

50 Years of Excellence





Cover Story

Honoring the Past, looking towards the Future..

As we commemorate a half-century of excellence and dedication, we are proud to present new initiatives that will honor the core values that have defined us as a company and brought us 50 years of success. While we celebrate our history and honor our legacy, our energies are focused on the future.

At Husein Sugar, we strive to achieve excellence and innovation in everything that we do, we aim to enjoy our work and the people with whom we work. We continue to seek opportunities to promote greater economic, social, and environmental sustainability.



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Our Founders:

Mian Shamim Anwar:

Mian Shamim Anwar was the longest serving executive in the history of the company serving in the capacities of Executive Director, Chief Executive Officer, and Chairman of the Board. One of the scions of the Sargodha Group of Companies, Mr. Anwar is perhaps the single greatest reason for the continued excellence of Husein Sugar. A magnate of the sugar industry, Mr. Anwar served as the chairman of the Pakistan Sugar Mills Association for Punjab between 1984-1986 and then again in 1992-1994. Under Mr. Shamim Anwar's leadership, Husein Sugar was twice conferred the prestigious award of the Top 25 Companies of Pakistan. However, perhaps most of all, he is remembered today as a patron of education and healthcare, for his unprecedented and unwavering efforts to eradicate poverty in Jaranwala and elsewhere in Pakistan by establishing multiple educational and healthcare institutions that have served tens of thousands since.



Mian Muhammad Ali Tariq:

In his tenure as Management Director of Husein Sugar Mills Ltd., Mr. Tariq laid the groundwork for the remarkable growth that the company has accomplished since. Years ahead of his time, by anticipating and then ensuring the development and incorporation of the latest technologies and systems at Husein, he single-handedly transformed the company to the professional corporation it is today. In particular, Mr. Tariq made efforts to proliferate high sucrose varieties in the area and establish cordial relations with the area's farmers. To date, the company continues to enjoy the benefits of his contributions.



Mr. Tariq, an alumnus of the inaugural class of the Lahore University of Management Sciences, had been the Founder President of the LUMINITES, the Alumni Association of the Lahore University of Management Sciences from 1988-1990. He was also on the executive committee of the Pakistan Sugar Mills Association for Punjab and was the Chairman of the Institute of Sugarcane Research and Biological Control in 1997. Mr. Tariq was also unanimously selected by the members of the Pakistan Sugar Mill Association to represent Pakistan in the XXIII Congress of the International Society of Sugarcane Technologists. Apart from his contributions in the sugar industry, he was also a director on the boards of seven textile mills. Today, Muhammad Ali Tariq's legacy lives on in the name of the charitable institutions, scholarships, and foundations.



Fifty Years of Husein





Vision Statement

- To be a leading producer of sugar and its by-products by delivering the highest quality of products of the highest international standards to our customers at the lowest possible cost.
- To maximize the wealth of our shareholders by increasing equity and earnings in real terms.
- To strive for excellence through integrity, unrelenting efforts, and by synergizing the integral components of the company.
- To achieve sustainable growth and development by anticipating the expectations of our customers, predicting market trends, and through constant and fluid innovation.
- To provide a safe, hygienic, challenging, and non-discriminatory workplace environment to our employees.
- To contribute to the social and economic development of our community.



Mission Statement

Our mission is to be a dynamic, profitable, and growth oriented company by working with all relevant stakeholders to maximize the returns on the investments of our shareholders and investors through the production and sale of the highest quality of products at the lowest possible costs in a secure and harmonious environment. To conduct business with the philosophy of “business for better life, respect for human dignity, and intelligent investment for a prosperous future.”



Company Information

Board of Directors

Mian Ahmed Ali Tariq
Chairman

Mian Mustafa Ali Tariq
Chief Executive Officer

Mrs. Nusrat Shamim
Non-Executive Director

Mrs. Maryam Habib
Executive Director

Mr. Taufiq Ahmed Khan
Independent Director

Mr. Ali Ashfaq
Non-Executive Director

Mr. Muhammad Iftikhar
Non-Executive Director

Chief Operating and Financial Officer

Mr. Wasim Saleem

Company Secretary

Mr. Khalid Mahmood

Head of Internal Audit

Mr. Jalal-ud-din Khan

Audit Committee

Mr. Taufiq Ahmad Khan
Chairman

Mian Ahmed Ali Tariq
Member

Mr. Ali Ashfaq
Member

Human Resource & Remuneration Committee

Mian Ahmed Ali Tariq
Chairman

Mr. Taufiq Ahmad Khan
Member

Mian Mustafa Ali Tariq
Member

Legal Advisor

Masud & Mirza Associates
K-29 Gulberg-III, Lahore



Bankers

MCB Bank Limited
Bank Alfalah Limited
Habib Bank Limited
National Bank of Pakistan
Allied Bank Limited
Faysal Bank Limited
Meezan Bank Limited
United Bank Limited
The Bank of Punjab
Albarkah Bank Pakistan Limited
Bank Islami Pakistan Limited
Summit Bank Limited
NIB Bank Limited
Dubai Islamic Bank Ltd

Share Registrar/Transfer Agent

Corptec Associates (Pvt) Limited
503-E, Johar Town, Lahore.
Tel: 042-35170335-7
Fax: 042-35170338
E-mail: info@corptec.com.pk

External Auditors

Kreston Hyder Bhimjee & Co
Chartered Accountants
Amin Building, Mall Road, Lahore

Cost Auditors

Amin Mudassar & Company
Chartered Accountants
Liberty, Lahore

Mills

Lahore Raod, Jaranwala
041-4312483
041-4312499

Registered & Head Office

30-A E/1, Old FCC Gulberg III,
Lahore.
Tel: 042-111-111-476 (HSM)
Fax: 042-35712680
E-mail: info@hsm.com.pk

Website Information

www.husein.pk



Code of Conduct for Directors

It is a fundamental policy of the Company to conduct its business with honesty, integrity and in accordance with the highest professional, ethical and legal standards. The Company has adopted a comprehensive Code of Conduct (Code) for members of the Board of Directors. The Code defines acceptable and unacceptable behaviour, provides guidance to Directors in specific situations that may arise and foster a culture of honesty, accountability and high standards of personal and professional integrity.

Salient Features Of The Code

1. Conflict of Interest

Each Director must avoid any conflict of interest between the Director and the Company, its associated or subsidiary undertaking(s). Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly.

2. Corporate Opportunities

Directors are prohibited from taking for themselves personally, opportunities related to the Company's business; using the Company's property, information or position for personal gain or competing with the Company for business opportunities.

3. Confidentiality

Directors must maintain the confidentiality of information entrusted upon to them by the Company and any other confidential information about the Company and its associated or subsidiary undertaking(s) that comes to them, except when disclosure is authorized by the Chairman of the Board or legally mandated.

4. Honesty, Integrity and Fair Dealing

Directors must act honestly and fairly and exhibit high ethical standards in dealing with all the stakeholders of the Company.

5. Compliance with Laws, Rules and Regulations

Directors shall comply with laws, rules and regulations applicable to the Company including but not limited to the Companies Act 2017, Listing Regulations of the Pakistan Stock Exchange and Insider Trading Laws.

6. Encouraging the Reporting of any Possible Illegal or Unethical Behavior

Directors should take steps to ensure that the Company promotes ethical behavior; encourages employees to talk to supervisors, managers and other appropriate personnel

when in doubt about the best course of action in a particular situation; encourages employees to report violation of laws, rules, regulations, Company policies and procedures or the Company's Code of Conduct to appropriate personnel; and informs employees that the Company will not allow any retaliation for reports made in good faith.

7. Trading in Company Shares

Certain restrictions / reporting requirements apply to trading by the Directors in Company shares. Directors shall make sure that they remain compliant with these statutory requirements.

8. Compliance Procedures

Directors should disclose any suspected violations of this Code promptly in the immediate subsequent meeting of the Board of Directors.

9. Compliance Officer

Company has designated Company Secretary as a Compliance Officer to administer the Code. Directors, at their discretion may make any report or complaint provided for in this Code to the Chairman of the Board or to the Compliance Officer. The Compliance Officer will refer complaints submitted to the Chairman of the Board.

10. Public Company Reporting

As a public company it is of great importance the Company's filings with the SECP and Pakistan Stock Exchange on which the shares of the Company are or may be listed be full, fair, accurate, timely and understandable. Directors may be requested to provide information necessary to ensure that the Company's published reports meet these requirements. The Company expects directors to provide prompt and accurate answers to enquiries relating to its public disclosure requirements.

11. Disclosure of Interest

Directors are also required to disclose, at the time of appointment and on an annual basis the directorship and/ or memberships they hold in other companies.





Code of Conduct for Employees

It is a fundamental policy of the Company to conduct its business with honesty, integrity and in accordance with the highest professional, ethical and legal standards. The Company has adopted a comprehensive Code of Conduct (Code) for employees. The Code defines acceptable and unacceptable behaviour, provides guidance to Directors in specific situations that may arise and foster a culture of honesty, accountability and high standards of personal and professional integrity.

Salient Features of the Code

1. Conflict of Interest

Employees/trainees must not engage in activity or transactions which may give rise, or which may be seen to have given rise, to conflict between their personal interests and the interest of the Company.

2. Confidentiality and Disclosure of Information

Employees/trainees are expected to safeguard confidential information and must not, without authority, disclose such information about the Company activities to any third party including, but limited to, the press, customers, suppliers, employees are not entitled to such information or any other outside party.

3. Political Contribution

No funds or assets of the Company may be contributed to any political party or organization or to any individual who either holds public office or is a candidate for public office except where such a contribution is permitted by law.

4. Bribes and Commercial Payments

An employee/trainee must not give or receive bribes or other payments, which are intended to influence a business decision or compromise independent judgment; nor must any employee/trainee give money in order to obtain business for the Company, nor receive money for having given Company business to an outside agency.

5. Proper Recording of Funds, Assets, Receipts and Disbursements

All funds, assets, receipts and disbursements must be properly recorded in the books of the Company.

6. Agreements with Agents, Sales Representatives or Consultants

Agreements with agents, sales representatives or consultants should state clearly the services to be performed for the Company, the amount to be paid and all other relevant terms and conditions.



7. Relations and Dealings with Suppliers, Consultants, Agents, Intermediaries and Other Third Parties

HSML's relations and dealings with suppliers, consultants, agents, intermediaries and other third parties should at all times be such that HSML's integrity and its reputation should not be damaged if details of the relationship or dealings were to become public knowledge.

8. Health, Safety and Environment Policy

Every employee/trainee at work must take reasonable care for the health and safety of himself/herself and others including visitors who may be affected by his / her acts or omissions at work; and co-operate in the Company's efforts to protect the environment.

9. Smoking Policy

Smoking and exposure of workplace to tobacco poses serious health hazards to the employees/trainees besides potential risks of explosions. Considering this, smoking is permitted only in the designated 'Smoking Areas'.

10. Seat Belt Policy

As per policy, it is mandatory for all HSML employees/trainees, contractors, visitors and all other persons to fasten seat belts in the front seats of the vehicle while traveling.

11. Other Employment, Outside Interests, Civic Activities

HSML does not allow its employees/trainees to take any part-time and/or full-time second employment during employees'/trainees' engagement with the Company.

12. Unsolicited Gifts

Accepting gifts that might place an employee/trainee under obligation is prohibited. Employee/trainee must politely but firmly decline any such offer and explain that in accordance with the Company's instructions, they are unable to accept the offer.

13. Family Connections and Employment of Relatives

Any dealings between staff and outside organizations in which they have a direct, indirect or family connection must be fully disclosed to the Management.

14. Company and Personal Property

An employee/trainee must not take or use Company property or the property of another employee/trainee without permission; nor must be employee/trainee use Company property for private purposes without the Management's permission.

15. Alcohol and Drugs

Alcohol in any form and the use of drugs, except under medical advice, is prohibited at all locations.

16. Gambling

All forms of organized gambling or betting on the Company's premises is forbidden.

17. Rumour Mongering & Gossiping

Rumour mongering, persuasive allegations, accusations and exaggerations with the main purpose of negatively influencing and manipulating the minds and emotions of the fellow employees/trainees are strictly prohibited.

18. Harassment

It is the policy of the Company to promote a productive work environment and not to tolerate verbal or physical conduct by any employee/

trainee that harasses, disrupts or interferes with another's work performance, creates an intimidating, humiliating, offensive or hostile environment.

19. Grievance Handling

HSML strives to provide a fair and impartial process to its employees/trainees and ensure timely resolution of their grievance.

20. Whistle Blowing

In order to enhance good governance and transparency, HSML has introduced a Whistle Blowing Policy. The Policy provides an avenue to employees/trainees and vendors to raise concerns and report legal and ethical issues like fraud, corruption or any other unlawful conduct or dangers to the public or the environment. These concerns should be raised by bringing those into the notice of supervisors/managers or compliance office.

21. General Discipline

Every employee/trainee must adhere to the Company's rules of service and make sure that he/she is familiar with them.

22. Reporting Violations / Disciplinary Actions

Any violation of this Code shall be promptly reported to the Human Resources department by any employee/trainee having knowledge thereof or having reasonable belief that such a violation has occurred.

23. Compliance Office

The HR department will act as Compliance office for the code.

Company Profile

Husein Sugar Mills Limited (The Company) was incorporated on February 14, 1966 in Karachi and received its Certificate for Commencement of Business on April 16, 1966. The Company is listed on the Pakistan Stock Exchange and has received the award for Top 25 Companies of Pakistan twice in its fifty-year history. The Company commenced trial production on January 22, 1968 and went into commercial production on February 15, 1968, making it one of the pioneers of Pakistan's sugar industries. Given the rich history of the company, which is now in its third generation, it enjoys cordial and familial relations with the sugarcane growers of the area

Current management took control of the Company in 1977 and transformed the Company to its current identity through a continued process of BMR. The existing sugar manufacturing process is based on Defecation Remelt Sulphitation that was changed in 1986- 87 from out-fashioned Double Carbonation Double Sulphitation process.

The plant is located in Jaranwala. Approximately 80KM from Lahore and 40 KM from Faisalabad, Jaranwala is situated in the heart of Punjab's urban centers. The region is highly suitable for the plantation of sugarcane because of the area's unique climate and soil conditions. The area has large tracts of land where sugarcane is cultivated and produces approximately 40-45 million maunds of sugarcane a year.

The Company has recently initiated efficiency improvement scheme in which equipment is being installed, which will reduce steam consumption per ton of cane processed. The bagasse saved will help increase revenues and maximize profitability. In fact, various measures have already been completed and positive results have already been achieved, which have been reflected in improved revenue generation and increased profitability of the company.

