

The background of the cover is a composite image. The top portion shows a dense green sugarcane field. Below this, a white curved band separates the cane field from a landscape of rolling hills under a sunset sky. The bottom portion shows a field of young sugarcane plants in neat rows, with a dirt path running through them.

**33rd ANNUAL
REPORT 2022**

More than Sugarcane



Sugarcane is the world's largest crop by production in quantity. It is literally showing its strength through its transformation quality. Cultivated on about 26.0 million hectares, in more than 90 countries, with a worldwide harvest of 1.83 billion tons.

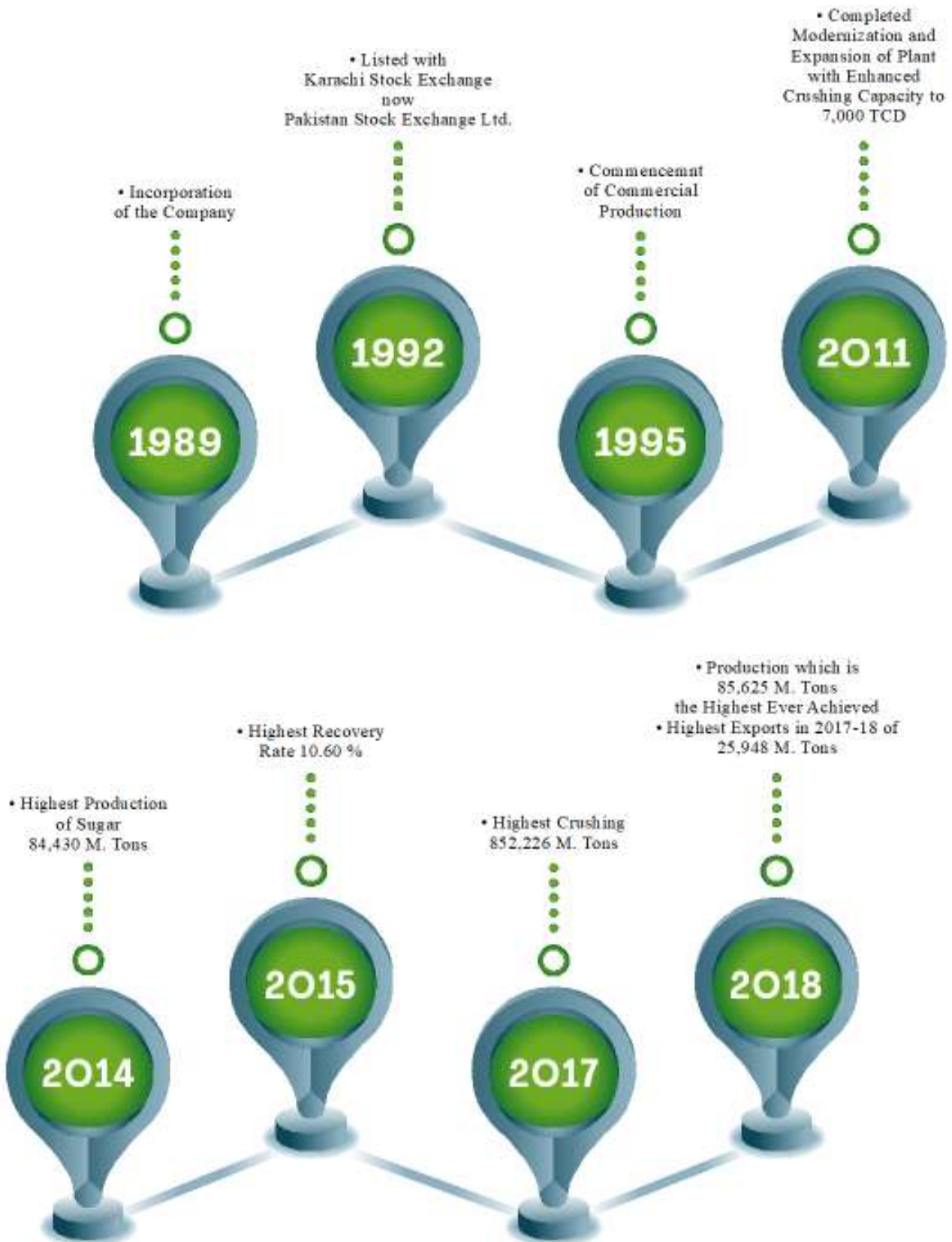
Pakistan is the fifth major producer of sugarcane in the world. There are many other things sugarcane gives, besides sugar. Let us share some of them, as part of our theme this year. Lets look at more that what meets the eye, more than just sugarcane.



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Major Milestones



Our Existence



KSML History

Khairpur Sugar Mills Ltd was incorporated in August 23, 1989 as a public limited company under companies' ordinance. It is located about 450 km from the port city of Karachi, in Naro Dhoro, District Khairpur and is listed on the Pakistan Stock Exchange.

Khairpur Sugar Mills Limited has been manufactured under license by Fives Call Babcock (FBC) of France. The Company has capacity of 7,000 M.Tons per day. Khairpur Sugar Mills Limited also facilitates the local area Cane Grower in the form of Seeds and fertilizer subsidy.

Our Certifications



Corporate Information

DATE OF INCORPORATION

August 23, 1989

DATE OF COMMENCEMENT OF BUSINESS

September 13, 1989

BOARD OF DIRECTORS

Mr. Faraz Mubeen Jumani
(Chief Executive Officer)
Mr. Muhammad Mubeen Jumani
Mr. Fahad Mubeen Jumani
Mrs. Qamar Mubeen Jumani
(Chairperson)
Miss. Arisha Mubeen Jumani
Lt. Gen (Retd). Tahir Mahmud Qazi
Mr. Asif Khan Brohi

CHIEF OPERATION OFFICER

Mr. Suleman Kanjiani

CHIEF FINANCIAL OFFICER

Mr. Mirza Muhammad Bilal Kamil

COMPANY SECRETARY

Mr. Shoaibul Haque

BANKERS

National Bank of Pakistan
Sindh Bank Limited
Dubai Islamic Bank Pakistan Limited
MCB Bank Limited
United Bank Limited
Allied Bank Limited
Bank Al Falah Limited
Habib Bank Limited
JS Bank Limited
Bank AL Habib Limited
Faysal Islamic Bank Limited
Habib Metropolitan Bank Limited

STATUTORY AUDITORS

M/S. Haroon Zakaria & Company
Chartered Accountants
M-1-M4, Mezzanine Floor, Progressive Plaza,
Plot No. 5 CL - 10, Civil Lines Quarter,
Beaumont Road, Near Dawood Centre,
Karachi - 75530 PAKISTAN.

COST AUDITORS

M/s A. D. Akhawala & Co.
Chartered Accountant
321-Uni Centre, I.I. Chundrigar Road, Karachi

AUDIT COMMITTEE

Mr. Asif Khan Brohi
(Chairman)
Lt. Gen (Retd). Tahir Mahmud Qazi
(Member)
Mrs. Qamar Mubeen Jumani
(Member)

HR AND REMUNERATION COMMITTEE

Mr. Asif Khan Brohi
(Chairman)
Lt. Gen (Retd). Tahir Mahmud Qazi
(Member)
Mr. Muhammad Mubeen Jumani
(Member)

LEGAL ADVISOR

Asad Ali Riar (Advocate)
Suite No 17-18, Farid Chambers, 2nd Floor,
Abdullah Haroon Road, Karachi.

SHARES REGISTERAR

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

REGISTERED OFFICE

51/II/IV, Khayaban-e-Janbaz,
Phase V Ext., D.H.A., Karachi.
Ph: 021-35250131-35
Fax: 021-35250136

MILLS

Naroo Dhoru, 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.

Our Values



Innovation is our passion

Superiority is our legacy



Respect is our way of life

Fairness is our way of work



Chief Executive Officer'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. Appointed as Chief Executive Officer on May 8 2021.

Director'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.

Director's Profile



Arisha Mubeen Jumani

Miss. Arisha Mubeen Jumani serves as a Director on the Boards of Khairpur Sugar Mills Limited, Jumani Group of Companies, Jumani Holdings (USA), Jumani Hospitality (USA), and a Trustee of The Hidayat Jumani Welfare Trust. She is also the C.E.O. & Director of Khairpur Foods (Pvt.) Ltd.

She holds a B.Sc in Business Management from University of Central Florida, USA and a MBA in Finance and International Business from Rollins College, Florida, USA.

Director's Profile



Fahad Mubeen Jumani

Mr. Fahad Mubeen Jumani did his graduation in Business Administration from University of Newcastle. He also did Licensing Course from Cooke Real Estate School, Florida, USA. He is the Chief Executive Officer of Jumani Hospitality USA and runs Residential Hotels in UAE and USA.

Mr. Fahad has a vast experience in management of hotels and has the capability to run hospitality businesses in different cultures/traditions, having unique rules and regulation to operate such kind of a business which makes him a universal operator in the hospitality business.

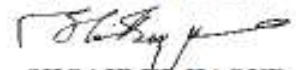
Notice Of Annual General Meeting

Notice is hereby given that the 33rd Annual General Meeting of KHAIRPUR SUGAR MILLS LIMITED (the "Company") will be held at Khairpur House, 51/2/4, Khayaban-e-Janbaz (26th Street) D.H.A., Phase-V Ext., Karachi on January 27, 2023 at 02:30 p.m. to transact the following business:

Ordinary business

- 1) To confirm the minutes of Annual General Meeting of the Company held on January 28, 2022.
- 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, 2022.
- 3) To appoint Auditors of the Company for the next financial year ending September 30, 2023 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, 2023 Company Secretary

Notes

- 1) The share transfer book of the Company shall remain closed with effect from January 20, 2023 to January 27, 2023 (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 & 35685930 at close of business on January 20, 2023 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, 2022 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/SNIC/NTN (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 / Registered office of the Company. The Corporate entities are requested to provide their National Tax Number (NTN).

Guideline 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

- 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.
- 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

- In case of individuals, the account holder or sub-account 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.
- The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of the CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.
- 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) alongwith the proxy form to Company.
- 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 _____ 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 سرٹیفکیٹس کی کاپیاں (لازمی) جمع کرنا ہوں گی۔

سیکورٹیز 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 شیئر رجسٹرار / رجسٹرار آفس کو فوری طور پر مذکورہ کاپیاں ارسال کریں۔ کارپوریٹ اداروں سے درخواست ہے کہ وہ اپنے قومی نکس نمبر (این ٹی این) فراہم کریں۔

سی ڈی سی ہولڈرز کی رہنمائی کیلئے

سی ڈی سی اکاؤنٹس ہولڈرز سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکلر 1 بتاریخ 20 جنوری 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 سیکورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات سی ڈی سی قوانین کے تحت اپ لوڈ کی جا چکی ہوں اسے اپنے شناخت کے لیے اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) یا اجلاس میں شرکت کے وقت اپنا اصل پاسپورٹ پیش کریں گے۔

(II) کارپوریٹ اداروں کی صورت میں اجلاس 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) پراکسی کی تقرری کیلئے

(I) انفرادی ہونے کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا وہ شخص جس کی سیکورٹیز 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 پراکسی فارم جمع کرنا ہوگا۔

(II) پراکسی فارم پر دو گواہان کے نام، پتے اور سی این آئی سی نمبرز فارم میں واضح کرنا ہوں گے۔

(III) فائدہ مند مالکان کے سی این آئی سی یا پاسپورٹ کی مصدقہ کاپیاں پراکسی کو پراکسی فارم کے ہمراہ فراہم کرنا ہوگا۔

(IV) پراکسی 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 پراکسی فارم کے ہمراہ اجلاس سے قبل جمع کرنا ہوگا۔

(VI) 2014 کے سرکلر نمبر 10 بتاریخ 21 مئی 2014 کے مطابق، اگر کمپنی کو دس (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 ویڈیو کانفرنس 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 آکر ویڈیو کانفرنس کی سہولت میسر ہو تو اس کا انتظام کرے گی۔ اس سلسلے میں کمپنی اجلاس سے کم از کم پانچ (5) دن پہلے ویڈیو کانفرنس 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 شیئر رجسٹرار کو درج ذیل معلومات فراہم کریں۔

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

سالانہ اجلاس عام کانوٹس

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ خیر پور شوگر ملز لمیٹڈ (کمپنی) کا 33 واں سالانہ اجلاس عام خیر پور ہاؤس، 51/2/4، خیابان جانناز (26 اسٹریٹ)، ڈی ایچ اے، فیز 17 یکمینشن، کراچی میں 27 جنوری 2023، دوپہر 02:30 بجے منعقد ہوگا جس میں درج ذیل کاروباری امور طے کئے جائیں گے۔

