HUSEIN SUGAR MILLS LIMITED

ANNUAL REPORT 2013

Husein Sugar Mills Limited

Contents

Vision Statement

- A leading producer of sugar and its by-products by providing the highest quality of products and services to its customers.
- Lowest cost supplier with assured access to long-term supplies.
- Sustained growth in earning in real terms.
- Highly ethical company and the respected corporate citizen to continue playing the role in the social and environmental sectors of the company.
- To develop an extremely motivated and professional trained work force, which would drive growth through innovation and renovation.
- To strive for excellence through commitment, honest and team work.

Mission Statement

Our mission is to be a dynamic, profitable and growth oriented company by providing good return on investment to its shareholders and investors, quality products to its customers, promote agriculture sector, a secured and friendly environment place of work to its employees and present the company as a reliable partner to all sugarcane growth and other business associates.

Husein Sugar Mills Limited

COMPANY INFORMATION

BOARD OF DIRECTORS	Mst. Nusrat Shamim	Chairperson & Chief Executive
	Mian Ahmad Ali Tariq	
	Mian Mustafa Ali Tariq	
	Mian Shahzad Aslam	
	Mian Aamir Naseem	
	Mrs. Ayesha Shahzad	
	Mian M. Shams Amin	
	Mr. Irfan Qamar	
AUDIT COMMITTEE	Mian Shahzad Aslam	Chairman
	Mrs. Ayesha Shahzad	Member
	Mian M. Shams Amin	Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mian M. Shams Amin	Chairman
	Mst. Nusrat Shamim	Member
	Mrs. Ayesha Shahzad	Member
CHIEF FINANCIAL OFFICER	Irfan Qamar	
COMPANY SECRETARY	Syed Arif Hussain	
LEGAL ADVISOR	Manzoor Hussain Syed	
BANKERS	MCB Bank Limited	
	Bank Alfalah Limited	
	Habib Bank Limited	
	National Bank of Pakistan	
	Allied Bank Limited	
	United Bank Limited	
	The Bank of Punjab	
	Meezan Bank Limited	
	Faysal Bank Limited	
	Bank Islami Pakistan Limited	
	Al-Baraka Bank (Pakistan) Limited	
	Summit Bank Limited	
AUDITORS	Riaz Ahmad & Company Chartered Accountants	
REGISTRAR	M/s Hameed Majeed Associates (Pvt.) Ltd. 1st Floor, H.M. House, 7-Bank Square Lahore. Ph: (042) 37235081-2 Fax: (042) 37358817	
MILLS	Lahore Road, Jaranwala	
REGISTERED / HEAD OFFICE	30-A E/I, Old FCC, Gulberg III, Lahore Ph: (042) 35762089 - 35762090 Fax: (042) 35712680 E-mail: info@huseinsugarmills.com	

Husein Sugar Mills Limited

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 47th Annual General Meeting of the Shareholders of **HUSEIN SUGAR MILLS LIMIED** will be held on Friday the 31st January, 2014 at 11:30 A.M at its Registered Office – 30-A E/1, Old F.C.C., Gulberg III, Lahore to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the 46th Annual General meeting held on January 26, 2013.
2. To receive and adopt, the audited financial statements of the Company for the year ended 30 September 2013 together with Directors' and Auditors' Reports thereon.
3. To appoint auditors of the year ending 30 September 2014 and to fix their remuneration. The present Auditors M/s. Riaz Ahmad & Company, Chartered Accountants, retired and being eligible, offers them-selves for re-appointment.

OTHER BUSINESS

4. To transact any other business of the company with the permission of the Chairperson.

By Order of the Board

(Syed Arif Hussain)
Company Secretary

LAHORE: 9th January, 2014

Notes:

1. The members' register will remain closed from 25th January 2014 to 31st January 2014 (both days inclusive).Transfers received at the Registrar office of the company by the close of business on 24th January 2014 will be entertained.
2. A member eligible to attend and vote at this meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the registered office not later than 48 hours before the time for holding the meeting.
3. Shareholders are requested to immediately notify the change in address, if any to our Share Registrar.
4. CDC account holders will further have to follow the guidelines as laid down by the Securities and Exchange Commission of Pakistan:

a. **FOR ATTENDING THE MEETING**

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

ii). In case of corporate entity, the board of directors' resolution/power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

b. **FOR APPOINTING PROXIES**

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

ii). Proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

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

iv). Proxy shall produce his original CNIC or original passport at the time of the meeting.

v) In case of corporate entity, the board of directors' resolution/power of attorney with specimen signatures shall be submitted (unless it has been provided earlier) along with proxy form to the company.

DIRECTORS' REPORT TO THE SHAREHOLDERS

We are pleased to present the annual Report of Husein Sugar Mills Limited for the year ended September 30, 2013.

The Company's performance for current and last year is as under:

		2013	2012
OPERATIONS			
Number of operating days		**113**	121
Sugarcane crushed	(M. Tons)	**580,197**	650,995
Sugar produced	(M. Tons)	**55,368**	61,129
Sugar recovery percentage		**9.55**	9.39
		Rupees in Thousand	
FINANCIAL			
Sales		**2,234,951**	3,010,669
Gross profit		**24,125**	198,169
Operating (loss)/profit		**(95,843)**	109,205
Finance cost		**121,178**	84,713
(Loss)/profit after taxation		**(190,805)**	6,921
(Loss)/earnings per share (Rupees)		**(11.22)**	0.41

During current year, the Company achieved historically highest sugar recovery percentage of 9.55%. It was result of the Company's policy of providing seed of improved varieties as well as providing fertilizer and pesticides to growers of its area, on loan basis.

However, fruits of high sugar recovery were rotten, in financial terms, due to sever mismatch between sugar price and price of sugarcane, as notified by the Provincial Government. Sugar is, perhaps only item of common use price of which reduce, against sky rocketing pricing trend in all other segments. Suppressed sugar price prevailed throughout the year. Delayed permission of the Federal Government's for sugar export not only dented sugar industry's financial viability but also adversely impacted foreign exchange earnings of the country, due to Fallen international sugar prices when permission to export sugar was granted.

Despite all adversaries, your Company has cleared full payment for sugarcane supplies for the year under review.

Management of your Company is striving hard to control the situation and to improve financial performance. The management is hopeful to overcome current situation through adopting appropriate cost saving measures, improving product quality as well as product diversification to fetch premium price in the market.

The management is also working on plans for value addition to its product and by-product in future. Implementation of aforesaid schemes shall strengthen Company's ability to mitigate adversities and to add value to its shareholders wealth.

CAPITAL STRUCTURE

As indicated in above paragraph, the Company is actively engaged in considering to broaden its operations. For its future plans, the management is weighing various options to raise finances.

These option include enhancing its paid up share capital, which currently is inadequate as compared to other comparable entities. Decision in this regard shall be taken after complete deliberation from all major stakeholders.

DIVIDEND

No dividend is recommended for the time being in view of the current financial situation.

FUTURE OUTLOOK

Future outlook of sugar industry is uncertain despite bumper sugarcane crop, due to mismatch of sugar manufacturing cost against its sale price. It is badly affecting sugar mills ability to meet their obligations.

The Government's recent announcement for continued export of sugar may arrest current trend of declining sugar price. However, its tangible impact depends upon sugar price in the international market and actual export of sugar.

Government's immediate support is needed to ensure timely payments to sugarcane growers as well as to save this sector from marching into sick zone and to act this sector as provider of livelihood for a significant segment of the society.

CORPORATE SOCIAL RESPONSIBILITY

The Company provides a safe, healthy, learning and environment friendly atmosphere to its all employees, besides promoting culture of tolerance, respect, friendship, self-help and mutual trust and confidence.

Besides offering apprenticeship to fresh graduates and post graduates and professional and technical young persons, the Company employs appropriate persons purely on merit basis. The Company also provides employment to disables and special persons to make them a useful part of the society.

As a corporate citizen, the Company is committed for a sustainably equitable social setup. The Company has, for this purpose, promoted establishment of non-profit institutions for the welfare of the poor and needy, primarily in the field of education and health. The aforesaid institutions have provided free medical facilities and quality education facilities to the people of the area.

CORPORATE GOVERNANCE

As required by the Code of Corporate Governance, following is the statement in compliance with the Corporate and Financial Reporting Framework of the Code of Corporate Governance:

a. The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.

b. Proper books of account of the Company have been maintained in the manner as required by the Companies Ordinance, 1984

c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

d. The International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

e. The system of internal control is sound in design and has been effectively implemented and monitored.

f. There are no significant doubts upon the Company's ability to continue as a going concern.

g. There has been no material departure from the best practices of Corporate Governance as listed in the listing regulations of stock exchanges where the company is listed.

h. Provident Fund is managed by a duly executed separate Trust and the Trust has invested Rupees 68.067 million, as at September 30, 2013 (2012: Rupees 61.455 million).

i. No dealing in the Company's shares was made by directors of the Company during the year.

MEETINGS OF BOARD OF DIRECTORS AND ITS SUB-COMMITTEES

Board of Directors

The Board of the Company met four times during current year. Attendance of the directors at these meetings is as under:

Directors' Names	Meetings Attended
Mst. Nusrat Shamim	4
Mian Ahmad Ali Tariq	4
Mian Shahzad Aslam	4
Mian Aamir Naseem	4
Mrs. Ayesha Shahzad	4
Mian Mustafa Ali Tariq	1
Mian M. Shams Amin	4
Mr. Irfan Qamar	4
Mr. M. Mudassar Ahsam	1

Leaves of absences were granted to the directors who could not attend the Board meetings.

Audit Committee

The audit committee is performing its duties in line with its terms of reference framed by the Company's Board of Directors. Five meetings of audit committee were held during the year, as under:

		Meetings Attended
Mian Shahzad Aslam	Chairman	5
Mrs. Ayesha Shahzad	Member	5
Mian M. Shams Amin	Member	3
Mr. M. Mudassar Ahsam	Member	2

Human Resources and Remuneration Committee

As per requirements of Code of Corporate Governance, the Company has constituted Human Resources and Remuneration Committee, as well as determined its terms of reference. Composition of the Human Resources and Remuneration Committee is as under:

Mian M. Shams Amin	Chairman
Mst. Nusrat Shamim	Member
Mrs. Ayesha Shahzad	Member

DIRECTORS' TRAINING

As required under the Code of Corporate Governance, two directors of the Company have completed Directors' Training Courses. Other directors, who are not exempted from the requirement of directors' training would acquire it within prescribed time period.

PATTERN OF SHAREHOLDING

Pattern of shareholding as at September 30, 2013 is annexed.

POST BALANCE SHEET EVENTS

Subsequent to balance sheet date, no significant change has occurred or come to the knowledge of the Board that warrants reporting to shareholders.

SHAREHOLDERS'S ROLE

Company's shareholders are regularly informed about Company's state of affairs through quarterly accounts available on the Company's website. Active participation in the members' meetings is encouraged to ensure accountability and transparency.