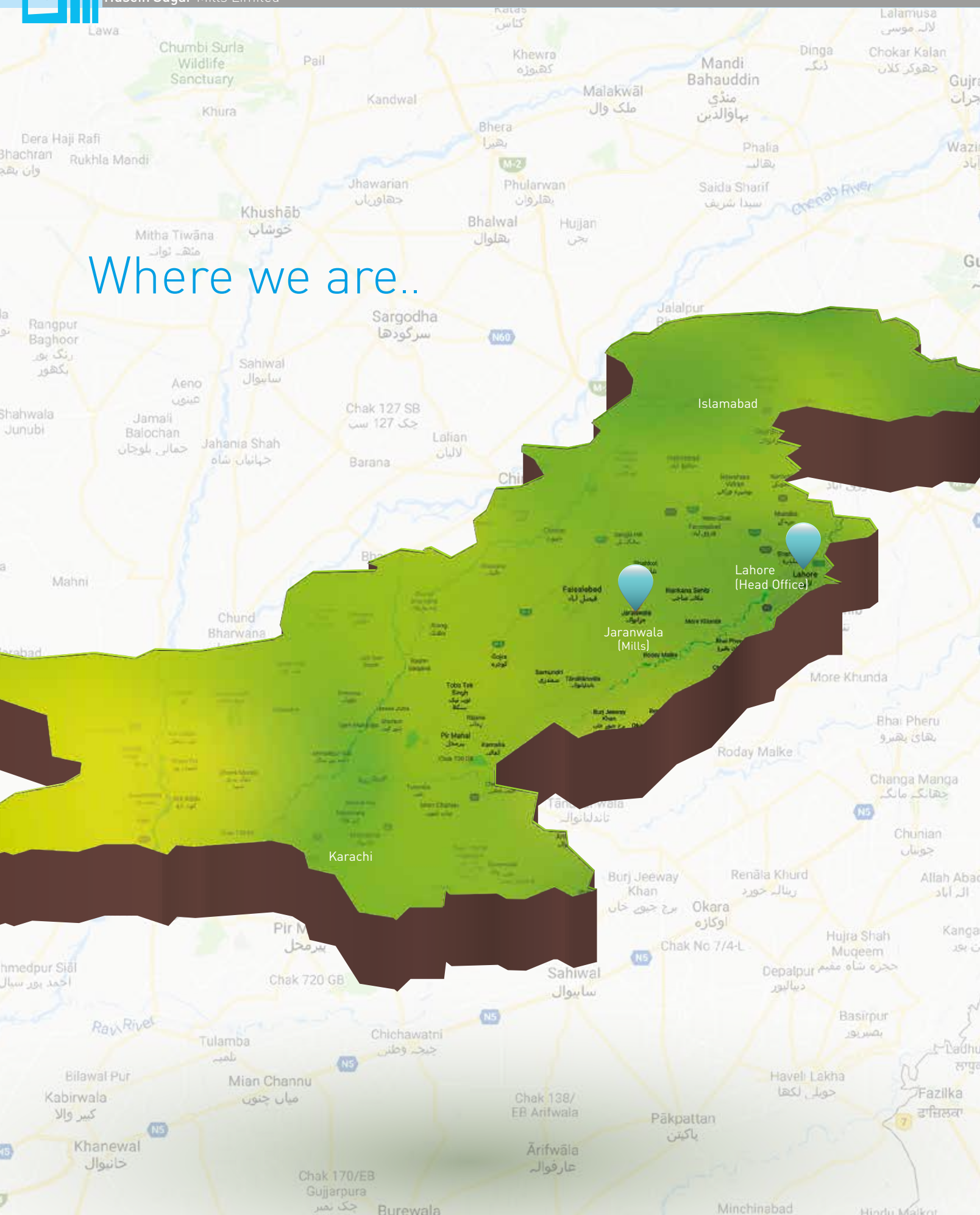




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Pursue
Excellence,
and Success
Will Follow..

Where we are..



The secret of joy in work is contained in one word - Excellence. To know how to do something well is to enjoy it.



Profile of the Directors



Mian Ahmed Ali Tariq
Chairman

Mian Ahmed Ali Tariq is the Chairman of the Board of Directors of the company. He completed his higher education at the Lahore University of Management Sciences and was awarded with a Bachelors of Science (Honors) degree. Mian Tariq is also a certified director from the Institute of Cost and Management Accountants of Pakistan (ICMAP). He has been associated with the company for more than a decade, and has served in an executive capacity since 2009. Mian Tariq's vision and leadership at Husein has played a critical role in the company's growth, success, and development. An industry leader, Mian Tariq also serves on the Executive Committee of The Pakistan Sugar Mills Association for Punjab.

Mian Tariq's is a strong advocate of giving back to the community. Under his leadership, Husein Sugar Mills has expanded its commitment and contribution towards social welfare and development. His family trust has providing quality education and healthcare for generations at affordable prices through substantial scholarships and financial aid.



Mian Mustafa Ali Tariq
Chief Executive Officer

Mian Mustafa Ali Tariq is the Chief Executive Officer of the company. He completed his higher education at the University of California, Los Angeles and was awarded with a Bachelor of Arts degree in Economics. He has also been certified by the Lahore University of Management Sciences for successfully completing their course on enhancing board effectiveness. He is a member of the HR&R Committee of the Board.

Mian Tariq is also a trustee of his family's non-profit social welfare organization. The family's education trust, which operates Mian Mohammad Ali Tariq College and Mian Nazir Husein School, has provided financial aid and scholarships to thousands of children since its inception. The family's healthcare trust operates a non-profit hospital that provides low-cost and free health care services.



Mrs. Nusrat Shamim
Non-Executive Director

Mrs. Nusrat Shamim was the chief executive and chairperson of Husein Sugar Mills for more than a decade. In her time at Husein Sugar, she spearheaded the process of bringing the company's core systems and procedures up to date with the latest practices of the 21st century. A true visionary, Mrs. Shamim led the company through a time of crisis and helped build the base on which the company continues to grow and develop in today. Mrs. Shamim has held directorships in various other companies.

She is also the chairperson of the HSM Education and Healthcare Trusts, which were formalized in 2003. Both the trusts have been providing quality education and healthcare facilities at subsidized rates to the underprivileged members of our community. Besides aforementioned trusts, Mrs. Nusrat Shamim is also operating a number of other welfare projects/non-profit non-governmental organizations to try and eliminate poverty in the country.

Due to her decades of business experience across various industries, Mrs. Shamim's seasoned and wise insights and intuitions have proven essential to successful operations of the company.



Mrs. Maryam Habib
Executive Director

Mrs. Maryam Habib was elected as a director on the board of Husein Sugar Mills in March of 2017. Mrs. Habib pursued her higher education at Kinnaird College Lahore. Mrs. Habib is serving as the Executive Director of the company. In her short time at the company, Mrs. Habib has been instrumental in initiating and implementing various programs of the company.



Mr. Taufiq Ahmed Khan
Independent Director

Mr. Khan is a highly decorated executive of Pakistan's pharmaceutical industry. Serving as the independent director on Husein Sugar's Board of Directors, and as the Chairman of the Board's Audit Committee, Mr. Khan's contributions to the company are of the utmost importance. He pursued his higher education at the University of Exeter where he was rewarded with a Bachelors of Science Degree in Economics. Mr. Khan is also a director of Highnoon Laboratories Ltd., one of Pakistan's largest pharmaceutical manufacturers. He is also the Chief Executive Officer of Curexa Health Pvt. Ltd, a wholly owned subsidiary of Highnoon Labs. After completing the necessary requirements as per the Code of Corporate Governance, The Pakistan Institute of Corporate Governance has also certified Mr. Khan. Given his vast capabilities and wide-ranging exposure, Mr. Khan is an invaluable member of the Board of Directors.



Mr. Ali Ashfaq
Non-Executive Director

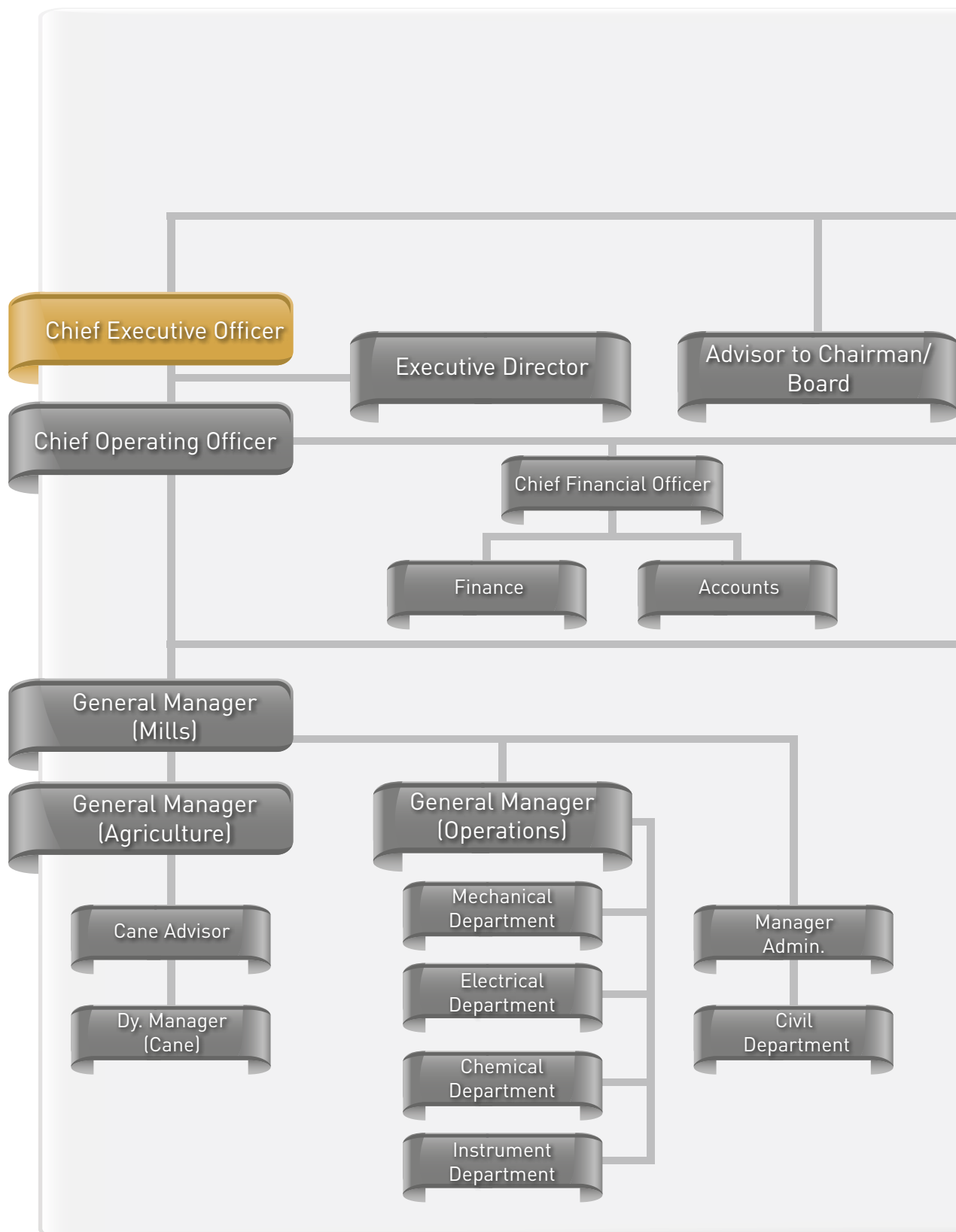
Mian Ali Ashfaq is a leading and highly acclaimed advocate of Pakistan's High Courts working as a partner in Masud & Mirza Associates, one of the most well reputed law firm in the country. Mr. Ashfaq completed his higher education at the University of Punjab and in the United Kingdom at BPP's Law School where he graduated with a distinction. He specializes in the special courts of the National Accountability Bureau, Federal Investigation Agency, Banking, Anti-Terrorism, Customs and Anti Corruption Courts. During his career as a lawyer, he has had the privilege to be on the panel of a number of renowned private and public departments. Mr. Ashfaq is a Secretariat Member of Cambridge University's International Symposium on Economic Crime. Given his vast experience with government agencies, Mr. Ashfaq is an invaluable member of the Board of Directors.

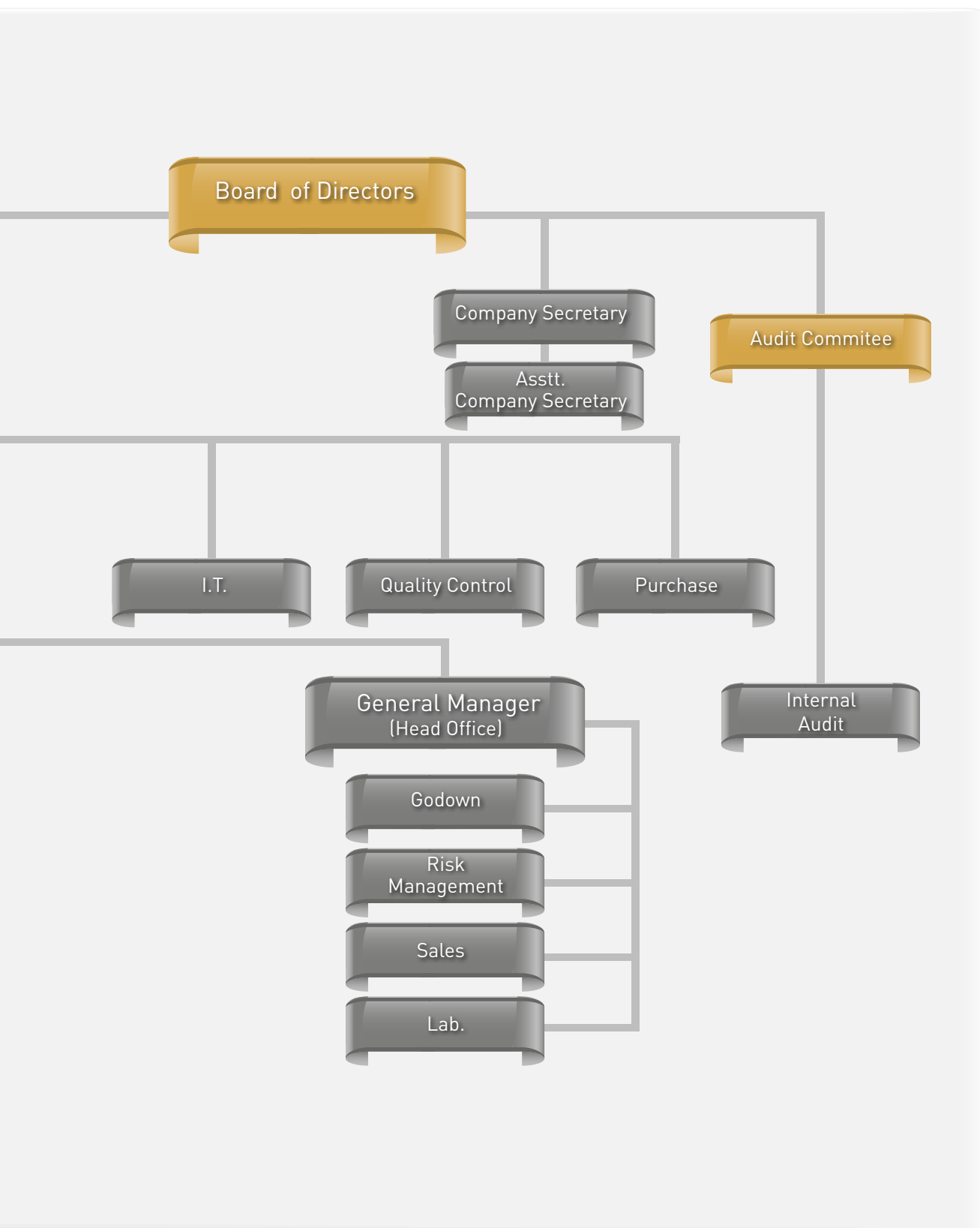
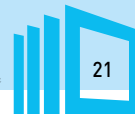


Mr. Muhammad Iftikhar
Non-Executive Director

Mr. Muhammad Iftikhar is one of the most highly skilled and technically capable operators in Pakistan's sugar industry. Mr. Iftikhar joined the board of Directors as a non-executive director in February 2016. He has been involved in the sugar industry for more than 25 years and specializes in the design and manufacturing of industrial equipment. Given his vast background in the technical and operational management of sugar mills and engineering companies, his insights have been invaluable to the board of Directors. Mr. Iftikhar was certified in compliance with the Code of Corporate Governance after he completed of his Director's Training Program from the Institute of Chartered Accountants of Pakistan. A young and energetic individual, Mr. Iftikhar brings an enthusiastic and technical experience that is instrumental to the policy making of the Board of Directors.

