

**REANDA**

Reanda Haroon Zakaria & Company
Chartered Accountants



**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, 2018, 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, 2018 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<i>1. Preparation of financial statements under the Companies Act, 2017</i>	
<p>(Refer notes no. 3.1 to the accompanying financial statements).</p> <p>As referred to in note 3.1 to the annexed financial statements, the third and fourth schedules to the Companies Act, 2017 became applicable for the first time for the preparation of the Company's annual financial statements for the year ended September 30, 2018.</p> <p>The Companies Act, 2017 (including third and fourth schedules) forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements.</p> <p>As part of this transition to the requirements of the said third and fourth schedules, the management performed a gap analysis to identify differences between the previous reporting framework and the current reporting framework and as a result assessed the amendments (as specified in the said note 2(i) relating to additional disclosures) required in the Company's financial statements.</p> <p>We consider it as a key audit matter in view of the extensive impacts in the financial statements due to the Companies Act, 2017.</p>	<p>Our audit procedures included the following:</p> <p>Considering the management's process to identify the necessary amendments required in the Company's financial statements.</p> <p>Evaluating the results of management's analysis and key decisions taken in respect of the transition, using our knowledge of the relevant requirements of the third and fourth schedules to the Companies Act, 2017 and our understanding of the Company's operations and business.</p> <p>Assessing the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures made in the annexed financial statements based on the new requirements.</p>

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
2. Recognition of Subsidy on Sugar Export	
<p>(Refer notes no. 11.2 and 27 to the accompanying financial statements).</p> <p>During the year, Federal Government lifted the restriction on sugar export and announced the subsidy based on the defined criteria. Sindh Government also announced the subsidy for the mills located in the province.</p> <p>Company managed to export 25,948 metric tons of sugar during the year amounting to Rs. 972.278 million and recognizing the subsidy thereon amounting to Rs. 463.644 million out of which Rs. 463.644 is still receivable as on the reporting date.</p> <p>We consider it as a key audit matter in view of the drastic change in the performance of the Company during the year as compared to the corresponding period.</p>	<p>Our audit procedures included the following:</p> <p>We corroborated the recognition of the subsidy in line with the policy announced by the Federal and Provincial Governments.</p> <p>We analyzed and evaluated the steps taken by the management to recover the outstanding subsidy from the Governments. Subsequent to the year end company has received an amount of Rs.92.220 million.</p> <p>We assessed the adequacy and appropriateness of the additional disclosures in relation to the export subsidy announced during the year.</p>

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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



Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

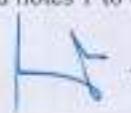
Reanda Haroon Zakaria & Co.
Reanda Haroon Zakaria & Company
Chartered Accountants


Place: Karachi
Dated: 26 DEC 2018


KHAIRPUR SUGAR MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2018

	Note	2018	2017	2016
		Rupees in thousand		
		(Restated)		
ASSETS				
Non-Current Assets				
Property, plant and equipment	5	1,608,012	1,570,595	1,437,394
Intangible assets	6	6,307	-	-
Long term deposits		1,557	262	262
Deferred taxation	7	5,321	34,381	-
		1,621,197	1,605,238	1,437,656
Current Assets				
Stores, spares and loose tools	8	120,742	108,999	97,452
Stock in trade	9	1,174,143	1,618,663	97,976
Loans and advances	10	309,452	276,283	218,608
Deposits, prepayments and other receivables	11	478,379	14,144	10,282
Tax refund due from government	12	6,288	-	-
Cash and bank balances	13	23,908	37,048	25,102
		2,112,912	2,055,137	449,420
Total Assets		3,734,109	3,660,375	1,887,076
EQUITY AND LIABILITIES				
Authorized Capital				
20,000,000 Ordinary shares of Rs. 10 each		200,000	200,000	200,000
Share capital and reserves				
Issued, subscribed and paid up capital	14	160,175	160,175	160,175
Revenue reserves - accumulated loss		(189,504)	(224,767)	(257,707)
Surplus on revaluation of property, plant and equipment - net	15	255,329	264,583	273,036
Shareholders' equity		226,000	199,991	175,504
Non-Current Liabilities				
Long term financing	16	1,006,238	945,091	971,856
Deferred liabilities	17	86,220	84,946	126,443
Liabilities against assets subject to finance lease	18	12,364	-	-
		1,104,822	1,030,037	1,098,299
Current Liabilities				
Current portion of liabilities against assets subject to finance lease		4,709	-	-
Short term borrowings	19	894,107	1,306,048	17,507
Trade and other payables	20	1,479,815	1,072,169	559,404
Accrued markup		24,656	26,349	-
Provision for taxation	21	-	25,781	36,362
		2,403,287	2,430,347	613,273
Contingencies and commitments	22			
Total Equities and Liabilities		3,734,109	3,660,375	1,887,076

The annexed notes 1 to 42 form an integral part of these financial statements.


