income tax payable		2,398	1,022
Other payables - Related Parties	18.2	167,798	95,850
		433,690	751,210
18.1 Workers' Profit Participation Fund			
Balance at 01 October		840	6,266
Interest on funds utilized in the Company's business		101	874
Paid during the year		-	(6,300)
		941	840

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.

18.2 Other payables - Related Parties

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

	2020	2019
	----- Rupees in thousand -----	
19 PROVISION FOR TAXATION		
Opening Balance	22,280	(6,288)
Provision for the year	62,318	62,805
Prior year	-	4,742
	84,598	61,259
Income tax paid / deducted during the year	(26,307)	(38,979)
Tax payable / (refundable)	58,291	22,280

20 CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

20.1.1 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, 2020

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

20.1.2 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.

20.1.3 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.

20.1.4 In financial year 2019, 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 sugar mills in the 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.

20.1.5 In financial year 2019, 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 is made in this regard.

	Note	2020 ----- Rupees in thousand -----	2019
20.2 Commitments			
Outstanding letter of credits		-	21,864
Commitments against fleet finance		-	19,538

Notes To The Financial Statements

For The Year Ended September 30, 2020

21 SALES - NET

Sugar - local	4,532,116	4,233,122
Sugar - export	-	195,915
	4,532,116	4,429,037
Sale of by-products	412,643	348,405
	4,944,759	4,777,442
Sales tax	(653,901)	(525,165)
	4,290,858	4,252,277

22 COST OF SALES

Raw material consumed	2,983,676	3,125,792
Stores and spares consumed	34,681	32,395
Packing material consumed	30,399	38,962
Salaries and wages	22.1 121,699	130,809
Power and fuel	29,199	33,422
Freight and handling	2,998	3,676
Wastage removing and cane feeding	6,923	8,984
Repair and maintenance	16,675	45,456
Printing and stationery	1,028	1,581
Vehicle running expenses	11,264	10,081
Insurance	5,156	8,612
Depreciation	4.1.1 109,983	97,197
Manufacturing expenses	3,353,681	3,536,967
Opening stock of work in process	985	926
Closing stock of work in process	(1,333)	(985)
	(348)	(59)
Cost of goods manufactured	3,353,333	3,536,908
Opening stock of finished goods	853,280	1,173,217
Closing stock of finished goods	(424,876)	(853,280)
	428,404	319,937
	3,781,737	3,856,845

22.1 These include an amount of Rs. 1.652 (2019 : Rs. 5.479) million in respect of staff retirement benefits.

23 ADMINISTRATIVE EXPENSES

	Note	2020 Rupees in thousand	2019
Salaries and other benefit	23.1	115,388	120,754
Communication expenses		3,215	3,442
Repair and maintenance		3,316	3,796
Traveling and conveyance		12,703	14,222
Electricity and gas		8,270	8,570

Notes To The Financial Statements

For The Year Ended September 30, 2020

Legal and professional charges		5,285	9,390
Fees and subscription		2,679	4,162
Rent, rates and taxes		41	5,198
Printing and stationery		1,426	1,320
Entertainment		6,020	7,097
Insurance		3,438	5,742
Auditors' remuneration	23.2	996	904
Security expenses		1,396	1,941
General expenses		4,188	2,021
Depreciation	4.1.1	10,656	4,432
		179,017	192,991

23.1 These include an amount of Rs. 1.09 (2019 : Rs. 3.529) million in respect of staff retirement benefits.

	Note	2020 ----- Rupees in thousand -----	2019
23.2 Auditors' remuneration			
Statutory audit		732	665
Half yearly review		133	121
Review report on code of corporate governance		74	67
Other certifications		20	18
Out of pocket expenses		37	33
		996	904

24 DISTRIBUTION COST

Export expenses	999	10,165
Loading and unloading	12,698	14,605
Advertisement and publicity	189	109
Miscellaneous	1,198	1,370
	15,084	26,249

25 OTHER INCOMES

Income from non-financial assets

Insurance claim	313	511
Gain on disposal of operating fixed assets	42	-
Scrap sales	25,061	19,853
Unwinding of deferred grant	1,609	-
	27,025	20,364

26 OTHER OPERATING EXPENSES

Charity and donation	26.1	286	1,892
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26.1 No donation was paid to any person or institution in which director or his spouse is interested.

