



34th
ANNUAL
REPORT
2023



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.

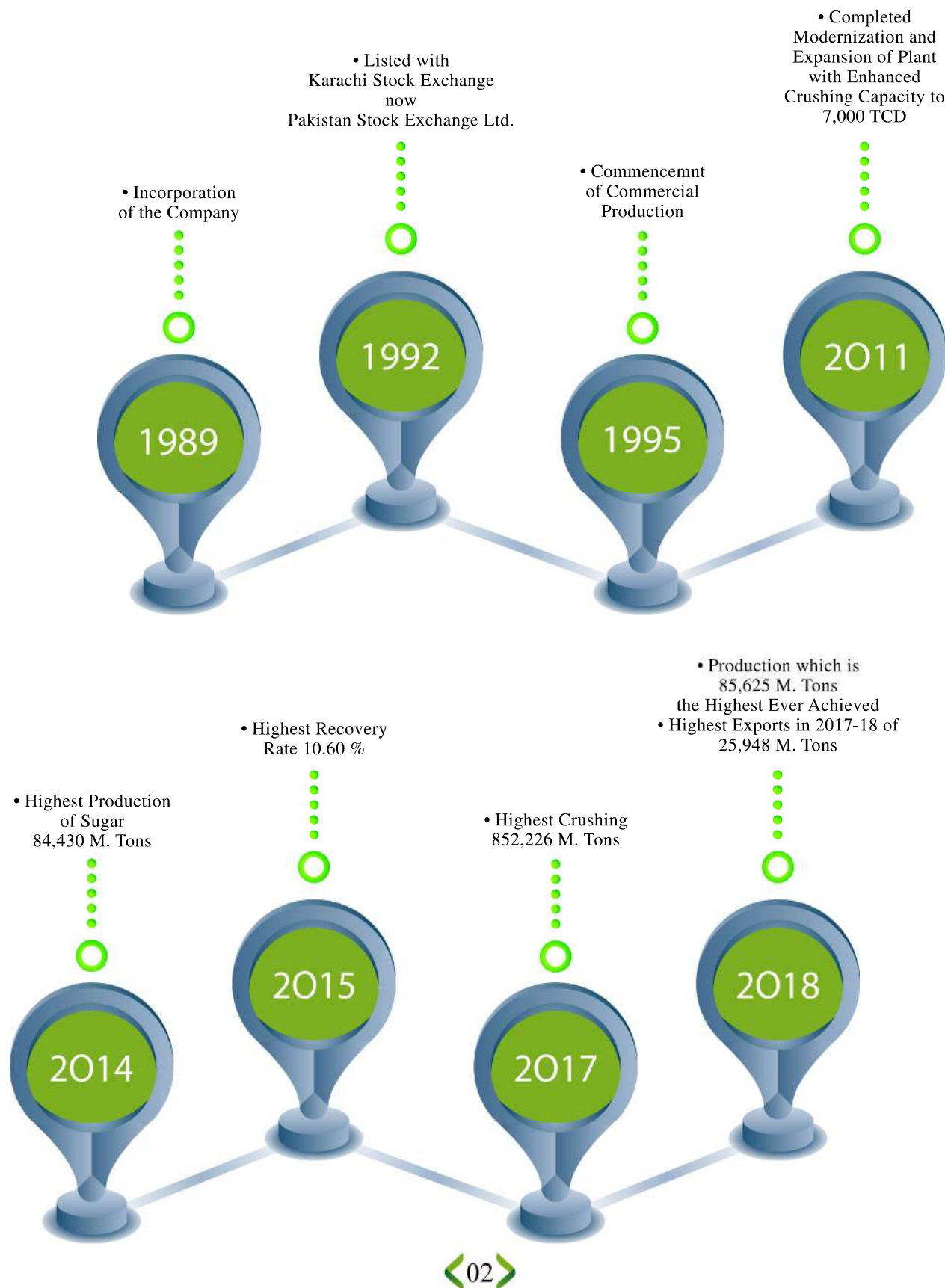
Pakistan is the fifth major producer of sugarcane in the world. There are many other things sugarcane gives, besides sugar. Let us share some of them, as part of our theme this year. Lets look at more that what meets the eye, more than just sugarcane.



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Major Milestones



Our Existence



Company Overview

Our 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



Company Information

Date of Incorporation

August 23, 1989

Date of Commencement of Business

September 13, 1989

BOARD OF DIRECTORS

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

CHIEF OPERATION OFFICER

Mr. Suleman Kanjiani

CHIEF FINANCIAL OFFICER

Mr. Mirza Muhammad Bilal Kamil

COMPANY SECRETARY

Mr. Shoaibul Haque

BANKERS

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

STATUTORY AUDITORS

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

COST AUDITORS

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

AUDIT COMMITTEE

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

HR AND REMUNERATION COMMITTEE

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

LEGAL ADVISOR

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

SHARES REGISTERAR

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

REGISTERED OFFICE

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

MILLS

Naroo Dhoro, Taluka Kot Diji, Khairpur.

E-MAIL & WEBSITE

headoffice@jumanigroup.com
<http://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

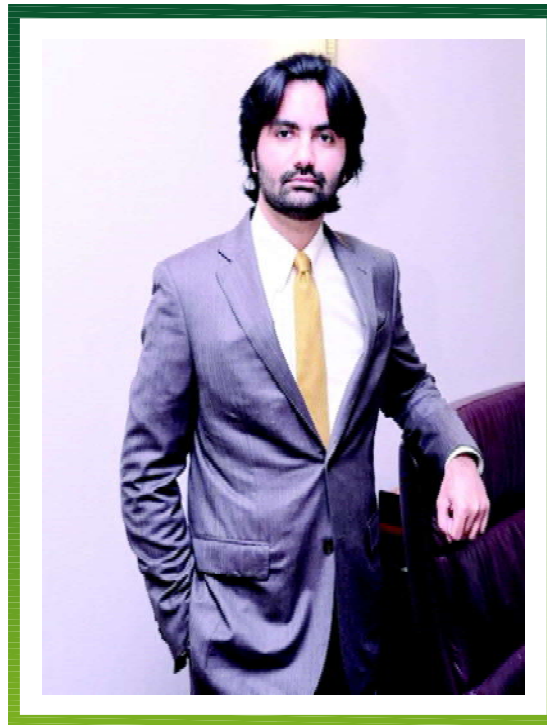


Respect is our way of life

Fairness is our way of work



Chief Executive Officer's Profile

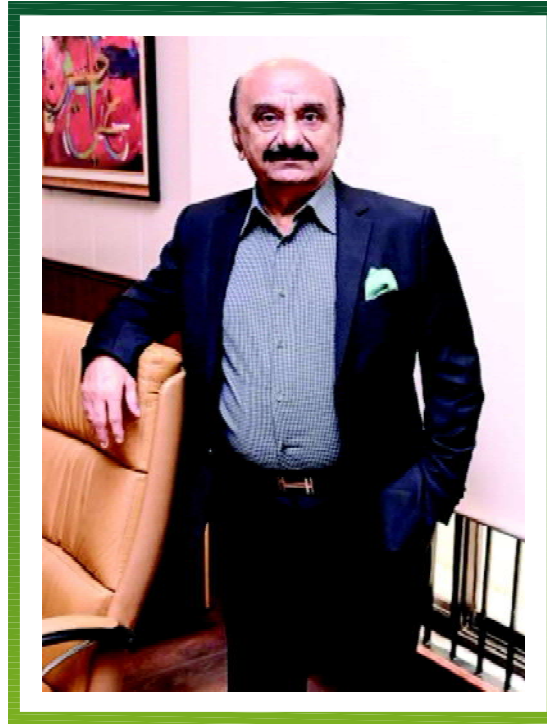


Faraz Mubeen Jumani

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

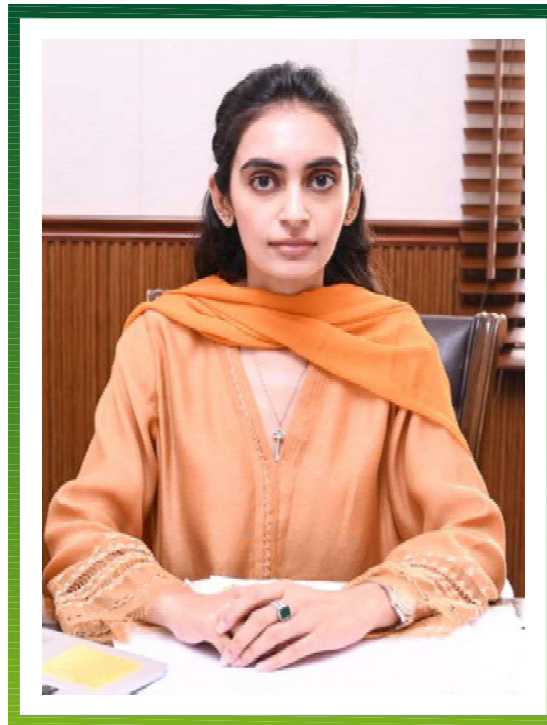


Muhammad Mubeen Jumani

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 Board 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 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 34th 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 26th, 2024 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 27, 2023.
- (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, 2023.
- (3) To appoint Auditors of the Company for the next financial year ending September 30, 2024 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

Dated: December 31, 2023
Karachi


SHOAIBUL HAQ
Company Secretary

Notes

- (1) The share transfer book of the Company shall remain closed with effect from January 19, 2024 to January 26, 2024 (both days inclusive). Transfer received at the office of Company's Shares Registrar - M/s C&K Management Associates (Private) Limited. Office No. 404, 4th Floor, Trade Tower, Abdullah Haroon Road, Near Metropole Hotel, Karachi Phone 021-35687839 & 35685930 at close of business on January 18, 2024 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, 2023 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 informal 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 01 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) along with 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

سی ڈی سی ہولڈرز کی رجسٹریشن (لازمی) جمع کرانا ہوں گی۔

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی ہدایات کے مطابق، تمام انفرادی ارکان ان کو مطلع کیا جاتا ہے کہ جنہوں نے تاحال اپنی مستند CNIC/SNIC کی فوٹو کاپی جمع نہیں کرائیں انہیں ایک بار پھر صلاح دی جاتی ہے کہ وہ کمپنی کے حصص (شئیرز) کے رجسٹرار / رجسٹرڈ آفس کو فوری طور پر مذکورہ کاپیاں ارسال کریں۔ کارپوریٹ اداروں سے درخواست کی جاتی ہے کہ وہ اپنا نیشنل ٹیکس نمبر (NTN) فراہم کریں۔

سی ڈی سی ہولڈرز کی رجسٹریشن کیلئے۔

سی ڈی سی اکاؤنٹس ہولڈرز کو سیکیورٹیز اینڈ ایکسچینج کمیشن کے جاری کردہ سرکلر 01 بتاریخ 26 جنوری 2000 میں دی گئی ہدایات پر عمل کریں گے۔

اجلاس میں شرکت کیلئے۔

(1)

- (i) انفرادی ہونے کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا وہ شخص جس کی سیکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات CDC کے قوانین کے تحت اپ لوڈ کی جا چکی ہوں اسے اپنی شناخت کے لئے اپنا اصل CNIC یا اجلاس میں شرکت کے وقت اپنا اصل پاسپورٹ پیش کرنا ہوگا۔
- (ii) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی مع نامزد کردہ شخص کے خصوصی دستخط کے ساتھ کمپنی اجلاس سے قبل فراہم کرنا ہوگا۔

پروکسی کی تقرری کیلئے۔

(2)

- (i) انفرادی ہونے کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا وہ شخص جس کی سیکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات CDC کے قوانین کے تحت اپ لوڈ کی جا چکی ہوں مذکورہ میں بتائی گئی ضروریات کے مطابق اپنا پر کسی فارم جمع کرنا ہوگا۔
- (ii) پر کسی فارم پر دو گواہوں کے نام، پتے اور CNIC نمبر فارم پر درج ہوں گے۔
- (iii) فائدہ مند مالکان کے CNIC یا پاسپورٹ کی تصدیق شدہ کاپیاں اور پر کسی کو پر کسی فارم کے ہمراہ فراہم کرنا ہوگا۔
- (iv) پر کسی کو اجلاس کے وقت اپنا اصل CNIC یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (v) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی مع نامزد کردہ شخص کے خصوصی دستخط کے ساتھ کمپنی کو پر کسی فارم کے ہمراہ اجلاس سے قبل فراہم کرنا ہوگا۔

