



HUSEIN SUGAR MILLS LIMITED



ANNUAL REPORT 2012



HUSEIN SUGAR MILLS LIMITED

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HUSEIN SUGAR MILLS LIMITED

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 Mian Ahmad Ali Tariq Mian Shahzad Aslam Mian Aamir Naseem Mrs. Ayesha Shahzad Mian M. Shams Amin Mr. Irfan Qamar Mr. M. Mudassar Ahsan	Chairperson & Chief Executive
AUDIT COMMITTEE	Mian Shahzad Aslam Mrs. Ayesha Shahzad Mr. M. Mudassar Ahsan	Chairman Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mian M. Shams Amin Mst. Nusrat Shamim Mrs. Ayesha Shahzad	Chairman Member Member
CHIEF FINANCIAL OFFICER	Irfan Qamar	
COMPANY SECRETARY	Syed Arif Hussain	
LEGAL ADVISOR	Manzoor Hussein 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	
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 Website: www.huseinsugarmills.com	



HUSEIN SUGAR MILLS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 46th Annual General Meeting of the Shareholders of **HUSEIN SUGAR MILLS LIMITED** will be held on Saturday the 26th January, 2013 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 45th Annual General meeting held on January 30, 2012.
2. To receive and adopt, the audited financial statements of the Company for the year ended 30 September 2012 together with Directors' and Auditors' Reports thereon.
3. To appoint auditors of the year ending 30 September 2013 and to fix their remuneration. The present Auditors M/s. Riaz Ahmad & Company, Chartered Accountants, retires 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: 3rd January, 2013

Notes:

1. The members' register will remain closed from 20th January 2013 to 26th January 2013 (both days inclusive). Transfers received at the Registrar office of the company by the close of business on 19th January 2013 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 Hameed Majeed Associates (Pvt) Ltd, Ist Floor, H.M. House, 7-Bank Square, Lahore.
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.

HUSEIN SUGAR MILLS LIMITED



DIRECTORS' REPORT TO THE SHAREHOLDERS

We are pleased to present the annual report of Husein Sugar Mills Limited for the year ended September 30, 2012. The Company's performance for current and last year is as under:

	2012	2011
OPERATIONS		
Number of operating days	121	122
Sugarcane crushed (M. Tons)	650,995	575,886
Sugar produced (M. Tons)	61,129	50,221
Sugar recovery percentage	9.39	8.72
FINANCIAL		
Rupees in Thousand		
Sales	3,010,669	3,477,699
Gross profit	198,169	293,358
Operating profit	109,205	185,749
Finance cost	84,713	66,504
Profit after taxation	6,921	69,892
Earnings per share (Rupees)	0.41	5.32

The Company touched record high sugar recovery percentage of 9.39% in its entire history. It is attributable to massive BMR activities undertaken during last year coupled with seed loan of improved varieties to sugarcane growers. The Company continued its seed loan policy to the Company's loyal and progressive farmers to accelerate variety replacement for furtherance of upward trend in sugar recovery.

However, despite record high sugar recovery percentage and effective cost and quality controls over sugarcane procurement, the Company could not perform well on financial side. This turbulent financial performance is attributable to depressive sugar prices throughout the year. All positive developments on operational, quality and cost sides were eaten away by market price imbalance.

CAPITAL STRUCTURE

The Company has also arranged long term loans from banks for meeting long term requirements for its BMR program.

DIVIDEND

As evident from the above, overall performance of the Company could not be termed as satisfactory and therefore, the Board prefers not to announce dividend payment for current year to consolidate its financial strength and to improve their ability to perform better in future.

FUTURE OUTLOOK

Recent situation of the sugar industry is not up to the mark, despite bumper sugarcane crop, due to increased support price of sugarcane which is not in line with declining sugar price and huge carry-over sugar stocks. Sugar is the only commodity of direct common consumption price of which has declined in this hyperinflationary time. This currently prevailing sugar price trend is badly affecting sugar mills ability to meet its obligations.

The Government's recent announcement to allow sugar export is expected to arrest current trend of declining sugar price. However, its tangible impact depends upon sugar price in the international market and actual export of sugar. Sugar export can earn much needed foreign exchange, in addition to supporting domestic industry and continued employment of thousands of skilled and unskilled labour engaged in sugar industry. Government's immediate support is needed to ensure timely payments to sugarcane growers.



HUSEIN SUGAR MILLS LIMITED

CORPORATE SOCIAL RESPONSIBILITY

The Company is committed to provide a safe, healthy, learning and environment friendly atmosphere to its all employees. The Company promotes culture of tolerance, respect, friendship, self-help and mutual trust and confidence.

The Company has been offering employment opportunities to the general public, purely on merit basis and also offers apprenticeship to fresh graduates and post graduates and professional and technical young persons. 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 and quality education facilities to the people of area.

CORPORATE GOVERNANCE

New Code of Corporate Governance (COCG-2012) was promulgated during current year. Board of Directors of the Company has reviewed status of the Company's compliance with new Code and immediately took necessary actions to be fully compliant of the new Code of 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. The value of investments of contributory provident fund is Rupees 55.175 million as at September 30, 2012 (2011: Rupees 59.104 million).
- i. Detail of transactions in the shares of the Company by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, their spouses and minor children is as under

HUSEIN SUGAR MILLS LIMITED



	Number of Shares
Shares Sold/Transferred out:	
Mst. Nusrat Shamim	157,128
Mr. M. Mudassar Ahsan	19,000
Mr. Irfan Qamar	1,012
Shares Purchased/Transferred in:	
Mst. Nusrat Shamim	4,524
Mian M. Shams Amin	9,551

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	3
Mian M. Shams Amin	4
Mr. Irfan Qamar	4
Mr. M. Mudassar Ahsan	4

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	2
Mr. M. Mudassar Ahsan	Member	5

Human Resources and Remuneration Committee

The Company has constituted Human Resources and Remuneration Committee as required by the new Code of Corporate Governance and also 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



HUSEIN SUGAR MILLS LIMITED

DIRECTORS' TRAINING

As required under the Code of Corporate Governance, one director of the Company has acquired certification from the Pakistan Institute of Corporate Governance. 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, 2012 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, retire and offer themselves for reappointment for 2012-13. 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 their devotion and hard work.:

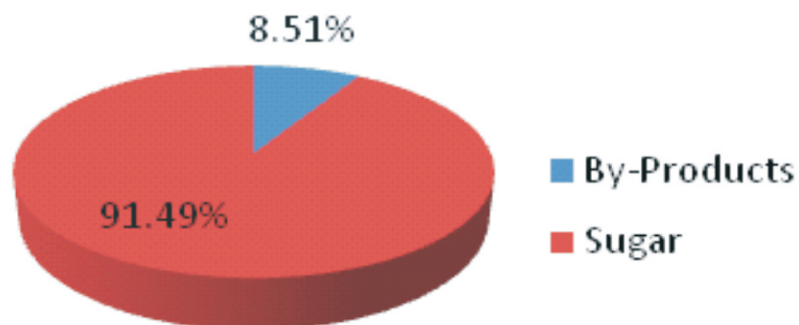
LAHORE: December 24, 2012.