Chief Executive


Chief Financial Officer


Managing Director

KHAIRPUR SUGAR MILLS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2018

		2018	2017
	Note	Rupees in thousand	(Restated)
Sales - net	23	4,237,317	2,933,180
Cost of sales	24	(4,195,459)	(2,739,274)
Gross profit		41,858	193,906
Administrative expenses	25	(185,162)	(130,085)
Distribution cost	26	(77,714)	(16,956)
Other incomes	27	502,596	11,932
Other operating expenses	28	(10,267)	(300)
		<u>229,453</u>	<u>(135,409)</u>
Operating profit		271,311	58,497
Finance cost	29	(179,351)	(169,237)
Profit / (loss) before taxation		91,960	(110,740)
Taxation	30	(69,660)	17,248
Profit / (loss) after taxation		22,300	(93,492)
Other comprehensive income for the year			
(a) Items to be classified to profit and loss account in subsequent period			
Remeasurement of long term loan		-	84,197
(b) Items that will not be reclassified to profit and loss account in subsequent period			
Remeasurement of defined benefit liability - net		-	29,896
		<u>-</u>	<u>114,093</u>
Total comprehensive income for the year		22,300	20,601
Earning / (loss) per share - basic and diluted	31	1.39	(5.84)

The annexed notes 1 to 42 form an integral part of these financial statements.


Chief Executive


Chief Financial Officer


Managing Director

KHAIRPUR SUGAR MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

2018 2017
 Note ----- Rupees in thousand -----

A. CASH FLOWS FROM OPERATING ACTIVITIES

Profit / (Loss) before taxation	91,960	(110,740)
Adjustment for non-cash charges and other items:		
Depreciation	79,197	76,157
Provision for Workers' Welfare Fund	3,716	-
Provision for Workers' Profit Participation fund	5,036	-
Gratuity	5,294	7,511
Finance cost	171,559	163,162
Working capital changes	32.1 373,174	(1,081,006)
Cash generated from / (used in) operations	729,936	(944,916)
Finance cost paid	(112,105)	(79,381)
Workers' Profit Participation paid	(52,066)	-
Income tax paid	(68,960)	(38,920)
Net cash generated from / (used in) operating activities	496,805	(1,063,217)

B. CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure	(84,696)	(86,606)
Capital work-in-progress	(7,993)	(122,752)
Long term deposits paid	(1,295)	-
Net cash used in investing activities	(93,984)	(209,358)

C. CASH FLOWS FROM FINANCING ACTIVITIES

Market Committee fee	(4,020)	(4,020)
Short term finance - net	(411,941)	1,288,541
Net cash (used in) / generated from financing activities	(415,961)	1,284,521
Net (decrease) / increase in cash and cash equivalents	(13,140)	11,946
Cash and cash equivalents at the beginning of the year	37,048	25,102
Cash and cash equivalents at the end of the year	23,908	37,048

The annexed notes 1 to 42 form an integral part of these financial statements.


 Chief Executive



 Chief Financial Officer



 Managing Director


KHAIRPUR SUGAR MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<i>Issued, subscribed & paid-up capital</i>	<i>Revenue reserves - Accumulated (loss) / gain</i>	<i>Revaluation surplus on property, plant and equipment</i>	<i>Total</i>
	<i>----- Rupees in thousand -----</i>			
Balance as at October 01, 2016	160,175	(257,707)	-	(97,532)
Effect of change in accounting policy - note 3.6	-	-	273,036	273,036
Balance as at October 01, 2016 - Restated	160,175	(257,707)	273,036	175,504
Loss for the year	-	(93,492)	-	(93,492)
Other comprehensive income	-	114,093	-	114,093
Total comprehensive income	-	20,601	-	20,601
Transfer of incremental depreciation from revaluation surplus on property, plant and machinery - net of tax	-	12,339	(12,339)	-
Reversal of deferred tax due to change of rate	-	-	3,886	3,886
	-	12,339	(8,453)	3,886
Balance as at September 30, 2017 - Restated	160,175	(224,767)	264,583	199,991
Profit for the year	-	22,300	-	22,300
Other comprehensive income	-	-	-	-
Total comprehensive income	-	22,300	-	22,300
Transfer of incremental depreciation from revaluation surplus on property, plant and machinery - net of tax	-	12,963	(12,963)	-
Reversal of deferred tax due to change of rate	-	-	3,709	3,709
	-	12,963	(9,254)	3,709
Balance as at September 30, 2018	160,175	(189,504)	255,329	226,000