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

میں / ہم _____ کے _____ خیر پور شوگر ملز لمیٹڈ کے رکن اور _____ عام _____
حصص (شئیرز) کے حامل ہونے کے ناٹے رجسٹرڈ فوئیو نمبر / CDC اکاؤنٹ نمبر _____ کے مطابق _____ پرو
ڈیو کانفرنس کی سہولت کا انتخاب کرتے ہیں۔

رکن کے دستخط

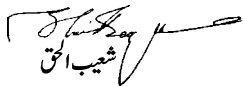
سالانہ اجلاس عام کانوٹس

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ خیرپور شوگر ملز لمیٹڈ (کمپنی) کا 34 واں سالانہ اجلاس عام خیرپور ہاؤس 4/2/51، خیابان جانباز، (26 اسٹریٹ)، D.H.A.، فیڑ-V، ایکسٹینشن، کراچی میں 26 جنوری 2024، کو 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 27 جنوری 2023 کی کاروائی کی توثیق۔
- (2) 30 ستمبر 2023 کو ختم ہونے والے مالی سال کے لیے کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں کے ساتھ چیئر پرسن، ڈائریکٹرز اور آڈیٹرز کی رپورٹ کا جائزہ، غور اور منظوری۔
- (3) اگلے مالیاتی سال اختتام 30 ستمبر 2024 کے لیے آڈیٹرز کا تقرر کرنا اور ان کے مشاہرے کا تعین، بورڈ کی آڈٹ کمیٹی نے ریٹائر ہونے والے آڈیٹرز۔ میسرز ریانا ہارون زکریا اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو اہلیت کی بنیاد پر سفارش کی ہے انہوں نے دوبارہ تقرری کے لیے اپنی خدمات پیش کی ہیں۔
- (4) چیئر مین کی اجازت سے اجلاس سے پہلے رکھے جانے والے دیگر کاروباری امور طے کئے جائیں گے۔

بورڈ کے حکم سے


شعیب الحق
کمپنی سیکریٹری

بتاریخ: 31 دسمبر 2023

کراچی

نوٹس

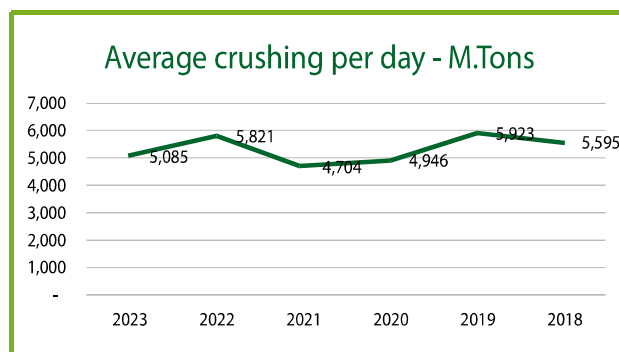
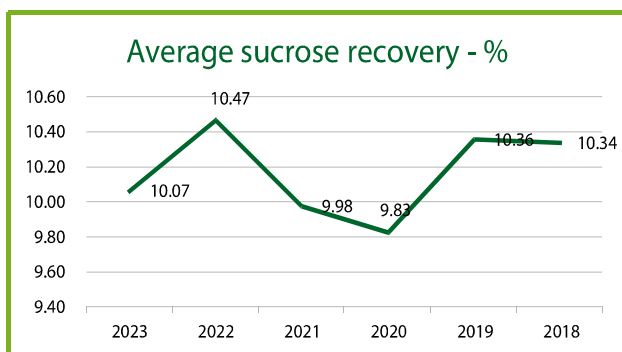
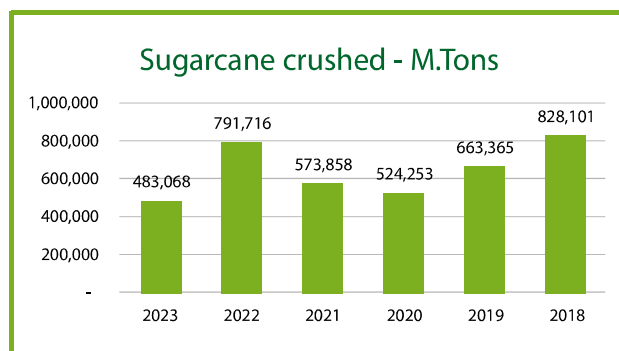
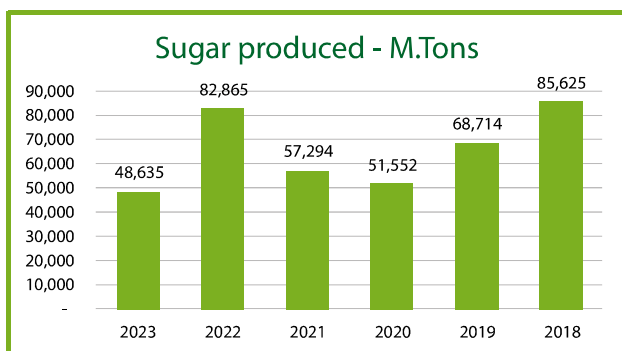
- (1) کمپنی کی حصص (شیررز) منتقلی کی کتابیں 19 جنوری 2024 سے 26 جنوری 2024 تک (دونوں دن سمیت) بند رہے گی۔ کمپنی کے شیئررز رجسٹرار۔ میسرز سی اینڈ کے مینجمنٹ ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کے آفس واقع 404، چوتھی منزل، ٹریڈ ٹاور، عبد اللہ ہارون روڈ، نزد میٹروپول ہوٹل، کراچی فون نمبر 35687839 - 021 اور 35685930 - 021 پر 18 جنوری 2024 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 سکے گا۔
- (2) کمپنی کا ہر رکن ووٹ دینے اور اجلاس میں شرکت کرنے کا اہل ہے اور وہ اپنی جگہ اجلاس میں شرکت اور ووٹ دینے کیلئے اپنا پرکسی مقرر کر سکتا ہے، اس سلسلے میں اسے کمپنی کے رجسٹرڈ آفس کو اجلاس سے کم از کم 48 گھنٹے قبل اوقات کار کے دوران مطلع کرنا ہوگا۔
- (3) حصص یافتگان (شیررز ہولڈرز) کو مشورہ دیا جاتا ہے کہ وہ اپنے پتوں میں کسی بھی تبدیلی کے بارے میں رجسٹرار کو مطلع کریں۔
- (4) سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی طرف سے 2014/787(1) S.R.O. بتاریخ 08 ستمبر 2014 کی ہدایات کے مطابق۔ حصص یافتگان (شیررز ہولڈرز) کے پاس ای میل کے ذریعے سالانہ آڈٹ شدہ مالیاتی بیانات اور سالانہ جزل مینٹگ کانوٹس وصول کرنے کا اختیار ہے۔ کمپنی کے حصص یافتگان (شیررز ہولڈرز) سے درخواست ہے کہ اگر وہ ای میل کے ذریعے سالانہ مالیاتی گوشواروں اور سالانہ جزل مینٹگ کانوٹس وصول کرنا چاہتے ہیں تو وہ کمپنی کے رجسٹرار/ہیڈ آفس کو ہمارے ریکارڈ کو اپ ڈیٹ کرنے کے لیے اپنی رضامندی دیں۔ تاہم، اگر حصص یافتگان (شیررز ہولڈرز)، اس کے علاوہ، آڈٹ شدہ مالیاتی گوشواروں کی ہارڈ کاپی کی درخواست کرتا ہے، تو ایسی درخواست کی وصولی کے سات (7) کام کے دنوں کے اندر اسے مفت فراہم کیا جائے گا۔
- (5) 30 ستمبر 2023، کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کو کمپنی کی ویب سائٹ www.khairpursugar.com.pk پر دستیاب کر دیئے گئے ہیں۔ اس کے علاوہ گزشتہ سالوں کے سالانہ اور سہ ماہی مالیاتی گوشوارے بھی کمپنی کی ویب سائٹ پر دستیاب ہیں۔ مذکورہ بالا بیانات کی پرنٹ شدہ کاپی اراکین کو درخواست پر فراہم کی جاسکتی ہے۔

Six Years' Review Report at a Glance

	2023	2022	2021	2020	2019	2018
OPERATIONAL TRENDS						Restated
Sugarcane crushed - M.Tons	483,068	791,716	573,858	524,253	663,365	828,101
Sugar produced - M.Tons	48,635	82,865	57,294	51,552	68,714	85,625
Average sucrose recovery - %	10.07	10.47	9.98	9.83	10.36	10.34
Crushing days	95	136	122.00	106.00	112.00	148.00
Average crushing per day - M.Tons	5,085	5,821	4,704	4,946	5,923	5,595
BALANCE SHEET						
						FIGURES IN MILLION
Share capital	160.18	160.18	160.18	160.18	160.18	160.18
Shareholders' equity	4,005.10	2,673.16	1,563.08	957.46	990.88	207.37
Non current liabilities	1,317.62	327.02	1,234.78	901.97	810.52	1,118.13
Current liabilities	3,425.45	3,148.04	2,436.43	1,804.63	2,171.88	2,403.29
Total Equity & Liabilities	8,748.17	6,148.22	5,234.29	3,664.06	3,973.28	3,728.79
Fixed Assets	5,046.60	3,338.54	3,255.52	2,332.10	2,317.19	1,608.01
Other non current assets	20.70	21.79	9.22	10.29	10.28	7.86
Current assets	3,680.87	2,787.91	1,969.55	1,321.67	1,645.81	2,112.91
Total assets	8,748.17	6,148.22	5,234.29	3,664.06	3,973.28	3,728.79
FINANCIAL TRENDS						
						FIGURES IN MILLION
Turnover	4,487.20	6,180.85	4,589.43	4,290.85	4,252.27	4,237.32
Gross profit	796.90	856.09	698.58	509.12	395.43	41.86
Operating profit	528.17	545.40	471.84	341.75	194.66	271.31
Pre-tax (loss)/profit	113.46	219.33	178.74	5.35	(85.12)	91.96
After-tax (loss)/profit	17.36	116.92	82.54	(33.97)	(64.00)	3.67
CASH FLOWS						
						FIGURES IN MILLION
Operating activities	(373.18)	47.67	(179.35)	92.78	(142.68)	496.81
Investing activities	(164.73)	(202.16)	(218.60)	(111.74)	(247.92)	(93.98)
Financing activities	389.64	238.33	440.30	(11.16)	447.19	(415.96)
Cash and cash equivalents at the end of the year	28.30	176.57	92.72	50.37	80.50	23.91
PROFITABILITY INDICATIONS						
Gross profit margin (%)	17.76	13.85	15.22	11.87	9.30	0.99
Net profit/(loss) margin (%)	0.39	1.89	1.80	(0.79)	(1.51)	0.09
LIQUIDITY RATIOS						
Current Ration (Times)	1.07	0.89	0.81	0.73	0.76	0.88
Quick/Acid test ratio (Times)	0.42	0.39	0.42	0.50	0.36	0.39