CHAIRPERSON
(By th order of the Board)

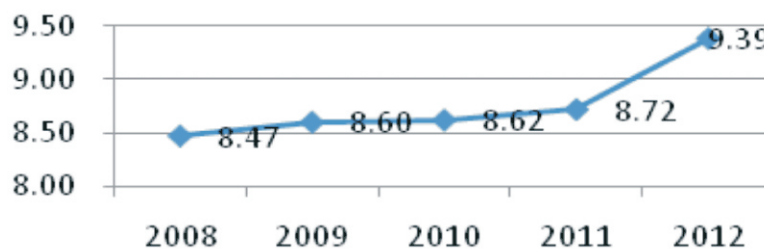


PERFORMANCE AT A GLANCE

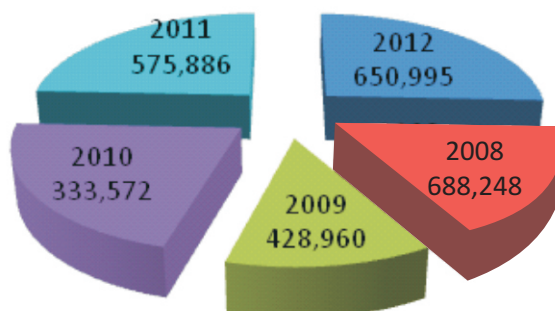
SALES BREAKUP - CURRENT YEAR



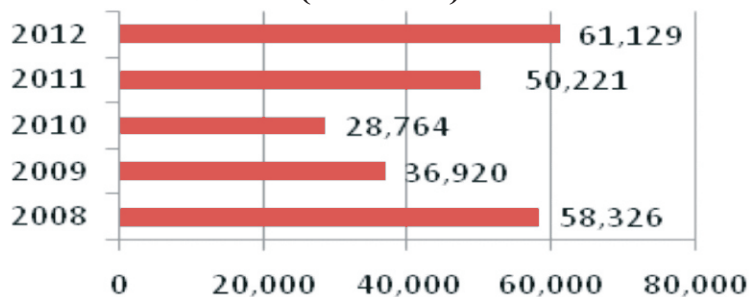
SUGAR RECOVERY PERCENTAGE LAST 5 YEARS' TREND



5 YEARS' COMPARISON OF SUGARCANE CRUSHING (M. TONS)



COMPARATIVE SUGAR PRODUCTION (M. TONS)





HUSEIN SUGAR MILLS LIMITED

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 2012, 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 2012.


RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Syed Mustafa Ali

Date: 24 DEC 2012

LAHORE

HUSEIN SUGAR MILLS LIMITED



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE (COCG-2012) FOR THE YEAR ENDED SEPTEMBER 30, 2012

This statement is being presented to comply with the Code of Corporate Governance of 2012, as contained in Regulation No. 35 of Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) 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 COCG-12 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 Mr. Muhammad Mudassar Ahsan
Non-Executive Directors	Mian Shahzad Aslam Mian Aamir Naseem Mian Muhammad Shams Amin Mrs. Ayesha Shahzad

The requirement of Independent and Executive Directors in composition of Board under COCG 2012 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 on 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. No director is the member of a stock exchange in Pakistan.
4. No casual vacancy on the board occurred during the year ended September 30, 2012.
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.
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. In accordance with the requirement of clause (xi) of the Code, one director has obtained certification from PICG during the year. The directors other than those who are not exempted from the requirement of director's training program will acquire certification within the specified time.



HUSEIN SUGAR MILLS LIMITED

10. No new appointment of CFO and Company Secretary, except Head of Internal Audit, has been made by the Board during the year.
11. The directors' report for this year has been prepared in compliance with the requirements of the COCG 2012 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 COCG 2012.
15. The Board has formed an Audit Committee. It comprises of 3 members, of whom majority comprises of 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 COCG 2012. 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.
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 COCG 2012 have been complied with.

LAHORE: December 24, 2012.


CHAIRPERSON
(By th order of the Board)

HUSEIN SUGAR MILLS LIMITED



KEY OPERATING AND FINANCIAL DATA

OPERATING DATA

	2012	2011	2010	2009	2008	2007
Cane crushed (M.Tons)	650,995	575,886	333,572	428,960	688,248	643,347
Sugar produced (M.Tons)	61,129	50,221	28,764	36,920	58,326	50,992
Average recovery from sugarcane (%)	9.39	8.72	8.62	8.60	8.47	7.93
Number of days worked	121	122	106	108	141	158

.....(Rupees in ' 000).....

FINANCIAL DATA

Sales	3,010,669	3,477,699	1,824,195	1,468,262	1,647,795	1,332,046
Gross profit/(loss)	198,169	293,358	(149,607)	49,580	172,991	15,097
Operating profit/(loss)	109,205	185,749	(226,107)	(25,038)	100,582	(27,590)
Profit / (loss) before taxation	24,492	119,245	(297,450)	(87,608)	56,780	(70,163)
Taxation	(17,571)	(49,353)	126,487	13,215	(21,860)	32,537
Profit / (loss) after taxation	6,921	69,892	(170,963)	(74,393)	34,919	(37,625)
Earning / (loss) per share (Rupees)	0.41	5.32	(13.87)	(6.15)	2.89	(3.11)
Total Assets	1,450,996	1,397,393	1,281,549	666,340	593,177	743,348
Current Liabilities	574,318	370,957	607,123	339,678	152,598	357,879
Capital Employed	876,678	1,026,436	674,426	326,662	440,579	385,468

Represented by:

Share Capital	170,000	170,000	121,000	121,000	121,000	121,000
Reserves	192,171	192,920	191,232	195,168	199,777	200,379
Un-appropriated profit /(accumulated loss)	(109,271)	(116,192)	(186,085)	(15,121)	79,841	44,923
Shareholders' equity	252,900	246,728	126,147	301,047	400,618	366,302

Non - current liabilities

Liabilities against assets subject to finance lease	25,718	5,816	9,956	24,626	10,969	9,651
Long term financing	99,933	279,341	45,000	-	-	-
Deferred taxation	-	-	-	-	28,992	9,516
Long term deposits	5,442	1,578	-	-	-	-
Deferred income on sale and lease back	-	289	639	989	-	-
	131,093	287,024	55,595	25,615	39,961	19,167



HUSEIN SUGAR MILLS LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **HUSEIN SUGAR MILLS LIMITED** as at 30 September 2012 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 2012 and of the profit, its comprehensive income, 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: 24 DEC 2012

LAHORE

HUSEIN SUGAR MILLS LIMITED



BALANCE SHEET

	NOTE	2012 Rupees	2011 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 50,000,000 (2011: 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	82,900,419	76,727,817
Total equity		252,900,419	246,727,817
Surplus on revaluation of land	5	492,684,029	492,684,029
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	99,933,332	279,341,467
Liabilities against assets subject to finance lease	7	25,718,232	5,816,327
Long term deposits		5,441,847	1,577,626
Deferred income on sale and lease back	8	-	288,692
		131,093,411	287,024,112
CURRENT LIABILITIES			
Trade and other payables	9	366,473,419	136,055,859
Accrued mark-up	10	12,702,322	9,982,059
Short term borrowings	11	121,800,033	178,010,632
Current portion of non-current liabilities	12	58,259,960	11,505,783
Provision for taxation		15,082,671	35,402,820
		574,318,405	370,957,153
Total liabilities		705,411,816	657,981,265
CONTINGENCIES AND COMMITMENTS			
	13		
TOTAL EQUITY AND LIABILITIES		1,450,996,264	1,397,393,111