Organogram





Notice of Annual General Meeting

Notice is hereby given that 51st Annual General Meeting of the company will be held on Saturday the 27th January, 2018 at 10:00 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 last Extra Ordinary General Meeting held on March 31, 2017.
2. To receive, consider and adopt the annual audited Financial Statements for the year ended 30th September, 2017 together with Directors and Auditors Reports thereon.
3. To appoint Auditors for the year ending 30th September, 2017 and to fix their remuneration. The Board on the recommendation of Audit Committee has proposed the appointment of M/s Kirsten Hyder Bhimji & Company, Chartered Accountants, Lahore. The retiring Auditors being eligible have offered themselves for re-appointment.

Special Business

4. **Increase in authorized capital of the Company**
To consider and, if deemed fit, pass the following resolution as a Special Resolution with or without modification, additions or deletions to increase in authorized capital of the Company and to make consequent amendments in the Memorandum and Articles of Association:-

RESOLVED THAT pursuant to the provisions of section 85 and other applicable provisions of the Companies Act, 2017 the Authorized Capital of the Company be and is hereby increased from Rs. 500,000,000/- divided into 50,000,000 ordinary shares of Rs 10 each to Rs. 1,500,000,000 divided into 100,000,000 ordinary shares of Rs. 10 each and creation of additional 5,000,000 preference shares of Rs. 100 each. with such preferential, qualified or special rights, privileges, conditions or restrictions or postponement of rights as the Company may from time to time determine by Special Resolution, with the power insofar as is permitted by law.

FURTHER RESOLVED THAT the new ordinary shares shall rank pari passu with the existing shares in all respects/rights in line with the provisions of section 85 of the Companies Act, 2017.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to take all necessary actions for giving effect to the above resolutions and file relevant forms with the concerned Registrar of Companies as required under the provisions of the Companies Act, 2017.

RESOLVED FURTHER THAT in consequent of the abovesaid increase in the Authorized Share Capital of the Company, the existing Clause V of the Memorandum of Association of the Company be and is hereby amended to read as follows:

Clause V of the Memorandum of Association:

"V. The authorized share capital of the Company is Rs.1,500,000,000 (Rupees 1.5 billion only) divided into 100,000,000 (one hundred million) ordinary shares of Rs.10 (Rupees ten) each, and 5,000,000 (five million) preference shares of Rs.100 (Rupees hundred) each, with such preferential, qualified or special rights, privileges, conditions or restrictions or postponement of rights as the Company may from time to time determine by Special Resolution, with the power insofar as is permitted by law."

- a) The Chief Executive Officer or Company Secretary be and are hereby singly authorized to do all acts, deeds and things, take any or all necessary actions to complete all legal and corporate formalities and to file all requisite documents with the Registrar to effectuate and implement this resolution."

By Order Of The Board

Lahore:
05 January 2018

Khalid Mahmood
Company Secretary

Notes:**1. Book Closure:**

The Share Transfer Books of the Company will remain closed from 21 January 2018 to 27 January 2018 (both days inclusive). Transfers received in order at the office of our Share Registrar, Corp Tec Associates (Pvt) Limited, 503-E, Johar Town, Lahore by the close of business on 20 January 2018, will be treated in time for the purpose of attending, speaking and voting at the meeting.

2. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her. A Proxy must be a member of the Company.
3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting.
4. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

- a. In case of Individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
- b. In case of corporate entity, the Board's resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.

- e. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

5. Payment of Cash Dividend through Electronic Mode

SECP has previously initiated e-dividend mechanism through Notice No.8(4)SM/CDC/2008 dated 05 April 2013 in order to make process of payment of cash dividend more efficient. The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Subsequently, vide Circular No. 18 of 2017 dated 01 August, 2017, SECP has allowed one time relaxation till 31 October, 2017 to pay cash dividend by dividend warrants. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form provided in the annual report and also available on web site of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company.

6. Circulations of Annual Reports through CD/ DVD/USB

Pursuant to the Securities and Exchange Commission of Pakistan's Notification S.R.O 470(I)/2016 dated 31 May, 2016, the Commission had accorded their consent for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company through CD or DVD or USB instead of transmitting the same in hard copies. The shareholders who wish to receive hard copy of the aforesaid documents may send to the Company Secretary/Share Registrar, the Standard Request Form provided in the annual report and also available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. The shareholders who intends to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form provided in the annual report and also available on the Company's website: www.husein.pk

Notice of Annual General Meeting

7. Unclaimed Dividend and Bonus Shares

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar M/s Corptec Associates (Private) Limited, 503-E, Johar Town, Lahore, to collect/enquire about their unclaimed dividend or pending shares, if any.

In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend and shares outstanding for a period of 3 years or more from the date due and payable shall be deposited to the credit of Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.

8. Video Conference Facility

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video-link at least [10] days prior to date of meeting, the Company will arrange video-link facility in the city subject to availability of such facility in that city. The Company will intimate members regarding venue of video-link facility at least 5 days before the date of the Annual General Meeting along with complete information necessary to enable them to access the facility. In this regard, please fill the following form and submit to registered address of the Company 7 days before holding of the Annual General Meeting:-

I/We, _____ of
_____ holder of _____
Ordinary shares as per Register Folio No.
_____ hereby opt for video conference
facility at _____.

_____ Signature of member

9. Placement of Financial Statements

The Company has placed the Audited Annual Financial Statements for the year ended 30 September 2017 along with Auditors and Directors Reports thereon on its website: www.husein.pk

Statement under Section 134 (3) of the Companies Act, 2017

This statement set out the material facts concerning the special business to be transacted at the annual general meeting of the Company to be held on 27 January 2018.

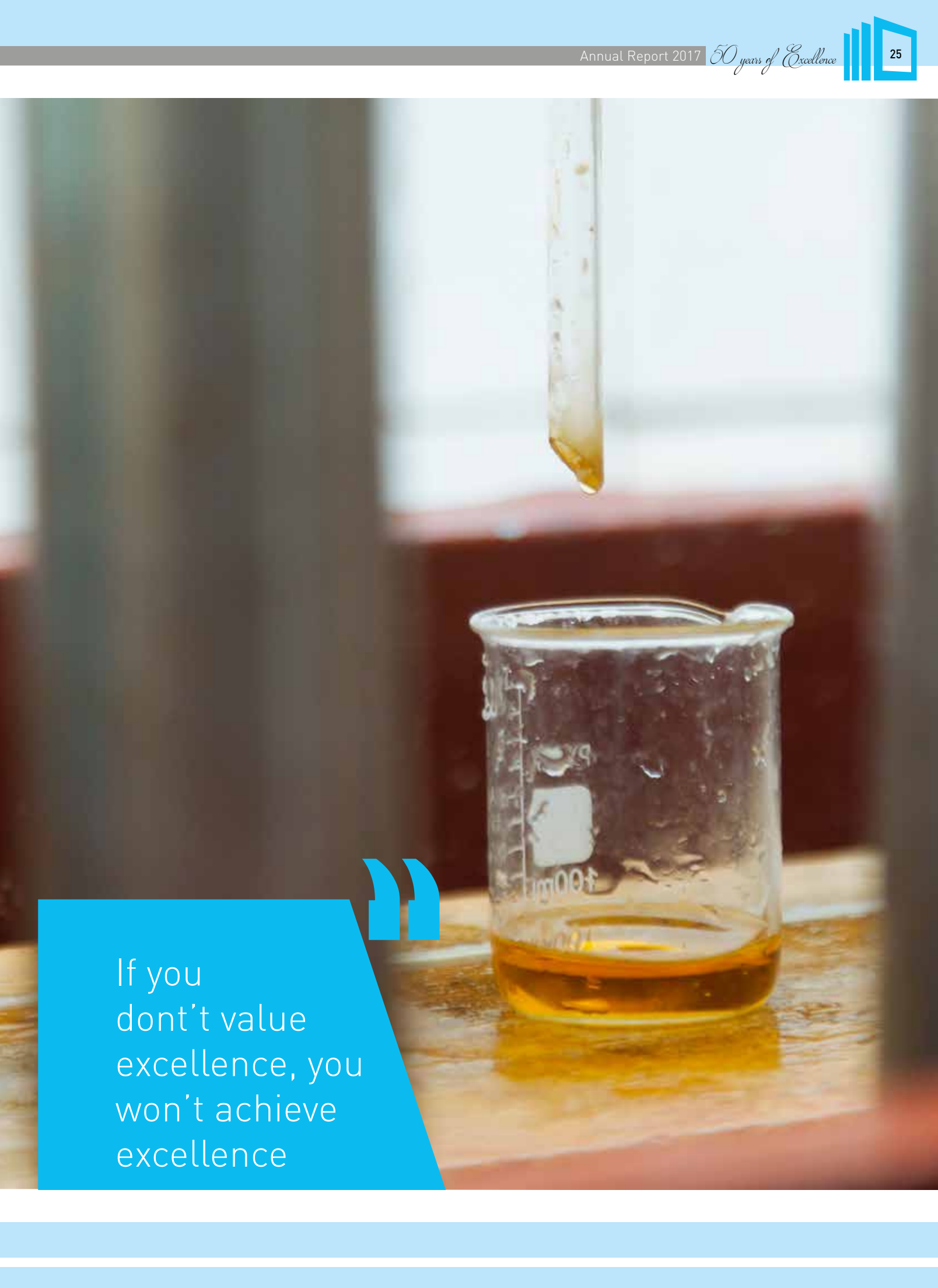
Increase in Authorized Shares Capital of the Company and Consequent Amendments in the Memorandum:

In order to cater for the future increase in paid up share capital, the Authorized Share Capital of the Company needs to be enhanced. Accordingly, the Board of Directors has recommended to increase the Authorized Share Capital of the Company from Rs. 500,000,000/- divided into 50,000,000 ordinary shares of Rs 10 each to 1,500,000,000 divided into 100,000,000 ordinary shares of Rs. 10 each and 5,000,000 preference shares of Rs. 100 each .

The proposed increase in the Authorized Share Capital of the Company will also necessitate amendments in clause V of the Memorandum of Association. The Board of Directors have also recommended alteration in the Memorandum of the Company to reflect increase in Authorized Share Capital of the company. The new ordinary shares when issued shall rank pari passu with the existing ordinary shares in all respects.

A copy of the Memorandum and Articles of Association has been kept at the registered Office of the Company and may be inspected during business hours on any working day from the date of publication of this notice till the conclusion of the general meeting.

The directors are not interested, directly or indirectly, in the above special businesses except to the extent of their shareholdings as has been detailed in the pattern of shareholding annexed to the Directors Report.

A photograph of a laboratory setting. In the foreground, a glass beaker containing a yellow liquid sits on a wooden surface. Above the beaker, a glass dropper is suspended, with a single drop of the yellow liquid hanging from its tip, about to fall into the beaker. The background is blurred, showing what appears to be a window or another piece of lab equipment.

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If you
don't value
excellence, you
won't achieve
excellence

Management Team





Mr. Gul Zamin Said Khan
AGM Admin and HR

Mr. Zahid Mahmood
Manager Finance and Accounting

Mr. Azher Fazal
GM Operations

Mr. Shah Nawaz
DGM Cane

Mr. Waseem Ahmed Ghafoor
GM Mills

Mr. Sohail Akber
AGM Production

Rana Ali Asghar
GM Agriculture

Mr. Jalal Ud Din Khan
Head of Internal Audit

Mr. Wasim Saleem
Chief Operating and Financial Officer

Mr. Saeed Anwar
AGM Technical

Brig. (Rtd.) Abdul Aziz
Advisor to Chairman and Board

Muhammad Mudassar Ahsan
GM Head Office

Mr. Sher-e-Yazdan Khan
Manager Quality Control

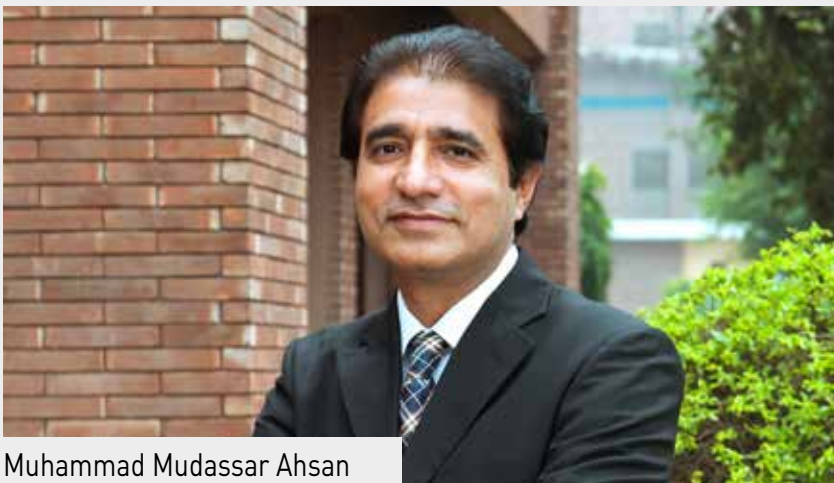
(From Left to Right)

Profile of the Key Management



Mr. Wasim Saleem
Chief Operating & Financial Officer

Mr. Wasim Saleem is the Chief Financial Officer of the Company. He did his masters in Business Administration. He is a member of Institute of Cost and management Accountants of Pakistan and Institute of Bankers in Pakistan. Besides attending many senior executive/management courses he has diversified experience of over thirty years at senior management level in development banking and suagr industry. Prior to joining Husein Sugar Mills Limited, He has worked with NDFC and Ashraf Sugar Mills Limited.



Muhammad Mudassar Ahsan
General Manager Head Office

Muhammad Mudassar Ahsan is working in Husein Sugar Mills Limited as General Manager (Head Office). He has more than 20 years experience of sugar industry. He remained on the Board of the Husein Sugar Mills Limited in 2011-2012. He got his Masters in Business Administration (MBA Marketing) from University of Management and Science, Lahore in 1995 along with Diplomas in Export Marketing Management and Computer Applications. He attended Financial Management Courses from Lahore University of Management Sciences (LUMS). He is also the Chief Executive of Shamim Anwar Company (Private) Limited.



Mr. Khalid Mahmood
Company Secretary

Mr. Khalid Mahmood is working in Husein Sugar Mills Limited as Company Secretary. He has been associated with the Company since 2005. Mr. Khalid is an associate member of Institute of Chartered Secretaries of Pakistan (ICSM). He is also an Associate Member of Institute of Corporate Secretaries of Pakistan (ICSP). He got his Masters in Business Administration (MBA) in Finance from Virtual University of Pakistan, Lahore in 2008. He is in CAF with Institute of Chartered Accountants of Pakistan (ICAP). He has complete command over good corporate secretarial practices and very competent professional grip on all applicable laws to ensure compliance thereto and to adopt good corporate governance practices.



Mr. Waseem Ahmed Ghafoor
General Manager Mills

Mr. Waseem Ahmed Ghafoor is the General Manager Mills of the company. He joined Husein Sugar Mills in 2012. He has done masters in Chemistry from the University of Agricultural Faisalabad. He has 31 years of practical experience in sugar industry. He is being assisted by adequately qualified and well experienced team of technical persons in the fields of chemical processing, mechanical, electrical and instruments engineering.