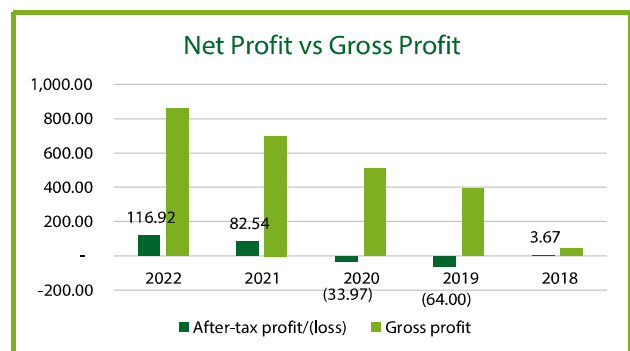
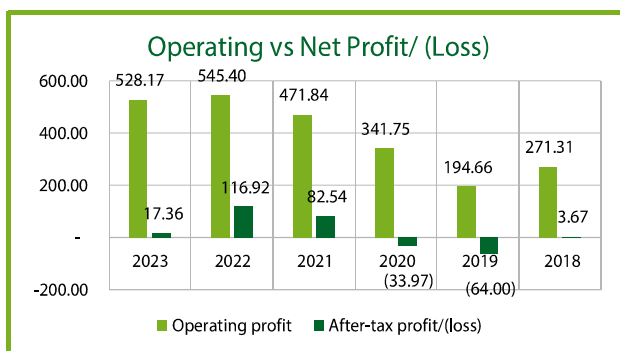
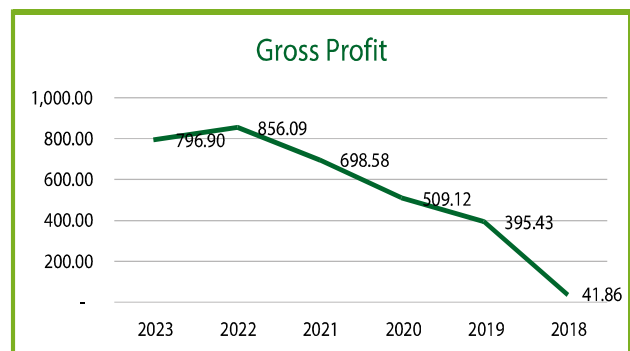
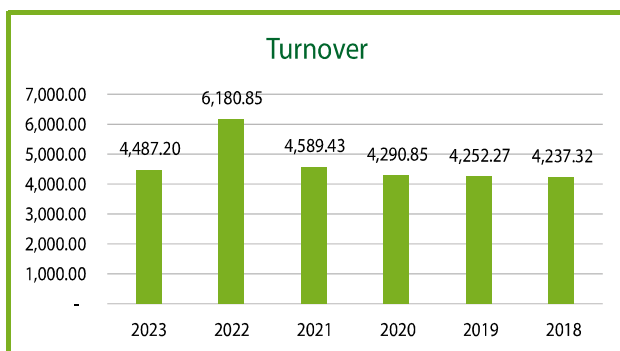
Key Operating Highlights

Production Highlights



Key Operating Highlights

Financial Highlights



DuPont Analysis

	2023	2022	2021	2020	2019	2018
Operating Margin (%)	11.77	8.82	10.28	7.96	4.58	6.40
Asset Turnover (Times)	0.60	1.09	1.03	1.12	1.10	1.15
Intrest burdon/ efficiency (%)	15.30	53.31	46.18	(634.95)	75.19	3.99
Tax burden /efficiency (%)	21.48	40.21	37.88	1.57	(43.73)	33.89
Leverage (Equity Multiplier)	2.18	2.30	3.35	3.83	4.01	17.98
Return on Equity (%)	0.43	4.37	5.28	(3.55)	(6.46)	1.77

Horizontal Analysis - Last Six Years

	2023		2022		2021		2020		2019		2018	
	(Rupees in Million)	%	(Rupees in Million)	%	(Rupees in Million)	%	(Rupees in Million)	%	(Rupees in Million)	%	(Rupees in Million)	%
Statement of Financial Position												
Assets												
Non-Crrunt Assets	5,067.30	51	3,360.33	3	3,264.74	39	2,342.39	1	2,327.47	44	1,615.87	1
Current Assets	3,680.87	32	2,787.91	42	1,969.55	49	1,321.67	(20)	1,645.81	(22)	2,112.91	3
Total Assets	8,748.17	42	6,148.23	17	5,234.29	43	3,664.06	(8)	3,973.28	7	3,728.78	2
Equity & Liabilities												
Shareholders' Equity	4,005.10	50	2,673.16	71	1,563.08	63	957.46	(3)	990.88	378	207.37	4
Non-Current Liabilities	1,317.62	303	327.02	(74)	1,234.78	37	901.97	11	810.52	(28)	1,118.13	9
Current Liabilities	3,425.45	9	3,148.04	29	2,436.43	35	1,804.63	(17)	2,171.88	(10)	2,403.29	(1)
Equity & Liabilities	8,748.17	42	6,148.22	17	5,234.29	43	3,664.06	(8)	3,973.28	7	3,728.79	2
Turnover & Profit												
Turnover-Net	4,487.20	(27)	6,180.85	35	4,589.43	7	4,290.85	1	4,252.27	0.35	4,237.32	44
Gross Profit/(Loss)	796.90	(7)	856.09	23	698.58	37	509.12	29	395.43	845	41.86	(78)
Operating Profit/(Loss)	528.17	(3)	545.40	16	471.84	38	341.75	76	194.66	(28)	271.31	364
Pre-tax (loss)/profit	113.46	(48)	219.33	23	178.74	3,241	5.35	(106)	(85.12)	(193)	91.96	(183)
After-tax (loss)/profit	17.36	(85)	116.92	42	82.54	343	(33.97)	(47)	(64.00)	(1,844)	3.67	(104)

Vertical Analysis - Last Six Years

	2023		2022		2021		2020		2019		2018	
	(Rupees in Million)	%	(Rupees in Million)	%	(Rupees in Million)	%	(Rupees in Million)	%	(Rupees in Million)	%	(Rupees in Million)	%
Statement of Financial Position												
Assets												
Non-Crrunt Assets	5,067.30	58	3,360.33	55	3,264.74	62	2,342.39	64	2,327.47	59	1,615.87	43
Current Assets	3,680.87	42	2,787.91	45	1,969.55	38	1,321.67	36	1,645.81	41	2,112.91	57
Total Assets	8,748.17	100	6,148.23	100	5,234.29	100	3,664.06	100.00	3,973.28	100	3,728.78	100
Equity & Liabilities												
Shareholders' Equity	4,005.10	46	2,673.16	43	1,563.08	30	957.46	26	990.88	25	207.37	6
Non-Current Liabilities	1,317.62	15	327.02	5	1,234.78	24	901.97	25	810.52	20	1,118.13	30
Current Liabilities	3,425.45	39	3,148.04	51	2,436.43	47	1,804.63	49	2,171.88	55	2,403.29	64
Equity & Liabilities	8,748.17	100	6,148.22	100	5,234.29	100	3,664.06	100	3,973.28	100	3,728.79	100
Turnover & Profit												
Turnover-Net	4,487.20		6,180.85		4,589.43		4,290.85		4,252.27		4,237.32	
Gross Profit	796.90		856.09		698.58		509.12		395.43		41.86	
Operating Profit	528.17		545.40		471.84		341.75		194.66		271.31	
Pre-tax (loss)/profit	113.46		219.33		178.74		5.35		(85.12)		91.96	
After-tax profit/(loss)	17.36		116.92		82.54		(33.97)		(64.00)		3.67	

Summary of Cash Flow-Last Six Years

	2023	2022	2021	2020	2019	2018
	----- (Rupees in Thousand) -----					
Net Cash (used in)/generated from operating activities	(373,181)	47,671	(179,354)	92,780	(142,680)	496,805
Net Cash (used in)/generated from investing activities	(164,725)	(202,157)	(218,597)	(111,742)	(247,922)	(93,984)
Net Cash (used in)/generated from financing activities	389,641	238,327	440,302	(11,168)	447,197	(415,961)
Changes in cash and cash equivalents	(148,265)	83,841	42,351	(30,130)	56,595	(13,140)
Cash and cash equivalents - beginning of the year	176,565	92,724	50,373	80,503	23,908	37,048
Cash and cash equivalents - Year end	28,300	176,565	92,724	50,373	80,503	23,908

Directors' Report to Members

Respected Members

Assalam-o-Alaikoom

On behalf of the Board of Directors, it is our privilege to present before you the 34th Annual Report of your Company with the audited financial statements for the year ended September 30, 2023:

	2023	2022
	<i>Rupees in '000'</i>	
Profit before Taxation	113,458	219,329
Taxation	(96,100)	(102,408)
Profit after taxation	17,358	116,921
Profit per share - Basic & diluted	1.08	7.30

PERFORMANCE REVIEW

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

	2022-23	2021-2022
	SEASON	
Season started	29-11-2022	13-11-2021
Season closed on	03-03-2023	29-03-2022
Number of days worked	95	136
Sugarcane crushing (MT)	483,067.94	791,716.14
Recovery (%) sugar	10.06	10.46
Recovery (%) molasses	5.59	5.11
Production - sugar (MT)	48,635.00	82,865.00
Production - molasses (MT)	27,046.27	40,504.00

The crushing season 2022-23 started on November 29th, 2022 ended on March 3rd, 2023 after crushing 483,067.94 MT sugar-cane thereby produced 48,635.00 MT of Sugar with average recovery of 10.067% in 95 days, as compared to crushing of 791,716.14 MT sugar-cane and producing 82,865.00 MT of sugar with average recovery of 10.467% in 136 days in corresponding of last year/season (2021-22).

During crushing season 2022-23, the Government of Sindh had notified the sugarcane price and fixed the price/ Mound @ 302/Mound which was already 52/Mound in excess of previous crushing season 2021-22. 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. 528,174 million as compared to operating profit of Rs. 545.402 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/ (LOSS) PER SHARE

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

	2022-23	2021-22
Basic and diluted	1.08	7.30

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. 658.901 (916.141 - 2022) 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 there from 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

- (1) The sugar cane crushing season 2023-24 started from 16-11-2023 and by the date of this report your mill produced 29,975 MT Sugar with average recovery of 9.922%. The Government of Sind (Agriculture Supply & Prices Department) has issued a notification fixing the minimum sugarcane support price at Rs. 425/- (Rupees four hundred and twenty-five only) per 40 kg (Mds) for crushing season 2023-24. Due to which growers are getting more than the previous year and fair return of their efforts.
- (2) Sugar prices started to show the stability plus the prices of molasses continuously increasing combining it with the increasing trend in recovery % with stability in finance cost would help to maintain the profitability for upcoming year.
- (3) 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

Sr. No	Name of Director	Number of meeting attended
01.	Mr. Muhammad Mubeen Jumani	08
02.	Mr. Faraz Mubeen Jumani	08
03.	Mr. Fahad Mubeen Jumani	07
04.	Mrs. Qamar Mubeen Jumani	06
05.	Miss. Arisha Mubeen Jumani	06
06.	Mr. Asif Khan Brohi	04
07.	Lt. Gen.(R) Tahir Mahmud Qazi	04

AUDIT COMMITTEE

The Company has established Independent 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 is non-executive Director). The Audit Committee met 4 (four) meetings during the year; attendance of the meeting is as follows:

Sr. No	Name of Director	Number of meeting attended
01.	Lt. Gen. (R) Tahir Mahmud Qazi	04
02.	Mr. Asif Khan Brohi	04
03.	Mrs. Qamar Mubeen Jumani	04

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 Independent non-executive Director. The HR and Remuneration Committee met once during the year. Attendance of the meeting is as follows:

Sr. No.	Name of Director	Number of meeting attended
01.	Lt. Gen. (R) Tahir Mahmud Qazi	01
02.	Mr. Asif Khan Brohi	01
03.	Mr. Muhammad Mubeen Jumani	01

AUDITORS

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

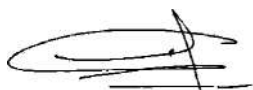
The Audit Committee has recommended to consider the re-appointment of M/s Reanda Haroon Zakaria & Company, Chartered Accountants as Auditors of the Company for next year ending September 30, 2024.

PATTERN OF SHARE-HOLDING

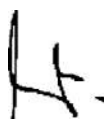
The pattern of shareholding as on September 30, 2023 in accordance with the requirements of Code of Corporate Governance and a statement reflecting distribution of shareholding is separately annexed to this report.