AUDITORS

The present auditors, Riaz Ahmad and Company, Chartered Accountants, retired and offer themselves for reappointment for 2013-14. Audit Committee has also recommended them for reappointment.

APPRECIATION

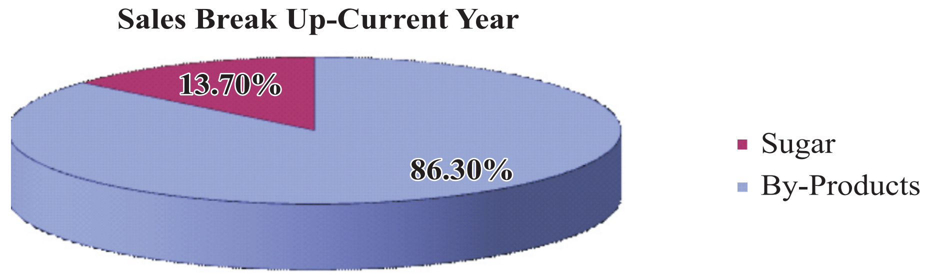
The Board acknowledges with thanks the continued support and cooperation extended by the shareholders, bankers, sugarcane farmers and all other stakeholders. The Board also places on record its appreciation for employees of the Company for its devotion and hard work.

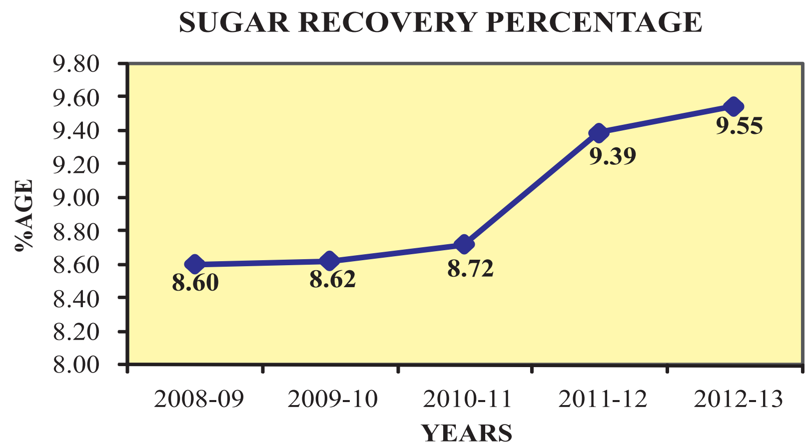
CHAIRPERSON
(By the order of the Board)

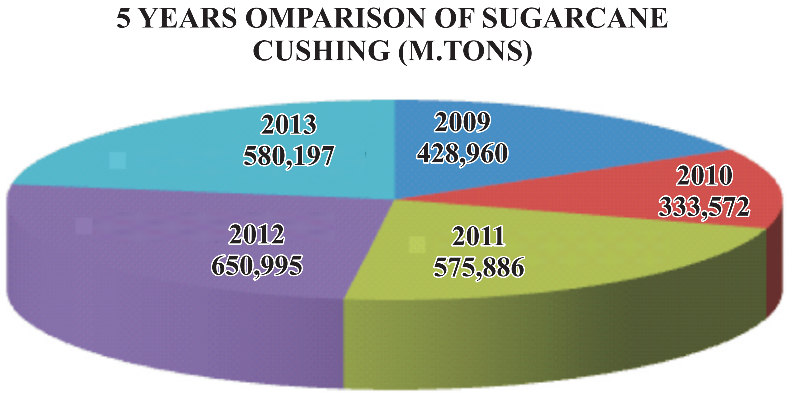
Lahore: January 03, 2014

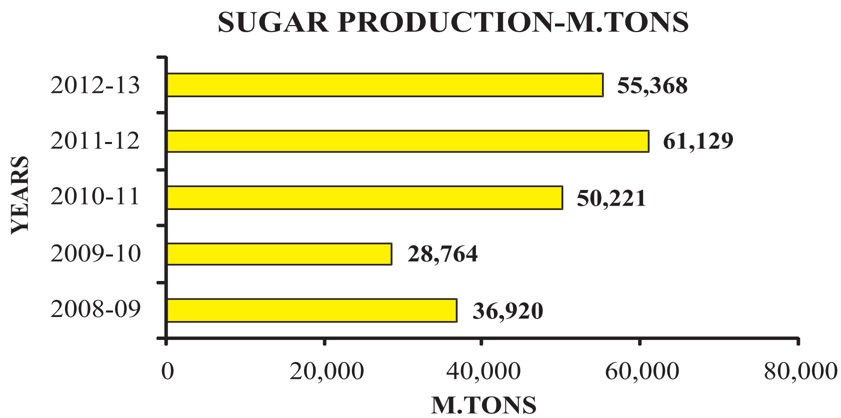
Husein Sugar Mills Limited

PERFORMANCE AT A GLANCE









REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **HUSEIN SUGAR MILLS LIMITED** ("the Company") for the year ended 30 September 2013, to comply with the Listing Regulations of the respective Stock Exchanges, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement of compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of 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's 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.

Further, Listing Regulations of the Karachi and Lahore Stock Exchanges require the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended 30 September 2013.

Riaz Ahmad & Co

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Syed Mustafa Ali

Date: 03 JAN 2014

LAHORE

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE [Clause XI)]
FOR THE YEAR ENDED SEPTEMBER 30, 2013

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 35 of the listing regulations of Karachi Stock Exchange Limited and Lahore Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interest on its board of directors. At present the board includes:

Category	Names
Independent Directors	NIL
Executive Directors	Mst. Nusrat Shamim Mian Ahmed Ali Tariq Mr. Irfan Qamar
Non-Executive Directors	Mian Shahzad Aslam Mian Mustafa Ali Tariq Mian Aamir Naseem Mr. Muhammad Shams Amin Mrs. Ayesha Shahzad

The requirement of Independent and Executive Directors in composition of Board under CCG will be fulfilled at the time of next election of directors.

2. The directors have confirmed that none of them is serving as a director no more than seven listed companies, including this company.

3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of stock exchange, has been declared as defaulter by the stock exchange.

4. During the year a casual vacancy occurred on the board and was filled by the directors in accordance with the requirements of clause (iii) of CCG.

5. 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.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and timely circulated.

9. During the year, in accordance with the requirement of clause (xi) of the CCG, two directors of the Company have successfully completed the directors' training program. The directors other than those who are not exempted from the requirement of director's training program will acquire certification within the specified time.

10. During the year, no new appointment of CFO, Company Secretary and Head of Internal Audit was approved by the Board.

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

14. The company has complied with all the corporate and financial reporting requirements of the CCG.

15. The Board has formed an Audit Committee. It comprises of 3 Non-Executive Directors including Chairman of the Committee.

16. The meetings of the audit committee were held at least once every quarter, prior to the approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been approved by the Board and advised to the committee for compliance.

17. The Board has formed a Human Resource and Remuneration (HR&R) Committee. It comprises of 3 members, of whom 2, including Chairman of the Committee, are Non-Executive Directors.

18. The Board has set up an effective internal audit function manned by suitable qualified and experienced personnel who are conversant with the policies and procedures of the company.

19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's Securities, was determined and intimated to directors, employees and stock exchanges.

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).

23. We confirm that all other material requirements of the CCG have been complied with.

CHAIRPERSON
(By the order of the Board)

Lahore: January 03, 2014

Husein Sugar Mills Limited

KEY OPERATING AND FINANCIAL DATA

OPERATING DATA	2013	2012	2011	2010	2009	2008
Cane crushed (M.Tons)	**580,197**	650,995	575,886	333,572	428,960	688,248
Sugar produced from sugarcane (M.Tons)	**55,368**	61,129	50,221	28,764	36,920	58,326
Average recovery from sugarcane(%)	**9.55**	9.39	8.72	8.62	8.60	8.47
Number of days worked	**113**	121	122	106	108	141
	……………………………(Rupees in 000)…………………………..					
FINANCIAL DATA						
Sales	**2,234,951**	3,010,669	3,477,699	1,824,195	1,468,262	1,647,795
Gross (loss)/profit	**24,125**	198,169	293,358	(149,607)	49,580	172,991
Operating (loss)/profit	**(95,843)**	109,205	185,749	(226,107)	(25,038)	100,582
Profit / (loss) before taxation	**(217,021)**	24,492	119,245	(297,450)	(87,608)	56,780
Taxation	**26,216**	(17,571)	(49,353)	126,487	13,215	(21,860)
Profit / (loss)after taxation	**(190,805)**	6,921	69,892	(170,963)	(74,393)	34,919
(Loss) / earning per share (Rupees)	**(11.22)**	0.41	5.32	(13.87)	(6.15)	2.89
Total assets	**2,183,840**	1,450,996	1,397,393	1,281,549	666,340	593,177
Current liabilities	**1,538,575**	574,318	370,957	607,123	339,678	152,598
Capital Employed	**645,265**	876,678	1,026,436	674,426	326,662	440,579
Represented by:						
Share capital	**170,000**	170,000	170,000	121,000	121,000	121,000
Reserves	**207,471**	192,171	192,920	191,232	195,168	199,777
Unappropriated profit /(accumulated loss)	**(300,076)**	(109,271)	(116,192)	(186,085)	(15,121)	79,841
Shareholders' Equity	**77,395**	252,900	246,728	126,147	301,047	400,618
Non - current Liabilities						
Liabilities against assets subject to finance lease	**17,574**	25,718	5,816	9,956	24,626	10,969
Long term financing	**49,967**	99,933	279,341	45,000	-	-
Deferred taxation	**-**	-	-	-	-	28,992
Long term deposits	**5,144**	5,442	1,578	-	-	-
Deferred income on sale and lease back	**-**	-	289	639	989	-
	72,685	131,093	287,024	55,595	25,615	39,961

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **HUSEIN SUGAR MILLS LIMITED** as at 30 September 2013 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;

(b) in our opinion:

(i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

(ii) the expenditure incurred during the year was for the purpose of the company's business; and

(iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at 30 September 2013 and of the loss, its comprehensive loss, its cash flows and changes in equity for the year then ended; and

(d) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Riaz Ahmad & Co

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Syed Mustafa Ali

Date: 03 JAN 2014

LAHORE

BALANCE SHEET

	NOTE	2013 Rupees	2012 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 50,000,000 (2012: 50,000,000) ordinary shares of Rupees 10 each		**500,000,000**	500,000,000
Issued, subscribed and paid-up share capital	3	**170,000,000**	170,000,000
Reserves	4	**(92,604,681)**	82,900,419
Total equity		**77,395,319**	252,900,419
Share deposit money		**2,500,000**	-
Surplus on revaluation of land	5	**492,684,029**	492,684,029
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	**49,966,664**	99,933,332
Liabilities against assets subject to finance lease	7	**17,574,113**	25,718,232
Long term deposits		**5,144,134**	5,441,847
		72,684,911	131,093,411
CURRENT LIABILITIES			
Trade and other payables	8	**530,055,891**	366,473,419
Accrued mark-up	9	**26,878,506**	12,702,322
Short term borrowings	10	**907,317,840**	121,800,033
Current portion of non-current liabilities	11	**62,359,429**	58,259,960
Provision for taxation		**11,963,831**	15,082,671
		1,538,575,497	574,318,405
Total liabilities		**1,611,260,408**	705,411,816
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		**2,183,839,756**	1,450,996,264