Brig. (Rtd.) Abdul Aziz
Advisor to Chairman and Board

Mr. Abdul Aziz (R) is currently working as Advisor to the Chairman of the Company. He has done Masters in Defence and Strategic studies from Quaid-e-Azam University. He has attended many senior executive/management courses including National Defence Course from NDU. He possesses diversified experience of 30 years Management at senior level in army and 15 years in Sugar industry. Prior to joining Husein Sugar Mills, he worked as General Manager in Ashraf Sugar Mills and Resident Director in Brothers Sugar Mills.



Rana Ali Asghar
General Manager Agriculture

Rana Ali Asghar has worked for Husein Sugar for a total of six years between 2005 to date. The University of Agriculture in Faisalabad rewarded Mr. Asghar with a Masters degree in 1995. Mr. Asghar has been instrumental in the innovation and development of the Cane Procurement and Cane Development department at the company.



Mr. Azher Fazal
General Manager Operations

Mr. Azher Fazal has been a part of the Husein team since 2013. Mr. Azher Fazal completed his higher education at the University of Engineering and Technology where he was rewarded with a degree in Mechanical Engineering. Mr. Fazal is also a certified engineer from the Pakistan Engineering Council. Mr. Azher's numerous contributions in the technical operations of the plant have been instrumental in the operating success of the company.

Key Operating and Financial Data

OPERATING DATA	2017	2016	2015	2014	2013	2012	2011
Cane crushed (M.Tons)	660,136	499,396	447,091	429,617	580,197	650,995	575,886
Sugar produced from Sugar Cane (M.Tons)	65,024	46,861	41,103	40,415	55,368	61,129	50,221
Average Recovery from Sugarcane(%)	9.85	9.41	9.20	9.41	9.55	9.39	8.72
Number of days worked	151	111	139	114	113	121	122

(Rupees in ' 000)

FINANCIAL DATA							
Sales	3,856,539	3,144,147	1,995,710	2,694,801	2,234,951	3,010,669	3,477,699
Gross Profit /(Loss)	485,320	245,551	(209,329)	(54,950)	24,125	198,169	293,358
Operating Profit /(Loss)	286,354	68,130	(381,278)	(197,430)	(95,843)	109,205	185,749
Profit / (Loss) before taxation	228,853	98,257	(416,144)	(287,973)	(217,021)	24,492	119,245
Taxation	(27,263)	17,408	(2,197)	(6,672)	26,216	(17,571)	(49,353)
Profit / (Loss) after taxation	201,590	115,665	(418,342)	(294,645)	(190,805)	6,921	69,892
Earning /(Loss) per share (Rupees)	9.55	5.61	(24.61)	(17.28)	(11.22)	0.41	5.32
Total Assets	3,624,893	3,139,121	3,337,783	3,149,633	2,183,840	1,450,996	1,397,393
Current Liabilities	1,030,590	1,276,551	1,731,041	1,411,531	1,538,575	574,318	370,957
Capital Employed	2,594,303	1,862,570	1,606,742	1,738,103	645,265	876,678	1,026,436

Represented by:

Share Capital	250,000	170,000	170,000	170,000	170,000	170,000	170,000
Reserves	310,543	190,543	208,855	203,987	207,471	192,171	192,920
Accumulated Loss	(511,119)	(770,789)	(952,607)	(594,721)	(300,076)	(109,271)	(116,192)
Shareholders' Equity	49,424	(410,246)	(573,752)	(220,734)	77,395	252,900	246,728

Non - current Liabilities

Liabilities against assets subject to finance lease	-	-	-	7,576	17,574	25,718	5,816
Long term financing	-	-	-	-	49,967	99,933	279,341
Long term deposits	-	-	-	6,753	5,144	5,442	-
Deferred income tax liability	191,735	209,585	282,327	295,705	-	-	-
Deferred income on sale and lease back	-	-	-	-	-	-	289
	191,735	209,585	282,327	310,034	72,685	131,093	285,446

Roles and Responsibilities of the Chairman and the CEO

Following are the responsibilities of the Chairman and the Chief Executive of the Company.

Chairman

The Chairman is responsible for the leadership of the Board. In particular, he will:

1. Ensure effective operation of the Board and its committees in conformity with the highest standards of corporate governance.
2. Ensure effective communication with shareholders..
3. Set the agenda of Board discussions to promote constructive debate and effective decision-making.
4. Chair the Nominations Committee and build an effective and complementary Board, initiating change and planning succession on Board and Executive appointments.
5. Ensure that all Board committees are properly established, composed and operated.
6. Ensure comprehensive induction programmes for new directors and updates for all directors as and when necessary.
7. Support the Chief Executive in the development of strategy and, more broadly, to support and advise the Chief Executive.
8. Maintain access to senior management as is necessary and useful, but not intrude on the Chief Executive's responsibilities.
9. Promote effective relationships and communications between non-executive directors Executive directors.
10. Ensure that the performance of the Board, its main committees and individual directors is formally evaluated on an annual basis.
11. Preside over all the BOD meetings and AGM.
12. Declare results of the meetings where result based on show of hands of General Meeting.
13. Sign the minutes of meeting s of BOD and AGM.
14. Establish a harmonious and open relationship with the Chief Executive.

Chief Executive Officer

The Chief Executive is responsible for leadership of the business and managing it within the authorities delegated by the Board. In particular, he will:

1. Develop strategy proposals for recommendation to the Board and ensure that agreed strategies are reflected in the business.
2. Develop annual plans, consistent with agreed strategies, for presentation to the Board for support.
3. Plan human resourcing to ensure that the Company has the capabilities and resources required to achieve its plans.
4. Develop an organizational structure and establish processes and systems to ensure the efficient organization of resources.
5. Be responsible to the Board for the performance of the business consistent with agreed plans, strategies and policies.
6. Lead the executive team, including the development of performance contracts and appraisals.
7. Ensure that financial results, business strategies and, where appropriate, targets and milestones are communicated to the investors.
8. Develop and promote effective communication with shareholders.
9. Ensure that business performance is consistent with the Business Principles.
10. Ensure that robust management succession and management development plans are in place and presented to the Board from time to time.
11. Develop processes and structures to ensure that capital investment proposals are reviewed thoroughly, that associated risks are identified and appropriate steps taken to manage the risks.
12. Develop and maintain an effective framework of internal controls over risk in relation to all business activities including the Company's trading activities.
13. Ensure that the flow of information to the Board is accurate, timely and clear.
14. Establish a close relationship of trust with the Chairman, reporting key developments to him in a timely manner and seeking advice and support as appropriate.

Chairman's Review

Dear Shareholders

It gives me great pleasure to address my fellow stockholders at the culmination of this momentous year. It is my honor and pleasure to report that Husein Sugar has successfully completed its fiftieth year of business and is celebrating its Golden Jubilee on a record note of production and profitability. Throughout this period, your company has never compromised on its core philosophy. I would like to take this opportunity to reaffirm your company's commitment to its principles; business for better life, respect for human dignity, and investment for a prosperous future. Shareholders, cane growers, customers, financial institutions, business partners, Husein employees, management, and other stakeholders are the pillars that our ecosystem thrives upon. As always, Husein Sugar continues its unwavering support for sustainable development and remains resolute in its commitments to all its stakeholders.

For the financial year ended September 30, 2017, the Board has deemed the overall performance of management as satisfactory and in line with the vision set forth by the Board. The overall assessment as satisfactory is based on an evaluation of integral components, such as strategic planning, effective fiscal budgeting, successful implementation of policies, enhancement of systems, and operational results. I am happy to announce that revenues are fast approaching PKR Four Billion and Gross Profit is near half a Billion rupees. With international sugar prices falling sharply this year, the management's decision to pursue an aggressive selling strategy has ensured decent profitability.

We continue to look toward new avenues for sustainable growth. This year, we have begun to tap new markets for our sugar. We are working with local partners in countries in North America and the Middle East to bring our products to their markets. I am delighted to report that we have delivered a pilot shipment of sugar to Canada this year. To ensure that your company continues to produce only the highest quality sugar, we have imported relevant machinery from Japan and Germany. We have also begun to approach new vendors and renegotiate with existing partners to ensure financial optimization.

At home, we have taken measures to proliferate high sucrose content varieties in our region and develop enterprise resource management software and other



systems to effectively monitor the implementation of policies. To stay competitive in today's industry, it is imperative to constantly innovate, modernize, and update essential technologies and procedures. In this regard, we are integrating the latest technologies to our core systems. These projects are being overseen directly by the senior most executives of our management team. It is imperative for any company to keep up with the trends, and fashions of its time. On the occasion of this Jubilee, building upon our fifty-year rich heritage, we have begun work on reinventing and rejuvenating our corporate identity.

We continue to invest in the development of Human Resources at your company. We believe that in the increasingly competitive markets of the today's world, Human Capital is critical to the success and growth of any company. The management at Husein continues to pursue the policy of hiring capable and motivated individuals, rewarding hard work, and providing platforms for personal development. In this regard, not only are we ensuring that executives undertake Director's Training Programs in compliance with the Code of Corporate Governance, but we are also providing internships to aspiring engineers and investing in the development of our managers and executives throughout the company.

We at Husein strongly believe that transparency and accountability are essential to generate value at any institution in the long run. Thus, we continue to ensure compliance to the Code of Corporate Governance and warrant the highest professional standards throughout the company. Accordingly, we have developed and implemented policies to guarantee the highest safety, health, and equal opportunity standards at your company.

As the company has grown over the last fifty years, your company has ensured that our local community has not been left behind. Our commitment to giving back to our community remains resolute. Our CSR projects have set the benchmark for other companies to follow. The schools and college at our associated educational complex continue to provide the highest standard education to more than a thousand children every year from Kindergarten to College. These projects have continued to grow year on year and new investments have persistently being undertaken. Our non-profit hospital continues to provide health care to thousands of patients. In the years ahead, we look forward to initiate new projects to facilitate the local community.

With political instability looming at home and abroad, economic uncertainty, a volatile and worsening sugar market, and a fast changing environment, today's world presents a wide array of risks. The board of directors and its relevant committees continue to fulfill their critical roles of monitoring and managing those risks in coordination with management. The confidence of the shareholders and other stakeholders in the management and the board has been indispensable in permitting the company to embark on a new journey from a time of crisis to a position where we have sound prospects for sustainable development, greater value creation, and stable growth in the years ahead.

From a five-year low in sugar prices, to technologies that are disrupting the way we live and work, this year, we at Husein have overcome a challenging and unfamiliar environment. Against this backdrop, we have shown great resilience, strength, and character, outperforming our competitors in an increasingly difficult industry, increasing profits significantly from last year, and returning to positive equity. In this tough environment, by the grace of Allah, I am happy to humbly report, we have had another good year. Like the Phoenix, Husein Sugar is rising again – rejuvenated, revitalized, and reborn.

Our management has worked tremendously hard to steer the company from a time of crisis in 2015 to a place where we can comfortably expect sustainable development, growth, and financial success in the years ahead. I would like to take this opportunity to place on record my appreciation to all stakeholders for their continued support. In particular, I would like to acknowledge the hard work, unrelenting efforts, and steadfast dedication of the entire Husein team and look forward to the same cooperation and commitment in the future.

Thank You,



Mian Ahmed Ali Tariq
Chairman of the Board

Directors' Report

Your Directors are pleased to present the 50th Annual Report of Husein Sugar Mills Limited for the year ended September 30, 2017.

The Company's performance for the current and last year is given below:

September 30		2017	2016	%age	
OPERATIONS					
Sugarcane crushed	(M. Tons)	660,136	499,396	32	▲
Sugar produced	(M. Tons)	65,024	46,861	39	▲
Molasses Produced	(M.Tons)	32,941	22,305	48	▲
Sugar recovery	(%age)	9.85	9.41	4.67	▲

Rupees in Thousand

FINANCIAL					
Sales		3,856,539	3,144,147	22.65	▲
Gross Profit		485,320	245,551	97.64	▲
Operating Profit		286,54	68,130	320	▲
Finance Cost		87,220	61,569	41.66	▲
Profit After Taxation		201,590	115,665	74.28	▲
Earnings Per Share (Rupees)		9.55	5.61	70.23	▲

Chairman's Review

The Directors of your Company fully endorse the Chairman's review on the performance of the Company for the year ended September 30, 2017.

A Record Breaking Jubilee

On the occasion of this Golden Jubilee for the fiftieth year of business of your company, it gives me great pleasure to humbly, yet happily report that by the grace of Allah, your company has broken all previous records of operational and financial performance. Not only has your company achieved the financial milestones of the highest revenue, gross profit, and profit after taxation in its history, but your company has also crushed the highest quantity of sugarcane, produced the highest quantity of sugar, the highest quantity of molasses, and achieved the highest recovery in this history of the company's operations. We are thankful to Allah Almighty for these accomplishments and continue to seek his guidance, mercy, and blessings for the future.

Sugar Markets and Operational Review

The management at Husein has always emphasized on staying ahead of the market. Acting upon our market intelligence and foreseeing a surplus of millions of tons locally this year, the management pursued an extremely aggressive selling strategy. This policy paid off and your company managed to materialize gains at lucrative prices. For this

financial year, your company has increased Sales to PKR 3.85 Billion and we are confident that revenue will only continue to grow. Gross Profit has almost doubled from last year to PKR 485 Million, booking an increase of 97.64%. Profit after Taxation has exceeded PKR 200 Million, which is a 74.28% increase from last year. Our sucrose Recovery continues to grow year on year and having achieved 9.85% we are confident, we will cross a season average recovery of 10% in the coming years.

Our strategic financial policies were supplemented with other technical achievements. This year Husein Sugar crushed more than 660,000 tons of sugarcane at a recovery of 9.85. Our efforts to develop and proliferate the highest quality varieties of sugarcane in the area have paid off. As we continue to replace sugarcane varieties, we are confident we will continue to attain the highest average sucrose recovery. As we continue to improve the efficiency of our plant, the latest machinery is being procured to enhance the quality and productivity of our products and processes. Our operating profit has almost quadrupled and our earnings per share are 9.55 PKR. Not only have we produced the highest quantity of sugar in the company's history, but also we have had excellent results in the production of by-products such as bagasse and molasses. In the last twelve months, the sugar market has behaved in an extremely volatile fashion. Starting January 2016, international prices continued to

climb higher from around \$380 per ton until they peaked at around \$600 per ton in the September of 2016. However, the positive sentiment that rallied the commodity throughout the greater part of 2016 did not sustain to the current year. International Sugar prices have returned to around \$380 per ton and the local market has followed. With international and local sugar prices falling drastically, it has been one of the most difficult years for Pakistan's sugar industry yet. But it was a year when we turned challenges into opportunities, finding new ways to compete in an increasingly challenging industry.

Not only have we invested in the latest machinery to increase the efficiency of our plant, but we have also invested in the latest software and internal control systems to maximize productivity. This year, we have revamped our reporting systems to provide accurate real time intelligence to our policy makers timely. We are also exploring new technologies to improve communication with stakeholders such as cane growers and incorporate the latest software systems to maximize efficiency across the company.



Directors' Report

Health, Safety, and Environment

At Husein, we make no compromises on the health and safety of our employees. This year, we have taken measures to implement the latest international techniques to improve and enhance the working conditions of our workers to maintain the highest safety and health standards. We are committed to providing a hygienic and secure environment for our employees, stakeholders, and visitors. Our top priority is always safety and in 2017 we have continued to build upon the progress of earlier years. I am delighted to report that we have completed another safe and incident free year at Husein.