عام کاروبار

- 1- کمپنی کے سالانہ اجلاس عام منعقدہ 28 جنوری 2022 کی کارروائی کی توثیق۔
 - 2- 30 ستمبر 2022 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 یا برائے سال اختتام 30 ستمبر 2023 کیلئے آڈیٹرز کا تقرر اور ان کے مشاہرے کا تعین، بورڈ کی آڈٹ کمیٹی نے ریٹائر ہونے والے آڈیٹرز میسرز ریٹائرڈ اہرون زکریا اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو اہلیت کی بنیاد پر سفارش کی ہے کہ انہوں نے دوبارہ تقرر کیلئے اپنی خدمات پیش کی ہیں۔
 - 4- چیئرمین کی اجازت سے اجلاس سے پہلے رکھے جانے والے دیگر کاروباری امور طے کیے جائیں گے۔
- کراچی: 02 جنوری 2023

حکم پورڈ
شعبہ حق
کمپنی سیکریٹری

نوٹس

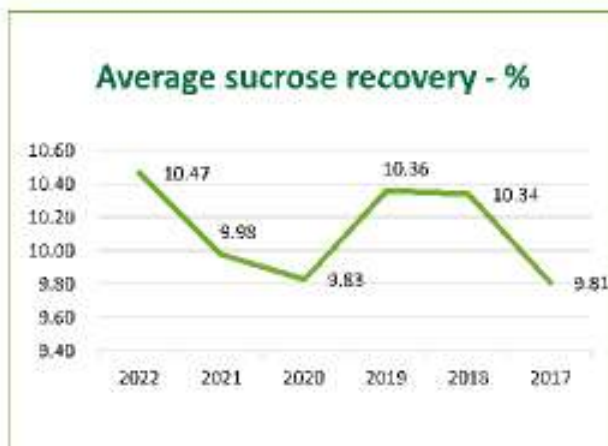
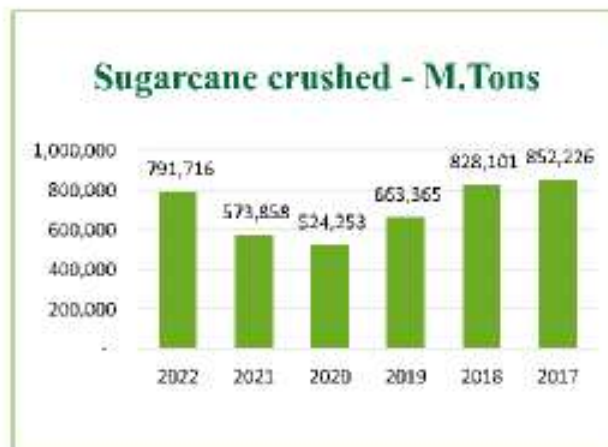
- 1- کمپنی کی حصص منتقلی کی کتابیں 20 جنوری 2023 تا 27 جنوری 2023 (بشمول دونوں ایام) بند رہیں گی۔ کمپنی کے شیئر رجسٹرار میسرز سی اینڈ کے مینجمنٹ ایسوسی ایشن (پرائیویٹ) لمیٹڈ کے آفس واقع 404، ٹریڈ ٹاور، عبداللہ بارون روڈ، نزد میٹرو پول ہوٹل، کراچی۔ فون نمبر 021-35687839 اور 35685930 پر 20 جنوری 2023 اوقات کار کے دوران موصول ہونے والے ٹرانسفرز کو بروقت تصور کیا جائے گا، ٹرانسفرز کے کسی بھی تبدیل شدہ کے استحقاق کا مقصد ووٹ دینے اور اجلاس میں شرکت کر سکتے 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 پرانے مقرر کر سکتا ہے، اس سلسلے میں اسے کمپنی رجسٹرار 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 بچوں 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 08 ستمبر 2014 کے حوالے سے حصص داروں کو ای میل کے ذریعے سالانہ آڈٹ کردہ مالیاتی گوشوارے اور اجلاس عام کے نوٹس حاصل کرنے کا اختیار ہے۔ کمپنی کے حصص یافتگان سے درخواست کی جاتی ہے کہ وہ اپنی رضامندی کو اپنے ریکارڈ کو اپ ڈیٹ کرنے کے لیے 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 جائیگی۔
- 5- 30 ستمبر 2022، کو ختم ہونے والے سال کے لیے مالیاتی گوشوارے کمپنی کی ویب سائٹ www.khairpursugar.com.pk پر دستیاب کر دیے گئے ہیں۔ اس کے علاوہ اس سے پہلے کے سالانہ اور سماہنی مالیاتی گوشوارے بھی دستیاب ہیں۔ درخواست پر ممبران کو نوٹ کردہ بالا گوشواروں کی شائع شدہ کاپی بھی فراہم کی جاسکتی ہے۔

Six Years' Review At A Glance

	2022	2021	2020	2019	2018	2017
OPERATIONAL TRENDS					Restated	
Sugarcane crushed - M.Tons	791,716	573,858	524,253	663,365	828,101	852,226
Sugar produced - M.Tons	82,865	57,294	51,552	68,714	85,625	83,579
Average sucrose recovery - %	10.47	9.98	9.83	10.36	10.34	9.81
Crushing days	136	122	106	112	148	140
Average crushing per day - M.Tons	5,821	4,704	4,946	5,923	5,595	6,087
BALANCE SHEET						
			FIGURES IN MILLION			
Share capital	160.18	160.18	160.18	160.18	160.18	160.18
Shareholders' equity	2,673.16	1,563.08	957.46	990.88	207.37	199.91
Non current liabilities	327.02	1,234.78	901.97	810.52	1,118.13	1,030.04
Current liabilities	3,148.04	2,408.38	1,804.63	2,171.88	2,403.29	2,430.35
Total Equity & Liabilities	6,148.22	5,206.24	3,664.06	3,973.28	3,728.79	3,660.38
Fixed Assets	3,338.54	3,255.51	2,332.10	2,317.19	1,608.01	1,570.60
Other non current assets	21.79	9.22	10.29	10.28	7.86	34.64
Current assets	2,787.91	1,941.50	1,321.67	1,645.81	2,112.91	2,055.14
Total assets	6,148.22	5,206.24	3,664.06	3,973.28	3,728.79	3,660.38
FINANCIAL TRENDS						
			FIGURES IN MILLION			
Turnover	6,180.85	4,589.43	4,290.85	4,252.27	4,237.32	2,933.18
Gross profit/(loss)	856.09	698.58	509.12	395.43	41.86	193.91
Operating profit/(loss)	545.40	471.84	341.75	194.66	271.31	58.50
Pre-tax profit/(loss)	219.33	178.74	5.35	(85.12)	91.96	(110.74)
After-tax profit/(loss)	116.92	82.54	(33.97)	(64.00)	3.67	(93.49)
CASH FLOWS						
			FIGURES IN MILLION			
Operating activities	47.67	(179.35)	92.78	(142.68)	496.81	(1,063.22)
Investing activities	(202.16)	(218.60)	(111.74)	(247.92)	(93.98)	(209.36)
Financing activities	238.33	440.30	(11.16)	447.19	(415.96)	1,284.52
Cash and cash equivalents at the end of the year	176.57	92.72	50.37	80.50	23.91	37.05
PROFITABILITY INDICATIONS						
Gross profit/(loss) margin (%)	13.85	15.22	11.87	9.30	0.99	6.61
Net profit/(loss) margin (%)	1.89	1.80	(0.79)	(1.51)	0.09	(3.19)
LIQUIDITY RATIOS						
Current Ratio (Times)	0.89	0.81	0.73	0.76	0.88	0.85
Quick/Acid test ratio (Times)	0.39	0.42	0.50	0.36	0.39	0.18

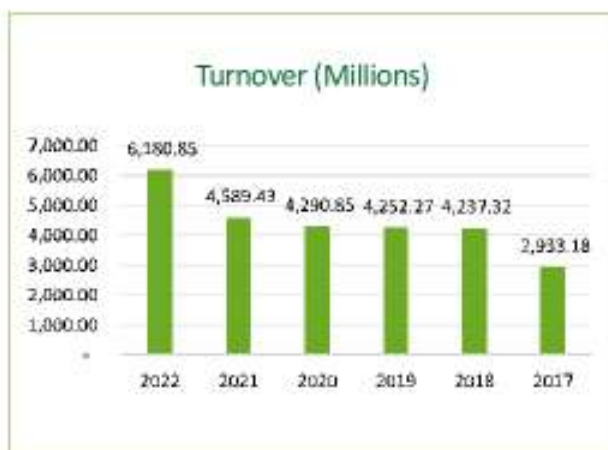
Key Operating Highlights

Production Highlights



Key Operating Highlights

Financial Highlights



DuPont Analysis

	2022	2021	2020	2019	2018	2017
Operating Margin (%)	8.82	10.28	7.96	4.58	6.40	1.99
Asset Turnover (Times)	1.09	1.03	1.12	1.10	1.15	1.06
Intrest burdon/ efficiency (%)	53.31	46.18	(634.95)	75.19	3.99	(84.42)
Tax burden /efficiency (%)	40.21	37.88	1.57	(43.73)	33.89	(189.30)
Leverage (Equity Multiplier)	2.30	3.35	3.83	4.01	17.98	18.31
Return on Equity (%)	4.37	5.28	(3.55)	(6.46)	1.77	(46.77)

Horizontal Analysis

Horizontal Analysis Last Six Years

	2022		2021		2020	
	(Rupees in Million)	%	(Rupees in Million)	%	(Rupees in Million)	%
Statement of Financial Position						
Asstes						
Non-Crrunt Assets	3,360.33	3	3,264.74	39	2,342.39	1
Current Assets	2,787.91	42	1,969.55	49	1,321.67	(20)
Total Assets	6,148.22	17	5,234.29	43	3,664.06	(8)
Equity & Liabilities						
Shareholders' Equity	2,673.16	71	1,563.08	63	957.46	(3)
Non-Current Liabilities	327.02	(74)	1,234.78	37	901.97	11
Current Liabilities	3,148.04	29	2,436.43	35	1,804.63	(17)
Equity & Liabilities	6,148.22	17	5,234.29	43	3,664.06	(8)
Turnover & Profit						
Turnover-Net	6,180.85	35	4,589.43	7	4,290.85	1
Gross Profit	856.09	23	698.58	37	509.12	29
Operating Profit	545.40	16	471.84	38	341.75	76
Pre-tax profit/(loss)	219.33	23	178.74	3,241	5.35	(106)
After-tax profit/(loss)	116.92	42	82.54	343	(33.97)	(47)

Horizontal Analysis Last Six Years

	2019		2018		2017	
	(Rupees in Million)	%	(Rupees in Million)	%	(Rupees in Million)	%
Statement of Financial Position						
Asstes						
Non-Crrunt Assets	2,327.47	44	1,615.87	1	1,605.24	9
Current Assets	1,645.81	(22)	2,112.91	3	2,055.14	357
Total Assets	3,973.28	7	3,728.79	2	3,660.38	94
Equity & Liabilities						
Shareholders' Equity	990.88	378	207.37	4	199.91	14
Non-Current Liabilities	810.52	(28)	1,118.13	9	1,030.04	(6)
Current Liabilities	2,171.88	(10)	2,403.29	(1)	2,430.35	296
Equity & Liabilities	3,973.28	7	3,728.79	2	3,660.38	94
Turnover & Profit						
Turnover-Net	4,252.27	0.35	4,237.32	44	2,933.18	(29)
Gross Profit	395.43	845	41.86	(78)	193.91	(41)
Operating Profit	194.66	(28)	271.31	364	58.50	(67)
Pre-tax (loss)/profit	(85.12)	(193)	91.96	(183)	(110.74)	(360)
After-tax (loss)/profit	(64.00)	(1,844)	3.67	(104)	(93.49)	(265)

Vertical Analysis

Vertical Analysis Last Six Years

	2022		2021		2020	
	(Rupees in Million)	%	(Rupees in Million)	%	(Rupees in Million)	%
Statement of Financial Position						
Asstes						
Non-Crrunt Assets	3,360.33	55	3,264.74	62	2,342.39	64
Current Assets	2,787.91	45	1,969.55	38	1,321.67	36
Total Assets	6,148.22	100	5,234.29	100	3,664.06	100.00
Equity & Liabilities						
Shareholders' Equity	2,673.16	43	1,563.08	30	957.46	26
Non-Current Liabilities	327.02	5	1,234.78	24	901.97	25
Current Liabilities	3,148.04	51	2,436.43	47	1,804.63	49
Equity & Liabilities	6,148.22	100	5,234.29	100	3,664.06	100
Turnover & Profit						
Turnover-Net	6,180.85		4,589.43		4,290.85	
Gross Profit	856.09		698.58		509.12	
Operating Profit	545.40		471.84		341.75	
Pre-tax profit/(loss)	219.33		178.74		5.35	
After-tax profit/(loss)	116.92		82.54		(33.97)	