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


MST. NUSRAT SHAMIM
 Chief Executive



HUSEIN SUGAR MILLS LIMITED

AS AT 30 SEPTEMBER 2012

	NOTE	2012 Rupees	2011 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	14	1,011,799,856	899,332,177
Long term investments	15	4,128,500	4,877,075
Long term deposits	16	19,379,429	7,635,429
Deferred income tax asset	17	96,130,383	99,181,153
		1,131,438,168	1,011,025,834
CURRENT ASSETS			
Stores, spare parts and loose tools	18	142,628,795	77,092,854
Stock-in-trade	19	43,594,174	10,680,752
Trade debts	20	21,369,450	1,223,692
Current portion of long term deposits	16	-	5,620,600
Advances	21	28,401,328	23,473,764
Short term deposits and prepayments	22	9,538,131	1,302,690
Other receivables	23	63,267,850	61,336,403
Short term investment	24	-	200,786,301
Cash and bank balances	25	10,758,368	4,850,221
		319,558,096	386,367,277
TOTAL ASSETS		1,450,996,264	1,397,393,111


AHMED ALI TARIQ
Director

HUSEIN SUGAR MILLS LIMITED



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2012

	NOTE	2012 Rupees	2011 Rupees
SALES	26	3,010,669,362	3,477,698,909
COST OF SALES	27	(2,812,500,263)	(3,184,341,030)
GROSS PROFIT		198,169,099	293,357,879
DISTRIBUTION COST	28	(8,922,296)	(7,815,000)
ADMINISTRATIVE EXPENSES	29	(110,974,181)	(98,606,236)
OTHER OPERATING EXPENSES	30	(3,853,539)	(14,676,383)
		(123,750,016)	(121,097,619)
		74,419,083	172,260,260
OTHER OPERATING INCOME	31	34,785,447	13,488,583
PROFIT FROM OPERATIONS		109,204,530	185,748,843
FINANCE COST	32	(84,712,605)	(66,503,859)
PROFIT BEFORE TAXATION		24,491,925	119,244,984
TAXATION	33	(17,570,748)	(49,352,751)
PROFIT AFTER TAXATION		6,921,177	69,892,233
EARNINGS PER SHARE - BASIC AND DILUTED	34	0.41	5.32

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


MST. NUSRAT SHAMIM
Chief Executive


AHMED ALI TARIQ
Director



HUSEIN SUGAR MILLS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2012

	2012 Rupees	2011 Rupees
PROFIT AFTER TAXATION	6,921,177	69,892,233
OTHER COMPREHENSIVE INCOME / (LOSS):		
Surplus / (deficit) on remeasurement of available for sale investments	(748,575)	1,688,825
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	6,172,602	71,581,058

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


MST. NUSRAT SHAMIM
Chief Executive


AHMED ALI TARIQ
Director

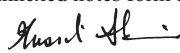
HUSEIN SUGAR MILLS LIMITED



CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2012

	2012 Rupees	2011 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	24,491,925	119,244,984
Adjustments for non-cash charges and other items:		
Depreciation	48,820,864	39,516,433
Amortization of intangible asset	333,300	333,300
Finance cost	84,712,605	66,503,859
Profit on bank deposits	(11,121,473)	(1,414,766)
Advance from customer forfeited	-	(3,000,000)
Provision for doubtful receivables	-	5,413,387
Balances written back	(5,762,245)	(1,248,116)
Provision for workers' welfare fund written back	(2,433,571)	-
Amortization of deferred income on sale and lease back	(288,692)	(350,242)
Impairment loss on operating fixed assets	2,327,665	-
Gain on disposal of operating fixed assets	(1,255,577)	(786,391)
CASH FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES	139,824,801	224,212,448
WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(65,535,941)	8,896,761
Stock-in-trade	(32,913,422)	118,879,664
Trade debts	(20,145,758)	(181,211)
Advances	(4,927,564)	(10,218,258)
Short term prepayments	(8,235,441)	(244,951)
Other receivables	2,266,239	(5,592,139)
Increase / (decrease) in current liabilities:		
Trade and other payables	238,613,376	(167,960,293)
	109,121,489	(56,420,427)
CASH GENERATED FROM OPERATIONS	248,946,290	167,792,021
Finance cost paid	(81,992,342)	(71,686,799)
Income tax paid	(39,099,023)	(22,401,979)
Dividend paid	-	(2,700,230)
Net (decrease) / increase in long term deposits	(6,123,400)	36,925,822
NET CASH FROM OPERATING ACTIVITIES	121,731,525	107,928,835
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of operating fixed assets	15,782,000	1,120,000
Property, plant and equipment - acquired	(147,395,053)	(96,872,663)
Short term investment - net	200,000,000	(200,000,000)
Intangible asset - acquired	-	(250,000)
Profit on bank deposits received	11,968,984	571,088
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	80,355,931	(295,431,575)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of right shares	-	49,000,000
Repayment of liabilities against assets subject to finance lease	(14,391,464)	(14,783,391)
Proceeds from long term financing	70,558,533	279,341,467
Repayment of long term financing	(200,000,000)	(45,000,000)
Long term deposits - net	3,864,221	1,577,626
Short term borrowings - net	(56,210,599)	(85,899,301)
NET CASH (USED IN) / FROM FINANCING ACTIVITIES	(196,179,309)	184,236,401
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	5,908,147	(3,266,339)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	4,850,221	8,116,560
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	10,758,368	4,850,221

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


MST. NUSRAT SHAMIM
Chief Executive


AHMED ALI TARIQ
Director



HUSEIN SUGAR MILLS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2012

	RESERVES							TOTAL	TOTAL EQUITY
	Capital			Revenue					
	Premium on issue of right shares	Fair value reserve	Sub Total	General	Accumulated loss	Sub Total	TOTAL		
Balance as on 30 September 2010	121,000,000	21,093,550	687,800	21,781,350	169,450,000	(186,084,591)	(16,634,591)	5,146,759	126,146,759
Right shares issued during the year	49,000,000	-	-	-	-	-	-	-	49,000,000
Profit for the year ended 30 September 2011	-	-	-	-	-	69,892,233	69,892,233	69,892,233	69,892,233
Other comprehensive income for the year	-	-	1,688,825	1,688,825	-	-	-	1,688,825	1,688,825
Total comprehensive income for the year	-	-	1,688,825	1,688,825	-	69,892,233	69,892,233	71,581,058	71,581,058
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

----- Rupees -----

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


MST. NUSRAT SHAMIM
 Chief Executive


AHMED ALI TARIQ
 Director

HUSEIN SUGAR MILLS LIMITED



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

1. THE COMPANY AND ITS OPERATIONS

Husein Sugar Mills Limited (“the Company”) is a public limited company incorporated in Pakistan under the 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 assumptions 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.