The annexed notes 1 to 42 form an integral part of these financial statements.


Chief Executive


Chief Financial Officer


Managing Director

DIRECTORS' REPORT

Dear Members

Assalam-o-alaikoom

On behalf of the Board of Directors, it is our privilege to present before you the 29th Annual Report of your Company with the audited financial statements for the year ended September 30, 2018:

FINANCIAL RESULTS

	<u>2018</u>	<u>2017</u>
	(Rupees in thousand)	
Profit / (Loss) before Taxation	91,960	(110,740)
Taxation	<u>(69,660)</u>	<u>17,248</u>
Profit / (Loss) after taxation	22,300	(93,492)
Earning/(Loss) per share – Basic & diluted	1.39	(5.84)

PERFORMANCE REVIEW

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

	SEASON <u>2017-18</u>	SEASON <u>2016-17</u>
Season Started on	29-11-2017	11-11-2016
Season closed on	25-04-2018	30-03-2017
Number of days worked	148	140
Sugarcane Crushing (mt)	828,100.921	852,226.272
Recovery (%) Sugar	10.340	9.807
Recovery (%) Molasses	7.626	3.900
Production – Sugar (MT)	85,625.00	83,579.00
Production – Molasses (MT)	37,516.50	33,237.00

The crushing season 2017-18 started on November 29, 2017 ended on April 25, 2018 after crushing 828,100.921 MT sugar-cane thereby produced 85,625 MT of Sugar with average recovery of 10.34% in 148 days, as compared to crushing of 852,226.272 MT sugar-cane and producing 83,579 MT of sugar with average recovery of 9.807% in 140 days in corresponding of last year/season (2016-17). The Honorable High Court of Sindh directed and ordered on January 30, 2018 that sugar mills in the province of Sindh will purchase sugar cane from growers at Rs.160/= per 40 kg for crushing season 2017-18.

Considering surplus sugar stock in the country, ECC (Economic Coordination Committee) of Federal Cabinet has allowed export of 1,500,000 MT of Sugar with cash freight support of Rs.10.70 per kg on a sliding scale which to be shared equally by the Federal and Provincial Governments. In addition to this, the Government of Sindh announced additional cash freight support of Rs.9.30 per kg for Sindh Sugar Mills. Thereby our mill entered into export contracts and exported 25,948 MT. In this connection State Bank of Pakistan's EPD Circular Letter No. 20 of 2017 dated October 11, 2017 & No. 23 of 2017 dated December 13, 2017 referring Federal Government (Ministry of Commerce) O.M. No. 7(2)/2012-Exp.III dated October 3, 2017 & OM No. 7(2)/2012-Exp.III dated December 7, 2017 refers

During the period under review, our Mill earned operating profit of Rs. 271,311 Million as compared to operating profit of Rs.58,497 Million during the corresponding period of the previous year.

DIVIDEND

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

EARNINGS/ (LOSS) PER SHARE

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

	2017-18	2016-17
Basic and diluted	1.39	(5.84)

FUTURE OUTLOOK

The sugar cane crushing season 2018-19 started from 26-11-2018 although the Government of Sindh notified vide Notification # 8(142)/S.O(Ext)/2018-19 dated 07-12-2018 to commence sugarcane crushing season 2018-19 with effect from 30th November, 2018 and by the date of this report, your mill produced 16,975 MT Sugar with average recovery of 9.395%. The Government of Sindh (Agriculture Supply & Prices Department) issued notification No. 8(142)/S.O(Ext)2018-19 on 07 December 2018 fixing the minimum sugar-cane price at Rs.182/= (Rupees one hundred eighty two) per 40 kg (Mds) for crushing season 2018-19. Sugar and Molasses prices are showing little bit up-ward trend. Under the situation, profitability of your mill is likely to be appreciated. Apart from this there is increased cost of production due to higher sugar cane price comparative to previous which was Rs. 160/= per 40 kg (Mds) for crushing season 2017-18.