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

Dated: December 28, 2023
Place: Karachi

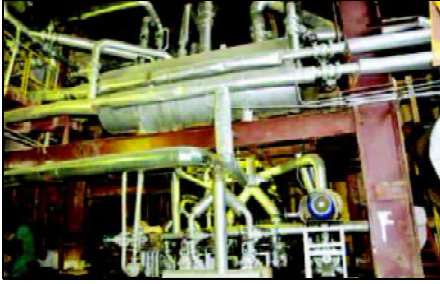
آڈٹ کمیٹی

کمپنی نے کوڈ آف کارپوریٹ گورننس میں ضرورت کے مطابق آزاد آڈٹ کمیٹی قائم کی ہے۔ آڈٹ کمیٹی تین ارکان ان پر مشتمل ہے (جن میں سے دو آزاد نان ایگزیکٹو ڈائریکٹر ہیں اور ایک نان ایگزیکٹو ڈائریکٹر ہے)۔ آڈٹ کمیٹی نے سال کے دوران 4 (چار) اجلاس منعقد کئے۔ اجلاس کی حاضری اور ڈائریکٹرز کے نام کے ساتھ حسب ذیل ہے۔

سیریل نمبر	ڈائریکٹر کا نام	اجلاس میں شرکت کی تعداد
1.	لیفٹیننٹ جنرل (ر) طاہر محمود قاضی	04
2.	جناب آصف خان بروہی	04
3.	محترمہ قمر مبین جمانی	40

ہیومن ریسورس (HR) اور معاوضہ کمیٹی کی اجلاس

کمپنی نے کوڈ آف کارپوریٹ گورننس میں مطلوبہ ہیومن ریسورس (HR) اور معاوضہ کمیٹی قائم کی ہے۔ ہیومن ریسورس (HR) اور معاوضہ کمیٹی تین اراکین پر مشتمل ہے (جن میں سے دو آزاد غیر ایگزیکٹو ڈائریکٹر ہیں)۔ ایگزیکٹو ڈائریکٹر بھی کمیٹی کے رکن ہیں۔ کمیٹی کے چیئرمین آزاد غیر ایگزیکٹو ڈائریکٹر ہیں۔ ہیومن ریسورس (HR) اور معاوضہ کمیٹی سال میں ایک بار اجلاس منعقد کرتے ہیں۔ اجلاس کی حاضری اور ڈائریکٹرز کے نام کے ساتھ حسب ذیل ہے۔



سیریل نمبر	ڈائریکٹر کا نام	اجلاس میں شرکت کی تعداد
1.	لیفٹیننٹ جنرل (ر) طاہر محمود قاضی	01
2.	جناب آصف خان بروہی	01
3.	جناب محمد مبین جمانی	01

آڈیٹرز

موجودہ آڈیٹرز - میسرز یاندا اہارون زکریا اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ہیں جنہوں نے اگلے سال کیلئے بحیثیت آڈیٹرز کیلئے خود کو تقرری کے لیے پیش کیا ہے اور رضامندی ظاہر کی ہے۔ آڈٹ کمیٹی نے 30 ستمبر 2024 کو ختم ہونے والے اگلے سال کے لیے میسرز یاندا اہارون زکریا اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو کمیٹی کے آڈیٹرز کے طور پر دوبارہ تعینات کرنے پر غور کرنے کی سفارش کی ہے۔

شیئرز ہولڈنگس کا بیٹرن

کوڈ آف کارپوریٹ گورننس کے تقاضوں کے مطابق 30 ستمبر 2023 تک شیئرز ہولڈنگس کا بیٹرن اور شیئرز ہولڈنگس کی تقسیم کی عکاسی کرنے والا بیان الگ سے اس رپورٹ کے ساتھ منسلک ہے۔

اعتراف

ہم اپنی انتظامیہ کے اراکین، کمیٹی کے عملے و دیگر ملازمین اور منسلک افراد جنہوں نے اس مقصد کے حصول کی خاطر ان کی کوششوں کا اعتراف کرتے ہوئے شکر یہ ادا کرتے ہوئے خوشی محسوس کرتے ہیں۔ ہم اپنے صارفین، قابل قدر حصص داران، سپلائرز، حکومتی اداروں کے نمائندوں، ایسوسی ایٹس، بینکرز و مالیاتی اداروں کے نمائندے اور تمام اسٹیک ہولڈرز کے تعاون کو بھی قدر کی نگاہ سے دیکھتے ہیں اور شکر یہ ادا کرنا چاہتے ہیں۔ اللہ تعالیٰ ہماری کوششوں میں خیر و برکت عطا فرمائے آمین!

بورڈ آف ڈائریکٹرز کی جانب سے

خیر پور شوگر ملز لمیٹڈ

(محمد مبین جمانی)
ڈائریکٹر

(فراس مبین جمانی)
چیف ایگزیکٹو آفیسر

تاریخ: 28 دسمبر 2023
مقام: کراچی

- گزشتہ 6 (چھ) سالوں کے اہم آپریشنز اور مالیاتی ڈیٹا کا خلاصہ منسلک کیا گیا ہے۔
- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی رخصتی نہیں ہوئی ہے، جیسا کہ لسٹنگ ریگولیشن کے ضوابط میں سے بتایا گیا ہے۔
- ٹیکس اور لیویز کے بارے میں معلومات مالی بیانات کا حصہ بننے والے نوٹس میں موجود ہے۔
- اس میں کوئی شک نہیں کہ کمپنی کی صلاحیت ہے کہ مسلسل چلتی رہے۔

مستقبل کی توقعات

(1) گنے کی کرشنگ سیزن 2023-24 کا آغاز 2023-11-16 سے ہوا اور اس رپورٹ کی تاریخ تک آپ کی مل نے 9.922 فیصد کی اوسط ریکوری کے ساتھ MT 29,975 چینی پیدا کی۔ حکومت سندھ (ایگریکلچر سپلائی اینڈ پرائس ڈیپارٹمنٹ) نے 2023-24 کے کرشنگ سیزن کے لئے گنے کی کم از کم قیمت -/425 (صرف چار سو پچیس روپے) فی 40 کلوگرام (MDS) روپے مقرر کرنے کا نوٹیفکیشن جاری کیا ہے۔ جس کی وجہ سے کاشتکاروں کو پچھلے سال کی نسبت زیادہ منافع مل رہا ہے جو کہ ان کی کوششوں کا منصفانہ منافع ہے۔



- (2) چینی کی قیمتوں میں استحکام ظاہر ہونا شروع ہو گیا ہے اور گڑ کی قیمتوں میں مسلسل اضافہ اور اس کے ساتھ ریکوری کے بڑھتے ہوئے رجحان کے ساتھ مالیاتی لاگت میں استحکام آنے والے سال کے لیے منافع کو برقرار رکھنے میں مدد کرے گا۔
- (3) ان تمام عوامل کا کمپنی کے آپریشن پر مثبت اثر پڑے گا جس کی وجہ سے آپ کی کمپنی اگلے مالی سال کو معقول منافع کے ساتھ بند کرنے کی توقع کر رہی ہے۔

صنعتی تعلق

کمپنی کے اندر کام میں ماحولیاتی ہم آہنگی اور صنعتی دوستانہ کے تعلقات کا ماحول قائم ہے۔

بورڈ کا اجلاس

بورڈ کے اجلاس میں شرکت کی تعداد	ڈائریکٹر کا نام	سیریل نمبر
08	جناب محمد مبین جمانی	.1
08	فراز مبین جمانی صاحب	.2
07	جناب فہد مبین جمانی	.3
06	محترمہ قمر مبین جمانی	.4
06	مس اریشہ مبین جمانی	.5
04	جناب آصف خان بروہی	.6
04	لیفٹیننٹ جنرل (ر) طاہر محمود قاضی	.7

کرشنگ سیزن 2023-22 کے دوران حکومت سندھ نے گنے کی قیمت 302 روپے پر فی من مقرر کی تھی جو پچھلے کرشنگ سیزن 2022-21 کے مقابلے میں پہلے ہی 52 روپے فی من اضافی تھی۔ تاہم، سیزن کے دوران گنے کی خریداری کے مقابلے کی وجہ سے کمپنی کو کم از کم قیمت پر فی من اضافی ادائیگی کرنا پڑی۔ مندرجہ بالا تمام چیزوں کو مد نظر رکھتے ہوئے، ہماری مل نے 528,174 Rs. ملین کا آپریٹنگ منافع کمایا۔ اس کے مقابلے میں پچھلے سال کی اسی مدت کے دوران 545.402 ملین روپے کے آپریٹنگ منافع کمایا، جو کہ پہلے بیان کی گئی شرائط اور حدود میں برابر ہے۔

ڈیویڈنڈ

چونکہ جمع شدہ منافع بہت کم ہے اور سال کا منافع بھی اتنا زیادہ نہیں ہے اسی لیے ڈائریکٹرز نے کوئی بھی ڈیویڈنڈ تقسیم نہ کرنے کا فیصلہ کیا ہے۔



کمائی / (نقصان) فی شیئر

پچھلے سال کے مقابلے میں فی حصص کمائی / (نقصان) ذیل میں دی گئی ہے:

2021-22	2022-23
7.30	1.08

بنیادی اور رفتی فی حصہ

ماحولیات

ماحولیاتی خطرات کی بہتری کے لیے خیر پور شوگر ملز لمیٹڈ نے ترجیحی بنیادوں پر دیکھ بھال کی ہے۔ سندھ کے ماحولیاتی تحفظ ایجنسی کی مجریہ (SEPA) ایکٹ 2013 کے مطابق جامع حکمت عملی مرتب کی گئی ہے۔ اس پالیسی کے نفاذ پر پانی اور نکاسی آب کا استعمال کم کر دیا گیا ہے۔ سندھ انوائرنمنٹل پروٹیکشن ایجنسی (SEPA) اور غیر ملکی ماہرین کنسلٹنٹ (ویسٹ واٹر) کی خدمات سے منظوری کے بعد، 3000 کیوبک میٹر روزانہ کی صلاحیت والا تلفی پانی کارٹریجنٹ پلانٹ نصب کیا گیا ہے۔ جو کہ پانی کی قلت کو ختم کرنے اور آلودگی کے خاتمے کے لیے زرعی شعبے کے استعمال کے لیے دوبارہ کارآمد ثابت ہو گا۔

کارپوریٹ سماجی ذمہ داری

ہم اس کام کو اپنی ذمہ داری سمجھتے ہیں کہ مندرجہ بالا ضروریات کیلئے آباد 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 ہیں۔

قومی خزانے میں اعانت

کمپنی نے مجموعی طور پر 658.901 (916.141 - 2022) ملین روپے سرکاری خزانے میں ٹیکسز، لیویز، ایکسائز ڈیوٹی اور سیلز ٹیکس کی شکل میں جمع کرائے۔

کارپوریٹ حکمرانی

ڈائریکٹرز کو یہ بتاتے ہوئے خوشی ہو رہی ہے کہ آپ کی کمپنی نے SECP اور PSX کے قانونی اور انتظامی ضابطوں کی تعمیل کی ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کا بیان

- کمپنی کی انتظامیہ کی جانب سے فنانشل گوشوارہ میں موجودہ امور کی حالت، آپریٹنگ کے نتائج، کیش فلوا اور ایکویٹی تبدیلیوں کو شفاف طریقے سے پیش کیا ہے۔
- اکاؤنٹس کو مناسب کتابوں میں کمپنی نے موزوں طریقے سے برقرار رکھا ہے۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو بروئے کار لایا گیا ہے اور اکاؤنٹ اسٹیٹمنٹ موزوں اور زیرک فیصلے کی بنیاد پر کئے گئے ہیں۔
- ان مالیاتی بیانات کی تیاری میں پاکستان میں لاگو ہونے والے بین الاقوامی اکاؤنٹنگ معیارات (IFRS) کی پیروی کی گئی ہے۔

ڈائریکٹر ز رپورٹ برائے ممبران

معزز اراکین

السلام علیکم

آپ کے ڈائریکٹر ز کی جانب سے 30 ستمبر 2023 کے اختتامی سال کے لیے کمپنی کی 34 ویں سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے آپ کے سامنے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

2022	2023	مالیاتی نتائج کے اعداد و شمار
	(روپے ہزار میں)	
219,329	113,458	قبل از ٹیکس منافع
(102,408)	(96,100)	ٹیکس
116,921	17,358	بعد از ٹیکس منافع
7.30	1.08	فی حصص (شیرز) منافع / (نقصان) - بنیادی ورتیق

کارکردگی کا جائزہ

پچھلے سیزن کے مقابلے کر شنگ سیزن کے آپریٹنگ نتائج کا یہاں ذیل میں ذکر کیا گیا ہے:

2021-22	2022-23	سیزن
13-11-2021	29-11-2022	سیزن کا آغاز
29-03-2022	03-03-2023	سیزن کا اختتام
136	95	کام کا دورانیہ
791,716.14	483,067.94	گنا کرش کیا گیا (میٹرک ٹن)
10.46	10.06	پیداوار شوگر کی ریکوری (فیصد)
5.11	5.59	مولاسیس کی ریکوری (فیصد)
82,865.00	48,635.00	چینی کی پیداوار (میٹرک ٹن)
40,504.00	27,046.27	مولاسیس کی پیداوار (میٹرک ٹن)



کر شنگ سیزن 2022-23 کا آغاز مورخہ 29 نومبر 2022 اور اختتام مورخہ 3 مارچ 2023 کو ہوا، اس دوران 483,067.94 میٹرک ٹن گنے کی کر شنگ کی جس سے 48,635.00 میٹرک ٹن چینی پیدا ہوئی ہے جو کہ اوسط ریکوری 10.067 فیصد 95 دنوں میں حاصل ہوا۔ اس کے مقابلے میں گزشتہ سال / سیزن (2021-22) کو 791,716.14 میٹرک ٹن گنے کی کر شنگ سے 82,865.00 میٹرک ٹن چینی بنی تھی جو کہ اوسط ریکوری % 10.467 فیصد 136 دنوں میں حاصل کیا تھا۔

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 2022-23 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 2022-23 due to which finance cost finished on the record high. All these factors contributed in the dilution of profitability.