Vertical Analysis Last Six Years

	2019		2018		2017	
	(Rupees in Million)	%	(Rupees in Million)	%	(Rupees in Million)	%
Statement of Financial Position						
Assets						
Non-Crrunt Assets	2,327.47	59	1,615.87	43	1,605.24	44
Current Assets	1,645.81	41	2,112.91	57	2,055.14	56
Total Assets	3,973.28	100	3,728.79	100	3,660.38	100
Equity & Liabilities						
Shareholders' Equity	990.88	25	207.37	6	199.91	5
Non-Current Liabilities	810.52	20	1,118.13	30	1,030.04	28
Current Liabilities	2,171.88	55	2,403.29	64	2,430.35	67
Equity & Liabilities	3,973.28	100	3,728.79	100	3,660.38	100
Turnover & Profit						
Turnover-Net	4,252.27		4,237.32		2,933.18	
Gross Profit	395.43		41.86		193.91	
Operating Profit	194.66		271.31		58.50	
Pre-tax (loss)/profit	(85.12)		91.96		(110.74)	
After-tax (loss)/profit	(64.00)		3.67		(93.49)	

Summary of Cash Flow-Last Six Years

	2022	2021	2020	2019	2018	2017
	(Rupees in Thousand)					
Net Cash (used in)/generated from operating activities	47,671	(179,354)	92,780	(142,680)	496,805	(1,063,217)
Net Cash (used in)/generated from investing activities	(202,157)	(218,597)	(111,742)	(247,922)	(93,984)	(209,358)
Net Cash (used in)/generated from financing activities	238,327	440,302	(11,168)	447,197	(415,961)	1,284,521
changes in cash and cash equivalents	83,841	42,351	(30,130)	56,595	(13,140)	11,946
Cash and cash equivalents- beginning of the year	92,724	50,373	80,503	23,908	37,048	25,102
Cash and cash equivalents - at Year end	176,565	92,724	50,373	80,503	23,908	37,048

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 33rd Annual Report of your Company with the audited financial statements for the year ended September 30, 2022:

FINANCIAL RESULTS

	2022	2021
	(Rupees in Thousand)	
Profit before Taxation	219,329	178,739
Taxation	(102,408)	(96,202)
Profit after taxation	116,921	82,537
Profit per share – Basic & diluted	<u>7.30</u>	<u>5.15</u>

PERFORMANCE REVIEW

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

	SEASON 2021-22	SEASON 2020-21
Season Started	13-11-2021	05-11-2020
Season closed on	29-03-2022	06-03-2021
Number of days worked	136	122
Sugarcane crushing (mt)	791,716.140	573,858.360
Recovery (%) Sugar	10.467	9.983
Recovery (%) Molasses	5.116	4.942
Production – Sugar (MT)	82,865.00	57,294.00
Production – Molasses (MT)	40,504.00	28,361.00

The crushing season 2021-22 started on November 13th, 2021 ended on March 29th, 2022 after crushing 791,716.140 MT sugar-cane thereby produced 82,865.00 MT of Sugar with average recovery of 10.467 in 136 days, as compared to crushing of 573,858.360 MT sugar-cane and producing 57,294.00 MT of sugar with average recovery of 9.983% in 122 days in corresponding of last year/season (2020-21).

During crushing season 2021-22, the Government of Sindh had notified the sugarcane price and fixed the price/ Mound @ 250/Mound which was already 48/Mound in excess of previous crushing season 2020-21. However, the competition for cane procurement obtaining the cane during the season led the company to pay extra per mound over the minimum support price. Keeping all the above in perspective, our Mill earned operating profit of Rs. 545.402 Million as compared to operating profit of Rs.471.839 Million during the corresponding period of the previous year which is above par in the conditions and limitations as mentioned earlier.



DIVIDEND

As the accumulated profits are on a very lower side plus the profit for the year is also not so substantial that is why the directors have decided not to distribute any dividend.

EARNINGS PER SHARE

The Earning per share for the year comparative to previous year is given hereunder:

	2021-22	2020-21
Basic and diluted	<u>7.30</u>	<u>5.15</u>

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.



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. 916.141 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.

FUTURE OUTLOOK

The sugar cane crushing season 2022-23 started from 29-11-2022 and by the date of this report, your mill produced 12,665 MT Sugar with average recovery of 9.321%. The Government of Sindh (Agriculture Supply & Prices Department) has issued a notification fixing the minimum sugarcane support price at Rs.302/= (Rupees Three hundred and two) per 40 kg (Mds) for crushing season 2022-23. Due to which growers are getting more than the previous year and fair return of their efforts. Sugar prices dropped significantly at the start of the crushing season. However, the prices of molasses are slightly increased as compared to the last year. Further combining the same with the increase in Kibor rates over the period of time are also increased during the year, which has increased further on reporting date as a result the company is anticipating increase in the overall financing cost. All such factors will play significant role on company's cost. However, despite the current flood situation the company is still anticipating moderate increase in sugar cane harvesting which will help in maintaining the overall cane cost coupled with the increase in recovery rates in the coming months and the anticipation in the stability in sugar prices for the upcoming year. Similarly, the industry expecting the permission of sugar export quota from the federal government on excess sugar availability that will be enhanced up to 500,000 Metric Tons. Permission of export would help the company to maintain the profitability for upcoming year further it will help to mitigate current economic crises which the country facing in the form of foreign exchange inflows. All these factors will have the positive bearing on the operation of the company due to which your company is anticipating to close the next financial year with decent profitability.



INDUSTRIAL RELATION

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

BOARD MEETING

No. of meeting attended

Mr. Muhammad Mubeen Jumani	8
Mr. Faraz Mubeen Jumani	8
Mr. Fahad Mubeen Jumani	8
Mrs. Qamar Mubeen Jumani	8
Miss. Arisha Mubeen Jumani	8
Mr. Asif Khan Brohi	4
Lt. Gen.(R) Tahir Mahmud Qazi	4

AUDIT COMMITTEE

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

Name of Director	No. of meeting attended
• Lt. Gen (R) Tahir Mahmud Qazi	4
• Mr. Asif Khan Brohi	4
• Mrs. Qamar 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 non-executive Directors). The Executive Director is also member of the Committee. The Chairman of the Committee is non-executive Director. The HR and Remuneration Committee met once during the year. Attendance of the meeting is as follows:

Name of Director	No. of meeting attended
Mr. Asif Khan Brohi	1
Lt. Gen (R) Tahir Mahmud Qazi	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 30.09.2023.

PATTERN OF SHARE-HOLDING

The pattern of shareholding as on September 30, 2022 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)
Chief Executive Officer



Muhammad Mubeen Jumani
Director

Place: Karachi

Dated: December 28, 2022

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 نامزدگی کی سرزریانڈا ہارون زکریا اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو ہماری کمپنی کے آڈیٹرز برائے اگلے سال اختتام 30 ستمبر 2023ء کی سفارش کی ہے۔



شیئر ہولڈرز کا پیٹرن

کمپنی کے شیئر ہولڈنگ سال کے اختتام 30 ستمبر 2022ء 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 ملحدہ 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 شکر یہ ادا کرتے ہیں ہم قابلِ عدو حصص داران حکومتی اداروں کے نمائندوں ایسوسی ایشنز، 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 کاوشوں میں خیر فرمائے۔ (امین)

منجانب بورڈ آف ڈائریکٹرز

خیر پور شوگر ملز

فراز مبین جمانی

سی۔ ای۔ او

محمد مبین جمانی
ڈائریکٹر

کراچی بتاریخ

28 دسمبر 2022

صنعتی تعلق

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

بورڈ کا اجلاس

بورڈ اجلاس میں شرکت کی تعداد

8

ڈائریکٹرز کے نام

جناب محمد حسین جہانی

8

جناب فراز حسین جہانی

8

جناب فہد حسین جہانی

8

جناب قمر حسین جہانی

8

مس عریضہ حسین جہانی

4

جناب آصف خان بروہی

4

لیفٹیننٹ جنرل (ریٹائرڈ) طاہر محمود قاضی



آڈٹ کمیٹی

کمپنی کے کوڈ آف کارپوریٹ گورننس کے پیش نظر آڈٹ کمیٹی تشکیل دی گئی ہے جو کہ تین 3 ممبروں پر مشتمل ہے ان میں دو ممبران 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

4

ڈائریکٹرز کے نام

جناب آصف خان بروہی

4

لیفٹیننٹ جنرل (ریٹائرڈ) طاہر محمود قاضی

4

مس عریضہ حسین جہانی



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 ایگزیکٹو ڈائریکٹر بھی اس کے ممبر ہیں کمیٹی کے چیئرمین آزادانہ ایگزیکٹو ڈائریکٹر ہیں ہیومن ریسورس اور معاوضہ کمیٹی سال میں ایک مرتبہ اجلاس منعقد کرتے ہیں ان ممبران کے نام درج ذیل ہیں۔

اجلاس میں شرکت کی تعداد

1

ڈائریکٹرز کے نام

جناب آصف خان بروہی

1

لیفٹیننٹ جنرل (ریٹائرڈ) طاہر محمود قاضی

1

جناب محمد حسین جہانی



کارپوریٹ حکمرانی

ڈائریکٹرز، خوشی 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 کی جانب سے فنانشل گواشرواں کے موجودہ امور کی حالت آپریشن کے نتائج، مقصد بہاؤ، مصنفی تبدیلیوں کو شفاف طریقے سے پیش کیا گیا ہے۔
- موزوں طریقے سے اکاؤنٹس بک کمپنی نے برقرار رکھا ہے۔
- فنانشل گواشرواں کی جاری میں موزوں اکاؤنٹنگ پالیسیوں کو بروئے کار لایا گیا ہے اور اکاؤنٹ انٹیٹیوٹس موزوں اور ڈیرکٹ فیصلے کی بنیاد پر کئے گئے ہیں۔
- بین الاقوامی اکاؤنٹنگ اسٹینڈرڈ (IFRS) جو کہ پاکستان میں قابل اطلاق ہے پورے طور پر نافذ کیا گیا ہے۔
- پچھلے چھ (6) سالوں کے اہم آپریٹنگ اور فنانشل کوائف کا خلاصہ منسلک ہے۔
- یہاں کارپوریٹ گورننس کے بہترین اعمال سیکو رٹی مادی کو رخصت نہیں جیسا کہ لسٹنگ ریگولیشن میں بیان کیا گیا ہے۔
- ٹیکس اور لیویز سے متعلق فنانشل گواشرواں کے کانٹریکٹس اس کا حصہ ہے۔
- اس میں کوئی شک نہیں کہ کمپنی کی صلاحیت ہے کہ مسلسل چلتی رہے۔



مستقبل کا پس منظر

گنے کی کرشنگ میزن 2022-23 کا آغاز مورخہ 29-11-2022 کو ہوا اور اس رپورٹ کی تاریخ تک آپ کی مل نے 12,665 میٹرک ٹن چینی بنائی جسکی اوسط ریکوری %9.321 فی صدہ حاصل کیا۔

حکومت سندھ (ایگریکلچر سیلٹی اینڈ پرائس ڈیپارٹمنٹ) نے کرشنگ میزن 2022-23 سے گنے کی کم از کم قیمت -302/- (تین سو دو روپے) فی 40 کلو گرام (ایم ڈی ایس) مقرر کرنے کا نوٹیفیکیشن جاری کیا ہے، جسکی وجہ سے کاشتکاروں کو پچھلے سال کے مقابلے میں زیادہ منافع مل رہا ہے اور انکی کاوشوں کا منصفانہ صلہ ہے۔ کرشنگ میزن کے آغاز پر چینی کی قیمت میں نمایاں کمی واقع ہوئی ہے، تاہم گڑ کی قیمتیں مسلسل بڑھ رہی ہیں۔ گزشتہ سال کے مقابلے میں اسکو نکجا کرتے ہوئے وقت کے دوران کاہر KIBOR کی شرح میں اضافہ بھی سال کے دوران بڑھایا گیا ہے، جس میں رپورٹنگ کی تاریخ میں مزید اضافہ ہو مزید ہے، جبکہ نتیجے میں کمپنی مجموعی مالیاتی لاگت میں اضافے کی توقع کر رہی ہے۔ ایسے تمام عوامل کمپنی کی لاگت میں اہم کردار ادا کریں گے، تاہم موجودہ سیلابی صورتحال کے باوجود کمپنی اب بھی گنے کی کٹائی میں اعتدال پسند اضافے کی توقع کر رہی ہے جو کہ آنے والے مہینوں میں ریکوری کی شرح میں اضافے کے ساتھ مجموعی لاگت کو برقرار رکھنے میں مدد کرے گی اور آئندہ کے لیے چینی کی قیمتوں میں استحکام کی توقع ہے۔ اسی طرح اس سال انڈسٹری کو چینی کی اضافی دستیابی پر وفاقی حکومت سے چینی برآمدی کوئی اجازت کی توقع ہے جسے بڑھا کر 500,000 میٹرک ٹن تک کیا جائے گا۔ برآمدی اجازت سے کمپنی کو آئندہ سال کے لیے منافع کو برقرار رکھنے میں مدد ملے گی اور اس سے موجودہ معاشی بحرانوں کو کم کرنے میں مدد ملے گی جس کا ملک کو زرمبادلہ کی آمد کی صورت میں سامنا ہے۔ ان تمام عوامل کا کمپنی کے آپریشن پر مثبت اثر پڑے گا جس کی وجہ سے آپ کی کمپنی ایشیہ منافع کے ساتھ اگلے مالی سال کے اختتام کی توقع کر رہی ہے۔