HUSEIN SUGAR MILLS LIMITED

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

The following amendments to published approved standards are mandatory for the Company's accounting periods beginning on or after 01 October 2011:

IFRS 7 (Amendment), 'Financial Instruments: Disclosures' (effective for annual periods beginning on or after 01 July 2011). The new disclosure requirements apply to transfer of financial assets. An entity transfers a financial asset when it transfers the contractual rights to receive cash flows of the asset to another party. These amendments are part of the International Accounting Standards Board (IASB) comprehensive review of off balance sheet activities. The amendments will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitization of financial asset. However, this amendment has no material impact on these financial statements.

IAS 1 (Amendment), 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 January 2011). It clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. However, this amendment has no material impact on these financial statements.

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

There are other new interpretations and amendments to the published approved standards that are mandatory for accounting periods beginning on or after 01 October 2011 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 2012 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 1 (Amendment), 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 July 2012). The main change resulting from this amendment is the requirement for entities to group items presented in Other Comprehensive Income (OCI) on the basis of whether they are potentially recycled to profit or loss (reclassification adjustments). The amendment does not address which items are presented in OCI. However, this amendment is not expected to have a material impact on the Company's financial statements.

IAS 16 (Amendment), 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2013). This amendment requires that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in IAS 16 and as inventory otherwise. However, this amendment is 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 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.



HUSEIN SUGAR MILLS LIMITED

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 revalued 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.

HUSEIN SUGAR MILLS LIMITED



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.



HUSEIN SUGAR MILLS LIMITED

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.



HUSEIN SUGAR MILLS LIMITED

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.

HUSEIN SUGAR MILLS LIMITED



3. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2012 (Number of shares)	2011		2012 Rupees	2011 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

Composition of reserves is as follows:

Capital

Share premium (Note 4.1)

Fair value reserve (Note 4.2)

Revenue

General

Accumulated loss

21,093,550	21,093,550
1,628,050	2,376,625
22,721,600	23,470,175
169,450,000	169,450,000
(109,271,181)	(116,192,358)
60,178,819	53,257,642
82,900,419	76,727,817

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

From banking companies - secured

BankIslami Pakistan Limited (Note 6.1)

MCB Bank Limited (Note 6.2)

Less: Current portion shown under current liabilities (Note 12)

2012 Rupees	2011 Rupees
-	200,000,000
149,900,000	79,341,467
149,900,000	279,341,467
49,966,668	-
99,933,332	279,341,467



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- 6.1** This karobar financing facility, obtained from BankIslami Pakistan Limited to meet the working capital requirements of the Company, has been fully repaid during the year. This facility was secured against 100% cash collateralized in the shape of lien over investment of the Company in Term Deposit Receipts (TDRs) of BankIslami Pakistan Limited. Rate of mark-up was 1.50% (2011: 1.50%) above profit rate on TDRs under lien.
- 6.2** This represents diminishing musharka credit facility of Rupees 149.900 million obtained from MCB Bank Limited - Islamic Banking. This facility has been 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 plant and machinery to be installed at factory premises in Jaranwala, Faisalabad. Mark-up is payable quarterly at the rate of 3 months KIBOR plus 2.50% (2011: 3 months KIBOR plus 2.50%) per annum. Effective rate of mark-up ranges from 14.41% to 15.80% (2011: 15.80%) per annum. This facility is payable in four years in 12 quarterly installments.

7. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2012 Rupees	2011 Rupees
Future minimum lease payments	37,898,981	18,884,481
Less: Un-amortized finance charge	3,887,457	1,562,371
Present value of future minimum lease payments	<u>34,011,524</u>	<u>17,322,110</u>
Less: Current portion shown under current liabilities (Note 12)	<u>8,293,292</u>	<u>11,505,783</u>
	<u><u>25,718,232</u></u>	<u><u>5,816,327</u></u>

- 7.1** Minimum lease payments have been discounted using implicit interest rates ranging from 13.70% to 14.93% (2011: 11.57% to 18.67%) 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 14.069 million (2011: Rupees 7.945 million).

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

	2012		2011	
	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	10,522,497	27,376,484	12,498,568	6,385,913
Less: Un-amortized finance charge	2,229,205	1,658,252	992,785	569,586
Present value of future minimum lease payments	<u>8,293,292</u>	<u>25,718,232</u>	<u>11,505,783</u>	<u>5,816,327</u>

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	2012 Rupees	2011 Rupees
8. DEFERRED INCOME ON SALE AND LEASE BACK		
Balance as on 01 October	288,692	638,934
Less: Income amortized during the year (Note 31)	288,692	350,242
Balance as on 30 September	-	288,692
9. TRADE AND OTHER PAYABLES		
Creditors	177,466,129	109,712,114
Advances from customers	169,741,635	788,950
Security deposits repayable on completion of contracts - interest free	969,000	539,000
Accrued liabilities	4,886,319	12,087,682
Sales tax payable	100,323	70,751
Federal excise duty payable	8,149,046	80,659
Income tax deducted at source	790,937	1,579,532
Payable to provident fund trust	916,980	950,624
Workers' profit participation fund (Note 9.1)	1,305,874	6,404,134
Workers' welfare fund	-	2,433,571
Unclaimed dividend	1,208,842	1,208,842
Others	938,334	200,000
	366,473,419	136,055,859
9.1 Workers' profit participation fund		
Balance as on 01 October	6,404,134	-
Add: Provision for the year (Note 30)	1,305,874	6,404,134
Interest for the year (Note 32)	319,682	-
	8,029,690	6,404,134
Less: Payments during the year	6,723,816	-
Balance as on 30 September	1,305,874	6,404,134
10. ACCRUED MARK-UP		
Long term financing	5,145,193	1,611,031
Short term borrowings	7,436,613	8,371,028
Liabilities against assets subject to finance lease	120,516	-
	12,702,322	9,982,059
11. SHORT TERM BORROWINGS		
From banking companies - secured		
National Bank of Pakistan (Note 11.1)	96,750,086	96,788,912
Faysal Bank Limited (Note 11.2)	-	31,500,000
MCB Bank Limited (Note 11.3)	25,049,947	49,721,720
	121,800,033	178,010,632



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- 11.1** This represents short term cash finance facility, forming part of total credit facility of Rupees 100.000 million (2011: 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 133.333 million (2011: Rupees 133.333 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 2.5% (2011: 3 months KIBOR plus 2.00%) per annum. Effective rate of mark-up ranges from 13.91% to 15.20% (2011: 14.72% to 15.29%) per annum.
- 11.2** This agricultural cash finance facility, forming part of total credit facility of Rupees 60.000 million (2011: Rupees 60.000 million) has been fully repaid during the year. This facility was obtained to provide advances to individual sugarcane growers upto Rupees 500,000 per grower. This facility was secured against first pari passu charge on current assets to the extent of Rupees 100.000 million, ranking charge on fixed assets to the extent of Rupees 100.000 million and personal guarantees of two directors of the Company. Mark-up was payable half yearly at the rate of 6 months KIBOR plus 3.5% (2011: 6 months KIBOR plus 3.5%) per annum. Effective rate of mark-up was 15.42% to 16.90% (2011: 16.88%) per annum.
- 11.3** This represents running finance facility, forming part of total credit facility of Rupees 50.000 million (2011: 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% (2011: 1 month KIBOR plus 2.00%) per annum. Effective rate of mark-up ranges from 12.47% to 15.44% (2011: 14.67% to 15.65%) per annum.