- (1) On the other hand, the prices of sugar have shown upward trend in the domestic market.
- (2) Further, company also manage to export 2500 MT on above average rate.
- (3) 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.
- (4) However, the impacts which have been narrated in previous paragraph taken a significant portion of profitability. But even then, the company managed to close the financial year 2023 with profitability which is good and promising sign.

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 taming 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.



Mrs. Qamar Mubeen Jumani
Chairperson

Dated: December 28, 2023
Place: Karachi

چیئر مین کی جائزہ رپورٹ

محترم اراکین

اسلام علیکم

بورڈ آف ڈائریکٹرز کی جانب سے، مجھے آپ کے سامنے بورڈ کی مجموعی کارکردگی اور کمپنی ایکٹ 2017 کے سیکشن 192 کے مطابق مجموعی تنظیمی مقاصد کے حصول میں بورڈ کی طرف سے ادا کیے گئے کردار کی تاثیر کے بارے میں جائزہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔

کمپنی مالی سال 2022-23 متعدد چیلنجوں کے ساتھ شروع ہوا جن کا تعلق نہ صرف مالیاتی عوامل سے تھا بلکہ غیر مالیاتی عوامل سے بھی تھا۔ موجودہ سیاسی عدم استحکام موجودہ سیاسی حالات، موجودہ معاشی بد حالی 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 موجودہ معاشی بد حالی اور بڑھ گئی تھی۔ گئے کی خریداری کی قیمت میں نمایاں اضافہ ہوا۔ مزید یہ کہ اسٹیٹ بینک آف پاکستان کی جانب سے 2022-23 کے اکاؤنٹنگ سال کے دوران پالیسی ریٹس 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۔

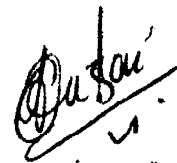
- (1) دوسری جانب مقامی مارکیٹ میں چینی کی قیمتوں میں اضافے کا رجحان دیکھا گیا ہے۔
- (2) مزید یہ کہ کمپنی نے 2500 میٹرک ٹن چینی برآمد کرنے کا بھی انتظام کیا جو کہ اوسط کی شرح سے اوپر ہے۔
- (3) گرتے ہوئے فلم ایوپورٹری کی تنصیب کی وجہ سے حاصل ہونے والی کمپنی نے اضافی مقدار میں بیگاس کو فروخت کر کے ایک بھاری رقم کی بچت کی ہے۔
- (4) تاہم، پچھلے پیرا گراف میں بیان کیے گئے اثرات نے منافع کا ایک اہم حصہ لیا۔ لیکن اس کے باوجود، کمپنی مالی سال 2023 کو منافع کے ساتھ بند کرنے میں کامیاب رہی جو کہ اچھی اور امید افزا علامت ہے۔

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

بورڈ کو کمیٹیوں سے مدد ملتی ہے۔ آڈٹ کمیٹی مالیاتی گوشواروں کا جائزہ لیتی ہے اور اس بات کو یقینی بناتی ہے کہ متواتر / سالانہ مالیاتی بیانات کمپنی کی حقیقی مالی حالت کی منصفانہ نمائندگی کرتے ہیں۔ یہ اندرونی کنٹرول کی تاثیر کو بھی یقینی بناتا ہے۔ HR کمیٹی HR پالیسی فریم ورک کا جائزہ لیتی ہے اور کمپنی کی جانب سے کی جانے والی جانشینی کی منصوبہ بندی پر مسلسل نظر رکھنے کے ساتھ سینئر مینجمنٹ ٹیم کے انتخاب اور معاوضے کی سفارش کرتی ہے۔ بورڈ کارکردگی میں اضافہ اور مختلف مہمات کے ذریعے حصص یافتگان کی قدر بڑھانے کے لئے کارروائی اور ٹیمنگ کمیونٹی کی ترقی میں پائیدار شراکت کے لئے مدد فراہم ہو۔

آخر میں میں قیادت کی ٹیم کے ہر ایک رکن اور کمپنی کے ملازمین کی بے پناہ شراکت اور عزم کو تسلیم کرنا چاہوں گا، جنہوں نے کمپنی کی مسلسل ترقی اور کامیابی کو ہم آہنگ کرنے میں اپنا کردار ادا کیا۔

شکریہ،



محترمہ قمر مبین جہانی

چیئر پرسن

مورخہ: 28 دسمبر 2023

مقام: کراچی

Statement of Compliance with Listed Companies

(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Khairpur Sugar Mills Limited (the Company) has complied with the requirements of listed Companies (Code of Corporate Governance) Regulations 2019, in the following manner:

Name of Company : **KHAIRPUR SUGAR MILLS LIMITED**

For the Year ended : **SEPTEMBER 30, 2023**

1. The total number of Directors are seven as per the following:

Sr. No.	Category	Number
a)	Male:	Five (5)
b)	Female:	Two (2)

2. The composition of the Board is as follows:

Sr. No.	Category	Number
(i)	Independent Directors	Mr. Asif Khan Brohi Lt. Gen (Rtd.) Tahir Mahmud Qazi
(ii)	Non-Executive Directors	Mr. Fahad Mubeen Jumani Mrs. Qamar Mubeen Jumani Miss. Arisha Mubeen Jumani
(iii)	Executive Directors	Mr. Muhammad Mubeen Jumani Mr. Faraz Mubeen Jumani
(iv)	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.

- The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this, Company.
- 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.
- The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of The Companies Act 2017 (the Act) and the Regulations.
- 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.

8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations.
9. Out of the seven (7) Directors, five (5) directors of the company meet the exemption requirements for the Director Training Program (DTP). The remaining two (2) directors, who were independent directors, who have not taken/attended the Director Training Program (DTP) and/or registered with the notified institute, did have the requisite experience and knowledge to discharge and execute their duties competently.
10. There were no new appointments of the Chief Financial Officer, Company Secretary and the head of internal audit, however, all such appointments including their remuneration and terms and conditions of employment are complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board had formed committees comprising of members given below:

Sr. No.	Name of Committee	Composition	
		Name	Designation
(i)	Audit Committee	Mr. Asif Khan Brohi	Chairman/Member
		Lt. Gen. (Rtd.) Tahir Mahmud Qazi	Member
		Mrs. Qamar Mubeen Jumani	
(ii)	Human Resource and Remuneration Committee	Mr. Asif Khan Brohi	Chairman/Member
		Lt. Gen. (Rtd.) Tahir Mahmud Qazi	Member
		Mrs. Qamar Mubeen Jumani	

13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committees for compliance.
14. The frequency of meetings (quarterly/half yearly/yearly) were during the financial year as per following:

Sr. No.	Name of Committee	Number of meetings held during the Financial Year ended September 30, 2023
01.	Audit Committee:	Four (04)
02.	Human Resource and Remuneration Committee	One (01)

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan (ICAP) and that they and the partners of the firm involved in the audit are not a close relative (spouse, parents, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, head of Internal Audit, Company Secretary or Director of the company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;

19. Explanation for non-compliance with requirements, other than Regulations 3, 7, 8, 27, 32, 33 and 36 are given below:

Sr. No.	Requirement	Regulation Number	Explanation of Non - Compliance
01.	<p>Appointment of Independent Directors in terms of section 166(1) of The Companies Act 2017 and Code of Corporate Governance Regulations, 2019: As per the provision of Section 166(1) of The Companies Act 2017 and Code of Corporate Governance Regulations, 2019 the Independent Director should be elected from the Pakistan Institute of Corporate Governance (PICG) database bank's nomination process.</p>	06	The Current term of the company board is going to over in April 23, 2024, and the company is committed to elect new Independent Director form the database of the Pakistan Institute of Corporate Governance (PICG) to make necessary compliance in this regard.
02.	<p>Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.</p>	29	Currently, the board has not constituted a separate Nomination Committee and the functions are being performed by the Human Resource & Remuneration Committee. The Board will constitute a Nomination Committee before the end of the next financial year.
03.	<p>Risk Management Committee: The Board may constitute the risk management committee of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.</p>	30	Currently, the board has not constituted a risk Management committee and senior officers of the Company performs the requisite-functions and apprises the Board accordingly. The Board will constitute a Risk Management Committee before the end of the next financial year.



Mrs. Qamar Mubeen Jumani
Chairperson

Dated: December 28, 2023
Place: Karachi

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, 2023 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, 2023.

Further we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the Statement of Compliance:

- Two (2) directors of the Company, who are independent directors, were not elected from the Pakistan Institute of Corporate Governance (PICG) database bank as required by section 166(1) of the Companies Act 2017.
- The Company has explained the non-compliance of Director Training Program and non-constitution of separate Nomination, and Risk Management Committee in the statement of Compliance.


Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Date: December 29, 2023
UDIN: CR202310127KF5AgHUBv

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, 2023, 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, 2023 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 is the key audit matter:

Key Audit Matter	How the matter was addressed in our audit
1. Revaluation of Property, Plant & Equipment	
<p>The company follows revaluation model for its property, plant, and equipment.</p> <p>As at September 30, 2023, the carrying value of property, plant and equipment after revaluation was Rs 4,848/- million which included an amount of Rs 450/- million relating to land, an amount of Rs 3,766/- million relating to plant and machinery and an amount of Rs 632/- million relating to buildings.</p> <p>The fair value of the company's property, plant and equipment was assessed by management based on independent valuation performed by an external valuation expert as of September 30, 2023.</p> <p>We identified valuation of property, plant, and equipment as key audit matter due significant carrying value and significant management judgement</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • Obtained valuation report of external valuation expert. • Evaluated the qualification, independence, experience, and competency of external valuation expert engaged by the company as valuation expert. • Obtained understanding of valuation processes and techniques adopted by valuation expert to assess whether they are in line with company's norms. • Assessed the adequacy of related disclosures in the annexed financial statements.

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 for the year ended September 30, 2023 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

Date: December 29, 2023

UDIN: AR202310127i0BI4gKvT

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, 2023

	Note	2023	2022
		Rupees in '000'	
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	5,046,600	3,338,541
Intangible assets	5	7,872	8,286
Long term deposits	6	12,832	13,482
		5,067,304	3,360,309
Current Assets			
Trade debts		12,210	56,813
Stores, spares and loose tools	7	269,993	156,813
Stock in trade	8	2,249,478	1,554,011
Short term investment		22,300	-
Loans and advances	9	804,562	605,380
Deposits, prepayments and other receivables	10	294,027	238,324
Cash and bank balances	11	28,300	176,565
		3,680,870	2,787,906
Total Assets		8,748,174	6,148,215
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		234,411	171,329
Surplus on revaluation of property, plant and equipment - net	13	2,469,860	1,200,998
Subordinated loan	14	1,140,657	1,140,657
Shareholders' equity		4,005,103	2,673,159
Non-Current Liabilities			
Long term financing	15	482,539	-
Deferred liabilities	16	802,237	287,762
Lease liabilities	17	32,846	39,256
		1,317,622	327,018
Current Liabilities			
Trade and other payables	18	1,169,004	887,626
Current portion of long term financing	15	-	15,140
Current portion of lease liabilities	17	6,741	7,583
Deferred income		-	3,235
Short term borrowings	19	1,981,248	2,044,499
Accrued markup		203,003	101,862
Provision for taxation	20	65,453	88,093
		3,425,449	3,148,038
Contingencies and Commitment	21		
Total Equity and Liabilities		8,748,174	6,148,215

The annexed notes 1 to 40 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, 2023

Statement of Profit or Loss and Other Comprehensive Income

For the year ended September 30, 2023

	Note	2023 Rupees in '000'	2022
Sales - net	22	4,487,204	6,180,847
Cost of sales	23	(3,690,304)	(5,324,753)
Gross profit		796,900	856,094
Administrative expenses	24	(254,001)	(294,236)
Distribution cost	25	(61,977)	(20,774)
Other incomes	26	54,947	23,168
Other operating expenses	27	(7,695)	(18,850)
		(268,726)	(310,692)
Operating profit		528,174	545,402
Finance cost	28	(414,716)	(326,073)
Profit before taxation		113,458	219,329
Taxation	29	(96,100)	(102,408)
Profit after taxation		17,358	116,921
Other comprehensive income for the year			
(a) Items to be classified subsequently to the statement of profit or loss in subsequent period		-	-
(b) Items that will not be reclassified subsequently to the statement of profit or loss		-	-
		-	-
Total comprehensive income for the year		17,358	116,921
Earning per share - basic and diluted (Rupees)	30	1.08	7.30