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

MST. NUSRAT SHAMIM
Chief Executive

AS AT 30 SEPTEMBER 2013

	NOTE	2013 Rupees	2012 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	13	**999,194,004**	1,011,799,856
Long term investments	14	**19,428,255**	4,128,500
Long term deposits	15	**17,119,929**	19,379,429
Deferred income tax asset	16	**145,762,848**	96,130,383
		1,181,505,036	1,131,438,168
CURRENT ASSETS			
Stores, spare parts and loose tools	17	**151,472,558**	142,628,795
Stock-in-trade	18	**666,453,039**	43,594,174
Trade debts	19	**19,416,713**	21,369,450
Advances	20	**46,875,869**	28,401,328
Short term deposits and prepayments	21	**17,547,294**	9,538,131
Other receivables	22	**87,178,780**	63,267,850
Cash and bank balances	23	**13,390,467**	10,758,368
		1,002,334,720	319,558,096
TOTAL ASSETS		**2,183,839,756**	1,450,996,264

AHMED ALI TARIQ
Director

Husein Sugar Mills Limited

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	NOTE	2013 Rupees	2012 Rupees
SALES	24	**2,234,951,394**	3,010,669,362
COST OF SALES	25	**(2,210,826,627)**	(2,812,500,263)
GROSS PROFIT		**24,124,767**	198,169,099
DISTRIBUTION COST	26	**(10,310,796)**	(8,922,296)
ADMINISTRATIVE EXPENSES	27	**(130,205,493)**	(110,974,181)
OTHER EXPENSES	28	**-**	(3,853,539)
		(140,516,289)	(123,750,016)
		(116,391,522)	74,419,083
OTHER INCOME	29	**20,548,697**	34,785,447
(LOSS) / PROFIT FROM OPERATIONS		**(95,842,825)**	109,204,530
FINANCE COST	30	**(121,178,197)**	(84,712,605)
(LOSS) / PROFIT BEFORE TAXATION		**(217,021,022)**	24,491,925
TAXATION	31	**26,216,167**	(17,570,748)
(LOSS) / PROFIT AFTER TAXATION		**(190,804,855)**	6,921,177
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED	32	**(11.22)**	0.41

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

MST. NUSRAT SHAMIM
Chief Executive

AHMED ALI TARIQ
Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	2013 Rupees	2012 Rupees
(LOSS) / PROFIT AFTER TAXATION	**(190,804,855)**	6,921,177
OTHER COMPREHENSIVE INCOME / (LOSS):		
Items that will not be reclassified to profit and loss account	-	-
Items that may be reclassified subsequently to profit and loss account:		
Surplus / (deficit) on remeasurement of available for sale investments	**15,299,755**	(748,575)
Other comprehensive income / (loss) for the year	**15,299,755**	(748,575)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	**(175,505,100)**	6,172,602

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

MST. NUSRAT SHAMIM
Chief Executive

AHMED ALI TARIQ
Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	2013 Rupees	2012 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(217,021,022)	24,491,925
Adjustments for non-cash charges and other items:		
Depreciation	60,517,026	48,820,864
Amortization of intangible asset	333,400	333,300
Finance cost	121,178,197	84,712,605
Profit on bank deposits	(330,342)	(11,121,473)
Balances written back	(572,487)	(5,762,245)
Provision for workers' welfare fund written back	-	(2,433,571)
Amortization of deferred income on sale and lease back	-	(288,692)
Impairment loss on operating fixed assets	-	2,327,665
Gain on disposal of operating fixed assets	(1,966,383)	(1,255,577)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES	(37,861,611)	139,824,801
WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(8,843,763)	(65,535,941)
Stock-in-trade	(622,858,865)	(32,913,422)
Trade debts	1,952,737	(20,145,758)
Advances	(18,474,541)	(4,927,564)
Short term prepayments	(5,684,463)	(8,235,441)
Other receivables	(15,857,074)	2,266,239
Increase / (decrease) in current liabilities:		
Trade and other payables	163,582,472	238,613,376
	(506,183,497)	109,121,489
CASH (USED IN) / GENERATED FROM OPERATIONS	(544,045,108)	248,946,290
Finance cost paid	(107,002,013)	(81,992,342)
Income tax paid	(34,595,377)	(39,099,023)
Net increase in long term deposits	(65,200)	(6,123,400)
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES	(685,707,698)	121,731,525
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of operating fixed assets	5,750,000	15,782,000
Property, plant and equipment - acquired	(46,296,326)	(147,395,053)
Short term investment - net	-	200,000,000
Profit on bank deposits received	336,725	11,968,984
NET CASH (USED IN) / FROM INVESTING ACTIVITIES	(40,209,601)	80,355,931
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of liabilities against assets subject to finance lease	(9,776,515)	(14,391,464)
Proceeds from long term financing	-	70,558,533
Share deposit money received	2,500,000	-
Repayment of long term financing	(49,966,668)	(200,000,000)
Long term deposits - net	(274,774)	3,864,221
Short term borrowings - net	785,517,807	(56,210,599)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES	728,549,398	(196,179,309)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,632,099	5,908,147
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	10,758,368	4,850,221
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	13,390,467	10,758,368

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

MST. NUSRAT SHAMIM
Chief Executive

AHMED ALI TARIQ
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	RESERVES							TOTAL EQUITY
		Capital			Revenue			Total	
		Premium on issue of right shares	Fair value reserve	Sub total	General	Accumulated loss	Sub total		
	---------- Rupees ----------								
Balance as on 30 September 2011	170,000,000	21,093,550	2,376,625	23,470,175	169,450,000	(116,192,358)	53,257,642	76,727,817	246,727,817
Profit for the year ended 30 September 2012	-	-	-	-	-	6,921,177	6,921,177	6,921,177	6,921,177
Other comprehensive loss for the year	-	-	(748,575)	(748,575)	-	-	-	(748,575)	(748,575)
Total comprehensive income for the year	-	-	(748,575)	(748,575)	-	6,921,177	6,921,177	6,172,602	6,172,602
Balance as on 30 September 2012	170,000,000	21,093,550	1,628,050	22,721,600	169,450,000	(109,271,181)	60,178,819	82,900,419	252,900,419
Loss for the year ended 30 September 2013	-	-	-	-	-	(190,804,855)	(190,804,855)	(190,804,855)	(190,804,855)
Other comprehensive income for the year	-	-	15,299,755	15,299,755	-	-	-	15,299,755	15,299,755
Total comprehensive loss for the year	-	-	15,299,755	15,299,755	-	(190,804,855)	(190,804,855)	(175,505,100)	(175,505,100)
Balance as on 30 September 2013	**170,000,000**	**21,093,550**	**16,927,805**	**38,021,355**	**169,450,000**	**(300,076,036)**	**(130,626,036)**	**(92,604,681)**	**77,395,319**

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

MST. NUSRAT SHAMIM
Chief Executive

AHMED ALI TARIQ
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

1. THE COMPANY AND ITS OPERATIONS

Husein Sugar Mills Limited ("the Company") is a public limited company incorporated in Pakistan under he Companies Act, 1913 (Now Companies Ordinance, 1984). The shares of the Company are listed on Lahore and Karachi Stock Exchanges. Its registered office is situated at 30-A E/1, Old FCC, Gulberg-III, Lahore. The Company is principally engaged in the business of production and sale of sugar and by products.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

b) Accounting convention

These financial statements have been prepared under the historical cost convention, except for land which is carried at revalued amount and certain financial instruments which are carried at their fair value.

c) Critical accounting estimates and judgements

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the 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 historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various asumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

- **Income taxes**: In making the estimates for income taxes payable by the Company, the management considers current Income Tax Law and the decisions of appellate authorities on certain cases issued in past. Where the final tax outcome is different from the amount that was initially recorded, such differences will impact the income tax provision in the period in which such final outcome is determined.
- **Useful lives, patterns of economic benefits and impairments**: Estimates with respect to residual values, useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.
- **Inventories:** Net realizable value of inventories is estimated with reference to the estimated selling price in the ordinary course of business less estimated costs necessary to make the sales.

d) Amendments to published approved standards that are effective in current year and are relevant to the Company

The following amendment to published approved standards is mandatory for the Company's accounting periods beginning on or after 01 October 2012:

IAS 1 (Amendments), 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 July 2012). The main change resulting from these amendments is a requirement for entities to group items presented in Other Comprehensive Income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

e) Amendments to published approved standards that are effective in current year but not relevant to the Company

There are other amendments to the published approved standards that are mandatory for accounting periods beginning on or after 01 October 2012 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Standards and amendments to published approved standards that are not yet effective but relevant to the Company

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 October 2013 or later periods:

IFRS 7 (Amendment), 'Financial Instruments: Disclosures' (effective for annual periods beginning on or after 01 January 2013). The International Accounting Standards Board (IASB) has amended the accounting requirements and disclosures related to offsetting of financial assets and financial liabilities by issuing amendments to IAS 32 'Financial Instruments: Presentation' and IFRS 7. These amendments are the result of IASB and US Financial Accounting Standard Board undertaking a joint project to address the differences in their respective accounting standards regarding offsetting of financial instruments. The clarifying amendments to IAS 32 are effective for annual periods beginning on or after 01 January 2014. However, these amendments are not expected to have a material impact on the Company's financial statements.

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 January 2015). It addresses the classification, measurement and recognition of financial assets and financial liabilities. This is the first part of a new standard on classification and measurement of financial assets and financial liabilities that shall replace IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortized-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. This change shall mainly affect financial institutions. There shall be no impact on the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss, and the Company does not have any such liabilities.

IFRS 13 'Fair value Measurement' (effective for annual periods beginning on or after 01 January 2013). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This standard is not expected to have a material impact on the Company's financial statements.

IAS 36 (Amendments) 'Impairment of Assets' (effective for annual periods beginning on or after 01 January 2014). Amendments have been made in IAS 36 to reduce the circumstances in which the recoverable amount of assets or cash- generating units is required to be disclosed, clarify the disclosures required and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. However, the amendments are not expected to have a material impact on the Company's financial statements.

On 17 May 2012, IASB issued Annual Improvements to IFRSs: 2009 – 2011 Cycle, incorporating amendments to five IFRSs more specifically in IAS 1 'Presentation of Financial Statements' and IAS 32 'Financial instruments: Presentation', that are considered relevant to the Company's financial statements. These amendments are effective for annual periods beginning on or after 01 January 2013. These amendments are unlikely to have a significant impact on the Company's financial statements and have therefore not been analyzed in detail.

g) Standards, interpretations and amendments to published approved standards that are not yet effective and not considered relevant to the Company

There are other standards, amendments to published approved standards and new interpretations that are mandatory for accounting periods beginning on or after 01 October 2013 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Staff retirement benefits

The Company operates a funded provident fund scheme covering all permanent employees. Equal monthly contributions are made to the fund both by the Company and employees at the rate of 10 percent of basic pay plus cost of living allowance.