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

ENVIRONMENT

It is priority of your management to provide healthy atmosphere and pollution free environment to its workers and general population in surrounding villages and Khairpur city. All appropriate set ups adopted by the management thereby creating green belts and parks. Drainage has been lined properly and extensive tree plantation done. The water is flowing through drains and minimized drain water in houses and the drains are fully covered. Milk of lime is being added in the drains of waste water and sent to lagoons. The work of waste water treatment plant is in progress and expected to be completed by the first week of February 2019. The flow meters have been procured which will be put in line after the installation of Plant (CEPT Chemical Enhanced Primary Treated) system having capacity of 3,000 cum/day. Full concentration is given to avoid mixing of sugar cane juice in the drains and drains are covered, airborne of bagasse is also under control. Lining of lagoons/storage is included in the scope of work. Demarcation of land for construction of storage of ponds/lagoons for raw and effluent water also marked. For installation of CEPT Plant, EMP & IEE already submitted with the office of D.G., EPA, Karachi through our Consultant. The civil work for installation of the said Plant already completed. The Oil skimmers are under manufacturing in our Mill (Mechanical Workshop).

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. 436 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. Except as stated in note 3.1



KHAIRPUR SUGAR MILLS LIMITED

3rd Floor, Plot No. 15-C,
5th Commercial Lane, Zamzama,
D.H.A., Phase-V, Karachi-75500
Phone : 021-35810771-75
Fax : 021-35810776
E-mail : headoffice@jumanigroup.com
Website : www.jumanigroup.com

- International accounting standards (IFRS) as applicable in Pakistan have been followed in preparation of these financial statements and any departure therefrom has been effectively implemented and monitored.
- Summary of key operations and financial data for the last 6 (six) years is annexed.
- There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
- Information about taxes and levies is given in the notes forming part of the financial statements.
- There is no doubt upon the Company's ability to continue as a going concern.

INDUSTRIAL RELATION

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

BOARD MEETINGS

	<u>No. of meeting attended</u>
Mr. Muhammad Mubeen Juman	7
Mr. Faraz Mubeen Juman	7
Mr. Fahad Mubeen Juman	4
Mrs. Qamar Mubeen Juman	7
Miss. Arisha Mubeen Juman	7
Mr. Ahmed Ali Juman (Retired from BOD)	3
Lt. Gen.(R) Anis Ahmed Abbasi	7
Lt. Gen.(R) Tahir Mahmud Qazi	4

AUDIT COMMITTEE

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

<u>Name of Director</u>	<u>No. of meeting attended</u>
• Lt. Gen.(R) Anis Ahmed Abbasi	4
• Lt. Gen.(R) Tahir Mahmud Qazi	2
• Mr. Qamar Mubeen Juman	4
• Mr. Ahmed Ali Juman (retired from Audit Committee)	2

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 non-executive Directors). The Chief Executive Officer is also member of the Committee. The Chairman of the Committee is non-executive Director. The HR and Remuneration Committee met once during the year. Attendance of the meeting is as follows:

<u>Name of Director</u>	<u>No. of meeting attended</u>
Miss. Arisha Mubeen Jumani	1
Lt. Gen.(R) Anis Ahmed Abbasi	1
Mr. Muhammad Mubeen Jumani	1

AUDITORS

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

The Audit Committee has recommended to consider the re-appointment of M/s Reanda Haroon Zakaria & Company, Chartered Accountants as Auditors of the Company for next year ending 30.09.2019.

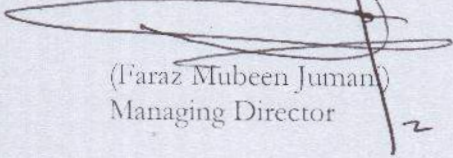
PATTERN OF SHARE-HOLDING

The pattern of shareholding as on September 30, 2018 in accordance with the requirements of Code of Corporate Governance and a statement reflecting distribution of shareholding is separately annexed to this report.

ACKNOWLEDGEMENT

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

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



(Faraz Mubeen Jumani)
Managing Director



Place: Karachi
Dated: January 28, 2019