The annexed notes 1 to 40 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, 2023

Statement of Changes in Equity

For the year ended September 30, 2023

	<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, 2021	160,175	153,776	1,249,129	-	1,563,080
Profit for the year	-	116,921	-	-	116,921
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
Present value adjustment of long term loan on derecognition	15.1	(147,499)	-	-	(147,499)
Transfer of incremental depreciation from revaluation surplus on property, plant and equipment - 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
Profit for the year	-	17,358	-	-	17,358
Total comprehensive income					
Revaluation surplus arises during the year - net of tax	13	-	1,314,586	-	1,314,586
Transfer of incremental depreciation from revaluation surplus on property, plant and equipment - net of tax	-	45,724	(45,724)	-	-
	-	45,724	1,268,862	-	1,314,586
Balance as at September 30, 2023	160,175	234,411	2,469,860	1,140,657	4,005,103

The annexed notes 1 to 40 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, 2023

Statement of Cash Flows

For the year ended September 30, 2023

	2023	2022
Note	Rupees in '000'	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	113,458	219,329
Adjustment for non-cash charges and other items:		
Depreciation	224,628	170,916
Amortization	414	436
Unwinding of deferred grant	(3,235)	(6,473)
Provision for Workers' Welfare Fund	-	4,599
Provision for Workers' Profit Participation fund	5,083	11,909
Finance cost	414,715	326,073
Gain on disposal	-	(5,853)
Working capital changes	31.1 (742,634)	(445,182)
Cash generated from operations	12,429	275,754
Finance cost paid	(310,338)	(206,311)
Income tax paid	(75,922)	(11,522)
Long term deposits - net	650	(10,250)
Net cash (used in) / generated from operating activities	(373,181)	47,671
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(129,322)	(200,438)
Capital work-in-progress - net	(13,103)	(7,362)
Short term investment	(22,300)	-
Addition in intangibles	-	(2,730)
Proceeds from disposal of property, plant & equipment	-	8,373
Net cash (used in) investing activities	(164,725)	(202,157)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Market Committee fee paid	(4,020)	(4,020)
Long term loans paid	(18,375)	(63,000)
Lease rental paid	(7,252)	(9,829)
Short term finance - net	419,288	315,176
Net cash generated from financing activities	389,641	238,327
Net (decrease) / increase in cash and cash equivalents	(148,265)	83,841
Cash and cash equivalents at the beginning of the year	176,565	92,724
Cash and cash equivalents at the end of the year	28,300	176,565

The annexed notes 1 to 40 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, 2023

Notes to the Financial Statements

For the year ended September 30, 2023

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, DHA, 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.

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

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

Notes to the Financial Statements

For the year ended September 30, 2023

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, 2023

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 Standards, interpretations and amendments to the existing standards that are not yet effective and have not been early adopted by the company

		Effective date (annual reporting periods beginning on or after)
-	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
-	IFRS 04 Insurance Contracts (Amendments)	January 1, 2023
-	IAS 07 Statement of Cash Flows (Amendments)	January 1, 2023
-	IFRS 07 Financial Instruments (Amendments)	January 1, 2023
-	IFRS 16 Leases (Amendments)	January 1, 2024

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.

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.

Notes to the Financial Statements

For the year ended September 30, 2023

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 by applying reducing balance method, 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.

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.

Notes to the Financial Statements

For the year ended September 30, 2023

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.

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.

Notes to the Financial Statements

For the year ended September 30, 2023

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.

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 (“FVOCI”), 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.

Notes to the Financial Statements

For the year ended September 30, 2023

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 FVOCI:

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

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

Financial assets at fair value through P&L

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

3.15.3 Financial liabilities

The Company classifies its financial liabilities in the following categories:

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

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

3.15.4 Subsequent measurement

Financial assets at FVOCI

Elected investments in equity instruments at FVOCI 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 FVOCI 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.

Notes to the Financial Statements

For the year ended September 30, 2023

Financial assets and liabilities at FVTPL

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

3.15.5 Impairment of financial assets at amortized cost

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

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

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

3.15.6 Derecognition

Financial assets

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

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

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

In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVOCI, 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.

Notes to the Financial Statements

For the year ended September 30, 2023

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.

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.

		2023	2022
	<i>Note</i>	<i>Rupees in '000'</i>	
4	PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets - tangible	4.1	4,990,720	3,295,764
Capital work in progress	4.2	55,880	42,777
		5,046,600	3,338,541

Notes to the Financial Statements

For the year ended September 30, 2023

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	Vehicles	
	----- Rupees in '000' -----									
Net book values	300,000	421,900	2,407,924	3,691	26,050	3,532	10,690	20,712	12,585	3,207,084
For the year ended										
September 30, 2022										
Additions during the year	-	14,030	135,002	11,508	4,124	729	48,033	-	48,690	262,116
Transfer from ROUA										
Cost	-	-	25,430	-	-	-	14,713	(25,430)	(14,713)	-
Accumulated Depreciation	-	-	(4,718)	-	-	-	(5,297)	4,718	5,297	-
	-	-	20,712	-	-	-	9,415	(20,712)	(9,415)	-
Disposal										
Cost	-	-	-	-	-	-	10,302	-	-	10,302
Accumulated Depreciation	-	-	-	-	-	-	(7,782)	-	-	(7,782)
	-	-	-	-	-	-	2,520	-	-	2,520
Depreciation for the year	-	(21,661)	(125,608)	(979)	(2,913)	(414)	(8,969)	-	(10,372)	(170,916)
Net book values	300,000	414,269	2,438,030	14,220	27,261	3,847	56,649	-	41,488	3,295,764
For the year ended										
September 30, 2023										
Additions during the year	-	-	104,198	1,215	1,928	6,549	15,432	-	-	129,322
Transfer from ROUA										
Cost	-	-	-	-	-	-	4,953	-	(4,953)	-
Accumulated Depreciation	-	-	-	-	-	-	(4,953)	-	4,953	-
	-	-	-	-	-	-	-	-	-	-
Revaluation during the year	150,000	246,580	1,393,681	-	-	-	-	-	-	1,790,262
Depreciation for the year	-	(28,702)	(169,097)	(1,513)	(2,814)	(1,029)	(13,175)	-	(8,298)	(224,628)
Net book values	450,000	632,147	3,766,812	13,922	26,375	9,367	58,906	-	33,190	4,990,720
As at September 30, 2022										
Cost or revaluation	300,000	503,199	3,001,542	19,172	42,386	10,755	96,037	-	53,643	4,030,832
Accumulated depreciation	-	(88,930)	(563,512)	(4,952)	(15,125)	(6,908)	(39,388)	-	(12,155)	(735,068)
Net book values	300,000	414,269	2,438,030	14,220	27,261	3,847	56,649	-	41,488	3,295,764
As at September 30, 2023										
Cost or revaluation	450,000	749,779	4,499,421	20,387	44,314	17,304	116,422	-	48,690	5,950,416
Accumulated depreciation	-	(117,632)	(732,609)	(6,465)	(17,939)	(7,937)	(57,516)	-	(15,500)	(959,696)
Net book values	450,000	632,147	3,766,812	13,922	26,375	9,367	58,906	-	33,190	4,990,720
Rate of depreciation	0%	5%	5%	10%	10%	10%	20%	5%	20%	

Notes to the Financial Statements

For the year ended September 30, 2023

		2023	2022
	Note	<i>Rupees in '000'</i>	
4.1.1 Depreciation charge for the year has been allocated as follows:			
Cost of sales	23	198,829	147,683
Administration expense	24	25,800	23,233
		<u>224,629</u>	<u>170,916</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, 2023 would have been as follows;			
		2023	2022
	Note	<i>Rupees in '000'</i>	
Free hold land		11,831	11,831
Factory building on free hold land		170,755	179,743
Plant and machinery		1,354,591	1,355,338
		<u>1,537,177</u>	<u>1,546,912</u>
4.1.3 The forced sale value of Free Hold Land, Factory Building, and Plant and Machinery is assessed at Rs.405.000, Rs.555.853 and Rs.3,062.784 million respectively.			
		2023	2022
	Note	<i>Rupees in '000'</i>	
4.2 Capital work in progress			
Plant and machinery		55,880	42,777
4.2.1 Movement in capital work in progress			
Opening balance		42,777	48,427
Add: Additions during the year		13,103	7,362
Less: Transferred to property, plant and equipment		-	(13,012)
		<u>55,880</u>	<u>42,777</u>
5 INTANGIBLE ASSETS			
Software	5.1	7,872	8,286
5.1 Software			
Opening		8,286	5,992
Addition during the year		-	2,730
Amortization		(414)	(436)
		<u>7,872</u>	<u>8,286</u>
Rate of amortization		5%	5%

Notes to the Financial Statements

For the year ended September 30, 2023

		2023	2022
	<i>Note</i>	<i>Rupees in '000'</i>	
6 LONG TERM DEPOSITS			
Deposits against right of use asset		10,588	11,160
Other deposits		2,244	2,322
		12,832	13,482
7 STORES, SPARES AND LOOSE TOOLS			
Stores, spares and loose tools		280,772	167,592
Provision for slow moving and obsolete items		(10,779)	(10,779)
		269,993	156,813
7.1	Most items of the stores and spares are interchangeable in nature and can be used as machine spares or consumed as stores.		
		2023	2022
	<i>Note</i>	<i>Rupees in '000'</i>	
8 STOCK IN TRADE			
Finished goods			
- Sugar		2,043,988	1,419,092
- Molasses		-	-
- Bagasse		202,254	126,352
- Molasses		2,053	7,552
	8.1	2,248,295	1,552,996
Work in process		1,183	1,015
		2,249,478	1,554,011
8.1	Inventory having carrying value of Rs. 752.44 million (2022 : Rs. 680.15 million) has been pledged against bank financing.		
		2023	2022
	<i>Note</i>	<i>Rupees in '000'</i>	
9 LOANS AND ADVANCES			
Advances			
- to growers	9.1	153,170	169,060
- to suppliers	9.2	398,870	401,904
- for expenses - considered good		239,807	23,310
- to staff	9.3	12,715	11,106
		804,562	605,380
9.1 Advances to growers			
Considered good		153,170	169,060
Considered bad		1,428	1,428
		154,598	170,488
Provision for doubtful advances		(1,428)	(1,428)
		153,170	169,060

Notes to the Financial Statements

For the year ended September 30, 2023

	Note	2023	2022
		Rupees in '000'	
9.2 Advances to suppliers			
Considered good		398,870	401,904
Considered bad		6,294	6,294
		405,164	408,198
Provision for doubtful advances		(6,294)	(6,294)
		398,870	401,904
9.3 Advances to staff			
Considered good		12,715	11,106
Considered bad		367	367
		13,082	11,473
Provision for doubtful advances		(367)	(367)
		12,715	11,106
10 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Deposits	10.1 & 10.2	55,320	6,172
Prepayments		10,791	5,511
Other receivables	10.3	25,720	24,445
Freight subsidy	10.4	202,196	202,196
		294,027	238,324

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, the Cane Commissioner Sindh allocated a sugar export quota of MT 1,000 to each mill, contested in Sindh High Court(SHC) by some mills. The SHC permitted sugar export and directed mills to deposit Rs.96.10 per kg of disputed quantity of MT 493, refundable along with accrued profit upon a favorable case conclusion. The company complied, depositing Rs. 47.377 million, expressing confidence in a positive outcome and recovery of the deposit and accrued profit post-case resolution.

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

10.4 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, 2023

	2023	2022
<i>Note</i>	<i>Rupees in '000'</i>	
11 CASH AND BANK BALANCES		
Cash in hand	146	404
Cash at banks - in current account	28,154	176,161
	28,300	176,565

2023 2022

Number of Shares

12 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

16,017,500	16,017,500	Ordinary shares of Rs.10 each fully paid in cash	12.1	160,175	160,175
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12.1 This include 12.058 million (2022 : 12.058 million) ordinary shares of Rs. 10 each held by the directors and related parties.