کو 573,858,360 میٹرک ٹن گنے کی کرشنگ سے 57,294 میٹرک ٹن چینی بنی تھی جو کہ اوسط ریکوری 9.983 فیصد 122 دن میں حاصل کیا تھا۔ کرشنگ سیزن 2021-22 کے دوران، حکومت سندھ نے قیمت 250 روپے پر فی من مقرر کی تھی جو پچھلے کرشنگ سیزن 2020-21 کے مقابلے میں پہلے ہی 48 روپے فی من اضافی ہے۔

مزید یہ کہ موجودہ سیزن کے دوران گنے کے حصول کی جدوجہد کے نتیجے میں کمپنی کو کم سے کم قیمت سے زیادہ کی ادائیگی کرنی پڑی، اس طرح کمپنی کو گنے کی خریداری میں مسابقت کی وجہ سے فی من گنے کی اضافی قیمت ادا کرنی پڑی۔

اکٹمیکس آرم 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 صورتحال کو مد نظر رکھتے ہوئے، ہماری مل نے گذشتہ سال کے اسی عرصے کے دوران 545.402 ملین روپے کے آپرینٹنگ منافع کے مقابلے میں 471.839 ملین روپے کا آپرینٹنگ منافع حاصل کیا جو پہلے بیان کی گئی شرائط اور حدود کے برابر ہے۔



ڈویڈنڈ

جبکہ مجموعی منافع بہت کم ہے اور سالانہ منافع بہت زیادہ نہیں اس وجہ سے کمپنی کے بورڈ آف ڈائریکٹرز نے ڈویڈنڈ دینے کی سفارش کی ہے۔

2020-21

2021-22

5.15

7.30

بنیادی ورتیقہ فی حصص

ماحولیات

خیر پور شوگر مل نے ماحولیاتی اثرات کو بہتر کرنا اپنی اولین ترجیحات میں شامل کیا ہے۔ سندھ ماحولیاتی تحفظ ایکٹ (SEPA) بحریہ 2013ء کے تحت جانچ حکمت عملی مرتب کی ہے اس منصوبے پر عمل کرتے ہوئے پانی کے استعمال اور اخراج کو کم کروایا گیا ہے۔ سندھ ماحولیاتی تحفظ ایجنسی (SEPA) کی منظوری اور ضمیمہ کی ماہرین کی خدمات سے تعلق 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 بنانے کا جس سے کاشتکاری کے پانی کی کمی کو دور کرنے کے ساتھ ساتھ آلودگی کو کم کرتے ہیں۔

کارپوریٹ سماجی ذمہ داری

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



قومی خزانے میں اعانت

آپ کے ادارے نے 916.141 ملین روپے قومی خزانے میں مختلف شکل کے ٹیکس لیویز، ایکسائز اور سیلز ٹیکس وغیرہ کے ذمے میں جمع کرائے۔

ڈائریکٹرز رپورٹ برائے ممبران

محترم ممبران
السلام علیکم

آپ کے ڈائریکٹرز کی جانب سے 30 ستمبر 2022ء کے اختتامی سال کے لئے کمپنی کی سالانہ رپورٹ اور آڈٹ شدہ گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی اعداد و شمار	2022 (روپے ہزار میں)	2021 (روپے ہزار میں)
قبل از ٹیکس منافع	219.329	178.739
ٹیکس	(102.408)	(96.202)
بعد از ٹیکس منافع	116.921	82.537
فی حصص منافع - بنیادی ورتیق	7.30	5.15

کارکردگی جائزہ

آپ پیشکش نتائج بہ مقابلہ پچھلے سیزن ورنج ذیل ہیں۔

گذشتہ سیزن کے مقابلے میں کرشک سیزن کے آپریٹنگ نتائج کا تذکرہ ذیل میں کیا گیا ہے:

سیزن	سیزن	
2020-21	2021-22	
05 نومبر 2020ء	13 نومبر 2021ء	سیزن کا آغاز
6 مارچ 2021ء	29 مارچ 2022ء	سیزن کا اختتام
122	136	کام کا دورانیہ
573,858.360	791,716.140	گنتا کرش کیا گیا (میٹرک ٹن)
9.983	10.467	پیداوار شوگر کی ریکوری (فیصد)
4.942	5.116	مولاسیس کی ریکوری (فیصد)
57,294.00	82,865.50	چینی کی پیداوار (میٹرک ٹن)
28,361.00	40,504.00	مولاسیس کی پیداوار (میٹرک ٹن)

کرشک سیزن 2021-22ء کا آغاز سوری 13 نومبر 2021ء اور اختتام سوری 29 مارچ 2022ء کو ہوا، اس دوران 791,716.140 میٹرک ٹن گنتے کی کرشک کی جس سے 82,865.00 میٹرک ٹن چینی ہیں جو کہ اوسط ریکوری 10.467 فیصد 136 دن میں حاصل ہوا اس کے مقابلے میں پچھلے سیزن 2020-21

Chairman's Review Report

Dear Shareholders

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

The Company's financial year 2021-22 started with multiple challenges which were not only related to financial factors but also non-financial factors i.e. the prevailing political instability. Due to prevailing economic downturn which was aggravated due to the ongoing political situations, inconsistent economic policies of Federal Government and the substantial increase in per mound base price or minimum price of sugar cane. The cost of sugarcane procured increased significantly. Moreover, policy rates were also increased by the State Bank of Pakistan during the accounting year 2021-22 due to which finance cost finished on the record high. All these factors contributed in the dilution of profitability.

On the other hand, the prices of sugar have shown stagnant / downward trend in the domestic market but the increase in the recovery of sucrose and the economies achieved due to the installation of falling film evaporator the company have saved a hefty amount by selling the excess quantity of bagasse. Further, the long term loan from directors have been classified as equity component due to which the company have its finance cost as well all these helps the company to cover cost of cane. Similarly, the rate of income tax / minimum tax was also enhanced through the finance act 2020 which also contributed negatively to the overall financial performance of the entity. However, due to all the above mentioned factors which contributed positively your company able to achieve decent profit for the year 2021-2022.

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 is also 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



Mrs. Qamar Mubeen Jumani
Chairperson

Place: Karachi
Dated: December 28, 2022

چیرمین کا جائزہ

عزیز شیخ ہولڈرز

بورڈ آف ڈائریکٹرز کی طرف سے میں خوشی محسوس کرتے ہوئے میں آپ کو بورڈ کی مجموعی کارکردگی اور کمپنی ایکٹ مچریہ 2017 کے سیشن 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 کو مالی سال 2021-22 متعدد چیلنجوں کے ساتھ شروع ہوا۔ جس کا تعلق ناصرف مالیاتی عوامل سے تھا بلکہ غیر مالیاتی عوامل سے بھی تھا۔ موجودہ سیاسی عدم استحکام، موجودہ معاشی بد حالی کی وجہ سے جو کہ جاری سیاسی حالات، وفاقی حکومت کی متضاد معاشی پالیسیوں اور گئے کی فی من بنیادی قیمت یا کم از کم قیمت میں خاطر خواہ اضافے کی وجہ سے مزید بڑھ گئی ہیں۔ کئے کی خریداری کی لاگت میں نمایاں اضافہ ہوا مزید یہ کہ اسٹیٹ بینک آف پاکستان کی جانب سے 2021-22 کے حسابی سال کے دوران پالیسی ریٹ میں بھی اضافہ کیا گیا جس کی وجہ سے مالیاتی لاگت ریکارڈ بلندی پر ختم ہوئی ان تمام عوامل نے منافع کو کم کرنے میں اہم کردار ادا کیا۔

دوسری جانب مقامی مارکیٹ میں چینی کی قیمتوں میں کمی کا رجحان دیکھا گیا ہے۔ لیکن سو کروڑ کی وصولی میں اضافہ اور فالنگ فلم ایوپورٹری کی تنصیب کی وجہ سے حاصل ہونے والی اضافی فروخت سے پیسے کی بڑی مقدار بچائی، مزید برآں ڈائریکٹرز کے طویل مدتی قرض کو ایکویٹی جزو کے طور پر درجہ بندی کیا گیا ہے۔ جس کی وجہ سے کمپنی کی مالیاتی لاگت بھی ہوتی ہے اور یہ سب کمپنی کو گئے کی لاگت کو پورا کرنے میں مدد کرتے ہیں۔ اسی طرح اگم ٹیکس/کم از کم ٹیکس کی شرح میں بھی فنانس ایکٹ 2020 کے ذریعے اضافہ کیا گیا۔ جس نے ادارے کی مجموعی مالیاتی کارکردگی میں بھی منفی کردار ادا کیا، تاہم مجموعی عوامل چنکا اوپر تکرر ہوا بشمول مالیاتی لاگت کے قابو کرنے کی وجہ سے آپ کی کمپنی ایک اچھا منافع 2021-22 میں کمانے میں کامیاب ہوئی۔

بورڈ آف ڈائریکٹرز کی تشکیل مختلف پس منظر کے امتزاج کی عکاسی کرتی ہے، جس میں کاروبار کے شعبے میں بھرپور تجربہ ہوتا ہے، تاکہ کمپنی کی انتظامیہ کو باقاعدگی سے اسٹریٹجک رہنمائی اور معلومات فراہم کی جاسکیں۔

شکریہ اور احتراماً

D. Sai

عزیز قرین جانی (چیرمین)

کراچی، تاریخ 28 دسمبر 2022

Statement of Compliance with Listed Companies

(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of company Khairpur Sugar Mills Limited
Year ending 30th September 2022

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 | Mr. Asif Khan Brohi
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 (excluding the listed subsidiaries of listed holding companies where applicable).
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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
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 Chairperson 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 7 directors, one (1) director meets exemption requirement of Director Training Program (DTP), and the rest of the six (6) directors shall obtain DTP certification in due course of time.

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. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:
 - a) Audit Committee

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

Mr. Asif Khan Brohi	Chairman
Lt. Gen (Retd) Tahir Mahmud Qazi	Member
Mr. Muhammad Mubeen Jumani	Member
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: Four meetings during the financial year ended September 30, 2022.
 - b) HR and Remuneration Committee: One meeting during the financial year ended September 30, 2022.
15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.



(Mrs. Qamar Mubeen Jumani)
Chairperson

Place: Karachi
Dated: December 28, 2022

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

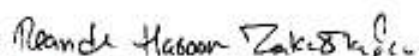
We have reviewed the enclosed Statement of Compliance with the Listed companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Khairpur Sugar Mills Limited ("the Company") for the year ended September 30, 2022 in accordance with the requirement 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.

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, 2022.



Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi

Dated: January 02, 2023

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, 2022, 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, 2022 and of the profit and other comprehensive income, 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
<p>1. Contingencies</p> <p>(Refer to Notes No. 21.1 to the accompanying financial statements).</p> <p>Contingencies disclosed in the annexed financial statements relate to various matters including income tax demand of Rs. 3.145 billion, Rs. 3.736 billion, Rs. 3.473 billion and Rs. 3.751 billion tax years 2016, 2017, 2018 and 2019 respectively.</p>	<p>Our audit procedures in relation to the matter included:</p> <p>Obtained an understanding of the management's processes and controls over contingencies through meetings with the management.</p>

<p>Contingencies require management to make judgements and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provision that may be required against such contingencies.</p> <p>Due to the significance of matters involved, inherent uncertainties with respect to the outcome of the matters and use of significant management judgements and estimates to assess the same including related financial impacts, we consider contingencies a key audit matter.</p>	<p>We obtained and reviewed income tax orders and orders of appellate tribunal for tax year 2016, 2017, 2018 and 2019 issued and discussed the matter in detail with Company external advisor to obtain their views on the legal position of the Company in relation to these orders.</p> <p>We obtained and reviewed confirmations from the Company's external lawyers and advisors for their views on the legal position of the Company in relation to these contingencies.</p> <p>Whilst noting the inherent uncertainties involved with the legal and regulatory matters, assessing the appropriateness of the related disclosures in the financial statements in accordance with the applicable financial reporting standards.</p>
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Information Other than the Financial Statements and Auditor's 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 auditor's 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 Farooq**.


Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: January 02, 2023
UDIN: AR202210127vNXh15tb0

Code of Conduct

Gender Equality

The Company shall strictly preserve and promote gender equality without regard to race, Religion, ancestry, familial situation, age, handicap, and so on Equal chances for professional progress shall be provided to all workers, regardless of gender or racial / religious prejudices.

Unethical Conduct

Employees are urged to report any unethical behavior, violation of laws, rules, regulations, Company policies and procedures, or breach of the code of conduct to the appropriate committee.
The informant is guaranteed no reprisal for reporting in good faith.

Health, Safety and Environmental Protection

We are concerned with all elements of workplace health and safety, as well as environmental preservation. In our operations and across the whole value chain of our goods and services, we identify and manage health, safety, and environmental risks. We conserve natural resources and reduce the environmental effect of our operations and products throughout their life cycles.

Compliance with the Law

The Company will not take, recommend, or initiate any action, contract, agreement, investment, spending, or transaction that is known or suspected to be in violation of any law, regulation, or corporate / Company policy.

Exercise of Authority

The Company will not use its respective positions/authority to force, entice, coerce, harass, intimidate, or otherwise influence any individual, including subordinates, to offer any favor, gift, or benefit, financial or otherwise, to ourselves or others.

Reputation

We will uphold the Company's reputation as a precious asset, and our words and actions will reflect this awareness.

Confidentiality

It is our policy that no employee delegated with confidential information about the Company, its suppliers, customers, or other business partners may disclose such information to any third party or use such information for his or her personal benefit while employed with the Company or thereafter, unless prior written approval is obtained from a duly authorized person, or the disclosure of confidential information is required by law, any governmental agency, court, or tribunal.

Conflict of Interest


Employees are not permitted to engage in any activities, on or off the job, that are in contradiction with the Company's commercial interests, nor are they permitted to utilize their position with the Company for personal gain or the inappropriate advantage of others. Conflicts of interest, or the perception of such a conflict, must be avoided as a policy.

Statement of Financial Position

As At September 30, 2022

	Note	2022 Rupees in '000'	2021
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	3,338,541	3,255,511
Intangible assets	5	8,286	5,992
Long term deposits	6	13,482	3,232
		3,360,309	3,264,735
Current Assets			
Trade debts		56,813	28,050
Stores, spares and loose tools	7	156,813	144,468
Stock in trade	8	1,554,011	940,159
Loans and advances	9	605,380	532,909
Deposits, prepayments and other receivables	10	238,324	231,244
Cash and bank balances	11	176,565	92,724
		2,787,906	1,969,554
Total Assets		6,148,215	5,234,289
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		171,329	153,776
Surplus on revaluation of property, plant and equipment - net	13	1,200,998	1,249,129
Subordinated Loan	14	1,140,657	-
Shareholders' equity		2,673,159	1,563,080
Non-Current Liabilities			
Long term financing	15	-	949,127
Deferred liabilities	16	287,762	274,525
Deferred income		-	9,707
Lease liability	17	39,256	1,420
		327,018	1,234,779
Current Liabilities			
Trade and other payables	18	887,626	579,684
Current portion of long term financing	15	15,140	69,532
Current portion of lease liability	17	7,583	6,558
Deferred income		3,235	-
Short term borrowings	19	2,044,499	1,729,323
Accrued markup		101,862	36,869
Provision for taxation	20	88,093	14,464
		3,148,038	2,436,430
Contingencies and Commitment	21		
Total Equity and Liabilities		6,148,215	5,234,289

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



Faraz Mubeen Jumani
Chief Executive Officer



Mirza Muhammad Bilal Kamil
Chief Financial Officer



Muhammad Mubeen Jumani
Director

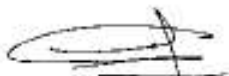
Place: Karachi, Dated: December 28, 2022

Statement of Profit or Loss & Other Comprehensive Income

For The Year Ended September 30, 2022

	Note	2022 Rupees in '000'	2021
Sales - net	22	6,180,847	4,589,427
Cost of sales	23	(5,324,753)	(3,890,843)
Gross profit		856,094	698,584
Administrative expenses	24	(294,236)	(202,787)
Distribution cost	25	(20,774)	(14,555)
Other incomes	26	23,168	2,799
Other operating expenses	27	(18,850)	(12,202)
		(310,692)	(226,745)
Operating profit		545,402	471,839
Finance cost	28	(326,073)	(293,100)
Profit before taxation		219,329	178,739
Taxation	29	(102,408)	(96,202)
Profit after taxation		116,921	82,537
Other comprehensive income for the year			
(a) Items to be classified subsequently to the statement of profit or loss		-	-
(b) Items that will not be reclassified subsequently to the statement of profit or loss		-	-
		-	-
Total comprehensive income for the year		116,921	82,537
Earning per share - basic and diluted (Rupees)	30	7.30	5.15

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



Faraz Mubeen Jumani
Chief Executive Officer



Mirza Muhammad Bilal Kamil
Chief Financial Officer



Muhammad Mubeen Jumani
Director

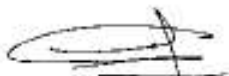
Place: Karachi, Dated: December 28, 2022

Statement Of Changes in Equity

For The Year Ended September 30, 2022

	<i>Issued, subscribed & paid-up capital</i>	<i>Revenue reserves - Accumulated profit</i>	<i>Revaluation surplus on property, plant and equipment</i>	<i>Subordinated Loan</i>	<i>Total</i>
<i>Note</i>	----- Rupees in '000' -----				
Balance as at September 30, 2020	160,175	140,698	656,590	-	957,463
Profit for the year	-	82,537	-	-	82,537
Total comprehensive income					
Revaluation surplus arises during the year - net of tax	-	-	617,043	-	617,043
Present value adjustment of long term loan due to modification	-	(93,963)	-	-	(93,963)
Transfer of incremental depreciation from revaluation surplus on property, plant and machinery - net of tax	-	24,504	(24,504)	-	-
	-	(69,459)	592,539	-	523,080
Balance as at September 30, 2021	160,175	153,776	1,249,129	-	1,563,080
Profit for the year	-	116,921	-	-	116,921
Total comprehensive income					
Present value adjustment of long term loan on derecognition	-	(147,499)	-	-	(147,499)
Transfer of incremental depreciation from revaluation surplus on property, plant and machinery - net of tax	-	48,131	(48,131)	-	-
	-	(99,368)	(48,131)	-	(147,499)
Transaction with owners					
Long term loan transferred to equity	-	-	-	1,140,657	1,140,657
Balance as at September 30, 2022	160,175	171,329	1,200,998	1,140,657	2,673,159

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



Faraz Mubeen Jumani
Chief Executive Officer



Mirza Muhammad Bilal Kamil
Chief Financial Officer



Muhammad Mubeen Jumani
Director


Place: Karachi, Dated: December 28, 2022

Statement Of Cash Flows

For The Year Ended September 30, 2022

	2022	2021
	Rupees in '000'	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	219,329	178,739
Adjustment for non-cash charges and other items:		
Depreciation	170,916	115,249
Amortization	436	315
Unwinding of deferred grant	(6,473)	-
Provision for Workers' Welfare Fund	4,599	2,302
Provision for Workers' Profit Participation fund	11,909	9,340
Finance cost	326,073	293,100
Gain on disposal	(5,853)	-
Working capital changes	(445,182)	(471,291)
Cash generated from operations	275,754	127,754
Finance cost paid	(206,311)	(183,885)
Gratuity paid	-	(24,133)
Income tax paid	(11,522)	(99,837)
Long term deposits - net	(10,250)	747
Net cash generated from / (used in) operating activities	47,671	(179,354)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(200,438)	(194,573)
Capital work-in-progress - net	(7,362)	(24,024)
Addition in intangibles	(2,730)	-
Proceeds from disposal of property, plant & equipment	8,373	-
Net cash (used in) investing activities	(202,157)	(218,597)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Market Committee fee paid	(4,020)	(4,020)
Long term loans paid	(63,000)	(23,625)
Lease rental paid	(9,829)	(13,333)
Short term finance - net	315,176	481,280
Net cash generated from financing activities	238,327	440,302
Net increase in cash and cash equivalents	83,841	42,351
Cash and cash equivalents at the beginning of the year	92,724	50,373
Cash and cash equivalents at the end of the year	176,565	92,724

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



Faraz Mubeen Jumani
Chief Executive Officer



Mirza Muhammad Bilal Kamil
Chief Financial Officer



Muhammad Mubeen Jumani
Director

Place: Karachi, Dated: December 28, 2022

Notes to the Financial Statements

For The Year Ended September 30, 2022

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 head office of the Company is situated at 51/2/4, 26th Street, Khayaban-e-Janbaz, Clifton, Karachi.
- The manufacturing facilities of the company are situated at Naroo Dhoro, Tando Masti road, Taluka Kot Diji, Khairpur in the province of Sindh.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

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

- International Financial reporting standards (IFRS standards) issued by international Accounting standards Board (IASB) as notified under Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from IFRS standards, the provisions of and directives issued under the companies Act, 2017 have been followed.

2.2 Basis of Measurement

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

2.3 Functional and presentation currency

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

2.4 Significant accounting estimates and judgments

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

Notes to the Financial Statements

For The Year Ended September 30, 2022

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

- Determining the residual values and useful lives of property, plant and equipments (Note 3.1),
- Impairment adjustments of inventories and stores to their net realizable value (Note 3.4 & 3.5),
- Recognition of taxation and deferred tax (Note 3.10), and;
- Impairment of assets (Note 3.15.5 & 3.17).

2.5 Standards, interpretations and amendments to approved accounting standards

2.5.1 Amendments to published accounting and reporting standards which are effective for the year ended September 30, 2022

There were certain amendments to accounting and reporting standards which became effective for the Company for the current year. However, these are considered not to be relevant or to have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

2.5.2 Amendments to published accounting and reporting standards which are not yet effective

		<i>Effective date (annual reporting periods beginning on or after)</i>
- IAS 1	Presentation of financial statements (Amendments)	January 1, 2023
- IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2023
- IAS 12	Income Taxes (Amendments)	January 1, 2023
- IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2022
- IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
- IFRS 3	Business Combinations (Amendments)	January 1, 2022
- IFRS 9	Financial Instruments (Amendments)	January 1, 2022
- IFRS 16	Leases (Amendments)	January 1, 2022

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, 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 statement of profit or loss by applying reducing balance method at the rates specified in the relevant note.

Notes to the Financial Statements

For The Year Ended September 30, 2022

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 statement of profit or loss 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 statement of profit or loss.

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 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 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.

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 reporting 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, at the rate specified in relevant note, 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.

Notes to the Financial Statements

For The Year Ended September 30, 2022

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 or 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.

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. |
| - 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 fair values net of 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.

Notes to the Financial Statements

For The Year Ended September 30, 2022

3.9 Employee benefits

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.

3.10 Taxation

Current

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

Deferred

Deferred tax is recognized using the 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 reporting 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 statement of financial position 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 or as control of goods has been transferred to buyer and performance obligation is met.
- Return on bank deposits is recognized on accrual basis.
- Miscellaneous income is recognized when performance obligation is met.

3.13 Cash and cash equivalents

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

Notes to the Financial Statements

For The Year Ended September 30, 2022

3.14 Borrowing Cost

These are incurred on short term borrowings and are charged to statement of profit or loss 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.

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.

Notes to the Financial Statements

For The Year Ended September 30, 2022

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.

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.

Notes to the Financial Statements

For The Year Ended September 30, 2022

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.

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 Foreign currencies

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 reporting date. Exchange differences are included in income currently.

3.17 Impairment

Non-financial assets

The Company assesses at each statement of financial position 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 or 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.

Notes to the Financial Statements

For The Year Ended September 30, 2022

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

The benefit of Central Bank loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. Grant is recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the term of loan in which the Company recognises the related finance cost.

3.20 Revaluation surplus

Surplus on revaluation of land, building and plant and machinery is credited to the surplus on revaluation account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the estimated fair value.