2.3 Taxation

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or the tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity respectively.

2.4 Foreign currencies

The financial statements are presented in Pak Rupees, which is the Company's functional currency. Transactions in foreign currency during the year are initially recorded in the functional currency at the rates prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at functional currency rates of exchange prevailing at the balance sheet date. All differences are taken to the profit and loss account.

2.5 Fixed assets

Property, plant, equipment and depreciation

Owned

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Freehold land is stated at reval ued amount less accumulated impairment losses, if any. Capital work-in-progress is stated at cost less accumulated impairment losses, if any. Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Any revaluation surplus is credited to surplus on revaluation of operating fixed assets except to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss, in which case the increase is recognized in profit or loss. A revaluation deficit is recognized in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in surplus on revaluation of operating fixed assets.

Leased

Finance leases

Leases where the Company has substantially all the risk and rewards of ownership are classified as finance lease. Assets subject to finance lease are capitalized at the commencement of the lease term at the lower of present value of minimum lease payments under the lease agreements and the fair value of the leased assets, each determined at the inception of the lease.

The related rental obligation net of finance cost is included in liabilities against assets subject to finance lease. The liabilities are classified as current and long term depending upon the timing of payments.

Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The finance cost is charged to income over the lease term.

Depreciation of assets subject to finance lease is recognized in the same manner as for owned assets. Depreciation of the leased assets is charged to income.

Operating lease

Leases where significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income on a straight-line basis over the period of lease.

Depreciation

Depreciation on all operating fixed assets is charged to profit applying the straight-line method so as to write off the cost of the assets over their estimated useful lives at the rates given in Note 14.1. The residual values and useful lives are reviewed by the management at each financial year end and adjusted if impact on depreciation is significant. Depreciation on additions is charged from the date on which the assets are available for use and on deletions upto the date on which the assets are deleted.

Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit and loss account in the year the asset is derecognized.

Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition, an intangible asset is carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized from the month when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

2.6 Financial instruments

Financial Instruments carried on the balance sheet include investments, deposits, trade debts, advances, other receivables, cash and bank balances, short-term borrowings, accrued mark-up, trade and other payables, liabilities against assets subject to finance lease and long term financing. Financial assets and liabilities are recognized initially at fair value when the Company becomes a party to the contractual provisions of instrument.

The particular measurement methods adopted are disclosed in the following individual policy statements associated with each item. Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available for sale investments) and derecognition is charged to the profit and loss account currently.

Off setting

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realize the asset and settle the liability simultaneously.

2.7 Trade and other receivables

Trade debts and other receivables are carried at original invoice value less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

2.8 Borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost, any difference between the proceeds and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest rate method.

2.9 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

2.10 Investments

The Company's management determines the appropriate classification of its investments at the time of purchase.

Investments are initially measured at fair value plus transaction costs directly attributable to acquisition, except for “investment at fair value through profit and loss account” which is initially measured at fair value.

Investment at fair value through profit and loss account

Investment classified as held-for-trading and those designated as such are included in this category. Investments are classified as held-for-trading if they are acquired for the purpose of selling in the short term.

Gains or losses on investments held-for-trading are recognized in profit and loss account

Held-to-maturity

Investments with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held to maturity are subsequently measured at amortized cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initially recognized amount and the maturity amount. For investments carried at amortized cost, gains and losses are recognized in profit and loss account when the investments are derecognized or impaired, as well as through the amortization process.

Available-for-sale

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available-for-sale.

After initial recognition, investments which are classified as available-for-sale are measured at fair value. Gains or losses on available-for-sale investments are recognized directly in statement of other comprehensive income until the investment is sold, derecognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in statement of other comprehensive income is included in profit and loss account.

For investments that are actively traded in organised financial markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the balance sheet date. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

2.11 Inventories

Inventories, except for stock in transit, molasses, bagasse and press mud are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spare parts and loose tools

Useable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Stock-in-trade

Cost of work-in-process and finished goods comprise cost of direct material, labour and appropriate manufacturing overheads.

Molasses, bagasse and press mud are valued at their net realizable value.

Net realizable value is determined on the basis of the estimated selling price of the product in the ordinary course of business less estimated costs of completion and estimated costs necessary to make a sale.

2.12 Borrowing cost

Interest, mark-up and other charges on long-term financing are capitalized up to the date of commissioning of the respective qualifying assets acquired out of the proceeds of such borrowings. All other interest, mark-up and other charges are charged to income.

2.13 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

2.14 Impairment

Financial assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flow of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated by reference to its current fair value.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

Non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amounts. The resulting impairment loss is taken to the profit and loss account except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

2.15 Revenue recognition

Revenue from sales is recognized on delivery of goods to customers.

Dividend income is recognized when the right to receive the dividend is established.

Return on bank deposits is accrued on a time proportionate basis by reference to the principal outstanding and the applicable rate of return.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.17 Share capital

Ordinary shares are classified as equity.

2.18 Dividend and transfer of reserve

Dividend distribution to the shareholders is recognized as a liability in the Company's financial statements in period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

3. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2013	2012		2013	2012
(Number of shares)			Rupees	Rupees
8,156,250	8,156,250	Ordinary shares of Rupees 10 each fully paid in cash	**81,562,500**	81,562,500
161,900	161,900	Ordinary shares of Rupees 10 each issued fully paid for consideration other than cash	**1,619,000**	1,619,000
8,681,850	8,681,850	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	**86,818,500**	86,818,500
17,000,000	17,000,000		**170,000,000**	170,000,000

4. RESERVES

	2013 Rupees	2012 Rupees
Composition of reserves is as follows:		
Capital		
Premium on issue of right shares (Note 4.1)	**21,093,550**	21,093,550
Fair value reserve (Note 4.2)	**16,927,805**	1,628,050
	38,021,355	22,721,600
Revenue		
General	**169,450,000**	169,450,000
Accumulated loss	**(300,076,036)**	(109,271,181)
	(130,626,036)	60,178,819
	(92,604,681)	82,900,419

4.1 This reserve can be utilized by the Company only for the purposes specified in Section 83(2) of the Companies Ordinance, 1984.

4.2 This represents unrealized gain on remeasurement of available for sale investments and is not available for distribution. This will be transferred to profit and loss account on realization.

5. SURPLUS ON REVALUATION OF LAND

This represents surplus on revaluation of freehold land. Freehold land was valued by independent valuer, Messrs Sama Engineers Associates as on 30 September 2010.

6. LONG TERM FINANCING

	2013 Rupees	2012 Rupees
From banking company - secured		
MCB Bank Limited (Note 6.1)	**99,933,332**	149,900,000
Less: Current portion shown under current liabilities (Note 11)	**49,966,668**	49,966,668
	49,966,664	99,933,332

6.1 This represents diminishing musharka credit facility of Rupees 149.900 million obtained from MCB Bank Limited - Islamic Banking. This facility is availed to enhance the production efficiency of the Company. This facility is secured against ranking charge over present and future assets (both current and fixed) of the Company to the extent of Rupees 199.867 million with 25% margin and personal guarantees of two directors of the Company. Subsequently, this charge will be modified to exclusive charge of Rupees 200.000 million over the respective plant and machinery. Mark-up is payable quarterly at the rate of 3 months KIBOR plus 2.50% (2012: 3 months KIBOR plus 2.50%) per annum. Effective rate of mark-up ranges from 11.56% to 14.48% (2012: 14.41% to 15.80%) per annum. This facility is repayable in four years in 12 quarterly installments.

7. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2013 Rupees	2012 Rupees
Future minimum lease payments	**32,245,992**	37,898,981
Less: Un-amortized finance charge	**2,279,118**	3,887,457
Present value of future minimum lease payments	**29,966,874**	34,011,524
Less: Current portion shown under current liabilities (Note 11)	**12,392,761**	8,293,292
	17,574,113	25,718,232

7.1 Minimum lease payments have been discounted using implicit interest rates ranging from 12.53% to 16.70% (2012: 13.70% to 14.93%) per annum. Balance rentals are payable in monthly installments. Taxes, repairs and insurance costs are to be borne by the Company. In case of termination of the agreement, the Company shall pay entire amount of rentals for unexpired period of lease agreement. These are secured against the leased assets, demand promissory notes, personal guarantees of directors and deposits of Rupees 14.134 million (2012: Rupees 14.069 million).

7.2 Minimum lease payments and their present values are regrouped as under:

	2013		2012	
	Not later than one year	Later than one year and not later than five years	Not later than one year	Later than one year and not later than five years
	------------------------------ Rupees	------------------------------		
Future minimum lease payments	**14,028,304**	**18,217,688**	10,522,497	27,376,484
Less: Un-amortized finance charge	**1,635,543**	**643,575**	2,229,205	1,658,252
Present value of future minimum lease payments	**12,392,761**	**17,574,113**	8,293,292	25,718,232

8. TRADE AND OTHER PAYABLES

	2013 Rupees	2012 Rupees
Creditors	**263,242,397**	177,466,129
Advances from customers	**239,410,649**	169,741,635
Security deposits - interest free	**599,000**	969,000
Accrued liabilities	**21,262,295**	4,886,319
Sales tax and federal excise duty payable	**-**	8,249,369
Income tax deducted at source	**2,211,556**	790,937
Payable to provident fund trust	**856,018**	916,980
Workers' profit participation fund (Note 8.1)	**-**	1,305,874
Unclaimed dividend	**1,208,842**	1,208,842
Others	**1,265,134**	938,334
	530,055,891	366,473,419

8.1 Workers' profit participation fund

	2013 Rupees	2012 Rupees
Balance as on 01 October	**1,305,874**	6,404,134
Add: Provision for the year	**-**	1,305,874
Interest for the year (Note 30)	**54,185**	319,682
	1,360,059	8,029,690
Less: Payments during the year	**1,360,059**	6,723,816
Balance as on 30 September	**-**	1,305,874

9. ACCRUED MARK-UP

	2013 Rupees	2012 Rupees
Long term financing	**2,721,910**	5,145,193
Short term borrowings	**24,032,196**	7,436,613
Liabilities against assets subject to finance lease	**124,400**	120,516
	26,878,506	12,702,322

10. SHORT TERM BORROWINGS

From banking companies - secured

National Bank of Pakistan (Note 10.1)	**94,200,000**	-
National Bank of Pakistan (Note 10.2)	**80,497,080**	96,750,086
MCB Bank Limited (Note 10.3)	**219,000,000**	-
MCB Bank Limited (Note 10.4)	**47,697,125**	25,049,947
The Bank of Punjab (Note 10.5)	**189,203,635**	-
Bank Islami Pakistan Limited (Note 10.6)	**100,000,000**	-
Bank Alfalah Limited (Note 10.7)	**94,800,000**	-
United Bank Limited (Note 10.8)	**66,800,000**	-
Al-Baraka Bank (Pakistan) Limited (Note 10.9)	**15,120,000**	-
	907,317,840	121,800,033

10.1 This represents short term cash finance facility, forming part of total credit facility of Rupees 350.000 million (2012: Rupees 220.000 million). This facility is secured against pledge of refined sugar with a margin of 25% and personal guarantees of two directors of the Company. Mark-up is payable monthly at the rate of 1 month KIBOR plus 2.00% (2012: 1 month KIBOR plus 2.00%) per annum. Effective rate of mark-up ranges from 11.02% to 11.91% (2012: 12.51% to 14.14%) per annum.