	2023	2022
<i>Note</i>	<i>Rupees in '000'</i>	
13 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET		
Revaluation surplus		
Balance as at October 01	1,576,187	1,643,977
Add: Surplus arises during the year	1,790,262	-
Less : Transferred to unappropriated profit in respect of incremental depreciation charged during the year	(64,401)	(67,790)
	3,302,048	1,576,187
Related deferred tax liability		
Balance as at October 01	(375,189)	(394,848)
Increase in revaluation surplus during the year	(475,676)	-
Deferred tax on incremental depreciation charged during the year	18,677	19,659
	(832,188)	(375,189)
	2,469,860	1,200,998

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>
January 31, 2023	M/s. Oceanic Surveyors (Pvt.) Limited	1,790.262
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, 2023

	Note	2023	2022
		Rupees in '000'	
14 SUBORDINATED LOAN			
Loan from related parties		1,140,657	1,140,657
14.1 These are interest free loan and payable at discretion of company.			
15 LONG TERM FINANCING			
Loan from related parties			
Loan from associates	15.1	482,539	-
Loan from directors	15.2	-	-
		482,539	-

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

	Note	2023	2022
		Rupees in '000'	
15.2 Loan from directors			
- Directors			
Original value of loan		-	1,140,657
Less: Present value adjustment	15.2.1	-	(277,794)
Add: Interest charged to profit and loss account to date		-	130,295
Less: Effect of modification directly credited to equity		-	-
Derecognition of present value adjustment		-	147,499
Transferred to equity		-	(1,140,657)
		-	-
Present value adjustment			
Opening balance		-	277,794
Present value adjustment of long term loan due to modification in interest rate		-	-
Transferred to profit or loss in account to date		-	(130,295)
Transferred to retained earning on derecognition		-	(147,499)
		-	-

15.2.1 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.

	Note	2023	2022
		Rupees in '000'	
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		(126,000)	(107,625)
Unwinding of finance cost		14,003	10,768
		-	15,140
Current Portion		-	15,140
Deferred grant		14,003	14,003
Unwinding of interest		(14,003)	(10,768)
Closing balance		-	3,235

Notes to the Financial Statements

For the year ended September 30, 2023

	Note	2023	2022
		Rupees in '000'	
16 DEFERRED LIABILITIES			
Deferred tax liability	16.1	800,228	281,733
Market Committee fee	16.2	6,029	10,049
Less: Current portion		(4,020)	(4,020)
		2,009	6,029
		802,237	287,762
16.1 Deferred tax liability			
Deductible temporary differences:			
Tax losses		192,876	228,789
Minimum tax credit		131,981	151,327
Provision for stores, loans and advances		4,048	4,764
		328,905	384,880
Taxable temporary differences:			
Accelerated depreciation		(296,945)	(291,424)
Surplus on revaluation		(832,188)	(375,189)
		(1,129,133)	(666,613)
Deferred tax liability		(800,228)	(281,733)
16.2 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 LIABILITIES

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 **17.22% to 25.66%** per annum (2022 : 11.72% 18.77% per annum).

Notes to the Financial Statements

For the year ended September 30, 2023

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

	Note	2023	2022
		<i>Rupees in '000'</i>	
As at October 01		46,839	7,978
Additions		-	48,690
Interest expense		6,722	3,378
Payments		(13,974)	(13,207)
As at September 30		39,587	46,839
Current		6,741	7,583
Non-current		32,846	39,256
		39,587	46,839
17.1 Lease liabilities are payable as follows:			
Minimum lease payment			
Upto one year		13,184	13,391
More than one year but less than five years		40,674	49,019
		53,858	62,410
Financial charges			
Upto one year		6,443	5,808
More than one year but less than five years		7,828	9,763
		14,271	15,571
Present value of minimum lease payments			
Upto one year		6,741	7,583
More than one year but less than five years		32,846	39,256
		39,587	46,839
Current maturity shown under current liabilities		(6,741)	(7,583)
		32,846	39,256

18 TRADE AND OTHER PAYABLES

Creditors		215,109	124,639
Accrued liabilities		18,536	12,847
Market committee fee payable		8,850	14,310
Advance from customers	18.1	802,663	613,542
Unclaimed gratuity		14,341	14,341
Sales tax payables		51,756	64,449
Workers' Profit Participation Fund	18.2	35,662	24,436
Workers' Welfare Fund	18.3	16,100	16,100
Payable to provident fund		3,464	-
Income tax payable		2,523	2,962
Other payables - Related Parties	18.4	-	-
		1,169,004	887,626

Notes to the Financial Statements

For the year ended September 30, 2023

18.1 Advance from customers

Revenue recognised during the year from amounts included in advance from customers at beginning of the year amounting to Rs. 613.5 million (2022: Rs. 206.401 million)

	2023	2022
Note	Rupees in '000'	
18.2 Workers' Profit Participation Fund		
Balance at 01 October	24,436	10,399
Interest on funds utilized in the Company's business	6,143	2,128
Charge for the year	5,083	11,909
	35,662	24,436

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.

	2023	2022
Note	Rupees in '000'	
18.3 Workers' Welfare Fund		
Balance at 01 October	16,100	11,501
Charge for the year	-	4,599
	16,100	16,100

19 SHORT TERM BORROWINGS

- From Banking Companies

Secured

Cash finance	19.1	1,602,500	1,400,000
Temporary overdraft		108	-
		1,602,608	1,400,000

- From Related parties

Unsecured

from directors	19.2	378,640	113,067
from associates	19.3	-	531,432
		378,640	644,499
		1,981,248	2,044,499

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%** (2022 : 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.

Nature of Facility	Available Limits		Unavailed Limits	
	2023	2022	2023	2022
----- Rupees in '000' -----				
Cash Finance	1,900,000	1,550,000	297,500	150,000
Fleet Finance	-	10,752	-	-

Notes to the Financial Statements

For the year ended September 30, 2023

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.

	2023	2022
	<i>Rupees in '000'</i>	
20 PROVISION FOR TAXATION		
Opening balance	88,093	14,464
Provision for the year	53,172	75,260
Prior year	110	9,891
	141,375	99,615
Income tax paid / deducted during the year	(75,922)	(11,522)
Tax payable	65,453	88,093

21 CONTINGENCIES AND COMMITMENT

21.1 Contingencies

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

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

21.1.2 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.

21.1.3 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 along with 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.

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 along with 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.

Previous year, Competition Commission of Pakistan has withdrawn an amount from company's account as disclosed in Note 10.3.

Notes to the Financial Statements

For the year ended September 30, 2023

The legal counsel of the Company is of the view that penalty has been imposed on the Company along with other sugar mills is irrational and unlawful and is expected to be annulled and withheld amount will be returned back. 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 previous years, 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.

Notes to the Financial Statements

For the year ended September 30, 2023

	Note	2023	2022
		Rupees in '000'	
21.2 Commitments			
Commitment in respect of CWIP		17,000	7,500
22 SALES - NET			
Sugar - local		3,890,963	6,249,150
Sugar - export		408,284	-
Sale of by-products		758,926	844,406
		5,058,172	7,093,556
Sales tax		(570,968)	(912,709)
		4,487,204	6,180,847
23 COST OF SALES			
Raw material consumed		3,729,707	5,309,571
Stores and spares consumed		60,805	66,594
Packing material consumed		39,119	61,068
Salaries, wages & other benefits	23.1	176,787	162,157
Power and fuel		60,243	65,267
Freight and handling		12,125	5,785
Wastage removing and cane feeding		9,570	9,603
Repair and maintenance		49,453	73,924
Printing and stationery		5,686	4,213
Vehicle running expenses		19,085	17,773
Insurance expenses		13,797	5,140
Other manufacturing expenses		10,565	9,827
Depreciation	4.1.1	198,829	147,683
Manufacturing expenses		4,385,771	5,938,605
Opening stock of work in process		1,015	851
Closing stock of work in process		(1,183)	(1,015)
		(168)	(164)
Cost of goods manufactured		4,385,603	5,938,441
Opening stock of finished goods		1,552,996	939,308
Closing stock of finished goods		(2,248,295)	(1,552,996)
		(695,299)	(613,688)
		3,690,304	5,324,753

23.1 These include an amount of Rs. 6.997 million (2022 : Rs. 5.103) million in respect of staff retirement benefits.

Notes to the Financial Statements

For the year ended September 30, 2023

	Note	2023	2022
		Rupees in '000'	
24 ADMINISTRATIVE EXPENSES			
Salaries allowances and other benefits	24.1	156,179	154,845
Communication expenses		5,558	3,516
Repair & maintenance		11,063	14,823
Traveling and conveyance		15,506	19,447
Utilities		13,888	12,519
Legal and professional charges		9,335	17,385
Fees and subscription		4,636	16,337
Rent, rates and taxes		1,324	1,221
Printing & stationery		380	686
Entertainment expenses		3,923	4,325
Insurance		2,769	20,892
Auditors' remuneration	24.2	1,533	1,304
Security expenses		771	842
General expenses		922	2,425
Amortization		414	436
Depreciation	4.1.1	25,800	23,233
		254,001	294,236

24.1 These include an amount of Rs. 1.749 million (2022 : Rs. 1.276) million in respect of staff retirement benefits.

	2023	2022
	Rupees in '000'	
24.2 Auditors' remuneration		
Statutory audit	1,051	956
Half yearly review	195	177
Review report on code of corporate governance	106	97
Other certifications	139	26
Out of pocket expenses	42	48
	1,533	1,304

25 DISTRIBUTION COST		
Loading and unloading	54,172	16,062
Advertisement and publicity	102	466
Miscellaneous	7,703	4,246
	61,977	20,774

Notes to the Financial Statements

For the year ended September 30, 2023

	Note	2023	2022
		<i>Rupees in '000'</i>	
26 OTHER INCOMES			
<i>Income from financial assets</i>			
Return on term deposit receipt		1,511	-
<i>Income from other financial assets</i>			
Insurance claim		20,214	728
Gain on disposal of asset		-	5,853
Scrap sales		29,986	10,114
		50,201	16,695
<i>Others</i>			
Unwinding of deferred grant		3,235	6,473
		54,947	23,168
27 OTHER OPERATING EXPENSES			
Workers' Profit Participation Fund		5,083	11,909
Workers' Welfare Fund		-	4,599
Charity and donation	27.1	2,477	2,342
Other operating expenses		135	-
		7,695	18,850

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

		2023	2022
		<i>Rupees in '000'</i>	
28 FINANCE COST			
Amortization of long term loan from directors		-	46,166
Mark-up on cash finance		310,007	224,038
Lease finance charges		6,623	696
Mark-up on payroll finance		3,253	9,240
Markup on short term finance - RP		82,219	42,779
Finance cost on lease liability		2,218	127
Interest on Workers' Profit Participation Fund		6,143	2,128
Bank charges		4,253	899
		414,716	326,073
29 TAXATION			
Current tax		53,172	75,260
Prior year tax		110	9,891
		53,282	85,151
Deferred tax		42,818	17,257
		96,100	102,408

Notes to the Financial Statements

For the year ended September 30, 2023

- 29.1** The income tax assessments of the Company have been finalised up to and including the tax year 2023. 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 tax losses arises in current year , provision for current income tax is based on section 113 of the Income Tax Ordinance, 2001. Accordingly tax expense reconciliation with the accounting profit is not reported.
- 29.3** The provision for current year tax represents tax on annual turnover at the rate of 1.25% (2022 : 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>		
	<i>2023</i>	<i>2022</i>	<i>2021</i>
	<i>----- Rupees in '000' -----</i>		
Income tax provision for the year	75,260	56,010	62,318
Income tax as per tax assessment	75,150	65,901	62,318

30 **PROFIT PER SHARE** *- Basic and diluted*

	<i>2023</i>	<i>2022</i>
	<i>Rupees in '000'</i>	
Profit after tax - Rupees in '000	17,358	116,921
Weighted average number of ordinary shares	16,017,500	16,017,500
Earning per share - basic and diluted - Rupees	1.08	7.30

31 **CASH GENERATED FROM OPERATIONS**

31.1 **Working capital changes**

(Increase) / decrease in current assets

- Trade debts	44,603	(28,763)
- Stores and spares	(113,180)	(12,321)
- Stock-in-trade	(695,467)	(613,852)
- Loans and advances	(199,182)	(72,471)
- Trade deposits and short term prepayments	(55,703)	(7,080)
	(1,018,929)	(734,487)

Increase in current liabilities

- Trade and other payables	276,295	289,305
	(742,634)	(445,182)

Notes to the Financial Statements

For the year ended September 30, 2023

32 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTOR AND OTHER EXECUTIVES

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

	2023			
	Chief Executive Officer	Director	Other Executives	Total
	----- Rupees in '000' -----			
Managerial remuneration	9,000	16,200	25,464	50,664
Utilities	1,800	3,240	12,732	17,772
Perquisites and other benefits	7,200	12,960	12,732	32,892
	<u>18,000</u>	<u>32,400</u>	<u>50,928</u>	<u>101,328</u>
Number of persons	<u>1</u>	<u>1</u>	<u>12</u>	<u>14</u>
	2022			
	Chief Executive Officer	Director	Other Executives	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
	<u>15,750</u>	<u>29,700</u>	<u>34,489</u>	<u>79,939</u>
Number of persons	<u>1</u>	<u>1</u>	<u>12</u>	<u>14</u>

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 (2022: 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, 2023 and June 30, 2022:

	2023	2022
	Rupees in '000'	
Size of the fund - Total assets	73,394	50,119
Fair value of investments / Bank balances	34,402	41,553
Percentage of investment made	47%	83%

Notes to the Financial Statements

For the year ended September 30, 2023

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

	2023		2022	
	<i>(Percentage)</i>		<i>Rupees in '000'</i>	
National Bank Islamic Asset Allocation Fund	6%	5%	2,108	2,065
Amdani Certificate National Bank of Pakistan	0%	12%	-	4,800
TDR NBP	0%	54%	-	22,500
TDR JS	0%	0%	-	-
UBL Fund	94%	29%	32,295	12,188
	100%	100%	34,402	41,553
Investment	47%	83%	34,402	41,553

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.