12. CURRENT PORTION OF NON-CURRENT LIABILITIES

	2012 Rupees	2011 Rupees
Long term financing (Note 6)	49,966,668	-
Liabilities against assets subject to finance lease (Note 7)	8,293,292	11,505,783
	<u>58,259,960</u>	<u>11,505,783</u>

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

Guarantee of Rupees 42.800 million (2011: Rupees 42.800 million) is given by the bank of the Company to Sui Northern Gas Pipelines Limited against gas connection.

13.2 Commitments

	2012 Rupees	2011 Rupees
For capital expenditure	5,190,166	55,000,000
Letters of credit other than capital expenditure	19,892,558	20,775,749

14. FIXED ASSETS

Property, plant and equipment

Operating fixed assets

- Owned (Note 14.1)

- Leased (Note 14.1)

Capital work-in-progress (Note 14.2)

Intangible asset (Note 14.1)

	2012 Rupees	2011 Rupees
	930,522,346	774,488,345
	42,792,272	34,195,218
	<u>973,314,618</u>	<u>808,683,563</u>
	38,151,838	89,981,914
	333,400	666,700
	<u>1,011,799,856</u>	<u>899,332,177</u>

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14.1. 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						Total			
	Freehold land	Building on freehold land	Plant and machinery	Factory equipment	Gas and electric installations	Railway siding	Furniture and fixtures	Office equipment	Computer equipment	Vehicles	Total	Plant and machinery			Vehicles	Total
Rupees																
At 30 September 2010	515,362,636	93,612,755	673,362,992	6,841,741	8,945,421	492,072	3,025,667	4,784,836	3,067,433	28,746,218	1,338,241,771	63,218,446	14,249,000	77,467,446	-	
Cost / revalued amount	-	(30,056,416)	(487,091,377)	(4,291,752)	(7,589,235)	(492,072)	(2,744,768)	(4,203,044)	(2,969,671)	(21,500,837)	(560,939,172)	(17,057,291)	(4,716,245)	(21,773,536)	-	
Accumulated depreciation	515,362,636	63,556,339	186,271,615	2,549,989	1,356,186	-	280,899	581,792	97,762	7,245,381	777,302,599	46,161,155	9,532,755	55,693,910	-	
Net book value																
Year ended 30 September 2011	515,362,636	63,556,339	186,271,615	2,549,989	1,356,186	-	280,899	581,792	97,762	7,245,381	777,302,599	46,161,155	9,532,755	55,693,910	-	
Opening net book value	215,555	-	-	344,190	511,051	-	1,047,147	196,800	810,007	4,422,236	7,546,986	-	7,990,110	7,990,110	1,000,000	-
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred from leased assets:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	39,610,446	-	-	-	-	-	-	-	39,610,446	39,610,446	-	-	-	39,610,446
Accumulated depreciation	-	-	(13,997,670)	-	-	-	-	-	-	-	(13,997,670)	(13,997,670)	-	-	-	(13,997,670)
Depreciation / amortization charge	-	-	25,612,776	-	-	-	-	-	-	-	25,612,776	25,612,776	-	-	-	25,612,776
Closing net book value	515,578,191	61,426,249	181,787,075	2,441,698	1,637,036	-	1,206,410	683,256	672,177	9,056,253	774,488,345	18,735,455	15,459,763	34,195,218	666,700	
At 30 September 2011	515,578,191	93,612,755	712,973,438	7,185,931	9,456,472	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	
Cost / revalued amount	-	(32,186,506)	(531,186,363)	(4,744,233)	(7,819,436)	(492,072)	(2,866,404)	(4,298,380)	(3,205,263)	(22,781,701)	(609,580,358)	(4,872,545)	(16,779,347)	(11,651,892)	(333,300)	
Accumulated depreciation / amortization	515,578,191	61,426,249	181,787,075	2,441,698	1,637,036	-	1,206,410	683,256	672,177	9,056,253	774,488,345	18,735,455	15,459,763	34,195,218	666,700	
Net book value																
Year ended 30 September 2012	515,578,191	61,426,249	181,787,075	2,441,698	1,637,036	-	1,206,410	683,256	672,177	9,056,253	774,488,345	18,735,455	15,459,763	34,195,218	666,700	
Opening net book value	-	-	178,484,206	-	1,496,471	-	26,500	487,080	249,709	18,481,163	199,225,129	-	31,080,878	31,080,878	-	
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Disposals:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Accumulated impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
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)
Impairment loss	-	-	18,389,994	-	-	-	-	-	-	-	18,389,994	(18,389,994)	-	-	-	(18,389,994)
Depreciation / amortization charge	-	-	(2,123,726)	(37,312,171)	(304,875)	-	(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	1,985,005	2,828,632	-	1,071,405	1,032,697	555,923	6,818,866	930,522,346	-	42,792,272	42,792,272	333,400	
At 30 September 2012	515,578,191	93,612,755	915,065,644	7,185,931	10,952,943	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	
Cost / revalued amount	-	(34,310,232)	(573,716,540)	(5,200,926)	(8,124,311)	(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)	
Accumulated depreciation / amortization	515,578,191	59,302,523	341,349,104	1,985,005	2,828,632	-	1,071,405	1,032,697	555,923	6,818,866	930,522,346	-	42,792,272	42,792,272	333,400	
Net book value																
Depreciation rate % per annum	-	2.5	7.5	10	10	5	10	10	30	20	7.5	-	20	20	-	33.33



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14.1.1 Had there been no revaluation, the book value of freehold land would have been lower by Rupees 492,684,029 (2011: Rupees 492,684,029).

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

Description	Cost	Accumulated Depreciation	Accumulated Impairment	Net Book Value	Sale Proceeds	Gain on Disposal	Mode of Disposal	Particulars of purchasers
BMW LEB-38	18,067,723	1,240,058	2,327,665	14,500,000	14,500,000	-	Sale and lease back	The Bank of Punjab
Aggregate of other items of fixed assets with individual book values not exceeding Rupees 50,000	3,944,280	3,917,857	-	26,423	1,282,000	1,255,577		
	22,012,003	5,157,915	2,327,665	14,526,423	15,782,000	1,255,577		

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

	2012 Rupees	2011 Rupees
Cost of sales (Note 27)	40,179,033	34,603,013
Distribution cost (Note 28)	363,893	120,000
Administrative expenses (Note 29)	8,277,938	4,793,420
	48,820,864	39,516,433

14.1.4 The cost of property, plant and equipment as on 30 September 2012 includes fully depreciated assets of Rupees 359,347 million (2011: Rupees 342,090 million) which are still in use of the Company.