Notes to the Financial Statements

For The Year Ended September 30, 2022

	Year	2022 (Report in '000)	2021 (Report in '000)
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - tangible	4.1	3,295,764	3,207,064
Capital work in progress	4.2	42,777	48,427
		<u>3,338,541</u>	<u>3,255,511</u>

4.1 Operating fixed assets - tangible

	Owned						Right to use			Total
	Freehold land	Building on freehold land	Plant and machinery	Furniture and fittings	Office equipment	Factory equipment	Vehicles	Plant and machinery	Vehicle	
Net book values	100,000	329,164	1,701,536	666	16,325	1,756	13,015	21,802	14,193	2,276,461
<i>Report in '000'</i>										
<i>For the year ended Sep 30, 2022</i>										
Additions during the year	-	3,175	261,014	3,145	12,147	2,045	315	-	-	22,811
Revaluation surplus during the year	120,000	104,085	395,975	-	-	-	-	-	-	820,064
Depreciation for the year	-	(16,378)	(90,602)	(130)	(2,372)	(267)	(2,640)	(1,690)	(1,608)	(815,249)
Net book values	300,000	421,966	2,407,924	3,681	26,050	3,332	10,690	20,712	12,585	3,207,064

For the year ended Sep 30, 2022

Additions during the year	-	14,030	135,802	11,508	4,124	729	48,033	-	48,690	262,116
Transfer from ROCA										
Cost	-	-	28,430	-	-	-	14,713	(25,430)	(14,713)	-
Accumulated Depreciation	-	-	(4,718)	-	-	-	(5,297)	4,718	5,297	-
Disposal										
Cost	-	-	-	-	-	-	18,302	-	-	18,302
Accumulated Depreciation	-	-	-	-	-	-	(7,782)	-	-	(7,782)
Depreciation for the year	-	(21,664)	(125,608)	(979)	(2,913)	(414)	(5,969)	-	(10,872)	(178,916)
Net book values	300,000	414,269	2,438,836	14,320	27,361	3,847	56,649	-	41,488	3,295,764

	Owned						Right to use			Total
	Freehold land	Building on freehold land	Plant and machinery	Furniture and fittings	Office equipment	Factory equipment	Vehicles	Plant and machinery	Vehicle	

As at September 30, 2021

Cost at revaluation	300,000	489,169	2,811,110	7,661	38,262	10,026	43,391	25,130	19,663	3,779,011
Accumulated depreciation	-	(67,269)	(433,188)	(3,973)	(12,212)	(6,394)	(32,904)	(4,718)	(7,000)	(571,933)
Net book values	300,000	421,900	2,377,922	3,688	26,050	3,332	10,690	20,712	12,585	3,207,078

As at September 30, 2021

Cost at revaluation	300,000	515,149	3,081,541	10,172	41,486	14,758	46,847	-	54,643	4,050,811
Accumulated depreciation	-	(88,939)	(563,612)	(4,363)	(15,135)	(6,988)	(29,388)	-	(12,155)	(738,068)
Net book values	300,000	426,210	2,517,929	5,809	26,351	7,770	17,459	-	42,488	3,312,743

Rate of Depreciation

0%	5%	5%	10%	10%	10%	20%	5%	30%
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Detail of operating fixed assets disposed off during the year are as follows:

Particulars of Asset	Cost	Accumulated	Net Book Value	Sale proceeds	Gain/(Loss)	Mode of disposal	Particulars of Buyers	Nature of relationship
<i>Report in '000'</i>								
Vehicles								
Suzuki Cultus (BEP-903)	1,056	786	270	1,067	797	Negotiation	Bilawal	Third party
Suzuki Cultus (BEP-904)	1,056	786	270	1,067	797	Negotiation	Muhammad Mithal Bhatti	Third party
Suzuki Cultus (BEP-744)	1,144	805	338	500	162	Negotiation	Muzamir Ali	Third party
Suzuki Cultus (BEP-905)	1,054	810	244	1,059	806	Negotiation	Sadun Hussain	Third party
Suzuki Cultus (BEP-908)	1,054	804	250	900	650	Company policy	Parvaz Shamsdin	Employee
Suzuki Cultus (BEP-847)	1,753	1,361	392	1,500	1,508	Negotiation	Gobind Ram	Third party
Suzuki Wagon R (BEP-908)	1,043	704	339	900	561	Company policy	Asif Ali	Employee
Suzuki Wagon R (BEP-860)	1,089	911	178	500	322	Company policy	Riaz Hussain	Employee
Suzuki Mehran (BEP-207)	1,054	814	240	400	250	Negotiation	Jamshaid Hasan	Third party
September 30, 2022	16,382	7,782	3,530	8,373	5,853			
September 30, 2021	-	-	-	-	-			

Notes to the Financial Statements

For The Year Ended September 30, 2022

	Note	2022	2021
		Rupees in '000'	
4.1.1 Depreciation charge for the year has been allocated as follows:			
Cost of sales	23	147,683	108,489
Administration expense	24	23,233	6,760
		<u>170,916</u>	<u>115,249</u>

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

	2022	2021
	Rupees in '000'	
Free hold land	11,831	11,831
Factory building on free hold land	179,743	175,030
Plant and machinery	1,355,338	1,290,051
	<u>1,546,912</u>	<u>1,476,912</u>

4.1.3 The forced sale value of Free Hold Land, Factory Building, and Plant and Machinery is assessed at Rs.240.000, Rs.337.520 and Rs.1,926.339 million respectively.

	Note	2022	2021
		Rupees in '000'	
4.2 Capital work in progress			
Civil works		-	7,247
Plant and machinery	4.2.1	42,777	41,180
		<u>42,777</u>	<u>48,427</u>

4.2.1 Movement in capital work in progress

Opening balance	48,427	24,403
Add: Additions during the year	7,362	24,024
Less: Transferred to property, plant and equipment	(13,012)	-
	<u>42,777</u>	<u>48,427</u>

5 INTANGIBLE ASSETS

Software	5.1	8,286	5,992
5.1 Software			
Opening		5,992	6,307
Addition during the year		2,730	-
Amortization		(436)	(315)
		<u>8,286</u>	<u>5,992</u>
Rate of amortization		5%	5%

Notes to the Financial Statements

For The Year Ended September 30, 2022

	2022	2021
	<i>Rupees in '000'</i>	
6 LONG TERM DEPOSITS		
Deposits against right of use asset	11,160	2,422
Other deposits	2,322	810
	13,482	3,232

7 STORES, SPARES AND LOOSE TOOLS

Stores, spares and loose tools	167,592	155,247
Provision for slow moving and obsolete items	(10,779)	(10,779)
	156,813	144,468

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

	<i>Note</i>	2022	2021
		<i>Rupees in '000'</i>	
8 STOCK IN TRADE			
<i>Finished goods</i>			
- Sugar		1,419,092	886,648
- Bagasse		126,352	52,660
- Molasses		7,552	-
	8.1	1,552,996	939,308
Work in process		1,015	851
		1,554,011	940,159

8.1 Inventory having carrying value of Rs. 680.15 million (2021 : Rs. 644.30 million) has been pledged against bank financing.

	<i>Note</i>	2022	2021
		<i>Rupees in '000'</i>	
9 LOANS AND ADVANCES			
<i>Advances</i>			
- to growers	9.1	169,060	164,656
- to suppliers	9.2	401,904	329,342
- for expenses - considered good		23,310	25,930
- to staff	9.3	11,106	12,981
		605,380	532,909
9.1 Advances to growers			
Considered good		169,060	164,656
Considered bad		1,428	1,428
		170,488	166,084
Provision for doubtful advances		(1,428)	(1,428)
		169,060	164,656

Notes to the Financial Statements

For The Year Ended September 30, 2022

	<i>Note</i>	<i>2022</i>	<i>2021</i>
		<i>Rupees in '000'</i>	
9.2 Advances to suppliers			
Considered good		401,904	329,342
Considered bad		6,294	6,294
		408,198	335,636
Provision for doubtful advances		(6,294)	(6,294)
		401,904	329,342
9.3 Advances to staff			
Considered good		11,106	12,981
Considered bad		367	367
		11,473	13,348
Provision for doubtful advances		(367)	(367)
		11,106	12,981
10 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Deposits	10.1	6,172	5,702
Prepayments		5,511	15,828
Other receivables	10.2	24,445	7,518
Freight subsidy	10.3	202,196	202,196
		238,324	231,244

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 and company has filed review appeal in the Honorable Sindh High Court.

10.2 During the year, an amount of Rs. 16.341 million which was directly withdrawn from company's bank account by Competition Commission of Pakistan (CCP).

10.3 This is receivable against the cash freight subsidy related to sugar exports made during the financial year 2018 from Federal Government and the Government of Sindh.

The company with other sugar mills of Sindh have filed the petition before Honorable Sindh High Court regarding the outstanding portion of freight support subsidy payable by the Government of Sindh (GOS). The company have exported 25,948 MT of sugar during the crushing season 2017-18, and amount of Rs. 188.271 million are receivable from GOS as freight support subsidy till date. The company's lawyer is optimistic about the outcome of suit in favor of company.

Notes to the Financial Statements

For The Year Ended September 30, 2022

		2022	2021
		Rupees in '000'	
11 CASH AND BANK BALANCES			
	<i>Note</i>		
Cash in hand		404	217
Cash at banks - in current account		176,161	92,507
		176,565	92,724
12 ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
		2022	2021
		<i>Number of Shares</i>	
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 **12.058 million** (2021 : 12.057 million) ordinary shares of Rs. 10 each held by the directors and related parties.

		2022	2021
		Rupees in '000'	
13 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET			
Revaluation surplus			
Balance as at October 01		1,643,977	858,429
Add: Surplus arises during the year		-	820,061
Less : Transferred to unappropriated profit in respect of incremental depreciation charged during the year		(67,790)	(34,513)
		1,576,187	1,643,977
Related deferred tax liability			
Balance as at October 01		(394,848)	(201,839)
Increase in revaluation surplus during the year		-	(203,018)
Deferred tax on incremental depreciation charged during the year		19,659	10,009
		(375,189)	(394,848)
		1,200,998	1,249,129

13.1 The company carried out revaluation of its freehold land, building and plant and machinery, the details of such revaluation are as under:

<i>Date of Revaluation</i>	<i>Revaluer Name</i>	<i>Revaluation surplus/(deficit) in million</i>
September 30, 2021	M/s. Oceanic Surveyors (Pvt.) Limited	820.061
January 16, 2019	M/s. Oceanic Surveyors (Pvt.) Limited	569.968
January 25, 2016	M/s. Amir Evaluations & Consultants	(44.962)
March 29, 2013	M/s. Consultancy Support & Services (Management Consultants)	125.753
December 13, 2007	M/s. Consultancy Support & Services (Management Consultants)	201.386

Notes to the Financial Statements

For The Year Ended September 30, 2022

	Note	2022 Rupees in '000'	2021
14 SUBORDINATED LOAN			
Loan from related parties		1,140,657	-
<i>14.1</i> These are interest free loan and payable at discretion of company.			
15 LONG TERM FINANCING			
Loan from related parties	15.1	-	946,992
SBP payroll refinancing	15.2	-	2,135
		-	949,127
15.1 Loan from related parties			
- Directors			
Original value of loan		1,140,657	1,140,657
Less: Present value adjustment	15.1.1	(277,794)	(277,794)
Add: Interest charged to profit and loss account to date		130,295	84,129
Derecognition of present value adjustment		147,499	-
Transferred to equity		(1,140,657)	-
		-	946,992
Present value adjustment			
Opening balance		277,794	466,479
Present value adjustment of long term loan due to modification in interest rate		-	(93,963)
Transferred to profit or loss in account to date		(130,295)	(94,722)
Transferred to retained earning on derecognition		(147,499)	-
		-	277,794

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

	2022 Rupees in '000'	2021
Payroll Financing		
Tranche 1	105,000	105,000
Tranche 2	21,000	21,000
Fair value adjustment	(14,003)	(14,003)
	111,997	111,997
Repayment loan	(107,625)	(44,625)
Unwinding of finance cost	10,768	4,295
	15,140	71,667
Long term portion	-	2,135
Current Portion	15,140	69,532
	14,003	14,003
Unwinding of interest	(10,768)	(4,295)
Closing balance	3,235	9,707

Notes to the Financial Statements

For The Year Ended September 30, 2022

	Note	2022	2021
		Rupees in '000'	
16 DEFERRED LIABILITIES			
Staff retirement gratuity	16.1	-	-
Deferred tax liability	16.2	281,733	264,476
Market Committee fee	16.3	10,049	14,069
Less: Current portion		(4,020)	(4,020)
		6,029	10,049
		287,762	274,525
16.1 Staff retirement benefits			
Movement in defined obligation Present value of defined benefit obligation			
At beginning of the year		-	24,133
Benefit paid during the year		-	(24,133)
At the end of year		-	-
16.2 Deferred tax liability			
Deductible temporary differences:			
Tax losses		228,789	236,853
Minimum tax credit		151,327	220,526
Provision for stores, loans and advances		4,764	4,824
		384,880	462,203
Taxable temporary differences:			
Accelerated depreciation		(291,424)	(280,960)
Surplus on revaluation		(375,189)	(394,848)
		(666,613)	(675,808)
Unrecognized deferred tax asset	16.2.1	-	(50,871)
Deferred tax liability		(281,733)	(264,476)

16.2.1 Previous year, the deferred tax asset of Rs.50.871 million had not been recognised owing to uncertainty regarding future profitability against which deferred tax asset could be set off.

16.3 Market committee fee payable

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

17 LEASE LIABILITY

The Company had entered into lease agreement with leasing company to acquire vehicles. The purchase option is available to the Company after payment of the last installment and on surrender of deposit at the end of the lease period. Taxes, repairs and maintenance, insurance and other costs relating to the leased assets are to be borne by the Company. The implicit rate of return on lease finance ranges from 11.72% to 18.77% per annum (2021 : 9.15% 16.36% per annum).