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

	2023		2022	
	<i>Head Office</i>	<i>Factory</i>	<i>Head Office</i>	<i>Factory</i>
34 NUMBER OF EMPLOYEES				
Number of employees including contractual employees at the end of year	78	560	77	649
Average number of employees including contractual employees during the year	76	738	76	704

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:

<i>Name of Related party</i>	<i>Relationship</i>	<i>Percentage of Shareholding</i>	<i>Transaction during the year</i>	2023	2022
				<i>--- Rupees in '000' ---</i>	
Muhammad Mubeen Jumani	Director	1.00%	Receipts of loan	30,206	37,299
			Repayment of loan	32,448	6,393
Faraz Mubeen Jumani	Director	9.99%	Receipts of loan	335,515	91,941
			Repayment of loan	67,700	12,154

Notes to the Financial Statements

For the year ended September 30, 2023

<i>Name of Related party</i>	<i>Relationship</i>	<i>Percentage of Shareholding</i>	<i>Transaction during the year</i>	<i>2023</i> <i>--- Rupees in '000' ---</i>	<i>2022</i>
Centex (Pvt.) Ltd	Common directorship	0.00%	Receipts of loan	-	270,000
			Repayment of loan	71,430	86,566
Jumani Group of Companies	Common directorship	0.00%	Receipts of loan	30,000	339,300
			Repayment of loan	108,042	409,020
Khaipur Foods (Pvt.) Ltd	Common directorship	0.00%	Receipts of loan	103,079	-
KSML Employees Provident Fund	Provident fund		Contribution to provident fund	8,786	6,379
				<i>2023</i> <i>M. Tons</i>	<i>2022</i> <i>M. Tons</i>

36 PRODUCTION CAPACITY

Crushing capacity (per day)	7,000	7,000
Crushing capacity based on actual days	665,000	952,000
Actual cane crushed	483,068	791,716
Production - sugar	48,635	82,865
Sucrose recovery	10.07%	10.47%

	<i>2023</i> <i>Days</i>	<i>2022</i> <i>Days</i>
Duration of season	95	136

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

	<i>2023</i>	<i>2022</i>
	<i>Rupees in '000'</i>	

37 FINANCIAL INSTRUMENTS

37.1 Financial assets and liabilities

Financial assets

Trade debts	12,210	56,813
Short term investment	22,300	-
Loans and advances	12,715	11,106
Trade deposits and other receivables	296,068	246,295
Cash and bank balances	28,300	176,565
	371,593	490,779

Financial liabilities

Long term financing	482,539	15,140
Lease liabilities	39,587	46,839
Market committee fee payable	2,009	6,029
Short term borrowings	1,981,248	2,044,499
Trade and other payables	346,013	256,781
Accrued markup	203,003	101,862
	3,054,399	2,471,150

Notes to the Financial Statements

For the year ended September 30, 2023

37.2 Financial risk management objectives and policies

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

- Credit risk
- Liquidity risk
- Market risk

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

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

37.2.1 Credit risk

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

Exposure to credit risk

Credit risk arises when changes in economic or industry factors similarly affects Company's of counter parties whose aggregate credit exposure is significant in relation the Company's total credit exposure. Out of the total financial assets of Rs. 371.593 million (2022 : Rs. 490.779 million), the financial assets which are subject to credit risk amounted to Rs. 371.447 million (2022: Rs. 490.375 million).

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

	2023	2022
	<i>Rupees in '000'</i>	
Trade debts	12,210	56,813
Short term investment	22,300	-
Loans and advances	12,715	11,106
Trade deposits and other receivables	296,068	246,295
Bank balances	28,154	176,161
	371,447	490,375

Notes to the Financial Statements

For the year ended September 30, 2023

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:

	2023	2022
	<i>Rupees in '000'</i>	
Trade debts		
Customers with no default in past one year	12,210	56,813
Bank Balances		
AAA	25,625	172,089
AA+	1,699	2,121
A+ and below	722	1,951

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:

	2023			
	<i>Carrying amount</i>	<i>Contractual cash flows</i>	<i>Up to one year</i>	<i>More than one year</i>
	----- Rupees in '000' -----			
Non-derivative financial liabilities				
Lease liability	39,587	(39,587)	(6,741)	(32,846)
Trade and other payables	1,169,004	(1,169,004)	(1,169,004)	-
Short term borrowings	1,981,248	(1,981,248)	(1,981,248)	-
Accrued markup	203,003	(203,003)	(203,003)	-
	<u>3,392,842</u>	<u>(3,392,842)</u>	<u>(3,359,996)</u>	<u>(32,846)</u>
	2022			
	<i>Carrying amount</i>	<i>Contractual cash flows</i>	<i>Up to one year</i>	<i>More than one year</i>
	----- Rupees in '000' -----			
Non-derivative financial liabilities				
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)	-
	<u>3,080,826</u>	<u>(3,080,826)</u>	<u>(3,041,570)</u>	<u>(39,256)</u>

Notes to the Financial Statements

For the year ended September 30, 2023

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:

	<i>Carrying Amount</i>	
	<i>2023</i>	<i>2022</i>
	<i>Rupees in '000'</i>	
<i>Financial liabilities</i>		
- Long term financing	482,539	15,140
- Lease liabilities	39,587	46,839
- Short term borrowings	1,981,248	2,044,499
	2,503,374	2,106,478
	<i>2023</i>	<i>2022</i>
	<i>Effective Interest Rate (In Percent)</i>	
<i>Variable Rate Instruments</i>		
<i>Financial liabilities</i>		
- Short term borrowings	25.52%	18.71%

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.

	<i>2023</i>	<i>2022</i>
	<i>Rupees in '000'</i>	
<i>Cash flow Sensitivity - Variable Rate Instruments</i>		
- Increase	25,034	21,065
- Decrease	(25,034)	(21,065)

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

Notes to the Financial Statements

For the year ended September 30, 2023

c) Price risk

Price risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments. At reporting date, the company is not exposed to price risk as the company has no investment and interest bearing financial instruments.

37.3 Capital risk management

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

Consistent with others in the industry, the company monitors capital on the basis of the its gearing ratio. This is calculated as net debt divided by total capital which is equal to net debt and share holders' equity. Net debt is calculated as total borrowings from financial institutions 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.

	2023	2022
	<i>Rupees in '000'</i>	
Long term financing	482,539	15,140
Lease liabilities	39,587	46,839
Short term borrowings	1,981,248	2,044,499
Total debt	2,503,374	2,106,478
Less: Cash and bank balances	(28,300)	(176,565)
Net Debt	2,475,074	1,929,913
Total Capital	1,535,243	1,472,161
Net Debt and Capital	4,010,317	3,402,074
Gearing Ratio (%)	61.72%	56.73%

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, 2023

39 OPERATING SEGMENT

- 39.1** These financial statements have been prepared on the basis of a single reportable segment.
- 39.2** Revenue from sale of sugar represents 85% (2022 : 88%) of the gross sales of the Company.
- 39.3** 92% (2022 : 100%) of the gross sales of the Company are made to customers located in Pakistan.
- 39.4** All non-current assets of the Company at September 30, 2023 are located in Pakistan.

40 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on **December 28, 2023** by the Board of Directors of the Company.



Faraz Mubeen Jumani
Chief Executive Officer



Mirza Muhammad Bilal Kamil
Chief Financial Officer



Muhammad Mubeen Jumani
Director

Place: Karachi, **Dated:** December 28, 2023

Pattern of Shareholding

As at September 30, 2023

No. of Shareholders		Size of Shareholding				Total Number of Shares Held
113	from	1	to	100	shares	1,259
71	from	101	to	500	shares	33,722
10	from	501	to	1,000	shares	10,000
5	from	1,001	to	10,000	shares	8,495
-	from	10,001	to	20,000	shares	-
1	from	20,001	to	50,000	shares	45,574
1	from	50,001	to	100,000	shares	60,000
2	from	100,001	to	200,000	shares	330,458
-	from	200,001	to	300,000	shares	-
-	from	300,001	to	400,000	shares	-
-	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
210				TOTAL		16,017,500

Pattern of Shareholding (Additional Information)

As at September 30, 2023

		No. of Shareholders	Shares held	Percentage %
Associated Cos., Undertaking and Related Parties				
		-	-	0.00
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
Lt. Gen. (R) Tahir Mahmud 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
Shareholders 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	Director	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 34th Annual General Meeting of the Company to be held at 51/II/IV, Khayaban-e-Janbaz, Phase-V, (Ext.), D.H.A., Karachi on January 26th, 2024 and / or any adjournment thereof.

Signed this _____ day of January, 2024

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/II/IV، خیابانِ جانابا، فیز ۷ ایکسٹنشن، ڈی ایچ اے، کراچی 75500۔

میں / ہم _____

ساکن _____

میں بحیثیت میر خیر پور شوگر ملز لمیٹڈ مقرر کرتا ہوں / کرتی ہوں / کرتے ہیں _____ ساکن

عام شیئرز جن کے شیئرز رجسٹرڈ فوئیو نمبر _____ اور / یا سی ڈی سی پارسٹیشن آئی ڈی نمبر _____

اور ذیلی اکاؤنٹ نمبر _____ بذریعہ ہذا _____

ساکن _____

اور اگر ان کے لئے ممکن نہ ہو تو _____ ساکن _____

کو بطور اپنا / ہمارا پراکسی مقرر کرتا / کرتی ہوں تاکہ 26 جنوری 2024ء منعقدہ کئے جانے والے کمپنی کے 34 ویں سالانہ اجلاس عام 51/II/IV، خیابانِ جانابا، فیز ۷، (ایکسٹنشن) ڈی ایچ اے، کراچی میں میری / ہماری جگہ ووٹ دے سکیں۔

دستخط _____ مورخہ _____

ممبر کے دستخط

دستخط
مبلغ ۵ روپے
کے ڈاک ٹکٹ

گواہان:

دستخط _____

نام _____

پتہ _____

شناختی کارڈ نمبر _____

پاسپورٹ نمبر _____

نوٹ:

(۱) مختار پراکسی کو کمپنی کارکن (ممبر) ہونا ضروری ہے۔ مختار نامہ (پراکسی فارم) مکمل پر شدہ کمپنی کے رجسٹرار 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 کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل منسلک کرنا ضروری ہے۔ کارپوریٹ اداروں کے نمائندوں کو معمول کے مطابق دستاویزات لانا ضروری ہے۔



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

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*Mobile apps are also available for download for android and ios devices

More than Sugarcane

A bowl of sugar and a sugarcane stalk are positioned around the text. The bowl is on the left, and the stalk is on the right. The background is a light green color with a dark green diagonal line.

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

Tel : 021-35250131-35 Fax : 021-35250136

E-mail : headoffice@jumanigroup.com

Website : www.khairpursugar.com.pk