10.2 This represents short term running finance facility, forming part of total credit facility of Rupees 100.000 million (2012: Rupees 100.000 million). This facility is secured against first pari passu charge over all present and future fixed / current assets of the Company to the extent of Rupees 134.000 million with a margin of 25% and personal guarantees of two directors of the Company. Mark-up is payable quarterly at the rate of 3 months KIBOR plus 2.50% (2012: 3 months KIBOR plus 2.50%) per annum. Effective rate of mark-up ranges from 11.58% to 12.70% (2012: 13.91% to 15.20%) per annum.

10.3 This represents short term cash finance facility, forming part of total credit facility of Rupees 450.000 million (2012: Rupees 450.000 million). This facility is secured against pledge of refined sugar with a margin of 20% and personal guarantees of two directors of the Company. Mark-up is payable quarterly at the rate of 3 months KIBOR plus 1.75% (2012: 3 months KIBOR plus 1.75%) per annum. Effective rate of mark-up ranges from 10.78% to 11.27% (2012: 13.60% to 13.67%) per annum.

10.4 This represents running finance facility, forming part of total credit facility of Rupees 50.000 million (2012: Rupees 50.000 million). This facility is secured against first pari passu charge of Rupees 67.000 million on fixed assets of the Company with a margin of 25% and personal guarantees of two directors of the Company. Mark-up is payable quarterly at the rate of 1 month KIBOR plus 2.00% (2012: 1 month KIBOR plus 2.00%) per annum. Effective rate of mark-up ranges from 11.01% to 12.29% (2012: 12.47% to 15.44%) per annum.

10.5 This represents cash finance facility, forming part of total credit facility of Rupees 225.000 million. This facility is secured against ranking charge of Rupees 300.000 million over present and future fixed assets of the Company, pledge of refined sugar with 25% margin and personal guarantees of two directors of the Company. Mark-up is payable quarterly at the rate of 3 months KIBOR plus 1.40% per annum. Effective rate of mark-up ranges from 10.43% to 10.92% per annum.

10.6 This represents karobar finance facility, forming part of total credit facility of Rupees 100.000 million (2012: Rupees 100.000 million). This facility is secured against pledge of refined sugar with 20% margin and personal guarantees of two directors of the Company. Mark-up is payable quarterly at the rate of respective KIBOR plus 2.25% (2012: 1 month KIBOR plus 2.25%) per annum. Effective rate of mark-up ranges from 11.14% to 11.79% (2012: 14.18% to 14.19%) per annum.

10.7 This represents cash finance facility, forming part of total credit facility of Rupees 250.000 million (2012: Rupees 250.000 million). This facility is secured against pledge of refined sugar with 25% margin and personal guarantees of two directors of the Company. Mark-up is payable quarterly at the rate of 1 month KIBOR plus 1.75% (2012: 1 month KIBOR plus 1.75%) per annum. Effective rate of mark-up ranges from 10.76% to 11.63% (2012: 13.58% to 13.85%) per annum.

10.8 This represents cash finance facility, forming part of total credit facility of Rupees 200.000 million (2012: Rupees 200.000 million). This facility is secured against pledge of refined sugar with 25% margin and personal guarantees of two directors of the Company. Mark-up is payable quarterly at the rate of 1 month KIBOR plus 1.40% (2012: 1 month KIBOR plus 1.40%) per annum. Effective rate of mark-up ranges from 10.42% to 11.28% (2012: 13.22% to 14.08%) per annum.

10.9 This represents cash finance facility, forming part of total credit facility of Rupees 150.000 million. This facility is secured against ranking charge of Rupees 187.500 million over current assets of the Company with a margin of 20%, pledge of refined sugar with 25% margin and personal guarantees of two directors of the Company. Mark-up is payable quarterly at the rate of 6 months KIBOR plus 2.50% per annum. Effective rate of mark-up ranges from 12.05% to 12.06% per annum.

11. CURRENT PORTION OF NON-CURRENT LIABILITIES

	2013 Rupees	2012 Rupees
Long term financing (Note 6)	**49,966,668**	49,966,668
Liabilities against assets subject to finance lease (Note 7)	**12,392,761**	8,293,292
	62,359,429	58,259,960

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

Guarantees of Rupees 42.800 million (2012: Rupees 42.800 million), Rupees 43.800 million and Rupees 12.989 million (2012: Rupees 29.297 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connection, Engro Fertilizers Limited against supply of fertilizer and Trading Corporation of Pakistan against sale of sugar respectively.

12.2 Commitments	2013 Rupees	2012 Rupees
For capital expenditure	**-**	5,190,166
Letters of credit other than capital expenditure	**-**	19,892,558

13. FIXED ASSETS

	2013 Rupees	2012 Rupees
Property, plant and equipment		
Operating fixed assets		
- Owned (Note 13.1)	**964,239,884**	930,522,346
- Leased (Note 13.1)	**34,954,120**	42,792,272
	999,194,004	973,314,618
Capital work-in-progress (Note 13.2)	**-**	38,151,838
Intangible asset (Note 13.1)	**-**	333,400
	999,194,004	1,011,799,856

13.1 Reconciliation of carrying amounts of operating fixed assets and intangible asset at the beginning and end of the year is as follows:

DESCRIPTION	OPERATING FIXED ASSETS															INTANGIBLE ASSET
	OWNED												LEASED			
	Freehold land	Building on freehold land	Plant and machinery	Stand by equipments	Factory equipment	Gas and electric installations	Railway siding	Furniture and fixtures	Office equipment	Computer equipment	Vehicles	Total	Plant and machinery	Vehicles	Total	Computer software
	Rupees															
As at 30 September 2011																
Cost / revalued amount	515,578,191	93,612,755	712,973,438	365,804	7,185,931	9,090,668	492,072	4,072,814	4,981,636	3,877,440	31,837,954	1,384,068,703	23,608,000	22,239,110	45,847,110	1,000,000
Accumulated depreciation/amortization	-	(32,186,506)	(531,186,363)	(86,925)	(4,744,233)	(7,732,511)	(492,072)	(2,866,404)	(4,298,380)	(3,205,263)	(22,781,701)	(609,580,358)	(4,872,545)	(6,779,347)	(11,651,892)	(333,300)
Net book value	515,578,191	61,426,249	181,787,075	278,879	2,441,698	1,358,157	-	1,206,410	683,256	672,177	9,056,253	774,488,345	18,735,455	15,459,763	34,195,218	666,700
Year ended 30 September 2012																
Opening net book value	515,578,191	61,426,249	181,787,075	278,879	2,441,698	1,358,157	-	1,206,410	683,256	672,177	9,056,253	774,488,345	18,735,455	15,459,763	34,195,218	666,700
Additions	-	-	178,484,206	983,925	-	512,546	-	26,500	487,080	249,709	18,481,163	199,225,129	-	31,080,878	31,080,878	-
Disposals:																
Cost	-	-	-	-	-	-	-	-	(38,000)	-	(21,974,003)	(22,012,003)	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	11,577	-	5,146,338	5,157,915	-	-	-	-
Accumulated impairment	-	-	-	-	-	-	-	-	-	-	2,327,665	2,327,665	-	-	-	-
	-	-	-	-	-	-	-	-	(26,423)	-	(14,500,000)	(14,526,423)	-	-	-	-
Transferred from leased assets:																
Cost	-	-	23,608,000	-	-	-	-	-	-	-	-	23,608,000	(23,608,000)	-	(23,608,000)	-
Accumulated depreciation	-	-	(5,218,006)	-	-	-	-	-	-	-	-	(5,218,006)	5,218,006	-	5,218,006	-
	-	-	18,389,994	-	-	-	-	-	-	-	-	18,389,994	(18,389,994)	-	(18,389,994)	-
Impairment loss	-	-	-	-	-	-	-	-	-	-	(2,327,665)	(2,327,665)	-	-	-	-
Depreciation / amortization charge	-	(2,123,726)	(37,312,171)	(78,454)	(456,693)	(226,421)	-	(161,505)	(111,216)	(365,963)	(3,890,885)	(44,727,034)	(345,461)	(3,748,369)	(4,093,830)	(333,300)
Closing net book value	515,578,191	59,302,523	341,349,104	1,184,350	1,985,005	1,644,282	-	1,071,405	1,032,697	555,923	6,818,866	930,522,346	-	42,792,272	42,792,272	333,400
As at 30 September 2012																
Cost / revalued amount	515,578,191	93,612,755	915,065,644	1,349,729	7,185,931	9,603,214	492,072	4,099,314	5,430,716	4,127,149	28,345,114	1,584,889,829	-	53,319,988	53,319,988	1,000,000
Accumulated depreciation/amortization	-	(34,310,232)	(573,716,540)	(165,379)	(5,200,926)	(7,958,932)	(492,072)	(3,027,909)	(4,398,019)	(3,571,226)	(21,526,248)	(654,367,483)	-	(10,527,716)	(10,527,716)	(666,600)
Net book value	515,578,191	59,302,523	341,349,104	1,184,350	1,985,005	1,644,282	-	1,071,405	1,032,697	555,923	6,818,866	930,522,346	-	42,792,272	42,792,272	333,400
Year ended 30 September 2013																
Opening net book value	515,578,191	59,302,523	341,349,104	1,184,350	1,985,005	1,644,282	-	1,071,405	1,032,697	555,923	6,818,866	930,522,346	-	42,792,272	42,792,272	333,400
Additions	1,360,370	5,291,097	75,249,306	1,768,429	-	113,378	-	119,117	116,515	364,808	65,144	84,448,164	-	5,731,865	5,731,865	-
Disposals:																
Cost	-	-	(7,626,492)	-	-	-	-	-	-	-	(10,147,500)	(17,773,992)	-	-	-	-
Accumulated depreciation	-	-	7,626,492	-	-	-	-	-	-	-	6,363,883	13,990,375	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	(3,783,617)	(3,783,617)	-	-	-	-
Transferred from leased assets:																
Cost	-	-	-	-	-	-	-	-	-	-	14,249,000	14,249,000	-	(14,249,000)	(14,249,000)	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	(7,520,349)	(7,520,349)	-	7,520,349	7,520,349	-
	-	-	-	-	-	-	-	-	-	-	6,728,651	6,728,651	-	(6,728,651)	(6,728,651)	-
Depreciation / amortization charge	-	(2,213,753)	(46,743,604)	(170,150)	(434,793)	(265,976)	-	(152,012)	(116,869)	(417,896)	(3,160,607)	(53,675,660)	-	(6,841,366)	(6,841,366)	(333,400)
Closing net book value	516,938,561	62,379,867	369,854,806	2,782,629	1,550,212	1,491,684	-	1,038,510	1,032,343	502,835	6,668,437	964,239,884	-	34,954,120	34,954,120	-
As at 30 September 2013																
Cost / revalued amount	516,938,561	98,903,852	982,688,458	3,118,158	7,185,931	9,716,592	492,072	4,218,431	5,547,231	4,491,957	32,511,758	1,665,813,001	-	44,802,853	44,802,853	1,000,000
Accumulated depreciation/amortization	-	(36,523,985)	(612,833,652)	(335,529)	(5,635,719)	(8,224,908)	(492,072)	(3,179,921)	(4,514,888)	(3,989,122)	(25,843,321)	(701,573,117)	-	(9,848,733)	(9,848,733)	(1,000,000)
Net book value	516,938,561	62,379,867	369,854,806	2,782,629	1,550,212	1,491,684	-	1,038,510	1,032,343	502,835	6,668,437	964,239,884	-	34,954,120	34,954,120	-
Depreciation rate % per annum	-	2.5	7.5	10	10	10	5	10	10	30	20		7.5	20		33.33

13.1.1 Had there been no revaluation, the book value of freehold land would have been lower by Rupees 492.684 million (2012: Rupees 492.684 million).