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	2012 Rupees	2011 Rupees
14.2 CAPITAL WORK-IN-PROGRESS		
Plant and machinery	33,256,262	71,066,491
Civil works	4,895,576	2,265,014
Advances for capital expenditure	-	16,650,409
	38,151,838	89,981,914
14.3 Borrowing cost of Rupees 11.216 million (2011: Rupees 0.656 million) has been capitalized using the capitalization rates ranging from 14.41 to 15.80% (2011: 15.80%) per annum.		
15. LONG TERM INVESTMENTS		
AVAILABLE FOR SALE		
Associated companies - Quoted		
Shadab Textile Mills Limited		
375,000 (2011: 375,000) fully paid ordinary shares of Rupees 10 each	2,500,000	2,500,000
Sargodha Spinning Mills Limited		
500 (2011: 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)	1,628,050	2,376,625
Less: Impairment loss	4,550	4,550
	4,128,500	4,877,075
16. LONG TERM DEPOSITS		
Margin against bank guarantee	4,397,989	4,397,989
Security deposits against leased assets	14,068,700	7,945,300
Security deposits - others	912,740	912,740
	19,379,429	13,256,029
Less: Current portion shown under current assets	-	5,620,600
	19,379,429	7,635,429
17. DEFERRED INCOME TAX ASSET		
The asset for deferred taxation originated due to timing differences relating to:		
Taxable temporary differences		
Accelerated tax depreciation	88,419,835	55,482,223
Finance lease	3,073,262	5,905,588
	91,493,097	61,387,811
Deductible temporary differences		
Available tax losses	130,345,924	111,642,924
Turnover tax available for carry forward	57,277,556	48,926,040
	187,623,480	160,568,964
Deferred income tax asset	96,130,383	99,181,153



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	2012 Rupees	2011 Rupees
18. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores	126,870,137	67,859,265
Spare parts	15,054,290	8,667,896
Loose tools	704,368	565,693
	<u>142,628,795</u>	<u>77,092,854</u>
19. STOCK-IN-TRADE		
Work-in-process	370,926	485,457
Finished goods (Note 19.1)	43,223,248	10,195,295
	<u>43,594,174</u>	<u>10,680,752</u>

19.1 Finished goods includes inventory of press mud amounting to Rupees 13.641 million (2011: Rupees 7.199 million) carried at net realizable value.

	2012 Rupees	2011 Rupees
20. TRADE DEBTS		
Considered good:		
Unsecured (Note 20.1)	<u>21,369,450</u>	<u>1,223,692</u>

20.1 As at 30 September 2012, trade debts of Rupees 21.369 million (2011: Rupees Nil) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The aging analysis of these trade debts is as follows:

	2012 Rupees	2011 Rupees
Upto 1 month	12,993,314	-
1 to 6 months	8,376,136	-
	<u>21,369,450</u>	<u>-</u>

	2012 Rupees	2011 Rupees
21. ADVANCES		
Considered good		
Advances to:		
Employees - interest free	1,892,193	426,071
Employees against expenses	416,602	92,559
Suppliers	19,907,344	18,996,224
Contractors	34,800	171,000
Sugarcane growers	3,439,502	3,787,910
Margin against letters of credit	2,710,887	-
	<u>28,401,328</u>	<u>23,473,764</u>

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	2012 Rupees	2011 Rupees
22. SHORT TERM DEPOSITS AND PREPAYMENTS		
Deposits - margin against bank guarantees	7,324,300	-
Prepayments	2,213,831	1,302,690
	9,538,131	1,302,690
23. OTHER RECEIVABLES		
Considered good		
Advance income tax	61,448,229	57,189,333
Accrued mark-up	42,857	104,067
Others	1,776,764	9,456,390
Less: Provision for doubtful receivables (Note 23.1)	-	5,413,387
	1,776,764	4,043,003
	63,267,850	61,336,403
23.1 Provision for doubtful receivables		
Opening balance	5,413,387	-
Add: Provision for the year (Note 30)	-	5,413,387
	5,413,387	5,413,387
Less: Adjusted against bad debts	5,413,387	-
Closing balance	-	5,413,387
24. SHORT TERM INVESTMENT		
Term deposit receipts (Note 24.1)	-	200,000,000
Add: Accrued mark-up thereon	-	786,301
	-	200,786,301

24.1 These Term Deposit Receipts (TDRs) have matured during the year. These TDRs were under lien against long term financing. The indicative profit rate on these TDRs was 7.00% (2011: 7.00%) per annum.

	2012 Rupees	2011 Rupees
25. CASH AND BANK BALANCES		
Cash in hand	179,208	732,555
Cash with banks on :		
Current accounts (Note 25.1)	7,658,827	2,697,898
Saving accounts (Note 25.2)	2,920,333	1,419,768
	10,579,160	4,117,666
	10,758,368	4,850,221

25.1 Cash with banks on current accounts include foreign currency balance of US\$ 597.6 (2011: US\$ 597.6).

25.2 Rate of profit on bank deposits ranges from 5.00% to 7.00% (2011: 4.30% to 12.00%) per annum.



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	2012 Rupees	2011 Rupees
26. SALES		
Sugar	2,946,772,281	3,419,249,550
By Products:		
Molasses	261,202,821	299,464,065
Press mud	2,208,912	1,303,390
Bagasse	10,603,152	2,504,954
	<u>3,220,787,166</u>	<u>3,722,521,959</u>
Less: Federal excise, sales tax and special excise duty	210,117,804	244,823,050
	<u><u>3,010,669,362</u></u>	<u><u>3,477,698,909</u></u>
27. COST OF SALES		
Raw materials consumed:		
Sugarcane purchased	2,552,965,076	2,815,855,458
Sugarcane development cess	16,275,435	14,413,385
Market committee fee	3,301,951	2,879,993
	<u>2,572,542,462</u>	<u>2,833,148,836</u>
Salaries, wages and other benefits (Note 27.1)	88,358,424	79,350,293
Workers' welfare	2,234,333	2,471,282
Stores, spare parts and loose tools consumed	9,927,761	8,244,544
Chemicals consumed	24,547,959	19,404,892
Packing material consumed	23,968,288	18,383,651
Fuel and power	20,251,230	22,326,576
Repair and maintenance	57,057,101	40,731,583
Insurance	3,057,893	1,884,915
Other factory overheads	3,289,201	4,911,781
Depreciation (Note 14.1.3)	40,179,033	34,603,013
	<u>2,845,413,685</u>	<u>3,065,461,366</u>
Work-in-process		
Opening stock	485,457	586,375
Closing stock	(370,926)	(485,457)
	<u>114,531</u>	<u>100,918</u>
Cost of goods manufactured	<u>2,845,528,216</u>	<u>3,065,562,284</u>
Finished goods		
Opening stock	10,195,295	128,974,041
Closing stock	(43,223,248)	(10,195,295)
	<u>(33,027,953)</u>	<u>118,778,746</u>
	<u><u>2,812,500,263</u></u>	<u><u>3,184,341,030</u></u>

27.1 Salaries, wages and other benefits include Rupees 1.953 million (2011: Rupees 1.787 million) in respect of employees' provident fund contribution by the Company.

HUSEIN SUGAR MILLS LIMITED



	2012 Rupees	2011 Rupees
28. DISTRIBUTION COST		
Salaries, wages and other benefits (Note 28.1)	2,150,952	1,678,940
Handling and distribution	2,850,507	2,341,558
Commission to selling agent	3,247,828	3,455,340
Repair and maintenance	222,427	140,354
Printing and stationery	71,035	64,577
Depreciation (Note 14.1.3)	363,893	120,000
Miscellaneous	15,654	14,231
	8,922,296	7,815,000

28.1 Salaries, wages and other benefits include Rupees 0.102 million (2011: Rupees 0.087 million) in respect of employees' provident fund contribution by the Company.