Notes to the Financial Statements

For The Year Ended September 30, 2022

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

	2022	2021
	<i>Rupees in '000'</i>	
As at October 01	7,978	21,311
Additions	48,690	-
Interest expense	3,378	2,262
Payments	(13,207)	(15,595)
As at September 30	46,839	7,978
Current	7,583	6,558
Non-current	39,256	1,420
	46,839	7,978

17.1 Lease liabilities are payable as follows:

Minimum lease payment

Upto one year	13,391	7,141
More than one year but less than five years	49,019	1,519
	62,410	8,660

Financial charges

Upto one year	5,808	583
More than one year but less than five years	9,763	99
	15,571	682

Present value of minimum lease payments

Upto one year	7,583	6,558
More than one year but less than five years	39,256	1,420
	46,839	7,978

Current maturity shown under current liabilities	(7,583)	(6,558)
	39,256	1,420

18 TRADE AND OTHER PAYABLES

Creditors		124,639	123,499
Accrued liabilities		12,847	8,778
Market committee fee payable		14,310	14,535
Advance from customers		613,542	206,401
Unclaimed gratuity		14,341	14,341
Sales tax payables		64,449	52,302
Workers' Profit Participation Fund	18.1	24,436	10,399
Workers' Welfare Fund	18.2	16,100	11,500
Income tax payable		2,962	2,586
Other payables - Related Parties	18.3	-	135,343
		887,626	579,684

Notes to the Financial Statements

For The Year Ended September 30, 2022

	2022	2021
	<i>Rupees in '000'</i>	
18.1 Workers' Profit Participation Fund		
Balance at 01 October	10,399	941
Interest on funds utilized in the Company's business	2,128	118
Charge for the year	11,909	9,340
	24,436	10,399

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.

	2022	2021
	<i>Rupees in '000'</i>	
18.2 Workers' Welfare Fund		
Balance at 01 October	11,501	9,199
Charge for the year	4,599	2,302
	16,100	11,501

18.3 Other payables - Related Parties

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

	<i>Note</i>	2022	2021
		<i>Rupees in '000'</i>	
19 SHORT TERM BORROWINGS			
- From Banking Companies			
Secured			
Cash finance	19.1	1,400,000	1,444,300
- From Related parties			
Unsecured			
from directors	19.2	113,067	2,373
from associates	19.3	531,432	282,650
		2,044,499	1,729,323

19.1 This represents roll over secured cash financing facilities from banking companies. These facilities carries mark-up at **3 Month KIBOR + 2.5% to 4%** (2021 : 3 Month KIBOR + 2.5% to 4%) 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.

<i>Nature of Facility</i>	<i>Available Limits</i>		<i>Unavailed Limits</i>	
	2022	2021	2022	2021
	<i>----- Rupees in '000' -----</i>			
Running Finance	1,550	2,200	150	756
Fleet Finance	10.75	10.75	-	-
LC at sight	-	62	-	62

Notes to the Financial Statements

For The Year Ended September 30, 2022

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

19.3 This represents loan from associates which is unsecured and carries markup at 1 Year KIBOR.

	2022	2021
	<i>Rupees in '000'</i>	
20 PROVISION FOR TAXATION		
Opening balance	14,464	58,291
Provision for the year	75,260	56,010
Prior year	9,891	-
	99,615	114,301
Income tax paid / deducted during the year	(11,522)	(99,837)
Tax payable	88,093	14,464

21 CONTINGENCIES AND COMMITMENT

21.1 Contingencies

21.1.1 During the year 2021, Income tax audit for the tax years 2016, 2017, 2018 and 2019 have been finalized by the Inland Revenue Department. Inland Revenue Department raised the demand of Rs.3.145 billion for tax year 2016, Rs.3.736 billion for tax year 2017, Rs. 3.473 billion for tax year 2018 and Rs.3.751 billion for tax year 2019.

The Company has filed appeal against above orders before Appellate Authorities. The Company also filed constitutional petition before honorable High Court of Sindh (SHC) for stay against recovery of tax demands which was granted by honorable SHC.

During the year, Appellate Orders have been passed by Appellate Tribunal in August 2022 thereby deleted most of the additions that were arbitrary and illogical. Remaining additions were remanded back to the Commissioner-IR with direction of providing the fresh opportunity of being heard to the Company.

The company's management and tax advisor are of the view that ultimate outcome will be in the favor of the company for the matters remanded back to the Commissioner - IR. Hence no provision has been made in the financial statements.

21.1.2 The Company has filed three petitions against the impugned contribution amount of totalling Rs.8.37 million against Social Security, Sindh 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.

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

21.1.3 The case in respect of shareholding of 2,669,600 shares of the Company is pending in High Court of Sindh in respect of rescheduled loan of Bankers Equity Limited. The Bankers Equity Limited has a claim on these shares and matter is pending in the court.

21.1.4 The Competition Commission of Pakistan (CCP) has passed a consolidated order on August 6, 2021 and August 13, 2021 whereby penalties have been levied on 84 sugar mills. The penalty of Rs.212 million has been levied on the Company.

The Company alongwith other sugar mills has filed a suit against the above-referred order through its legal counsel before the Sindh High Court who has suspended the operation of above impugned order.

Notes to the Financial Statements

For The Year Ended September 30, 2022

However, the CCP in contravention of the above restraining order of the High Court has issued a show-cause notice under section 30 of the Competition Act, 2010 on October 08, 2021, wherein identical issues are involved. The Company alongwith other sugar mills has filed a suit against the above show-cause notice and the Sindh High Court has suspended the operation of the above show-cause notice.

During the year, Competition Commission of Pakistan have withdrawn an amount from company's account as disclosed in Note 10.2.

The legal counsel of the Company is of the view that penalty has been imposed on the Company alongwith other sugar mills is irrational and unlawful and is expected to be annulled. On the basis of the advice of the legal counsel, the Company expects a favourable outcome and has not made any provision in these financial statements in respect of the penalty levied by CCP.

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

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

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

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

21.1.7 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.

21.1.8 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.

21.2 Commitments

Commitment in respect of CWIP

2022 2021
Rupees in '000'

7,500

10,300

Notes to the Financial Statements

For The Year Ended September 30, 2022

	<i>Note</i>	<i>2022</i>	<i>2021</i>
		<i>Rupees in '000'</i>	
22 SALES - NET			
Sugar - local		6,249,150	4,585,707
Sale of by-products		844,406	588,007
		7,093,556	5,173,714
Sales tax		(912,709)	(584,287)
		6,180,847	4,589,427
23 COST OF SALES			
Raw material consumed		5,309,571	3,972,065
Stores and spares consumed		66,594	48,807
Packing material consumed		61,068	33,333
Salaries and wages	23.1	162,157	131,927
Power and fuel		65,267	36,564
Freight and handling		5,785	3,812
Wastage removing and cane feeding		9,603	7,418
Repair and maintenance		73,924	39,826
Printing and stationery		4,213	3,246
Vehicle running expenses		17,773	10,593
Insurance		5,140	3,997
Other manufacturing expenses		9,827	4,716
Depreciation	4.1.1	147,683	108,489
Manufacturing expenses		5,938,605	4,404,793
Opening stock of work in process		851	1,333
Closing stock of work in process		(1,015)	(851)
		(164)	482
Cost of goods manufactured		5,938,441	4,405,275
Opening stock of finished goods		939,308	424,876
Closing stock of finished goods		(1,552,996)	(939,308)
		(613,688)	(514,432)
		5,324,753	3,890,843

23.1 These include an amount of Rs. 5.103 million (2021 : Rs. 3.764) million in respect of staff retirement benefits.

Notes to the Financial Statements

For The Year Ended September 30, 2022

	Note	2022	2021
		Rupees in '000'	
24 ADMINISTRATIVE EXPENSES			
Salaries and other benefit	24.1	154,845	134,467
Communication expenses		3,516	3,688
Repair and maintenance		14,823	5,711
Traveling and conveyance		19,447	8,392
Electricity and gas		12,519	8,679
Legal and professional charges		17,385	8,671
Fees and subscription		16,337	7,686
Rent, rates and taxes		1,221	6,062
Printing and stationery		686	1,098
Entertainment		4,325	2,320
Insurance		20,892	4,643
Auditors' remuneration	24.2	1,304	1,136
Security expenses		842	942
General expenses		2,425	2,217
Amortization		436	315
Depreciation	4.1.1	23,233	6,760
		294,236	202,787

24.1 These include an amount of Rs. 1.276 million (2021 : Rs. 0.947) million in respect of staff retirement benefits.

	2022	2021
	Rupees in '000'	
24.2 Auditors' remuneration		
Statutory audit	956	805
Half yearly review	177	146
Review report on code of corporate governance	97	82
Other certifications	26	47
Out of pocket expenses	48	56
	1,304	1,136

25 DISTRIBUTION COST

Loading and unloading	16,062	11,349
Advertisement and publicity	466	673
Miscellaneous	4,246	2,533
	20,774	14,555

26 OTHER INCOMES

Income from non-financial assets		
Insurance claim	728	12
Gain on disposal of asset	5,853	-
Scrap sales	10,114	99
Unwinding of deferred grant	6,473	2,688
	23,168	2,799

Notes to the Financial Statements

For The Year Ended September 30, 2022

	<i>Note</i>	<i>2022</i> <i>Rupees in '000'</i>	<i>2021</i>
27 OTHER OPERATING EXPENSES			
Workers' Profit Participation Fund		11,909	9,340
Workers' Welfare Fund		4,599	2,302
Charity and donation	27.1	2,342	428
Other operating expenses		-	132
		18,850	12,202

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

	<i>2022</i> <i>Rupees in '000'</i>	<i>2021</i>
28 FINANCE COST		
Amortization of long term loan from directors	46,166	84,129
Mark-up on cash finance	224,038	176,178
Lease finance charges	696	614
Mark-up on payroll finance	9,240	6,468
Markup on short term finance - RP	42,779	23,385
Finance cost on lease liability	127	1,607
Interest on Workers' Profit Participation Fund	2,128	118
Bank charges	899	601
	326,073	293,100

29 TAXATION

Current tax	75,260	56,010
Prior year tax	9,891	-
	85,151	56,010
Deferred tax	17,257	40,192
	102,408	96,202

29.1 The income tax assessments of the Company have been finalised up to and including the tax year 2022. Tax returns which are submitted with Federal Board of Revenue are deemed to be assessed under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select the deemed assessment order for audit.

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

Notes to the Financial Statements

For The Year Ended September 30, 2022

29.3 The provision for current year tax represents tax on annual turnover at the rate of 1.25% (2021 : 1.25%). The computed current tax expense based on the generally accepted interpretation of tax laws to ensure that the sufficient provision for the purpose of taxation is available. According to management, the tax provision made in the financial statement is sufficient. A comparison of last three years of income tax provision with tax assessed is presented below:

	<i>Tax Year</i>		
	2022	2021	2020
	----- Rupees in '000' -----		
Income tax provision for the year	56,010	62,318	62,805
Income tax as per tax assessment	65,901	62,318	62,805

30 PROFIT / (LOSS) PER SHARE - Basic and diluted

	2022	2021
Profit after tax - Rupees in '000	116,921	82,537
Weighted average number of ordinary shares	16,017,500	16,017,500
Earning per share - basic and diluted - Rupees	7.30	5.15

2022 2021
Rupees in '000'

31 CASH GENERATED FROM OPERATIONS

31.1 Working capital changes

<i>(Increase) / decrease in current assets</i>		
- Trade debts	(28,763)	(28,050)
- Stores and spares	(12,321)	20,603
- Stock-in-trade	(613,852)	(513,950)
- Loans and advances	(72,471)	(79,300)
- Trade deposits and short term prepayments	(7,080)	(4,829)
	(734,487)	(605,526)
<i>Increase in current liabilities</i>		
- Trade and other payables	289,305	134,235
	(445,182)	(471,291)

Notes to the Financial Statements

For The Year Ended September 30, 2022

32 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

	2022			
	Chief Executive	Directors	Executive	Total
	Rupees in '000'			
Managerial remuneration	7,875	14,850	17,245	39,970
Utilities	1,575	2,970	8,622	13,167
Perquisites and other benefits	6,300	11,880	8,622	26,802
	15,750	29,700	34,489	79,939
Number of persons	1	1	12	14

	2021			
	Chief Executive	Directors	Executive	Total
	Rupees in '000'			
Managerial remuneration	4,500	10,800	11,454	26,754
Utilities	900	2,160	5,728	8,788
Perquisites and other benefits	3,600	8,640	5,728	17,968
	9,000	21,600	22,910	53,510
Number of persons	1	1	11	11

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

32.2 During the year, there was no payment (2021: Nil) made to non-executive director for attending meetings.

33 PROVIDENT FUND

The following information is based on audited financial statements of the Fund as at June 30, 2022 and June 30, 2021:

	2022	2021
	Rupees in '000'	
Size of the fund - Total assets	50,119	37,807
Fair value of investments / Bank balances	41,553	31,567
Percentage of investment made	83%	83%

Notes to the Financial Statements

For The Year Ended September 30, 2022

33.1 The break-up of fair value of investment is as follows :

	2022 (Percentage)		2021 Rupees in '000'	
National Bank Islamic Asset Allocation Fund	5%	7%	2,065	2,267
Amdani Certificate National Bank of Pakistan	12%	15%	4,800	4,800
TDR NBI*	54%	40%	22,500	12,500
TDR JS	0%	38%	-	12,000
UBL Fund	29%	0%	12,188	-
	100%	100%	41,553	31,567

	2022 (Percentage)		2021 Rupees in '000'	
Investment	83%	83%	41,553	31,567

33.2 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.