We continue to take measures to ensure the same level of safety and health in the future. Another priority of ours is the environment. As responsible corporate citizens, we share a collective responsibility in protecting the ecosystem that permits our operations, development, and growth. We look forward to working with local partners and other stakeholders to do our part in ensuring that all Husein products are made in a responsible and environmentally friendly manner. We are also exploring new technologies to innovate and improve our processes.

Future Outlook

Due to poor sugar prices and a significant carryover stock of sugar from last year, the sugar-crushing season for the year 2017-2018 has been delayed extensively. Compared to last year, crushing for this year has commenced approximately one month later. This has had devastating consequences for the sugar sector. Sugarcane crops across the region have deteriorated significantly and lost their sucrose contents because of a variety of problems including but not limited to, contamination through pathogens and other diseases, increased cut-to-crush times due to early harvesting and dry storage by growers seeking to plant other crops, and climate conditions. This devastation is made manifest by the operational results of your company for the new season to date. We have only crushed 109,596 tons as compared to 199,645 tons till the same date last year. Similarly, we have attained a sucrose recovery of only 8.55% compared to 8.80% to date last year.

It is estimated that the area of sugarcane under cultivation, and the average yield per acre of sugarcane is the same as last year. However, as stated above, given the poor condition of sugarcane this year, it remains to be seen whether sugar production will be around the same level as last year.

Despite the current sugar surplus in local and international markets and the poor condition of crop in Pakistan, the governments of Punjab, Khyber-Pakthunkhwa, and Sindh have notified an unchanged support price of sugar cane for crushing season 2017-18 at Rs.180 per 40 kg, Rs. 180 per 40 kg, and Rs. 182 per 40 kg respectively. It is pertinent to mention that given the carryover stocks of sugar from the last year and a similar production of sugar this year, there is no positive indication that local sugar prices will rise. Although the commodity has recovered slightly from a five year low in the international market to \$380/ton, it is unlikely sugar prices will climb to the levels seen through September to December of 2016.

In the last few weeks, the government has recently allowed further export of sugar with an export rebate. This belated yet amicable decision of the government will help in reducing surplus sugar stocks in the country to some extent. Also, the Economic Coordination Committee of the Government has decided to procure 300,000 tons of sugar through a tender process for the purpose of export. Furthermore, the Rupee has depreciated significantly to the US Dollar. This depreciation makes exporting to international markets more lucrative. This is an opportunity, which if explored properly, can provide some relief to Pakistan's struggling sugar industry. However, the government and the industry need to develop a consensus through dialogue to adopt a long-term approach with regard to export. Given that Pakistan has and is expected to consistently produce surplus sugar, it is absolutely essential for the government to work with millers and stakeholders to develop a comprehensive and long-term policy with regard to the export of the commodity. If the government desires to see Pakistan as an exporter of sugar and succeeds in formulating an enduring policy in this regard through a consensus with relevant stakeholders such as cane growers, millers, banking institutions, and others, it will help ensure stability, security, and consistency in the industry. Although, we are hopeful that the government will facilitate the industry in the coming year, we are nonetheless exploring other avenues to ensure operational and financial success.

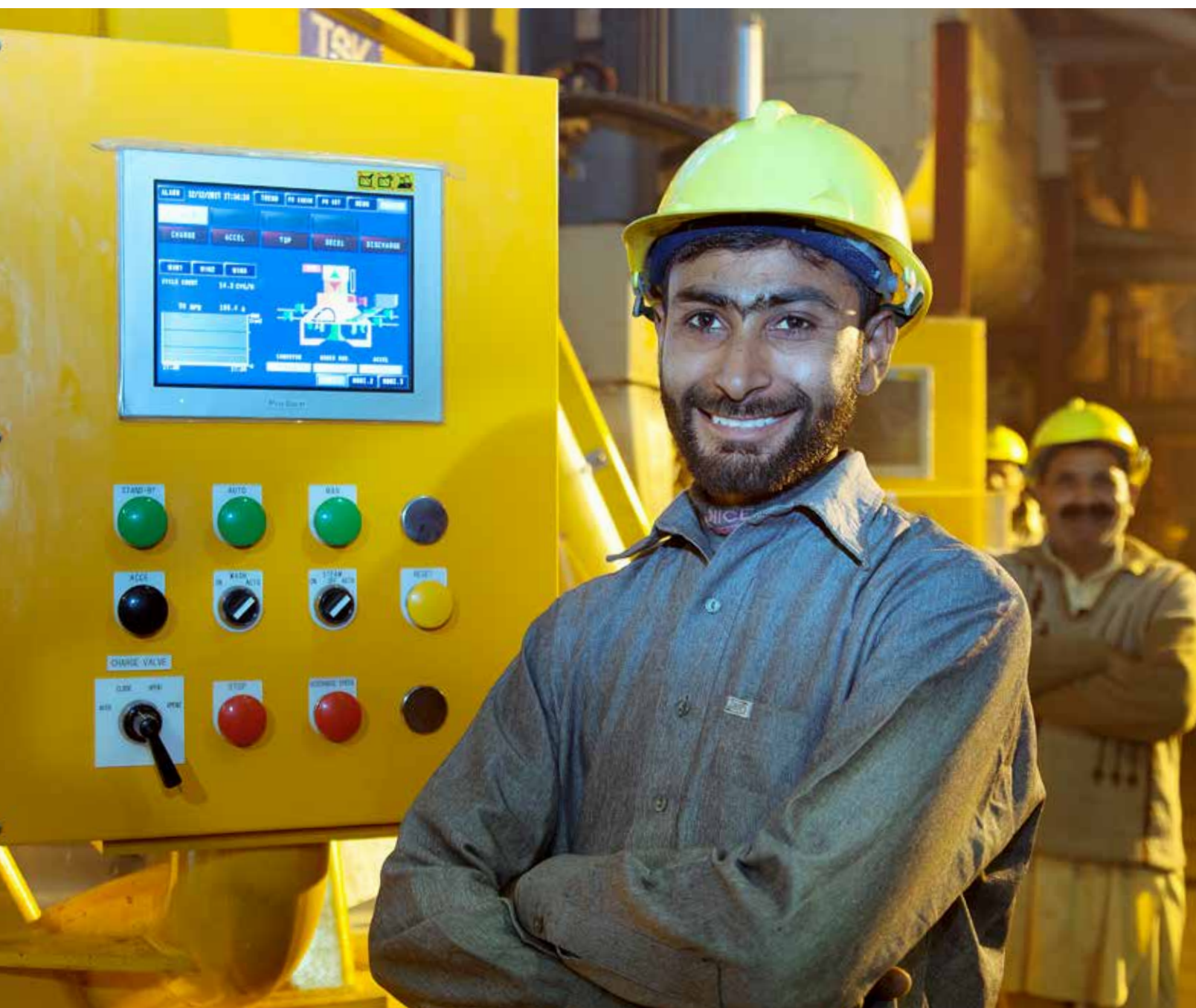
The generation of long-term shareholder value is the primary driving force of our company. The continued confidence and trust of our shareholders is of the utmost importance to us. In this regard, I am happy to report that this year we successfully completed a rights issue at a premium of PKR 15, which was fully subscribed by our shareholders. At Husein - we have always strived to maximize our



shareholder's equity and we remain determined in our commitment. In that regard, your company has embarked upon an Efficiency Improvement Project (EIP) that aims to reduce operational losses considerably and multiply savings in fuel consumption. The EIP is being implemented as per schedule and letters of credit for imported machinery have been established and orders for local machines placed. Some machines have been commissioned before the start of the current crushing season in November 2017 and we are hopeful to receive delivery of other equipment by

the mid-year. As technology continues to disrupt the way we do business, it has become essential to constantly innovate and improve our machinery. The proceeds of these funds are being utilized to bring down our energy or steam consumption. By making our machines more efficient and less steam-hungry, we are hopeful that we will be able to save more bagasse – and thus increase our revenue streams.

This year we have actively pursued policies catered at reestablishing the confidence of all our stakeholders. It gives me pleasure in revealing to



Directors' Report

our shareholders that the confidence of our bankers in your project has been and your management has managed to secure the entirety of our required amount of working capital finances at competitive markup rates.

Starting 2016, Husein Sugar has started to look forward again. It has been one of the toughest years on record, with sugar prices at some of their lowest levels in the last five years. We at Husein have not been deterred by the challenges. Rather, we have faced the difficulties head on and persevered. Since 2015, Husein Sugar's story has been one of recovery, rejuvenation, and resilience. Now we look forward with purpose and determination.

As has been the case in the last two years, in 2018, you can expect a story of growth.

Dividend

No dividend is recommended for the time being as retention of funds are required for improving permanent working capital and undertaking efficiency improvement projects.

Debt Servicing

The company has no long-term liabilities. It is utilizing only short-term working capital loans, which are being serviced to the fullest satisfaction of lenders.

Comments on Auditors' Observation:

Going Concern Assumption

In response to the auditors' observation regarding the Company's ability to continue as a going concern, the Directors submit as follows:

- i. The Company has earned a gross profit and net profit after taxation of Rs. 485.320 million (2016: Rs. 245.551 million) and Rupees 201.590 (2016: Rs. 115.665) million respectively in the current financial year having reached a positive equity of Rupees 49.424 million (2016: Negative balance Rupees 410.246 million). The accumulated losses of the company have dropped to Rs. 511.119 million (2016: Rs. 770.789 million). Continuing losses in past have resulted in erosion of the Company's equity and depletion of our working capital base. However, with continuous financial support of the sponsors and better results of the company the overall liquidity position of the company has tremendously improved.

- ii. The Company has been successful in negotiating with various banks such as NBP, DIBL, Askari, Meezan, and BIPL to win the renewal and extension of comprehensive working capital facilities for the next year. It is also pertinent to mention that the company continues to maintain a default-free record. The Company has already started to draw down upon these facilities since its renewal for the next crushing season.
- iii. The Company at present is not in default with any bank or financial institution and there are no adverse remarks against the Company in the eCIB data being maintained by State Bank of Pakistan. Further, there are no fixed terms borrowings approaching maturity and the Company is not relying on short term borrowings to finance long term assets, as well as, there are no loan agreements which the Company is not able to comply with.
- iv. The Company enjoys very good reputation with suppliers of raw material, machinery manufacturers, and spare parts suppliers. Similarly the products of the Company are preferred in the market by buyers and fetch a premium because of its high and consistent quality standards.



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Excellence
is the result
of habitual
integrity



Directors' Report

Corporate Social Responsibility

The Company provides a safe, healthy, and friendly atmosphere to its all employees, besides promoting a culture of tolerance, mutual respect, and openness.

Apart from offering apprenticeship to fresh graduates and postgraduates, the Company maintains an employment policy purely on the basis of merit. In tune with the vision set forth by the Board of Directors, the Company ensures an equal employment opportunity is provided to all potential employees. Furthermore, the company has strict zero tolerance policy with regard to discrimination. The company also provides employment to physically handicapped and special persons to maximize their potential and integrate them into the community.

As a responsible corporate entity, the Company continues to work with government functionaries and other local representatives to maximize the development of the local community. The Company has, for this purpose, established non-profit institutions for the welfare of the poor and needy, primarily in the field of education and health.

In 1983, The Mian Shamim Anwar Educational Complex was created. Over the 35 years to follow, due to the support of the corporation and the sponsors of both projects, the institutions have grown exponentially. In 1999 the Mian Muhammad Ali Tariq College for Girls was envisioned and initiated. By 2002, work on fully equipped modern campus was completed. Today, the complex is composed of the Mian Nazir Husein Higher Secondary School for Girls, the Mian Nazir Husein Model School for Boys, the Dastkari School, and the Mian Muhammad Ali Tariq College for Girls. Collectively, these institutions have over 1000 students, taught by a faculty of 60 along with support staff. The educational complex is equipped with an auditorium, science laboratories with equipment, a library, a computer lab, among other facilities. The institution, which has been supported by the company subsidizes tuitions for hundreds of children and provides scholarships on the basis of financial need. The educational trust also provides scholarships to recent graduates who have demonstrated superior intellectual abilities. We take great pride in noting that our alumni have established themselves in all sectors of society; from the armed forces, to the medical and legal

community. In fact, a lot of them have come back to contribute within the education sector.

In the sphere of health care, the company has helped set up the Mian Shamim Anwar Memorial Hospital. What started as a small dispensary has grown to be a multi-bed hospital fully equipped with a ten-bed ward, a dispensary, an operation theater, and a lab, among other facilities. The institution provides basic medical facilities at very low costs to the people of area, which has served thousands of patients over the course of its operations.

Husein Sugar remains resolute in its commitment to giving back to its local community. As the company regains a solid financial footing on the backing of sound management and operational policies, there should be no doubt that initiatives of the same nature for the betterment of the people, specifically around Jaranwala will continue to be undertaken.





Directors' Report

Modernization and Efficiency Improvement

The company has begun work to modernize and optimize the production line according to the rapidly changing technology in order to ensure the continued production of international quality products, reduce operational losses, and save energy. Various efficiency improvement initiatives have been taken and in this regard, positive results have already been achieved, which have been reflected in improved revenue generation and increased profitability.

Earnings Per Share

Your Company's post-tax profit of RS 201.590 million translates into profit per share Rs. 9.55 as compared profit per shares of Rs. 5.61 last year.

Compliance with the Code of Corporate Governance

We are committed to maintain the highest standards of corporate governance and comply with all the requirements of Code of Corporate Governance included in the listing regulations of Pakistan Stock Exchange Limited. The statement of compliance with the best practices of the Code of Corporate Governance is annexed.

Corporate and Financial Reporting Framework

In compliance of the Code of Corporate Governance, and with regard to the Corporate and Financial Reporting Framework, the directors are pleased to report that:

1. The financial statements prepared by the management of the Company present a fair state of affairs of the company, the results of its operations, cash flows and changes in equity.
2. Proper books of accounts of the Company have been maintained as required by the Companies Act 2017.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.
4. The International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements.