	2012 Rupees	2011 Rupees
29. ADMINISTRATIVE EXPENSES		
Salaries and other benefits (Note 29.1)	74,520,096	63,893,581
Traveling and conveyance	1,148,159	647,255
Communication	1,459,691	1,392,256
Rent, rates and taxes	3,911,901	3,503,581
Printing and stationery	1,508,768	1,226,625
Repair and maintenance	1,303,582	2,373,398
Vehicles running	9,374,816	8,364,500
Fee and subscription	1,078,474	2,244,445
Legal and professional	1,512,500	4,653,166
Auditors' remuneration (Note 29.2)	769,900	707,500
Entertainment	1,437,331	1,088,430
Advertisement	36,850	280,545
Insurance	1,707,997	1,079,615
Amortization (Note 14.1)	333,300	333,300
Depreciation (Note 14.1.3)	8,277,938	4,793,420
Miscellaneous	2,592,878	2,024,619
	110,974,181	98,606,236

29.1 Salaries and other benefits include Rupees 2.107 million (2011: Rupees 2.077 million) in respect of employees' provident fund contribution by the Company.

	2012 Rupees	2011 Rupees
29.2 Auditors' remuneration		
Audit fee	537,500	500,000
Certification fee	50,000	50,000
Half yearly review	130,000	115,000
Reimbursable expenses	52,400	42,500
	769,900	707,500



HUSEIN SUGAR MILLS LIMITED

30. OTHER OPERATING EXPENSES

	2012 Rupees	2011 Rupees
Donations (Note 30.1)	220,000	157,035
Workers' profit participation fund (Note 9.1)	1,305,874	6,404,134
Workers' welfare fund	-	2,433,571
Provision for doubtful receivable (Note 23.1)	-	5,413,387
Impairment loss on operating fixed assets (Note 14.1)	2,327,665	-
Others	-	268,256
	3,853,539	14,676,383

30.1 There was no interest of any director or his / her spouse in the donee.

31. OTHER OPERATING INCOME

Income from financial assets

Profit on bank deposits	11,121,473	1,414,766
Advance from customer forfeited	-	3,000,000
Balances written back	5,762,245	1,248,116

Income from investments in associated companies

Dividend income (Note 31.1)	375,000	375,250
	17,258,718	6,038,132

Income from non-financial assets

Sale of scrap	5,487,481	5,305,932
Gain on sale of operating fixed assets	1,255,577	786,391
Amortization of deferred income on sale and lease back (Note 8)	288,692	350,242
Sales tax refund received - previously written off	7,683,975	-
Provision for workers' welfare fund written back	2,433,571	-
Miscellaneous	377,433	1,007,886
	34,785,447	13,488,583

31.1 It represents dividend received from associated companies, Shadab Textile Mills Limited and Sargodha Spinning Mills Limited, amounting to Rupees 375,000 (2011: Rupees 375,000) and Rupees Nil (2011: Rupees 250) respectively.

32. FINANCE COST

	2012 Rupees	2011 Rupees
Mark up on :		
- Long term financing	22,059,257	954,794
- Short term borrowings	58,758,420	60,313,071
Finance charges on lease liabilities	2,223,545	2,395,335
Interest on workers' profit participation fund (Note 9.1)	319,682	-
Bank charges and commission	1,351,701	2,840,659
	84,712,605	66,503,859



HUSEIN SUGAR MILLS LIMITED

- 35.1** In addition to above, the chief executive, directors and certain executives are provided with the free use of the Company's maintained cars. Seven (2011: Nine) executives are also provided with furnished accomodation including utilities.
- 35.2** No meeting fee was paid to directors during the year (2011: Rupees Nil).
- 35.3** No remuneration was paid to non-executive directors of the company.

36 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related companies 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.

37. PLANT CAPACITY AND ACTUAL PRODUCTION

		2012	2011
Installed crushing capacity for 121 (2011: 122) working days	Metric tons	786,500	793,000
Actual crushing	Metric tons	650,995	575,886
Actual production	Metric tons	61,129	50,221
Sugar recovery	Percentage	9.39	8.72

38. UNUTILIZED CREDIT FACILITIES

The Company has total credit facilities amounting to Rupees 1,569.900 million (2011: Rupees 1,879.900 million) out of which Rupees 1,298.200 million (2011: Rupees 1,422.548 million) remained unutilized at the end of the year.

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 25 to these financial statements which, in management's opinion, is considered to be insignificant.

HUSEIN SUGAR MILLS LIMITED



(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 profit 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 profit/(loss) after taxation			Impact on comprehensive income (fair value reserve)	
	2012 Rupees	2011 Rupees		2012 Rupees	2011 Rupees
KSE 100 (5% increase)	-	-	Increase in fair value reserve	206,425	243,854
KSE 100 (5% decrease)	-	-	Decrease in fair value reserve	(206,425)	(243,854)

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:

	2012 Rupees	2011 Rupees
Floating rate instruments		
Financial assets		
Short term investment	-	200,000,000
Bank balances - saving accounts	2,920,333	1,419,768
Financial liabilities		
Long term financing	149,900,000	279,341,467
Liabilities against assets subject to finance lease	34,011,524	17,322,110
Short term borrowings	121,800,033	178,010,632

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, profit after taxation for the year would have been lower / higher by Rupees 2.877 million (2011: Rupees 2.541 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.



HUSEIN SUGAR MILLS LIMITED

(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:

	2012 Rupees	2011 Rupees
Long term investments	4,128,500	4,877,075
Deposits	26,703,729	13,256,029
Trade debts	21,369,450	1,223,692
Advances	1,892,193	426,071
Other receivables	1,819,621	4,147,070
Short term investment	-	200,786,301
Bank balances	10,579,160	4,117,666
	66,492,653	228,833,904

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			2012	2011
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
Allied Bank Limited	A1+	AA+	PACRA	251,894	106,313
Bank Alfalah Limited	A1+	AA	PACRA	956,384	259,747
BankIslami Pakistan Limited	A1	A	PACRA	144,781	4,060
Faysal Bank Limited	A1+	AA	PACRA	322,682	699,910
The Bank of Punjab	A1+	AA-	PACRA	268,786	101,578
Habib Bank Limited	A-1+	AA+	JCR-VIS	122,246	47,925
Meezan Bank Limited	A-1+	AA-	JCR-VIS	59,186	59,186
MCB Bank Limited	A1+	AA+	PACRA	3,838,209	2,189,470
National Bank of Pakistan	A-1+	AAA	JCR-VIS	2,547,156	360,630
United Bank Limited	A-1+	AA+	JCR-VIS	2,067,836	288,847
				10,579,160	4,117,666
Short term investment					
BankIslami Pakistan Limited	A1	A	PACRA	-	200,786,301
				10,579,160	204,903,967

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 20.