Notes To The Financial Statements

For The Year Ended September 30, 2020

	2020	2019
Note	----- Rupees in thousand -----	
27 FINANCE COST		
Amortization of long term loan from directors	94,722	65,104
Mark-up on cash finance	234,090	206,265
Lease finance charges	1,637	1,854
Mark-up on payroll finance	2,397	-
Finance cost on lease liability	2,496	4,089
Interest on Workers' Profit Participation Fund	101	874
Bank charges	958	1,601
	336,401	279,787
28 TAXATION		
Current		
- for the year	62,318	62,805
- prior year	-	4,742
	62,318	67,547
Deferred		
- for the year	(22,988)	(88,667)
	39,330	(21,120)

- 28.1** 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.
- 28.2** 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.
- 28.3** The provision for current year tax represents tax on annual turnover at the rate of 1.50% (2019: 1.50%). 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:

	2019	2018	2017
	----- Rupees in thousand -----		
Income tax provision for the year	62,805	36,891	28,339
Income tax as per tax assessment	62,805	41,633	28,306

Notes To The Financial Statements

For The Year Ended September 30, 2020

29 LOSS PER SHARE

- Basic and diluted

	Note	2020 ----- Rupees in thousand -----	2019 ----- Rupees in thousand -----
(Loss) after tax		(33,972)	(64,003)
Weighted average number of ordinary shares		16,017,500	16,017,500
(Loss) per share - basic and diluted		(2.12)	(4.00)

30 CASH GENERATED FROM OPERATIONS

30.1 Working capital changes

(Increase) / decrease in current assets

- Stores and spares	(25,475)	(18,854)
- Stock-in-trade	428,056	319,878
- Loans and advances	(101,390)	(42,767)
- Trade deposits and short term prepayments	(7,188)	259,152
- Trade and other payables	(317,621)	(722,305)
	(23,618)	(204,896)

31 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:

	2020			
	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
	21,600	9,000	19,922	50,522
Number of persons	1	1	11	-
	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
	21,600	9,000	19,922	50,522
Number of persons	1	1	11	-

Notes To The Financial Statements

For The Year Ended September 30, 2020

- 31.1** The Chief Executive and executive directors are also entitled for company maintained vehicles in accordance with Company's policy.
- 31.2** An aggregate amount of Rs. Nil (2019: 1.75) million was paid to non-executive director during the year for attending meetings.

32 PROVIDENT FUND

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.

33 NUMBER OF EMPLOYEES

	2020		2019	
	Head Office	Factory	Head Office	Factory
Number of employees including contractual employees at the end of year	74	700	77	638
Average number of employees including contractual employees during the year	77	847	78	786

34 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	2020 --- Rupees in thousands ---	2019
Muhammad Mubeen Jumani	Director	54.80%	Receipts of loan Repayment of loan	41,400 21,842	12,500 -
Qamar Mubeen Jumani	Director	6.50%	Repayment of loan	9,407	-
Faraz Mubeen Jumani	Director	3.80%	Receipts of loan Repayment of loan	115,200 97,014	- -
Centex (Pvt) Ltd	Common directorship	0.00%	Receipts of loan Repayment of loan	56,600 17,132	113,050 19,700

Notes To The Financial Statements

For The Year Ended September 30, 2020

35 PRODUCTION CAPACITY

	2020		2019	
Crushing capacity	7,000	M. Tons per day	7,000	M. Tons per day
Duration of season	106	days	112	days
Crushing capacity based on actual days	742,000	M. Tons	784,000	M. Tons
Actual cane crushed	524,253	M. Tons	663,365	M. Tons
Sucrose recovery	9.83%		10.36%	
Production - sugar	51,550	M. Tons	68,714	M. Tons

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

36 FINANCIAL INSTRUMENTS

36.1 Financial assets and liabilities

Financial assets

Loans and advances	9,603	7,979
Trade deposits and other receivables	221,378	217,837
Cash and bank balances	50,373	80,503
	281,354	306,319

Financial liabilities

Long term financing	824,593	674,177
Market committee fee payable	14,069	18,089
Short term borrowings	1,248,043	1,345,324
Trade and other payables	301,667	238,927
Accrued markup	11,899	48,106
	2,400,271	2,324,623

36.2 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.

Notes To The Financial Statements

For The Year Ended September 30, 2020

36.2.1 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 parties whose aggregate credit exposure is significant in relation the Company's total credit exposure. Out of the total financial assets of **Rs. 281.354** million (2019 : **Rs. 306.319** million), the financial assets which are subject to credit risk amounted to **Rs. 280.766** million (2019 : **Rs. 306.275** million).