5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Company's ability to continue as a going concern as it has adequate resources and improving its results to continue in operation for the foreseeable future as has been explained in this report and note 1.2.
7. There has been no material departure from the best practices of Corporate Governance as listed in the listing regulations of the Pakistan Stock Exchange where the Company is listed.
8. Key operating and financial data for last six years in summarized form is annexed.
9. The statement of pattern of shareholding as on September 30, 2017 is attached.
10. The Provident Fund is managed by a duly executed separate Trust and the Trust has invested Rupees 53.094 million, as at September 30, 2017 (2016: Rupees 28.087 million).
11. Detail of transactions in the shares of the Company by Directors, Chief Executive, Company Secretary, Chief Financial Officer, their spouses and minor children is as under:

Shares Purchased:

Mr. Mustafa Ali Tariq- CEO	10,000
Mrs. Nusrat Shamim – Director	105,000
Mrs. Maryam Habib – Director	2,500

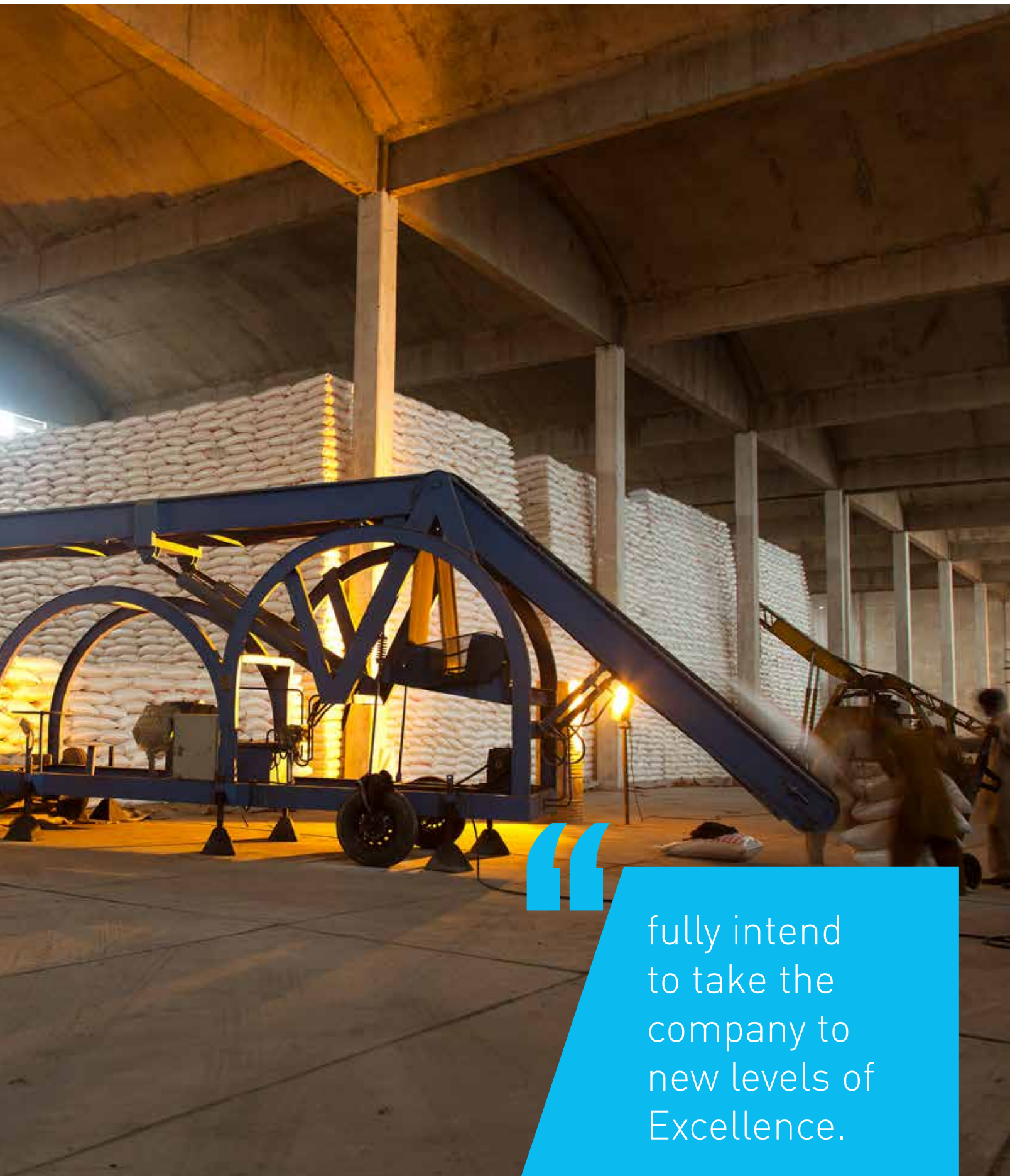
Board Committees

Audit Committee

In compliance with the Code of Corporate Governance, The Board has constituted an Audit Committee consisting of three members headed by a chairman. The committee regularly meets with the Chief Financial Officer and the Head of Internal Audit to review and ensure that the highest accounting standards are being maintained. The Audit Committee comprises of the following members:

Mr. Taufiq Ahmad Khan	Chairman
Mr. Ahmed Ali Tariq	Member
Mian Ali Ashfaq	Member





fully intend
to take the
company to
new levels of
Excellence.

Directors' Report

Human Resources and Remuneration (HR&R) Committee

In compliance with the Code of Corporate Governance, The Board has constituted a Human Resources and Remuneration Committee consisting of three members headed by a chairman. The committee regularly meets with the Human Resources and Administration departments to review and ensure that the highest professional standards are being maintained. The Human Resources and Remuneration Committee comprises of the following members:

Mr. Taufiq Ahmad Khan	Chairman
Mian Ahmed Ali Tariq	Member
Mian Ali Ashfaq	Member

Meetings of Board of Directors

The Board of the Company met four times during the current year in Pakistan and the attendance of the directors is summarized below:

Directors' Names	No. of Meetings Attended
Mian Ahmed Ali Tariq	4
Mian Mustafa Ali Tariq	4
Mrs. Nusrat Shamim	4
Mrs. Maryam Habib*	2
Mr. Taufiq Ahmed Khan	3
Mr. Wasim Saleem**	2
Mr. Ali Ashfaq	4
Mr. Muhammad Iftikhar	4

Notes:

*Elected with effect from March 31, 2017.

** Retired with effect from March 31, 2017.

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

Relations With Stakeholders

Husein Sugar Mills is committed to establish mutually beneficial relations with suppliers, customers, bankers, employees, stock exchange, SECP and other business partners of the Company. Relations with all stock stakeholders during the year under review remained cordial.

Information Under Section 205 Of Companies Act, 2017

During the year ended 30 September 2017, the Board has reappointed Mr. Mustafa Ali Tariq, as the company's Chief Executive Officer and has fixed his remuneration at Rs. 700,000 per month. The Board has also appointed Mrs. Maryam Habib as the Executive Director at a remuneration of Rs. 300,000 per month.

Post Balance Sheet Events

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

Shareholders' 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.

Statutory Compliance

During the year, the Company has complied with all applicable provisions, filed all returns/forms and furnished all the relevant information as required under the Companies Ordinance 1984 (Now Companies Act, 2017) and allied laws and rules, the Securities and Exchange Commission of Pakistan (SECP) Regulations and the Listing Regulations of Pakistan Stock Exchange (PSX).

Secretarial Compliance Certificate

The Company Secretary has furnished a Secretarial Compliance Certificate a part of the Annual Return filed with the Commission to certify that the Secretarial & Corporate requirements of the Companies Act, 2017, Memorandum & Articles of Association of the Company and the Listing Regulations has been duly complied with.

Investor Grievance Policy

Husein Sugar continuously engages with its investors through the Company's secretariat and responds to their queries and request for information.

External Auditors

The external auditors of the Company, Kreston Hyder Bhimji and Company, Chartered Accountants shall retire on the conclusion of Annual General Meeting. Being eligible for re-appointment under the listing regulations, they have offered their services as auditors of the Company for the financial year ending September 30, 2018. The Audit Committee has recommended the appointment of Kreston Hyder Bhimji and Company, Chartered Accountants as Auditors of the Company for the year ended 30 September 2018 and the Board agrees to the recommendation of the Audit Committee.

The Auditors have also given their consent to work as Auditors for the next year and have conveyed that they have been given satisfactory rating under the Quality Control Review of Institute of Chartered Accountants of Pakistan and that the firm and all its partners are fully compliant with the code of ethics issued by International Federation of Accountants (IFAC). The Auditors have also confirmed that neither the firm nor any of their partners, their spouses or minor children at any time during the year held or traded in the shares of the Company.

Web Presence

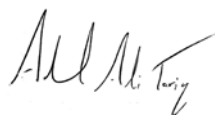
The website of the Company is compliant to all requirements of Securities and Exchange Commission of Pakistan (SECP), and all the information relating to the Company including periodic financial statements governance, etc., is available on the website. Stakeholders and members of the general public can visit the company's website www.husein.pk to get their desired information.

Acknowledgement

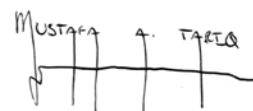
It is an honor and privilege for the directors to serve on a company that has completed fifty years of excellence. As we celebrate this jubilee, we would like to take the opportunity to thank the stakeholders that have made this continued excellence possible. The Directors of your Company would like to thank the Securities & Exchange Commission of Pakistan, other government functionaries, banks, financial institutions, and insurance companies for their continued support and cooperation. The Directors would also like to express their gratitude and appreciation for the support provided by our valued customers and suppliers. We also thank our shareholders, who continue to place their trust and confidence in the Company and assure them of our

best efforts to ensure optimum utilization of their investment in the Company. Finally and foremostly, for the extraordinary and record shattering performance this year, the Directors wish to acknowledge and place on record their appreciation for the devotion, loyalty, and hard work of all cadres of employees towards the growth and success of the company.

For and on behalf of the Board of Directors,



Mian Ahmed Ali Tariq
Chairman

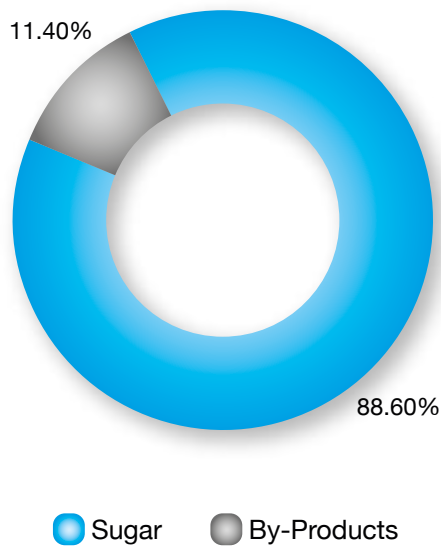


Mian Mustafa Ali Tariq
Chief Executive Officer

Lahore:
December 20, 2017

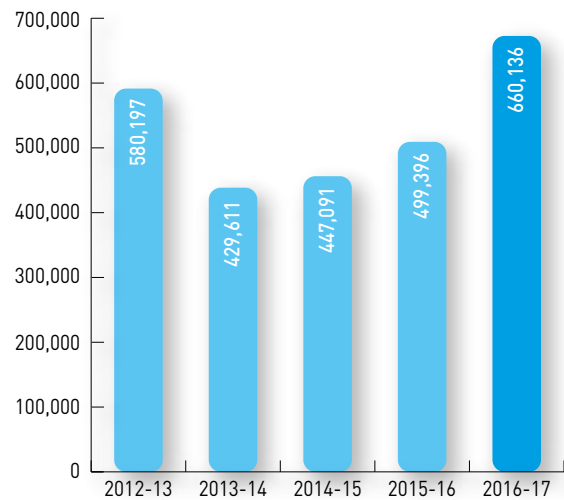
Performance at a Glance

Sales Analysis

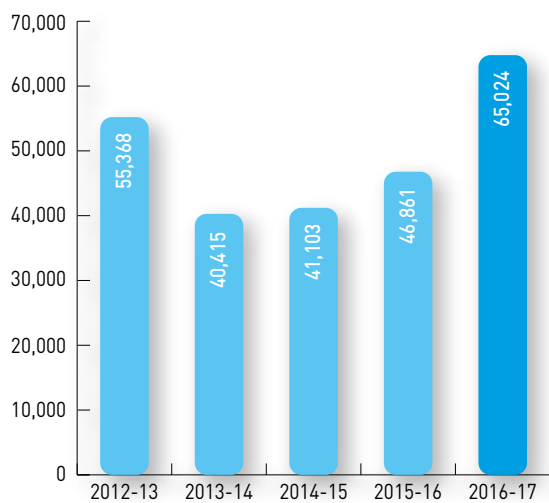


Cane Crushing

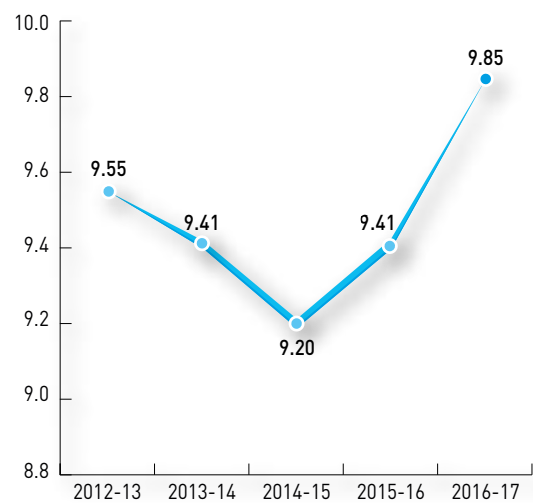
5 Years Comparison of Sugarcane Crushing (M.Tons)



Sugar Production (M.Tons)



Sugar Recovery (%)



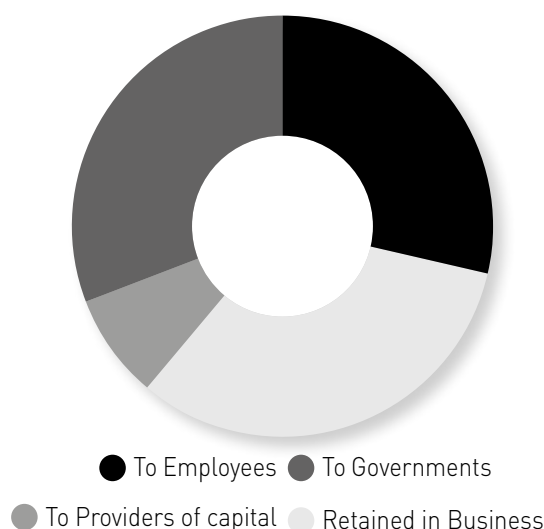
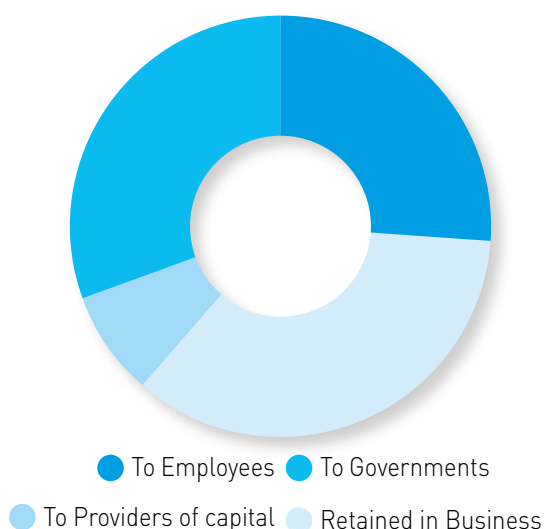
Wealth Generated & Distributed

2017

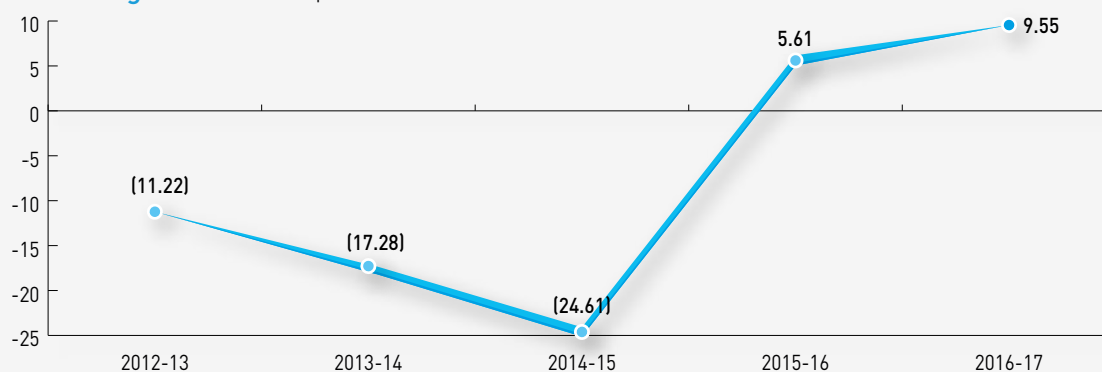
	Amount	%
Wealth Generated		
Net Turnover	3,856,538,629	
Expenses	2,802,202,572	
Wealth Generated	1,054,336,057	100
Wealth Distributed to Employees		
Salaries, WPPF, benefits and related costs	275,172,412	26
To Governments		
Income Tax, Sales Tax, FED and Road Cess	372,298,048	35
To Providers of capital		
Finance cost on borrowed funds	87,220,411	8
Retained in Business		
Depreciation and retained profit	319,645,186	30
Total	1,054,336,057	100

2016

	Amount	%
Wealth Generated		
Net Turnover	3,144,146,871	
Expenses	2,331,988,325	
Wealth Generated	812,158,546	100
Wealth Distributed to Employees		
Salaries, WPPF, benefits and related costs	238,133,830	29
To Governments		
Income Tax, Sales Tax, FED and Road Cess	264,029,120	33
To Providers of capital		
Finance cost on borrowed funds	61,569,188	8
Retained in Business		
Depreciation and retained profit	248,426,408	31
Total	812,158,546	100



Earning Per Share (Rupees)



Statement of Compliance

with The Code Of Corporate Governance for the Year Ended September 30, 2017

This statement is being presented to comply with the Code of Corporate Governance (CCG) as contained in Regulation No.5.19.24 of Rule Book of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

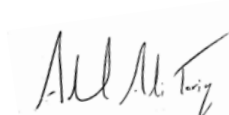
1. The company encourages representation of independent non-executive directors and directors representing minority interest on its board of directors. At present the board includes:

Category	Names
Independent Director	Mr. Taufiq Ahmad Khan
Executive Directors	Mian Mustafa Ali Tariq Mrs. Maryam Habib
Non-Executive Directors	Mian Ahmed Ali Tariq Mst.Nusrat Shamim Mr. Ali Ashfaq Mr. Muhammad Iftikhar

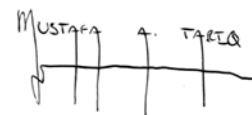
2. The independent director meets the criteria of independence under clause 5.19.1 (b) of CCG.
3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by the stock exchange.
5. No casual vacancies occurred on the Board of Directors during the year
6. 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.