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 2012, the Company had Rupees 1,298.200 million (2011: Rupees 1,422.548 million) available credit limits from financial institutions and Rupees 10.758 million (2011: Rupees 4.850 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:

HUSEIN SUGAR MILLS LIMITED



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

Contractual maturities of financial liabilities as at 30 September 2011

	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	279,341,467	334,105,116	6,267,975	6,267,975	282,073,452	39,495,714
Liabilities against assets subject to finance lease	17,322,110	18,884,481	6,685,729	5,812,839	2,320,693	4,065,220
Trade and other payables	123,747,638	123,747,638	123,747,638	-	-	-
Accrued mark-up	9,982,059	9,982,059	9,982,059	-	-	-
Short term borrowings	178,010,632	192,035,838	192,035,838	-	-	-
	608,403,906	678,755,132	338,719,239	12,080,814	284,394,145	43,560,934

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 11 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 2012				
Assets				
Available for sale financial assets	4,128,500	-	-	4,128,500
As at 30 September 2011				
Assets				
Available for sale financial assets	4,877,075	-	-	4,877,075



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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

As at 30 September 2012 Assets as per balance sheet

Long term investments
Deposits
Trade debts
Advances
Other receivables
Cash and bank balances

Loans and receivables	Available for sale	Total
-----Rupees-----		
-	4,128,500	4,128,500
26,703,729	-	26,703,729
21,369,450	-	21,369,450
1,892,193	-	1,892,193
1,819,621	-	1,819,621
10,758,368	-	10,758,368
62,543,361	4,128,500	66,671,861

As at 30 September 2011 Assets as per balance sheet

Long term investments
Deposits
Trade debts
Advances
Other receivables
Short term investment
Cash and bank balances

Loans and receivables	Available for sale	At amortized cost	Total
-----Rupees-----			
-	4,877,075	-	4,877,075
13,256,029	-	-	13,256,029
1,223,692	-	-	1,223,692
426,071	-	-	426,071
4,147,070	-	-	4,147,070
-	-	200,786,301	200,786,301
4,850,221	-	-	4,850,221
23,903,083	4,877,075	200,786,301	229,566,459

Liabilities as per balance sheet at amortized cost

Long term financing
Liabilities against assets subject to finance lease
Trade and other payables
Accrued mark-up
Short term borrowings

2012 Rupees	2011 Rupees
149,900,000	279,341,467
34,011,524	17,322,110
185,468,624	123,747,638
12,702,322	9,982,059
121,800,033	178,010,632
503,882,503	608,403,906

HUSEIN SUGAR MILLS LIMITED



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, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing, liabilities against assets subject to finance lease and short term borrowings obtained by the Company as referred to in note 6, 7 and 11 respectively. Total capital employed includes 'total equity' as shown in the balance sheet plus 'borrowings'.

		2012	2011
Borrowings	Rupees	305,711,557	474,674,209
Total equity	Rupees	252,900,419	246,727,817
Total capital employed	Rupees	558,611,976	721,402,026
Gearing ratio	Percentage	54.73	65.80

40. SEGMENT INFORMATION

These financial statements have been prepared on the basis of a single reportable segment. Sales of sugar represents 91.49% (2011: 91.85%) of the total sales of the Company. All of the sales of the Company relates to customers in Pakistan. All non-current assets of the Company as at 30 September 2012 were located 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 December 24, 2012.

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 Rupees.


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		30-09-2012

4. No. of Shareholders	SHAREHOLDINGS		TOTAL Shares Held
	From	To	
251	1	100	5,740
113	101	500	33,982
56	501	1000	39,489
59	1001	5000	149,858
15	5001	10000	102,521
7	10001	15000	94,603
2	15001	20000	34,589
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	395001	400000	395,949
1	545001	550000	545,138
1	585001	590000	588,219
1	650001	655000	653,192
1	820001	825000	824,077
1	855001	860000	855,917
1	1535001	1540000	1,537,827
1	1610001	1615000	1,610,257
1	1700001	1705000	1,703,789
1	4600001	4605000	4,600,913

535

TOTAL

17,000,000

HUSEIN SUGAR MILLS LIMITED



CATEGORIES OF SHAREHOLDERS REQUIRED UNDER C.O.C.G. AS ON SEPTEMBER 30, 2012

S.NO.	CATEGORIES OF SHAREHOLDERS	SHARES HELD	%OF CAPITAL
(A)	ASSOCIATED COMPANIES, UNDER TAKINGS AND RELATED PARTIES	NIL	-
(B)	NIT & ICP		
1	Investment Corporation of Pakistan	1,219	0.01
2	IDBP (ICP Unit)	121	0.00
		1,340	0.01
(C)	DIRECTORS, CHIEF EXECUTIVE, THEIR SPOUSES AND MINOR CHILDREN		
1	Mst. Nusrat Shamim	6,211,170	36.54
2	Mian Ahmed Ali Tariq	2,393,744	14.08
3	Mian Shahzad Aslam	793,756	4.67
4	Mian Aamir Naseem	831,196	4.89
5	Mian M. Shams Amin	12,264	0.07
6	Mrs. Ayesha Shahzad	549,002	3.23
7	Mrs. Fatima Aamir	184,698	1.09
8	Mr. Irfan Qamar	2,500	0.01
9	Mr. M. Mudassar Ahsan	888	0.01
		10,979,218	64.58
(D)	EXECUTIVES	NIL	-
(E)	PUBLIC SECTOR COMPANIES AND CORPORATIONS		
1	Darson Securities (Pvt) Ltd.	440	0.00
2	Capital Vision Securities (Pvt.) Ltd.	1,546	0.01
3	Moosani Securities (Pvt.) Ltd.	343	0.00
4	Naeem Securities (Pvt.) Ltd.	56	0.00
		2,385	0.01
(F)	BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON-BANKING FINANCE INSTITUTIONS INSURANCE COMPANIES MODARBAS AND MUTUAL FUNDS		
1	Mercantile Cooperative Finance Corporaion	9,295	0.05
2	Habib Bank Limited	2,000	0.01
3	National Bank of Pakistan	122	0.00
4	First Elite Capital Modaraba	4,102	0.02
		15,519	0.08
(G)	SHARES HELD BY GENERAL PUBLIC	5,998,308	35.29
(H)	OTHERS		
1	Pakistan Cloth Merchants Associaton	1,434	0.01
2	SECP	1	0.00
3	The Okahi Memon Anjuman	953	0.01
4	Administrator Abandoned Properties	842	0.00
		3,230	0.02
	GRAND TOTAL:	17,000,000	100.00
	SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTREST IN THE LISTED COMPANY		
1	Mst. Nusrat Shamim	6,211,170	36.54
2	Mian 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		
All trade in the Company's shares carried out by its Directors, CEO, CFO, Company Secretary and their spouses and minor children during the year October 01, 2011 to September 30, 2012 are as follows:			
		Sale	Purchase
	Mst. Nusrat Shamim	157,128	4,524
	Mr. Irfan Qamar	1,012	-
	Mr. M. Mudassar Ahsan	19,000	-
	Mian M. Shams Amin	-	9,551

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AFFIX
CORRECT
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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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30-A E/I, Old FCC, Gulberg III, Lahore. Ph: (042) 35762089 - 35762090
Fax: (042) 35712680 E-mail: info@huseinsugarmills.com
Website: www.huseinsugarmills.com