13.1.2 Detail of operating fixed assets disposed of during the year is as follows:

Description	Cost	Accumulated Depreciation	Net Book Value	Sale Proceeds	Gain / (Loss) on Disposal	Mode of Disposal	Particulars of purchasers
	-------	-------	-------	Rupees	-------	-------	
Vehicles							
Mercedes Benz LED-08-6220	4,200,000	2,614,356	1,585,644	1,700,000	114,356	Negotiation	Mrs. Seema Sajjad, Lahore
Prado LWM-0349	2,070,500	725,186	1,345,314	1,200,000	(145,314)	Negotiation	Mr. Tayab Tariq Akram, Gujranwala
Toyota Corolla LEB-09-8838	1,809,000	956,341	852,659	500,000	(352,659)	Negotiation	Mr. Muhammad Nasir Sheikh, Lahore
	8,079,500	4,295,883	3,783,617	3,400,000	(383,617)		
Aggregate of other items of fixed assets with individual book values not exceeding Rupees 50,000	9,694,492	9,694,492	-	2,350,000	2,350,000		
	17,773,992	**13,990,375**	**3,783,617**	**5,750,000**	**1,966,383**		

13.1.3 Depreciation charge for the year has been allocated as follows:

	2013 Rupees	2012 Rupees
Cost of sales (Note 25)	**49,448,961**	40,179,033
Distribution cost (Note 26)	**379,318**	363,893
Administrative expenses (Note 27)	**10,688,747**	8,277,938
	60,517,026	48,820,864

13.1.4 The cost of fixed assets as on 30 September 2013 includes fully depreciated operating fixed assets of Rupees 354.199 million (2012: Rupees 359.347 million) and fully amortized intangible asset of Rupees 1 million (2012: Nil) which are still in use of the Company.

		2013 Rupees	2012 Rupees
13.2	**CAPITAL WORK-IN-PROGRESS**		
	Plant and machinery	-	33,256,262
	Civil works	-	4,895,576
		-	38,151,838

13.3 Borrowing cost of Rupees 0.794 million (2012: Rupees 11.216 million) has been capitalized using the capitalization rate of 12.35% (2012: 14.41 to 15.80%) per annum.

14. LONG TERM INVESTMENTS

	2013 Rupees	2012 Rupees
AVAILABLE FOR SALE		
Associated companies - Quoted		
Shadab Textile Mills Limited		
375,000 (2012: 375,000) fully paid ordinary shares of Rupees 10 each	**2,500,000**	2,500,000
Sargodha Spinning Mills Limited		
500 (2012: 500) fully paid ordinary shares of Rupees 10 each	**5,000**	5,000
	2,505,000	2,505,000
Add: Fair value adjustment (Note 4)	**16,927,805**	1,628,050
Less: Impairment loss	**4,550**	4,550
	19,428,255	4,128,500

15. [illegible]

	2013 Rupees	2012 Rupees
Margin against bank guarantees	**4,397,989**	4,397,989
Security deposits against leased assets	**14,133,900**	14,068,700
Security deposits - others	**912,740**	912,740
	19,444,629	19,379,429
Less: Current portion shown under current assets (Note 21)	**2,324,700**	-
	17,119,929	19,379,429

16. DEFERRED INCOME TAX ASSET

The asset for deferred taxation originated due to timing differences relating to:

	2013 Rupees	2012 Rupees
Taxable temporary differences		
Accelerated tax depreciation	**85,276,939**	88,419,835
Finance lease	**1,645,791**	3,073,262
	86,922,730	91,493,097
Deductible temporary differences		
Available tax losses	**200,900,912**	130,345,924
Turnover tax available for carry forward	**31,784,666**	57,277,556
	232,685,578	187,623,480
Deferred income tax asset	**145,762,848**	96,130,383

17. STORES, SPARE PARTS AND LOOSE TOOLS

	2013 Rupees	2012 Rupees
Stores	**137,709,616**	126,870,137
Spare parts	**12,820,532**	15,054,290
Loose tools	**942,410**	704,368
	151,472,558	142,628,795

18. STOCK-IN-TRADE

	2013 Rupees	2012 Rupees
Work-in-process	**1,272,242**	370,926
Finished goods (Note 18.1)	**665,180,797**	43,223,248
	666,453,039	43,594,174

18.1 Finished goods include inventory of press mud amounting to Rupees 19.515 million (2012: Rupees 13.641 million) carried at net realizable value.

19. TRADE DEBTS

	2013 Rupees	2012 Rupees
Considered good - unsecured:		
Other than related parties (Note 19.1)	**19,416,713**	21,369,450

19.1 As at 30 September 2013, trade debts of Rupees 19.417 million (2012: Rupees 21.369 million) were past due but not impaired. These relate to independent customers from whom there is no recent history of default. The aging analysis of these trade debts is as follows:

	2013 Rupees	2012 Rupees
Upto 1 month	**13,100,880**	12,993,314
1 to 6 months	**6,315,833**	8,376,136
	19,416,713	21,369,450

20. ADVANCES

Considered good		
Advances to:		
Employees - interest free	**1,562,002**	1,892,193
Employees against expenses	**423,071**	416,602
Suppliers	**20,033,302**	19,907,344
Contractors	**148,500**	34,800
Sugarcane growers	**24,708,994**	3,439,502
Margin against letters of credit	**-**	2,710,887
	46,875,869	28,401,328

21. SHORT TERM DEPOSITS AND PREPAYMENTS

Deposits:		
Margins against bank guarantees	**12,248,880**	7,324,300
Current portion of long term deposits (Note 15)	**2,324,700**	-
	14,573,580	7,324,300
Prepayments	**2,973,714**	2,213,831
	17,547,294	9,538,131

22. OTHER RECEIVABLES

Considered good		
Advance income tax	**69,508,468**	61,448,229
Sales tax and federal excise duty	**243,325**	-
Accrued mark-up	**36,474**	42,857
Export rebate receivable	**16,100,000**	-
Others	**1,290,513**	1,776,764
	87,178,780	63,267,850

23. CASH AND BANK BALANCES

	2013 Rupees	2012 Rupees
Cash in hand	**77,449**	179,208
Cash with banks on :		
Current accounts (Note 23.1)	**10,001,892**	7,658,827
Saving accounts (Note 23.2)	**3,311,126**	2,920,333
	13,313,018	10,579,160
	13,390,467	10,758,368

23.1 Cash with banks on current accounts include foreign currency balance of US$ 597.6 (2012: US$ 597.6).

23.2 Rate of profit on bank deposits ranges from 3.78% to 7.00% (2012: 5.00% to 7.00%) per annum.

24. SALES

	2013 Rupees	2012 Rupees
Export - Sugar	**441,418,925**	-
Local (Note 24.1)	**1,777,432,469**	3,010,669,362
Export rebate	**16,100,000**	-
	2,234,951,394	3,010,669,362

24.1 Local

	2013 Rupees	2012 Rupees
Sugar	**1,661,956,883**	2,946,772,281
By Products:		
Molasses	**242,705,635**	261,202,821
Press mud	**1,964,978**	2,208,912
Bagasse	**19,153,737**	10,603,152
	1,925,781,233	3,220,787,166
Less: Federal excise duty and sales tax	**148,348,764**	210,117,804
	1,777,432,469	3,010,669,362

25. COST OF SALES

	2013 Rupees	2012 Rupees
Raw materials consumed:		
Sugarcane purchased	**2,476,339,933**	2,552,965,076
Sugarcane development cess	**14,508,579**	16,275,435
Market committee fee	**2,920,647**	3,301,951
	2,493,769,159	2,572,542,462
Salaries, wages and other benefits (Note 25.1)	**105,966,199**	88,358,424
Workers' welfare	**4,888,478**	2,234,333
Stores, spare parts and loose tools consumed	**11,078,083**	9,927,761
Chemicals consumed	**22,552,472**	24,547,959
Packing material consumed	**24,761,489**	23,968,288
Fuel and power	**18,699,870**	20,251,230
Repair and maintenance	**94,818,060**	57,057,101
Insurance	**5,255,310**	3,057,893
Other factory overheads	**2,447,411**	3,289,201
Depreciation (Note 13.1.3)	**49,448,961**	40,179,033
	2,833,685,492	2,845,413,685
Work-in-process		
Opening stock	**370,926**	485,457
Closing stock	**(1,272,242)**	(370,926)
	(901,316)	114,531
Cost of goods manufactured	**2,832,784,176**	2,845,528,216
Finished goods		
Opening stock	**43,223,248**	10,195,295
Closing stock	**(665,180,797)**	(43,223,248)
	(621,957,549)	(33,027,953)
	2,210,826,627	2,812,500,263

25.1 Salaries, wages and other benefits include Rupees 2.067 million (2012: Rupees 1.953 million) in respect of employees' provident fund contribution by the Company.

26. DISTRIBUTION COST

	2013 Rupees	2012 Rupees
Salaries, wages and other benefits (Note 26.1)	**4,014,858**	2,150,952
Handling and distribution	**3,472,021**	2,850,507
Commission to selling agent	**2,022,776**	3,247,828
Repair and maintenance	**392,593**	222,427
Printing and stationery	**13,030**	71,035
Depreciation (Note 13.1.3)	**379,318**	363,893
Miscellaneous	**16,200**	15,654
	10,310,796	8,922,296

26.1 Salaries, wages and other benefits include Rupees 0.155 million (2012: Rupees 0.102 million) in respect of employees' provident fund contribution by the Company.