7. 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.
8. 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.
9. 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 circulated.
10. No director completed the director's training program during the year. The directors other than those who are not exempted from the requirement of director's training program will acquire certification within specified time.
11. No new appointment of CFO/Company Secretary has been made during the year
12. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
13. The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.
14. 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.
15. The company has complied with all the corporate and financial reporting requirements of the CCG.

16. The Board has formed an Audit Committee. It comprises of three members of whom two are Non-Executive Directors and the chairman of the committee is an independent Director.
17. The meetings of the audit committee were held at least once every quarter, prior to the approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
18. The board has formed an HR and Remuneration Committee. It comprises three members, of whom two are non-executive directors and the chairman of the committee is a non executive director.
19. The Board has set up an effective internal audit function and the members of internal audit function are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company
20. 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.
21. 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.
22. 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.
23. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
24. We confirm that all other material requirements of the CCG have been complied with.



Mian Ahmed Ali Tariq
Chairman



Mian Mustafa Ali Tariq
Chief Executive Officer

Lahore:

December 20, 2017

Review Report to the Members

on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors ("the Board") of HUSEIN SUGAR MILLS LIMITED ("the Company") for the year ended 30 September 2017, to comply with the requirements of Listing Regulation of Pakistan Stock Exchange, 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 and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the 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 of director'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.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions 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 and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of 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 as applicable to the Company for the year ended 30 September 2017.

Auditors' Report to the Members

We have audited the annexed balance sheet of HUSEIN SUGAR MILLS LIMITED as at 30 September 2017 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 repealed 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 repealed 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 repealed 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 repealed 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 2017 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).

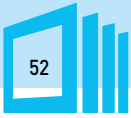
We draw attention to note 1.2 in the financial statements, which indicates that the company has earned gross profit and profit after taxation amounting to Rs. 485.320 million and Rs. 201.590 million respectively during the year ended 30 September 2017 with positive equity of Rs. 49.424 million. However, at the balance sheet date, the Company's accumulated losses stood at Rs. 511.119 million with adverse current ratio. As stated in note 1.2, these events or conditions, along with other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KRESTON HYDER BHIMJI & COMPANY
Chartered Accountants

Date: December 20, 2017

Name of engagement partner:
Shabir Ahmed, FCA

LAHORE



Financial Statements

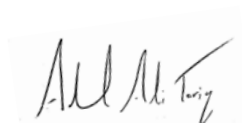
for the year ended 30, September 2017

Balance Sheet

As at 30, September 2017


	Note	2017 (Rupees)	2016
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 50,000,000 ordinary shares of Rs. 10 each		500,000,000	500,000,000
Issued, subscribed and paid-up share capital	3	250,000,000	170,000,000
Share premium account	4	141,093,550	21,093,550
General reserves		169,450,000	169,450,000
Accumulated loss		(511,119,452)	(770,789,210)
		49,424,098	(410,245,660)
Deposit for purchase of shares - related parties	5	–	609,681,833
Director's loans - related parties	6	531,051,753	–
Surplus on revaluation of fixed assets account - net of deferred tax	7	1,822,091,754	1,453,548,580
NON-CURRENT LIABILITIES			
Deferred tax liability	8	191,734,794	209,585,106
CURRENT LIABILITIES			
Trade and other payables	9	523,923,664	762,269,832
Accrued mark-up on secured borrowings	10	10,391,674	5,334,298
Short term borrowings	11	490,400,182	438,946,777
Loan from related party	12	5,874,760	70,000,000
		1,030,590,280	1,276,550,907
CONTINGENCIES AND COMMITMENTS			
	13		
TOTAL EQUITY AND LIABILITIES		3,624,892,679	3,139,120,766

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



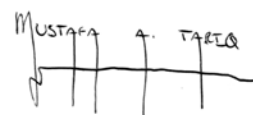
Mian Ahmed Ali Tariq
Chairman / Director

Lahore



Wasim Saleem
Chief Financial Officer

	Note	2017 (Rupees)	2016
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	14	2,989,279,104	2,565,173,105
Intangible assets	15	–	–
Long term deposits	16	9,246,940	2,687,690
		2,998,526,044	2,567,860,795
CURRENT ASSETS			
Stores, spare parts and loose tools	17	148,349,789	144,614,335
Stock-in-trade	18	233,027,645	180,513,382
Trade debts	19	7,592,188	5,427,404
Advances and prepayments	20	80,547,045	93,457,237
Other receivables	21	41,697,909	99,020,168
Tax refund due from Government - income tax		55,053,929	32,021,299
Cash and bank balances	22	60,098,130	16,206,146
		626,366,635	571,259,971
TOTAL ASSETS		3,624,892,679	3,139,120,766



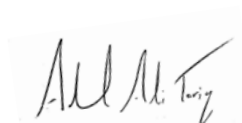
Mian Mustafa Ali Tariq
Chief Executive Officer

Profit and Loss Account

for the year ended 30, September 2017

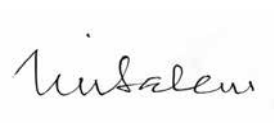
	Note	2017 (Rupees)	2016
NET SALES	23	3,856,538,629	3,144,146,871
COST OF SALES	24	(3,371,219,029)	(2,898,595,674)
GROSS PROFIT		485,319,600	245,551,197
OPERATING EXPENSES			
Administrative and general expenses	25	(167,616,769)	(154,491,654)
Selling and distribution cost	26	(17,276,929)	(15,388,904)
Other operating expenses	27	(14,071,841)	(7,540,953)
		(198,965,539)	(177,421,511)
PROFIT FROM OPERATIONS		286,354,061	68,129,686
OTHER INCOME	28	29,719,288	91,696,683
FINANCE COST	29	(87,220,411)	(61,569,188)
PROFIT BEFORE TAXATION		228,852,938	98,257,181
TAXATION	30	(27,262,857)	17,407,648
PROFIT AFTER TAXATION		201,590,081	115,664,829
EARNINGS PER SHARE - BASIC AND DILUTED	31	9.55	5.61

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



Mian Ahmed Ali Tariq
Chairman / Director

Lahore



Wasim Saleem
Chief Financial Officer

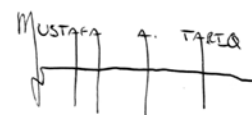
Statement of Comprehensive Income

for the year ended 30, September 2017

	Note	2017	2016
		(Rupees)	
PROFIT AFTER TAXATION		201,590,081	115,664,829
OTHER COMPREHENSIVE INCOME		–	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		201,590,081	115,664,829

Surplus on revaluation of freehold land, building on free hold land and plant and machinery is presented under separate head below equity in accordance with the requirements of section 235 of the repealed Companies Ordinance, 1984. The surplus arises on the revaluation of fixed assets can be utilized as specified in section 235 of the repealed Companies Ordinance, 1984.

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



Mian Mustafa Ali Tariq
Chief Executive Officer

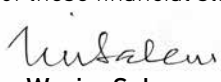
Cash Flow Statement

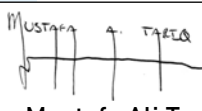
for the year ended 30, September 2017

	Note	2017	2016
		(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		228,852,938	98,257,181
Adjustments for non-cash and other items:			
Depreciation		118,055,105	132,761,579
Finance cost		87,220,411	61,569,188
Profit on bank deposits		(549,139)	(150,777)
Gain on disposal of operating fixed assets		(154,991)	(1,794,481)
Dividend income		-	(1,275,000)
Old credit balances written back		-	29,057
Gain on sale of investments		-	(19,916,481)
Fines and penalties		-	3,238,679
Provision for doubtful advances to suppliers		1,448,428	2,134,680
Provision for balances doubtful of recovery		578,522	84,842
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		435,451,274	274,938,467
Stores, spare parts and loose tools		(3,735,454)	(4,750,324)
Stock-in-trade		(52,514,263)	141,155,980
Trade debts		(2,164,784)	(651,893)
Advances and prepayments		11,461,764	(809,419)
Other receivables		56,743,737	(61,679,164)
Trade and other payables		(237,078,697)	(503,422,595)
		(227,287,697)	(430,157,415)
CASH INFLOW / (OUTFLOW) FROM OPERATIONS		208,163,577	(155,218,948)
Finance cost paid		(82,163,035)	(69,290,484)
Income tax paid		(52,614,115)	(20,442,125)
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES		73,386,427	(244,951,557)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of operating fixed assets		(47,839,980)	(9,398,548)
Capital work in progress incurred		(105,956,876)	(140,141,893)
Proceeds from disposal of operating fixed assets		19,000,000	5,855,224
Net increase in long term deposits		(6,559,250)	(1,908,250)
Profit on bank deposits received		549,139	2,038,915
Proceeds from sale of investments		-	22,416,931
Dividend income received		-	1,275,000
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(140,806,967)	(119,862,621)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of liabilities against assets subject to finance lease		-	(7,976,878)
Proceed from issuance of right shares during the year		200,000,000	-
Deposit for purchase of shares received		-	206,240,000
Repayment of director's loans - unsecured and interest free		(133,630,080)	-
Short term borrowings obtained - net		51,453,405	21,542,366
Repayment of loan obtained from related party		(9,125,240)	70,000,000
Repayment of long term borrowing		-	(11,491,663)
NET CASH INFLOW FROM FINANCING ACTIVITIES		108,698,085	278,313,825
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		41,277,545	(86,500,353)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		16,206,146	102,706,499
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		57,483,691	16,206,146
The reconciliation in cash and cash equivalents is as follows:			
Cash and cash equivalents			
Cash and bank balances	22	60,098,130	16,206,146
Temporary book overdraft	9.4	(2,614,439)	-
Cash and cash equivalents at the end of the year		57,483,691	16,206,146

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


Mian Ahmed Ali Tariq
 Lahore Chairman / Director


Wasim Saleem
 Chief Financial Officer


Mian Mustafa Ali Tariq
 Chief Executive Officer

Statement of Changes in Equity

for the year ended 30, September 2017

	RESERVES						TOTAL EQUITY	
	Capital		Revenue			Total		
	Share premium account	Fair value reserve	Sub total	General	Accumulated loss			Sub total
Rupees								
Balance as at September 30, 2015	170,000,000	21,093,550	18,311,845	39,405,395	169,450,000	(952,607,709)	(743,752,314)	(573,752,314)
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of deferred tax	-	-	-	-	-	66,153,670	66,153,670	66,153,670
Profit / (loss) for the year	-	-	(18,311,845)	(18,311,845)	-	115,664,829	115,664,829	97,352,984
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	(18,311,845)	(18,311,845)	-	115,664,829	97,352,984	97,352,984
Balance as at September 30, 2016	170,000,000	21,093,550	-	21,093,550	169,450,000	(770,789,210)	(601,339,210)	(410,245,660)
Transactions with owners of the Company - Contributions								
Issuance of right shares	80,000,000	120,000,000	-	120,000,000	-	-	-	200,000,000
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of deferred tax	-	-	-	-	-	58,079,677	58,079,677	58,079,677
Profit for the year	-	-	-	-	-	201,590,081	201,590,081	201,590,081
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	201,590,081	201,590,081	201,590,081
Balance as at September 30, 2017	250,000,000	141,093,550	-	141,093,550	169,450,000	(511,119,452)	(341,669,452)	49,424,098

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

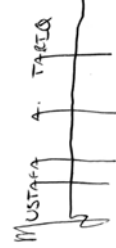


Mian Ahmed Ali Tariq
Chairman / Director

Lahore



Wasim Saleem
Chief Financial Officer



Mian Mustafa Ali Tariq
Chief Executive Officer

Notes to the Financial Statements

for the year ended 30, September 2017

1. The Company and its Operations

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

1.2 Going concern assumption

The Company earned gross profit and net profit after taxation of Rs. 485.320 million (2016: Rs. 245.551 million) and Rupees 201.590 (2016: Rs. 115.665) million respectively in the current financial year and declare positive equity of Rs. 49.424 million (2016: Negative balance Rs. 410.246 million). On the other hand, the Company declare accumulated losses of Rs. 511.119 million (2016: Rs. 770.789 million) with adverse current ratio at the terminal date. Continuing losses in the past have resulted in erosion of the Company's equity and depletion of working capital base. However, with continuous financial support of the sponsoring directors and financial institutions as well as better results of the Company in the subsequent years, the overall liquidity position of the Company has now tremendously improved.

The Company has been successfully able to negotiate with National Bank of Pakistan, Dubai Islamic Bank Limited, Askari Islamic Bank Limited and Bank Islami Pakistan Limited (Islamic Banking) and win the renewal and extension of comprehensive working capital facilities for the next financial year 2017-18. The Company has already started draw down of the working capital facility since its renewal.

The Company at present is not in default with any bank or financial institution and there are no adverse remarks against the Company in the eCIB data being maintained by State Bank of Pakistan. Further, there are no fixed terms borrowings approaching maturity and the Company is not relying on short term borrowings to finance long term assets, as well as, there are no loan agreements which the Company is not able to comply with.

Furthermore, the Company enjoys very good reputation with suppliers of raw material, machinery manufacturers and spare parts. Similarly the end products of the Company are preferred by the buyers and fetches premium owing to better/consistent quality.

The management is confident that all the above stated steps will bring the Company out of the past adverse situation and thus the Company is very much a going concern. These financial statements, therefore, do not include any adjustment relating to realization of its assets and liquidation of any liabilities that might be necessary should the Company be unable to continue as a going concern.