	2022		2021	
	Head Office	Factory	Head Office	Factory
34 NUMBER OF EMPLOYEES				
Number of employees including contractual employees at the end of year	77	649	74	668
Average number of employees including contractual employees during the year	76	704	74	792

35 TRANSACTIONS WITH RELATED PARTIES

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

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

Notes to the Financial Statements

For The Year Ended September 30, 2022

<i>Name of Related party</i>	<i>Relationship</i>	<i>Percentage of Shareholding</i>	<i>Transaction during the year</i>	<i>2022 --- Rupees in '000' ---</i>	<i>2021 --- Rupees in '000' ---</i>
Muhammad Mubeen Jumani	Director	1.00%	Receipts of loan Repayment of loan	37,299 6,393	8,393 43,327
Faraz Mubeen Jumani	Director	9.99%	Receipts of loan Repayment of loan	91,941 12,154	218,286 243,071
Arisha Mubeen Jumani	Director	0.99%	Receipt of loan	-	2,351
Centex (Pvt.) Ltd	Common directorship	0.00%	Receipts of loan Repayment of loan	270,000 86,566	100,000 100,000
Jumani Group of Companies	Common directorship	0.00%	Receipts of loan Repayment of loan	339,300 409,020	884,300 634,000
Hidayat Jumani Welfare Trust	Associate	0.00%	Receipts of loan Repayment of loan	- -	481 481
KSML Employees Provident Fund	Provident fund		Contribution to provident fund	6,379	4,712
				2022 M. Tons	2021 M. Tons
36 PRODUCTION CAPACITY					
Crushing capacity (per day)				7,000	7,000
Crushing capacity based on actual days				952,000	854,000
Actual cane crushed				791,716	573,858
Production - sugar				82,865	57,294
Sucrose recovery				10.47%	9.98%
				2022 Days	2021 Days
Duration of season				136	122

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

Notes to the Financial Statements

For The Year Ended September 30, 2022

2022 2021
Rupees in '000'

37 FINANCIAL INSTRUMENTS

37.1 Financial assets and liabilities

	2022	2021
Financial assets		
Trade debts	56,813	28,050
Loans and advances	11,106	12,981
Trade deposits and other receivables	246,295	218,648
Cash and bank balances	176,565	92,724
	490,779	352,403
Financial liabilities		
Long term financing	15,140	1,018,659
Lease liability	46,839	7,978
Market committee fee payable	6,029	10,049
Short term borrowings	2,044,499	1,729,323
Trade and other payables	256,781	356,356
Accrued markup	101,862	36,869
	2,471,150	3,159,234

37.2 Financial risk management objectives and policies

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

- Credit risk
- Liquidity risk
- Market risk

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

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

37.2.1 Credit risk

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

Notes to the Financial Statements

For The Year Ended September 30, 2022

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. 490,779 million (2021 : Rs. 352,403 million), the financial assets which are subject to credit risk amounted to Rs. 490,375 million (2021 : Rs. 352,186 million).

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

	2022	2021
	<i>Rupees in '000'</i>	
Trade debts	56,813	28,050
Loans and advances	11,106	12,981
Trade deposits and other receivables	246,295	218,648
Bank balances	176,161	92,507
	490,375	352,186

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:

	2022	2021
	<i>Rupees in '000'</i>	
Trade debts		
Customers with no default in past one year	56,813	28,050
Bank Balances		
AAA	172,089	79,775
AA+	2,121	9,350
A+ and below	1,951	3,382

37.2.2 Liquidity risk

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

Non-derivative financial liabilities

	2022			
	<i>Carrying amount</i>	<i>Contractual cash flows</i>	<i>Up to one year</i>	<i>More than one year</i>
	<i>Rupees in '000'</i>			
Lease liability	46,839	(46,839)	(7,583)	(39,256)
Trade and other payables	887,626	(887,626)	(887,626)	-
Short term borrowings	2,044,499	(2,044,499)	(2,044,499)	-
Accrued markup	101,862	(101,862)	(101,862)	-
	3,080,826	(3,080,826)	(3,041,570)	(39,256)

Notes to the Financial Statements

For The Year Ended September 30, 2022

	2021			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
	Rupees in '000'			
Non-derivative financial liabilities				
Long term financing	949,127	(1,222,032)	(69,532)	(1,152,500)
Lease liability	7,978	(7,978)	(6,558)	(1,420)
Trade and other payables	579,684	(579,684)	(579,684)	-
Short term borrowings	1,729,323	(1,729,323)	(1,729,323)	-
Accrued markup	36,869	(36,869)	(36,869)	-
	<u>3,302,981</u>	<u>(3,575,886)</u>	<u>(2,421,966)</u>	<u>(1,153,920)</u>

37.2.3 Market risk

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

a) Currency risk

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

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

	Carrying Amount	
	2022	2021
	Rupees in '000'	
Financial liabilities		
Long term financing	15,140	1,018,659
- Lease Liabilities	46,839	7,978
- Short term borrowings	2,044,499	1,729,323
	<u>2,106,478</u>	<u>2,755,960</u>
	2022	2021
	Effective Interest Rate (In Percent)	
Variable Rate Instruments		
Financial liabilities		
- Short term borrowings	18.71%	10.78%

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.

Notes to the Financial Statements

For The Year Ended September 30, 2022

	2022	2021
	<i>Rupees in '000'</i>	
Cash flow Sensitivity - Variable Rate Instruments		
- Increase	21,065	27,560
- Decrease	(21,065)	(27,560)

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

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

3.7.3 Capital risk management

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

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

	2022	2021
	<i>Rupees in '000'</i>	
Long term financing	15,140	1,018,659
Lease liability	46,839	7,978
Short term borrowings	2,044,499	1,729,323
Total debt	2,106,478	2,755,960
Less: Cash and bank balances	(176,565)	(92,724)
Net Debt	1,929,913	2,663,236
Total Capital	1,472,161	313,951
Net debt and capital	3,402,074	2,977,187
Gearing ratio (%)	56.73%	89.45%

38 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.

Notes to the Financial Statements

For The Year Ended September 30, 2022

39 RECLASSIFICATION

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of better presentation. Significant reclassification are as follows:

<i>Description</i>	<i>Head of account of the financial statements for the year ended September 30, 2021</i>	<i>Head of account of the financial statements for the year ended September 30, 2022</i>	<i>Amount Rupees in '000</i>
Trade debts	Trade and other payables	Trade debts	28,050

40 OPERATING SEGMENT

- 40.1** These financial statements have been prepared on the basis of a single reportable segment.
- 40.2** Revenue from sale of sugar represents 88% (2021 : 89%) of the gross sales of the Company.
- 40.3** 100% (2021 : 100%) of the gross sales of the Company are made to customers located in Pakistan.
- 40.4** All non-current assets of the Company at September 30, 2022 are located in Pakistan.

41 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 28 December 2022 by the Board of Directors of the Company.



Faraz Mubeen Jumani
Chief Executive Officer



Mirza Muhammad Bilal Kamil
Chief Financial Officer



Muhammad Mubeen Jumani
Director

Place: Karachi, Dated: December 28, 2022

Pattern of Shareholding

As at September 30, 2021

No. of Shareholders		Size of Shareholding				Total Number of Shares Held
51	FROM	1	TO	100	SHARES	885
90	FROM	101	TO	500	SHARES	42,797
13	FROM	501	TO	1,000	SHARES	12,247
17	FROM	1,001	TO	10,000	SHARES	43,121
NIL	FROM	10,001	TO	20,000	SHARES	NIL
NIL	FROM	20,001	TO	50,000	SHARES	NIL
1	FROM	50,001	TO	100,000	SHARES	60,000
2	FROM	100,001	TO	200,000	SHARES	330,458
NIL	FROM	200,001	TO	300,000	SHARES	NIL
NIL	FROM	300,001	TO	400,000	SHARES	NIL
NIL	FROM	400,001	TO	500,000	SHARES	-
1	FROM	500,001	TO	1,000,000	SHARES	961,047
4	FROM	1,000,001	TO	2,000,000	SHARES	6,800,000
1	FROM	2,000,001	TO	3,000,000	SHARES	2,669,600
1	FROM	3,000,001	TO	8,000,000	SHARES	5,097,345
181					TOTAL	16,017,500

Pattern of Shareholding (Additional Information)

As at September 30, 2021

		No. of Shareholders	Shares Held	Percentage
Associated Cos., Undertaking and Related Parties		-	-	-
Director, CEO and their spouses and Minor Children				
Mr. Muhammad Mubeen Jumani	Director	1	160,225	1.00
Mrs. Qamar Mubeen Jumani	Chairperson	1	5,097,345	31.82
Mr. Faraz Mubeen Jumani	Chief Executive Officer	1	1,600,000	9.99
Mr Fahad Mubeen Jumani	Director	1	1,600,000	9.99
Miss. Arisha Mubeen Jumani	Director	1	1,600,000	9.99
Mr. Asif Khan Brohi	Director	1	500	0.00
Mr. Lt. Gen Tahir Mahmood Qazi	Director	1	500	0.00
Mrs. Yasmeen Mubeen Jumani	Spouse	1	2,000,000	12.49
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				
Mrs. Qamar Mubeen Jumani	Chairperson	1	5,097,345	31.82
Mr. Faraz Mubeen Jumani	Chief Executive Officer	1	1,600,000	9.99
Mr Fahad Mubeen Jumani	Director	1	1,600,000	9.99
Miss. Arisha Mubeen Jumani	Director	1	1,600,000	9.99
Mrs. Yasmeen Mubeen Jumani		1	2,000,000	12.49

Form of Proxy

The Company Secretary
Khairpur Sugar Mills Limited
51/II/IV, Khayaban-e-Janbaz,
Phase-V Ext., D.H.A., Karachi - 75500.

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, 2022

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
51/II/IV, Khayaban-e-Janbaz,
Phase-V Ext., D.H.A., Karachi - 75500.

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پراکسی فارم

کمپنی سیکریٹری

خیر پور شوگر ملز لمیٹڈ

پلاٹ نمبر 51/III/IV، نیلابان جانا بازار، فیز 17 یکٹیشن، ڈی ایچ اے، کراچی 75500۔

میں / ہم

ساکن

میں بحیثیت ممبر خیر پور شوگر ملز لمیٹڈ مقرر کرتا ہوں / کرتی ہوں اگر تے ہیں _____ ساکن

عام شیئرز جن کے شیئرز جنرل فائل نمبر _____ اور / یا سی ڈی سی پارٹیشنس آئی ڈی نمبر _____

اور ڈبلیو ایچ ایف نمبر _____ بذریعہ ہذا

ساکن

اور اُمران کے لئے ممکن نہ ہو تو _____ ساکن

کو بطور اپنا / ہمارا پراکسی مقرر کرتا / کرتی ہوں تاکہ 28 جنوری 2022ء منعقدہ کئے جانے والے کمپنی کے 31 ویں سالانہ اجلاس عام میں میری / ہماری جگہ ووٹ دے سکیں۔

دستخط _____ مورخہ _____

ممبر کے دستخط

دستخط
مبلغہ ۱۰ روپے
کے ذمہ دار

گواہان:

دستخط _____ دستخط _____

نام _____ نام _____

پتہ _____ پتہ _____

شناختی کارڈ نمبر _____ شناختی کارڈ نمبر _____

پاسپورٹ نمبر _____ پاسپورٹ نمبر _____

نوٹ:

(۱) پراکسی فارم کو کمپنی کارکن (ممبر) ہونا ضروری ہے۔ مختار نامہ (پراکسی فارم) مکمل پر شدہ کمپنی کے رجسٹرڈ آفس میں اجلاس کے مقررہ وقت سے کم از کم 48 گھنٹے قبل جمع کرانا 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 گیمپٹرائزڈ 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
51/II/IV, Khayaban-e-Janbaz,
Phase-V Ext., D.H.A., Karachi - 75500.








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Email: headoffice@jumanigroup.com Website: www.khairpursugar.com.pk