27. ADMINISTRATIVE EXPENSES

	2013 Rupees	2012 Rupees
Salaries and other benefits (Note 27.1)	**90,414,741**	74,520,096
Traveling and conveyance	**1,026,708**	1,148,159
Communication	**1,355,560**	1,459,691
Rent, rates and taxes	**3,970,351**	3,911,901
Printing and stationery	**1,656,668**	1,508,768
Repair and maintenance	**1,342,893**	1,303,582
Vehicle's running	**10,107,821**	9,374,816
Fee and subscription	**1,570,938**	1,078,474
Legal and professional	**614,250**	1,512,500
Auditors' remuneration (Note 27.2)	**833,750**	769,900
Entertainment	**1,404,228**	1,437,331
Advertisement	**51,800**	36,850
Insurance	**1,780,995**	1,707,997
Amortization (Note 13.1)	**333,400**	333,300
Depreciation (Note 13.1.3)	**10,688,747**	8,277,938
Miscellaneous	**3,052,643**	2,592,878
	130,205,493	110,974,181

27.1 Salaries and other benefits include Rupees 1.709 million (2012: Rupees 2.107 million) in respect of employees' provident fund contribution by the Company.

27.2 Auditors' remuneration

	2013 Rupees	2012 Rupees
Audit fee	**591,250**	537,500
Certification fee	**50,000**	50,000
Half yearly review	**130,000**	130,000
Reimbursable expenses	**62,500**	52,400
	833,750	769,900

28. OTHER EXPENSES

	2013 Rupees	2012 Rupees
Donations	-	220,000
Workers' profit participation fund	-	1,305,874
Impairment loss on operating fixed assets	-	2,327,665
	-	3,853,539

29. OTHER INCOME

	2013 Rupees	2012 Rupees
Income from financial assets		
Profit on bank deposits	**330,342**	11,121,473
Balances written back	**572,487**	5,762,245
Income from investments in associated companies		
Dividend income (Note 29.1)	**375,000**	375,000
	1,277,829	17,258,718
Income from non-financial assets		
Sale of scrap	**9,748,817**	5,487,481
Gain on sale of operating fixed assets	**1,966,383**	1,255,577
Amortization of deferred income on sale and lease back	**-**	288,692
Sales tax refund received - previously written off	**-**	7,683,975
Provision for workers' welfare fund written back	**-**	2,433,571
Gain on sale of fertilizers and seeds to growers	**7,075,168**	-
Miscellaneous	**480,500**	377,433
	20,548,697	34,785,447

29.1 It represents dividend received from Shadab Textile Mills Limited - associated company.

30. FINANCE COST

	2013 Rupees	2012 Rupees
Mark up on :		
- Long term financing	**13,569,490**	22,059,257
- Short term borrowings	**99,638,035**	58,758,420
Finance charges on lease liabilities	**2,713,497**	2,223,545
Interest on workers' profit participation fund (Note 8.1)	**54,185**	319,682
Bank charges and commission	**5,202,990**	1,351,701
	121,178,197	84,712,605

31. TAXATION

	2013	2012
Current tax:		
For the year (Note 31.1)	**11,963,831**	15,082,671
Prior year	**11,452,467**	(562,693)
Deferred tax	**(49,632,465)**	3,050,770
	(26,216,167)	17,570,748

31.1 Provision for current income tax represents minimum tax on turnover under section 113 of the Income Tax Ordinance, 2001, therefore, it is impracticable to prepare the tax charge reconciliation for the years presented. The Company has carry forwardable tax losses of Rupees 608.791 million (2012: Rupees 372.417 million).

32. (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic (loss) / earnings per share.

		2013	2012
(Loss) / profit after taxation attributable to ordinary shareholders	Rupees	**(190,804,855)**	6,921,177
Weighted average number of ordinary shares	Numbers	**17,000,000**	17,000,000
(Loss) / earnings per share - Basic	Rupees	**(11.22)**	0.41

33. REMUNERATION OF CHIEF EXEXCUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements for remuneration including all benefits to the chief executive, directors and executives of the Company is as follows:

	2013		
	Chief Executive	Directors	Executives
	------------------ Rupees ------------------		
Managerial remuneration	**5,799,732**	**6,029,356**	**13,044,022**
House rent	**1,728,000**	**1,900,587**	**5,261,051**
Contribution to provident fund	**-**	**423,687**	**1,040,207**
Utilities / medical allowance	**418,608**	**558,842**	**1,169,110**
Reimbursable expenses	**141,979**	**1,011,661**	**-**
	8,088,319	**9,924,133**	**20,514,390**
Number of persons	**1**	**3**	**13**

	2012		
	Chief Executive	Directors	Executives
	------------------ Rupees ------------------		
Managerial remuneration	5,778,045	6,623,657	10,921,406
House rent	1,728,000	2,112,519	3,935,291
Contribution to provident fund	192,000	470,784	845,711
Utilities / medical allowance	692,332	509,087	921,195
Reimbursable expenses	506,064	555,870	-
	8,896,441	10,271,917	16,623,603
Number of persons	1	3	10

33.1 In addition to above, the chief executive, directors and certain executives are provided with the free use of the Company's maintained cars. Ten (2012: Seven) executives are also provided with furnished accomodation including utilities.

33.2 No meeting fee was paid to directors during the year (2012: Rupees Nil).

33.3 No remuneration was paid to non-executive directors of the Company.

34. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related companies, employees provident fund trust and key management personnel. The Company in the normal course of business carries out transactions with related parties. Detail of transactions with related parties are specifically disclosed in these financial statements and there are no other related party transactions during the year.

35. PLANT CAPACITY AND ACTUAL PRODUCTION

		2013	2012
Installed crushing capacity for 113 (2012: 121) working days	Metric tons	**734,500**	786,500
Actual crushing	Metric tons	**580,197**	650,995
Actual production	Metric tons	**55,368**	61,129
Sugar recovery	Percentage	**9.55**	9.39

36. UNUTILIZED CREDIT FACILITIES

The Company has total credit facilities amounting to Rupees 2,054.867 million (2012: Rupees 1,569.900 million) out of which Rupees 1,017.649 million (2012: Rupees 1,298.200 million) remained unutilized at the end of the year.

37. PROVIDENT FUND RELATED DISCLOSURES

The following information is based on un-audited books of account of the provident fund as on 30 September 2013 and 30 September 2012:

	2013 Rupees	2012 Rupees
Size of the fund	**94,275,868**	90,567,369
Cost of investments	**68,066,509**	61,455,145
Percentage of investments made	**72.20%**	67.86%
Fair value of investments	**68,403,224**	61,512,645

37.1 The break-up of cost of investments is as follows:

	2013 Percentage	2012 Percentage	2013 Rupees	2012 Rupees
Term deposit receipts	**37**	44	**25,000,000**	27,200,000
Saving bank accounts	**31**	13	**21,166,509**	7,720,612
National saving scheme	**32**	-	**21,900,000**	-
Mutual funds	**-**	43	**-**	26,534,533
	100	**100**	**68,066,509**	**61,455,145**

37.2 As on 30 September 2013, the investments out of provident fund have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

38. NUMBER OF EMPLOYEES

	2013	2012
Number of employees as on September 30	**731**	746
Average number of employees during the year	**935**	950

39. FINANCIAL RISK MANAGEMENT

39.1 Financial risk factors

The Company's activities may expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

(i) 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. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Currently, the Company's foreign exchange risk exposure is restricted to bank balances in United States Dollar (USD) as disclosed in note 24 to these financial statements which, in management's opinion, is considered to be insignificant.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of 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 instrument traded in the market. The Company is not exposed to commodity price risk.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Karachi Stock Exchange (KSE) Index on the Company's loss after taxation for the year and on equity (fair value reserve). The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on (loss)/profit after taxation		Impact on other comprehensive income (fair value reserve)		
	2013 Rupees	**2012 Rupees**		**2013 Rupees**	**2012 Rupees**
KSE 100 (5% increase)	-	-	Increase in fair value reserve	**971,413**	206,425
KSE 100 (5% decrease)	-	-	Decrease in fair value reserve	**(971,413)**	(206,425)

Equity (fair value reserve) would increase / decrease as a result of gains / losses on equity investments classified as available for sale.

(iii) Interest rate risk

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

The Company has no long-term interest-bearing assets. The Company's interest rate risk arises from long term financing, liabilities against assets subject to finance lease and short term borrowings. Borrowings and finance leases obtained at variable rates expose the Company to cash flow interest rate risk.

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	2013 Rupees	2012 Rupees
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	**3,311,126**	2,920,333
Financial liabilities		
Long term financing	**99,933,332**	149,900,000
Liabilities against assets subject to finance lease	**29,966,874**	34,011,524
Short term borrowings	**907,317,840**	121,800,033

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, loss after taxation for the year would have been higher / lower by Rupees 10.339 million (2012: Rupees 2.877 million), mainly as a result of higher / lower interest expense on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2013 Rupees	2012 Rupees
Long term investments	**19,428,255**	4,128,500
Deposits	**31,693,509**	26,703,729
Trade debts	**19,416,713**	21,369,450
Advances	**1,562,002**	1,892,193
Other receivables	**1,326,987**	1,819,621
Bank balances	**13,313,018**	10,579,160
	86,740,484	66,492,653

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

	Rating			2013	2012
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
Allied Bank Limited	A1+	AA+	PACRA	**200,727**	251,894
Bank Alfalah Limited	A1+	AA	PACRA	**1,621,657**	956,384
BankIslami Pakistan Limited	A1	A	PACRA	**502,391**	144,781
Faysal Bank Limited	A1+	AA	PACRA	**327,507**	322,682
The Bank of Punjab	A1+	AA-	PACRA	**340,731**	268,786
Habib Bank Limited	A-1+	AAA	JCR-VIS	**2,191,249**	122,246
Meezan Bank Limited	A-1+	AA	JCR-VIS	**59,186**	59,186
MCB Bank Limited	A1+	AAA	PACRA	**3,992,195**	3,838,209
National Bank of Pakistan	A-1+	AAA	JCR-VIS	**1,482,733**	2,547,156
United Bank Limited	A-1+	AA+	JCR-VIS	**468,648**	2,067,836
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	**2,115,994**	-
Summit Bank Limited	A-3	A-	JCR-VIS	**10,000**	-
				13,313,018	10,579,160

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 19.