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

	2020	2019
	----- Rupees in thousand -----	
Loans and advances	9,603	7,979
Trade deposits and other receivables	221,378	217,837
Bank balances	49,785	80,459
	280,766	306,275

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:

	2020	2019
	----- Rupees in thousand -----	
Bank Balances		
AAA	15,872	52,630
AA+	22,983	9,814
A+	374	115
AA	9,042	-
AA-	1,514	17,900

36.2.2 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

Notes To The Financial Statements

For The Year Ended September 30, 2020

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:

	2020				
	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					
finance lease	21,311	(24,255)	(7,798)	(7,798)	(8,660)
Long term loan	824,593	(1,245,657)	(13,125)	(26,250)	(1,285,032)
Short term finance	1,248,043	(1,248,043)	(1,248,043)	-	-
Trade and other payables	433,690	(433,690)	(433,690)	-	-
Accrued mark up	58,291	(58,291)	(58,291)	-	-
	2,585,928	(3,009,936)	(1,760,947)	(34,048)	(1,293,692)

	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					
finance lease	12,415	(15,166)	(3,373)	(3,373)	(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)	-	-
	2,805,406	(3,274,637)	(2,122,187)	(3,373)	(1,149,078)

36.2.3 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.

	2020	2019
(Rupees in thousand)		
Outstanding letters of credits		
- in JYP	-	(21,864)
Balance sheet exposure		
	-	(21,864)
 JYP to PKR	 -	 1,463

Notes To The Financial Statements

For The Year Ended September 30, 2020

Sensitivity analysis

At reporting date, the company is not exposed to any currency risk.

Effect on profit or loss
JYP

-	(2,186)
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The strengthening of the PKR against foreign currency would have had an equal but opposite impact on the pre tax profit.

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:

	2020	2019
	<i>Effective Interest Rate (In Percent)</i>	
<i>Variable Rate Instruments</i>		
<i>Financial liabilities</i>		
- Short term borrowings	10.25%	17.18%

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.

	2020	2019
	<i>Rupees in thousand</i>	
<i>Cash flow Sensitivity - Variable Rate Instruments</i>		
- Increase	13,644	13,453
- Decrease	(13,644)	(13,453)

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.

36.3 *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.

Notes To The Financial Statements

For The Year Ended September 30, 2020

Consistent with others in the industry, the company monitors capital on the basis of 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.

	2020	2019
	----- Rupees in thousand -----	
Long term borrowings	824,593	674,177
Short term finance	1,287,418	1,345,324
Total debt	2,112,011	2,019,501
Less: Cash and bank balances	50,373	80,503
Net Debt	2,061,638	1,938,998
Share capital	160,175	160,175
Net debt and share capital	2,221,813	2,099,173
Gearing ratio (%)	92.79%	92.37%

37 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

38 OPERATING SEGMENT

- 38.1** These financial statements have been prepared on the basis of a single reportable segment.
- 38.2** Revenue from sale of sugar represents 92% (2019 : 93%) of the gross sales of the Company.
- 38.3** 100% (2019 : 96%) of the gross sales of the Company are made to customers located in Pakistan.
- 38.4** All non-current assets of the Company at September 30, 2020 are located in Pakistan.

39 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on January 1st, 2021 by the Board of Directors of the Company.

40 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, Dated: January 01, 2021

Pattern of Shareholding

As at September 30, 2020

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, 2020

	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 31st 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, 2021 and / or any adjournment thereof.

Signed this _____ day of January, 2021

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، فیز ۷، 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 پارٹنیشن آئی ڈی نمبر _____

اور ڈی اے 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 2021ء منعقدہ کئے جانے والے کمپنی کے 31 ویں سالانہ اجلاس عام میں میری / ہماری جگہ ووٹ دے سکیں۔

مورخہ

دستخط

ممبر کے دستخط

دستخط

ملنے ۵ روپے
کے ڈاک ٹکٹ

گواہان:

دستخط

نام

پتہ

شناختی کارڈ نمبر

پاسپورٹ نمبر

دستخط

نام

پتہ

شناختی کارڈ نمبر

پاسپورٹ نمبر

نوٹ:

(۱) مختار پراکسی کو کمپنی کارکن (ممبر) ہونا ضروری ہے۔ 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۔

(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۔



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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3rd Floor, Plot No. 15-C, 9th Commercial Lane Zamzama, D.H.A.,
Phase-V, Karachi-75500. Tel: 021-35810771-75, Fax: 021-35810776,
Email: headoffice@jumanigroup.com, Website: www.jumanigroup.com