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 September 2013, the Company had Rupees 1,017.649 million (2012: Rupees 1,298.200 million) available credit limits from financial institutions and Rupees 13.390 million (2012: Rupees 10.758 million) cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 September 2013

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 years
	----------	----------	----------	Rupees	----------	----------
Non-derivative financial liabilities						
Long term financing	**99,933,332**	**113,707,928**	**30,816,087**	**29,188,832**	**53,703,009**	**-**
Liabilities against assets subject to finance lease	**29,966,874**	**32,245,992**	**6,373,162**	**7,655,142**	**18,051,137**	**166,551**
Trade and other payables	**287,577,668**	**287,577,668**	**287,577,668**	**-**	**-**	**-**
Accrued mark-up	**26,878,506**	**26,878,506**	**26,878,506**	**-**	**-**	**-**
Short term borrowings	**907,317,840**	**962,656,888**	**791,368,284**	**171,288,604**	**-**	**-**
	1,351,674,220	**1,423,066,982**	**1,143,013,707**	**208,132,578**	**71,754,146**	**166,551**

Contractual maturities of financial liabilities as at 30 September 2012

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 years
	----------	----------	----------	Rupees	----------	----------
Non-derivative financial liabilities						
Long term financing	149,900,000	175,574,331	29,617,488	32,248,914	60,004,919	53,703,010
Liabilities against assets subject to finance lease	34,011,524	37,898,981	5,483,170	5,039,327	9,451,754	17,924,730
Trade and other payables	185,468,624	185,468,624	185,468,624	-	-	-
Accrued mark-up	12,702,322	12,702,322	12,702,322	-	-	-
Short term borrowings	121,800,033	133,718,644	133,718,644	-	-	-
	503,882,503	545,362,902	366,990,248	37,288,241	69,456,673	71,627,740

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective as at 30 September. The rates of interest / mark-up have been disclosed in Note 6, 7 and note 10 to these financial statements.

39.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped in to levels 1 to 3 based on the degree to which fair value is observable:

	Level 1	Level 2	Level 3	Total
	----------	Rupees	----------	----------
As at 30 September 2013				
Assets				
Available for sale financial assets	**19,428,255**	**-**	**-**	**19,428,255**
As at 30 September 2012				
Assets				
Available for sale financial assets	4,128,500	-	-	4,128,500

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial instruments held by the Company is the current bid price. These financial instruments are classified under level 1 in above referred table.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value a financial instrument are observable, those financial instruments are classified under level 2 in above referred table.

If one or more of the significant inputs is not based on observable market data, the financial instrument is classified under level 3. The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

39.3 Financial instruments by categories

	Loans and receivables	Available for sale	Total
	-------------------Rupees	------------------	
As at 30 September 2013			
Assets as per balance sheet			
Long term investments	**-**	**19,428,255**	**19,428,255**
Deposits	**31,693,509**	**-**	**31,693,509**
Trade debts	**19,416,713**	**-**	**19,416,713**
Advances	**1,562,002**	**-**	**1,562,002**
Other receivables	**1,326,987**	**-**	**1,326,987**
Cash and bank balances	**13,390,467**	**-**	**13,390,467**
	67,389,678	**19,428,255**	**86,817,933**

	Loans and receivables	Available for sale	Total
	-------------------Rupees	------------------	
As at 30 September 2012			
Assets as per balance sheet			
Long term investments	-	4,128,500	4,128,500
Deposits	26,703,729	-	26,703,729
Trade debts	21,369,450	-	21,369,450
Advances	1,892,193	-	1,892,193
Other receivables	1,819,621	-	1,819,621
Cash and bank balances	10,758,368	-	10,758,368
	62,543,361	4,128,500	66,671,861

	2013 Rupees	2012 Rupees
Liabilities as per balance sheet at amortized cost		
Long term financing	**99,933,332**	149,900,000
Liabilities against assets subject to finance lease	**29,966,874**	34,011,524
Trade and other payables	**287,577,668**	185,468,624
Accrued mark-up	**26,878,506**	12,702,322
Short term borrowings	**907,317,840**	121,800,033
	1,351,674,220	503,882,503

39.4 Capital risk management

The Company's objectives 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. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

40. SEGMENT INFORMATION

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

Sales of sugar represents 88.93% (2012: 91.49%) of the total sales of the Company.

80.80% of the sales of the Company relates to customers in Pakistan. Of the remaining sales of the Company relating to customers outside Pakistan, 80.53% of those sales are made to customers in Afghanistan.

All non-current assets of the Company as at 30 September 2013 were located in Pakistan.

11.77% (2012: 19.65%) of the total sales of the Company are made to a single customer in Pakistan.

41. DATE OF AUTHORIZATION

These financial statements have been approved and authorized by the Board of Directors of the Company for issue on 03 January, 2014.

42. CORRESPONDING FIGURES

Corresponding figures have been rearranged / regrouped wherever necessary for the purpose of comparison. However, no significant reclassification / rearrangement of comparative figures has been made in these financial statements.

43. GENERAL

Figures have been rounded off to nearest of Rupee.

MST. NUSRAT SHAMIM
Chief Executive

AHMED ALI TARIQ
Director

Husein Sugar Mills Limited

INFORMATION UNDER COMPANIES ORDINANCE, 1984
{Section 236(1) and (464)}

PATTERN OF SHAREHOLDINGS HELD BY THE SHAREHOLDERS

(FORM 34)

1.	Incorporation CUIN No.	0002202
2.	Name of Company	Husein Sugar Mills Limited
3.	Pattern of Shareholding as at	30-09-2013

Number of Share Holders	Shareholding		Number of Share Held
	From	To	
276	1	100	5,731
118	101	500	36,426
56	501	1000	40,292
60	1001	5000	145,620
15	5001	10000	103,521
7	10001	15000	94,603
1	15001	20000	19,089
1	40001	45000	40,905
1	45001	50000	48,104
1	60001	65000	60,150
2	65001	70000	130,525
1	100001	105000	102,092
4	105001	110000	432,524
1	110001	115000	113,993
1	120001	125000	124,548
1	130001	135000	130,583
1	135001	140000	139,605
1	140001	145000	141,164
1	145001	150000	148,910
1	155001	160000	159,951
1	160001	165000	163,818
1	205001	210000	205,537
1	340001	345000	341,950
1	350001	355000	354,397
1	385001	390000	385,184
1	410001	415000	411,449
1	545001	550000	545,138
1	585001	590000	588,219
1	650001	655000	653,192
1	820001	825000	824,077
1	1610001	1615000	1,610,257
1	1700001	1705000	1,703,789
1	2390001	2395000	2,393,744
1	4600001	4605000	4,600,913
564	**TOTAL**		**17,000,000**

Husein Sugar Mills Limited

CATEGORIES OF SHAREHOLDERS REQUIRED UNDER C.C.G.

AS ON SEPTEMBER 30, 2013

S. No.		Name	Shares Held	%age of Capital
(A)	**ASSOCIATED COMPANIES**		**Nil**	-
(B)	**NIT & ICP**			
	1	Investment Corporation of Pakistan	1,219	0.01
		IDBP (ICP UNIT)	121	-
			1,340	**0.01**
(C)	**DIRECTORS, CHIEF EXECUTIVE OFFICER, THEIR SPOUSES AND MINOR CHILDREN**			
	1	Mst. Nusrat Shamim	6,211,170	36.54
	2	Mr. Ahmed Ali Tariq	2,393,744	14.08
	3	Mr. Mustafa Ali Tariq	1,703,789	10.02
	4	Mian Shahzad Aslam	793,756	4.67
	5	Mian Aamir Naseem	831,196	4.89
	6	Mr. Muhammad Shams Amin	12,264	0.07
	7	Mrs. Ayesha Shahzad	549,002	3.23
	8	Mrs. Fatima Aamir	184,698	1.09
	9	Mr. Irfan Qamar	2,500	0.01
			12,682,119	**74.60**
(D)	**EXECUTIVES**		**NIL**	-
(E)	**PUBLIC SECTOR COMPANIES AND CORPORATIONS**			
	1	Darson Securities	440	0.00
	2	Capital Vision Securities (Pvt.) Ltd.	1,546	0.01
	4	Naeem Securities (Pvt.) Ltd.	56	0.00
			2,042	0.01
(F)	**BANKS, DEVELOPMENT FINANCIAL INSTITUTIOS, FINANCIAL INSTITUTIONS ,NON BANKING FINANCE INSTITUTIONS, INSURANCE COMPANIES, MODARABAS AND MUTUAL FUNDS**			
	1	Mercantile Cooperative Finance Corporation	9,295	0.05
		Habib Bank Limited	2,000	0.01
		National Bank of Pakistan	122	0.00
		First Elite Capital Modaraba CDC	4,102	0.02
			15,519	**0.09**
(G)	**SHARES HELD BY GENERAL PUBLIC**		**4,295,750**	**25.27**
(H)	**OTHERS**			
	1	Pakistan Cloth Merchants Association	1,434	0.01
	2	SECP	1	-
	3	The Okahi Memon Anjuman	953	0.01
	4	Administrator Abondoned Properties	842	0.00
			3,230	0.02
	GRAND TOTAL		**17,000,000**	**100.00**

DETAILS OF CATEGORIES UNDER CODE OF CORPORATE GOVERNANCE
AS ON SEPTEMBER 30, 2013

SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTREST IN THE LISTED COMPNY

1	Mst. Nusrat Shamim	6,211,170	36.54
2	Mr. Ahmed Ali Tariq	2,393,744	14.08
3	Mr. Mustafa Ali Tariq	1,703,789	10.02

INFORMATION UNDER CLAUSE XVI(I) OF THE CODE OF CORPORATE GOVERNANCE

No trade in the Company's shares was carried out by its Directors, CEO, CFO, Company Secretary and their spouses and minor children during the year October 01,2012 to September 30,2013.

Husein Sugar Mills Limited

PROXY FORM

I/We ______________________ of ______________________

being the member of **HUSEIN SUGAR MILLS LIMITED**

hereby appoint Mr. /Mrs./Miss. ______________________

who is a member of the company vide Registered Folio/CDC participant ID.No. ______________________

or failing whom Mr. /Mrs./Miss. ______________________

who is also a member of the company vide Registered Folio/CDC participant ID.No. ______________________

as my proxy to attend and vote for me and own my behalf at the Annual General Meeting of the Company to be held on at its Registered Office, 30-A E/I, Old FCC, Gulberg III, Lahore on Friday January 31, 2014 at 11:30 A.M. and any adjournment thereof.

Folio No.	CDC Account No.		No. of Shares	
	Participant I.D.	Account No.		(Signature on Rupees Five Revenue Stamp)

Signature registered with the company

I. Signature ______________________

Name ______________________

Address ______________________

____

CNIC No. | | | | | | - | | | | | | | | - | |

or Passport No. ______________________

Date: ______________________

II. Signature ______________________

Name ______________________

Address ______________________

____

CNIC No. | | | | | | | | | | | | | | | |
- -

or Passport No. ______________________

Date: ______________________

Notes:

i. The proxy form must be signed across Rupees Five revenue stamp and it should be deposited in the company's registered office not less then 48 hours before the time of holding the meeting.

ii. If a member appoints more than one proxy and more than one instruments of proxy and are deposited by a member with the company, all such instruments of proxy shall be rendered invalid.

iii. A member entitled to attend may appoint another member as his / her proxy may by power of attorney any other person as his / her to attend, speak and vote at the meeting. A corporation or a company, as the case may be, being a member of the company, may appoint any of its officials or any other person to act as its representative and the person so authorized shall be entitled to the same powers as if he was and individual shareholder.

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AFFIX
CORRECT
POSTAGE

The Company Secretary
HUSEIN SUGAR MILLS LIMITED
30-A E/I, Old FCC, Gulberg III, Lahore
Ph: 35762089 - 35762090
Fax: (042) 35712680

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