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 and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall prevail.

During the year the Companies Act, 2017 (the Act) has been promulgated through notification in official Gazette and hence Companies Ordinance 1984 stands repealed; however the Securities and Exchange Commission of Pakistan (SECP) vide its circular no. 23 /2017 dated October 04, 2017 has notified that the Companies whose financial year ends on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of repealed Companies Ordinance 1984. Hence these financial statements have been prepared accordingly.

b) Accounting convention

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

c) Functional and presentation currency

The financial statements are presented in Pakistani Rupee (Rs.) which is the Company's functional and presentation currency.

d) 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
- **Stores, spares and loose tools:** These are valued at moving average cost less allowance for obsolete and slow moving items. Items in transit are valued at invoice values plus other charges incurred thereon. Stores, spares and loose tools are regularly reviewed by the management to assess the indication for impairment in the value. Provision is made for slow moving and obsolete store items when so identified.
- **Provision for doubtful debts, advances and other receivables:** The Company reviews recoverability of its trade debts, advances and other receivables on annual basis to assess amount of bad debts and provision there against. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required.

Notes to the Financial Statements

for the year ended 30, September 2017

- Contingencies: The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events not wholly within the control of the Company.

The Company has disclosed significant contingent liabilities for the pending litigations and claims against the Company based on its judgment and the advice of the legal advisors for the estimated financial outcome. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognised at the balance sheet date. However, based on the best judgment of the Company and its legal advisors, the likely outcome of these litigations and claims is remote and there is no need to recognise any liability at the balance sheet date.

- e) Standards, interpretations and amendments to published approved International Financial Reporting Standards that are not yet effective
- The Companies Act, 2017 applicable from 1 January 2017 requires certain additional disclosures and Section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising out of revaluation of assets has not been carried forward in the Companies Act, 2017. This would require change in accounting policy relating to surplus on revaluation of freehold land, building on freehold land and plant and machinery to bring it in line with the requirements of IAS 16 – Property, plant and equipment. The effect of the change is disclosed in note 14.1.1 to these financial statements.
 - «Amendments to IAS 12 ‘Income Taxes’ are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments are not likely to have material impact on Company’s financial statements.
 - «Amendments to IAS 7 ‘Statement of Cash Flows’ are part of IASB’s broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments are not likely to have an impact on Company’s financial statements.
- f) Annual improvements to IFRS standards 2014-2016 cycle (amendments are effective for annual periods beginning on or after 01 January 2017). The new cycle of improvements contain amendments to the following standards:
- IFRIC 22 ‘Foreign Currency Transactions and Advance Consideration’ (effective for annual periods beginning on or after 01 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to

use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax.
- Amendments to IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after 01 January 2017) clarify that the requirements of IFRS 12 apply to an entity's interests that are classified as held for sale or discontinued operations in accordance with IFRS 5 – 'Non-current Assets Held for Sale and Discontinued Operations'.
- Amendments to IAS 28 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after 01 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture.

The above amendments are not considered to have an impact on these financial statements, except for the application of certain additional disclosures and treatment of surplus on revaluation of fixed assets as required by Companies Act, 2017.

2.2 Share capital

Ordinary shares issued represent the equity.

2.3 Dividend and other appropriations

Dividend and other appropriations to reserves are recognized in the financial statements in the period in which these are approved.

2.4 Surplus on revaluation of property, plant and equipments

The Company follows the requirement of section 235 of the repealed Companies Ordinance, 1984 and accordingly the surplus arising on revaluation of property, plant and equipment is credited to the "Surplus on revaluation of property, plant and equipment" account shown below equity in the balance sheet and deferred tax, if any, attributed to the surplus is credited to deferred tax liability. Following amounts are transferred from " Surplus on Revaluation of Fixed Assets account" to Retained Earnings through Statement of Changes in Equity to record realization of surplus:

- an amount equal to incremental depreciation on revaluation surplus on property, plant and equipment for the year net of deferred taxation, if any; or
- an amount equal to carrying amount of revaluation surplus on property, plant and equipment net of deferred taxation, if any, on its disposal;

Notes to the Financial Statements

for the year ended 30, September 2017

2.5 Financial instruments

Financial Instruments carried on the balance sheet include, 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 finance. 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 de recognition is charged to the profit and loss account currently.

Offsetting of financial assets and liabilities

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.

2.6 Taxation

Current

Provision for current taxation is calculated as payable tax after taking into account tax credits, rebates and exemptions available, if any, plus tax deducted to be treated as full and final discharge. Payable tax is higher of normal tax at corporate tax rate applied to taxable income; or minimum taxation at the rate of 1.25% of the turnover in case there is gross profit; or alternative corporate tax at the rate of 17% of accounting profit adjustable as per income tax laws. For income covered under Final Taxation Regime (FTR), taxation is based on the applicable tax rates under such Regime.

Deferred

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liability is recognized for all the taxable temporary differences. Deferred tax asset is recognized for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset may be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the balance sheet date. Impact of future income subject to final taxation is also considered in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan, if considered material. The Company recognizes deferred tax liability on surplus on revaluation of property, plant and equipment which is adjusted against the related surplus.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of property, plant and equipment) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

2.7 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.

2.8 Trade and other payables

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

2.9 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.

2.10 Contingencies and commitments

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events not wholly within the control of the Company.

The Company has disclosed significant contingent liabilities for the pending litigations and claims against the Company based on its judgment and the advice of the legal advisors for the estimated financial outcome. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the balance sheet date. However, based on the best judgment of the Company and its legal advisors, the likely outcome of these litigations and claims is remote and there is no need to recognize any liability at the balance sheet date.

2.11 Property, plant and equipment

Operating fixed assets - tangible

Owned

Property, plant and equipment except freehold land, buildings on freehold land and plant and machinery 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). Buildings on freehold land and plant and machinery are stated at revalued amount less accumulated depreciation and accumulated impairment losses (if any). The accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of these assets; and thereafter the carrying amount of these assets are adjusted to the revalued amount. 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 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 profit and loss account during the period in which they are incurred.

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

Notes to the Financial Statements

for the year ended 30, September 2017

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 in view of certainty of ownership of assets at the end of the lease period. Depreciation of the leased assets is charged to profit and loss account.

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. Considering the S.R.O 431 (I) 2007 dated May 22, 2007 issued by Securities and Exchange Commission of Pakistan, vehicles obtained under the Ijarah arrangements are treated as operating lease. Rents payable under Ijarah arrangements are recognized as an expense in the profit and loss account on a straight-line basis over the Ijarah term.

Capital work in progress

It is stated at cost less identified impairment losses, if any. All expenditure including applicable borrowing costs, if any, connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these are available for use.

De recognition

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

Depreciation

Depreciation on all operating fixed assets is charged to profit and loss account applying the reducing balance method so as to write off the depreciable amount 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.

2.12 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 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 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.

2.13 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.

Notes to the Financial Statements

for the year ended 30, September 2017

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.

2.14 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

Stock comprises of refined sugar, press mud and molasses and sugar in process. Work-in-process and finished good of sugar is valued at the average annual production cost, which comprise cost of direct material, labour and appropriate manufacturing overheads.

Molasses (finished good), 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.

2.15 Trade debts

Trade debts originated by the Company are recognized and carried at original invoice amount less provision for any uncollectible amounts. Provision for doubtful debts is based on the management's assessment of customer's outstanding balances and credit worthiness. Bad debts are written-off, when there is no realistic prospect of recovery.

2.16 Advances and other receivables

These are carried at cost which is the fair value of the consideration to be received in future less any estimate made for balances doubtful of recovery based on review of balances outstanding at the year end. Balances considered bad by the management are written off as and when identified.

2.17 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, 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 net of temporary bank overdrafts.

2.18 Revenue recognition

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

Dividend income is recognized when the right to receive the cash 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.

2.19 Borrowing cost

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

2.20 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.

2.21 Foreign currencies

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.

2.22 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

2.23 Related party transaction

All transactions arising in the normal course of business and are conducted at arm's length at normal commercial rate on the same terms and conditions as third party transactions using valuation modes as admissible, except in rarely extreme circumstances where, subject to approval of the Board of Directors, it is in the interest of the Company to do so. Parties are said to be related if they are able to influence the operating and financial decisions of the Company and vice versa.

2.24 Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relates to transactions with any of the Company's other components. Operating segments are reported in a manner consistent with the internal reporting structure based on the operating (business) segments of the Company. An operating segment's operating results are regularly reviewed by the management and the chief executive officer for the purpose of making decisions regarding resource allocation and performance assessment.

Notes to the Financial Statements

for the year ended 30, September 2017

Segment results, assets and liabilities include items directly attributable to segment as well as those that can be allocated on a reasonable basis. Segment assets, consist primarily of property, plant and equipment, intangibles, stores and spares, stock in trade and other debts. Segment liabilities comprise of operating liabilities and exclude items that are common to all operating segments.

Accounting policies of the reportable segments are the same as the Company's accounting policies described in this note. Inter-segment transactions are recorded at fair value. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

The Company has only one reportable segment (manufacturing and sale of refined sugar) on the basis of product characteristics and the criteria defined by the IFRS 8, "Segment Reporting".

			Note	2017	2016
				(Rupees)	
3. Issued, Subscribed and Paid-Up Share Capital					
	2017	2016			
	Number of shares				
	16,156,250	8,156,250	Ordinary shares of Rs. 10 each, fully paid in cash	3.1. 161,562,500	81,562,500
	161,900	161,900	Ordinary shares of Rs. 10 each, fully paid for consideration other than cash	1,619,000	1,619,000
	8,681,850	8,681,850	Ordinary shares of Rs. 10 each, issued as fully paid bonus shares	86,818,500	86,818,500
	25,000,000	17,000,000		250,000,000	170,000,000

			Note	2017	2016
				(Rupees)	
3.1. The movement in ordinary share capital fully paid in cash is as under:					
	2017	2016			
	Number of shares				
	8,156,250	8,156,250	Opening balance	81,562,500	81,562,500
	8,000,000	–	Right shares issued during the year against cash consideration	80,000,000	–
	16,156,250	8,156,250	Closing balance	161,562,500	81,562,500

3.2. Mr. Mustafa Ali Tariq (Chief Executive Officer) holds 4,582,156 (2016: 3,000,265) and Mr. Ahmed Ali Tariq (Non-Executive Director) holds 4,467,646 (2016: 3,038,000) ordinary shares of Rs. 10 each representing 18.33% (2016: 17.65%) and 17.87% (2016: 17.87%) of the paid up capital of the Company respectively at the terminal date.

3.3. Mrs. Sadia Ali Tariq (Close relative of Chief Executive Officer) holds 5,684,868 (2016: 4,197,711) ordinary shares of Rs. 10 each representing 22.74% (2016: 24.69%) of the paid up capital of the Company at the terminal date.

	Note	2017 (Rupees)	2016
4. Share Premium Account			
Opening balance		21,093,550	21,093,550
Premium on right shares issued during the year	4.1	120,000,000	–
		141,093,550	21,093,550

4.1 This represents premium on 8,000,000 (2016: Nil) right shares issued at a premium of Rs. 15 per share by the Company during the year.

4.2 Share premium can be utilized by the Company only for the purpose specified in Section 81 of the Companies Act, 2017.

	Note	2017 (Rupees)	2016
5. Deposit for Purchase of Shares - Related Parties	5.1.	–	609,681,833
The movement in this head of account is as follow:			
Balance as on October 01,			
Mr. Mustafa Ali Tariq		309,905,833	309,905,833
Mr. Ahmed Ali Tariq		299,776,000	299,776,000
		609,681,833	609,681,833
Received during the year		75,038,425	–
Repaid during the year		(133,630,080)	–
Utilized against right shares issued		(75,038,425)	–
		(133,630,080)	–
		476,051,753	609,681,833
Transferred to directors' interest free loans	6.	(476,051,753)	–
Balance as on September 30,		–	609,681,833

5.1. This represents the sponsoring directors' funding that was deposited to Company for conversion into equity. During the year 3,001,537 number of right shares of Rs. 25 each (including premium of Rs. 15 each) were allotted to these sponsoring directors and remaining amount was agreed and transferred to director's loans (Note - 6) that are interest free and payable on the discretion of the Company.

	Note	2017 (Rupees)	2016
6. Directors' Loans - Related Parties	6.1	531,051,753	–
Unsecured and interest free			
Mr. Mustafa Ali Tariq		274,405,833	–
Mr. Ahmed Ali Tariq		201,645,920	–
	5.1.	476,051,753	–
Transferred from current liabilities			
Mr. Mustafa Ali Tariq	12.	55,000,000	–
		531,051,753	–

Notes to the Financial Statements

for the year ended 30, September 2017

- 6.1. This represents the remaining portion of sponsoring directors' funding that was deposited to Company for conversion into equity and finance provided by them to bridge / assist working capital requirements of the Company. This is unsecured, interest free and agreed to be payable on the discretion of the Company. However, the management of the Company does not foresee repayment thereof in the next twelve months.

	Note	2017	2016
		(Rupees)	
7. Surplus on Revaluation of Fixed Assets Account - Net of Deferred Tax			
Gross surplus			
Balance as at October 01,		1,799,859,733	1,894,364,976
Fresh surplus arose during the year		411,091,167	-
Less: Incremental depreciation for the year		78,198,282	94,505,243
Balance as at September 30,		2,132,752,618	1,799,859,733
Less: Deferred tax attributed to surplus	7.1	310,660,864	346,311,153
Net surplus		1,822,091,754	1,453,548,580
7.1 Reconciliation of deferred tax attributed to surplus			
Balance as at October 01,		346,311,153	399,640,242
Incremental depreciation for the year		(20,118,605)	(28,351,573)
Surplus arose during the year		33,786,709	-
Tax rate adjustment		(49,318,393)	(24,977,516)
Balance as at September 30,		310,660,864	346,311,153

	Note	2017	2016
		(Rupees)	
8. Deferred Tax Liability			
The (liability) / asset for deferred taxation comprises temporary differences arising due to:			
Taxable temporary differences			
Accelerated tax depreciation		(98,550,403)	(105,332,463)
Surplus on revaluation of fixed assets		(310,660,866)	(346,311,153)
		(409,211,269)	(451,643,616)
Deductible temporary differences			
Provision against doubtful assets & others		3,175,883	2,551,921
Available tax losses		141,579,030	273,016,058
Turnover tax available for carry forward		72,721,562	26,367,178
		217,476,475	301,935,157
Less : Deferred tax asset not recognized		-	(59,876,647)
Net deferred tax liability		(191,734,794)	(209,585,106)

	Note	2017	2016
		(Rupees)	
8.1 Reconciliation of deferred tax credit for the year			
Opening deferred tax liability		(209,585,106)	(282,326,962)
Deferred tax attributed to revaluation surplus arose during the year		(33,786,709)	–
Closing deferred tax liability		191,734,794	209,585,106
Deferred tax attributed to revaluation surplus due to change in tax rate		49,318,393	24,977,516
Deferred tax attributed to profit and loss account due to change in tax rate	30	14,637,043	(7,332,080)
Net deferred tax charge / (credit) recognized in profit and loss account		12,318,415	(55,096,420)

	Note	2017	2016
		(Rupees)	
9. Trade and Other Payables			
Creditors		219,726,384	579,968,596
Advances from customers		155,198,021	51,139,692
Security deposits - interest free	9.1	52,897,585	26,321,414
Accrued liabilities		21,243,715	30,744,368
Income tax deducted at source payable		5,524,884	11,487,594
Taxes and duties payable		22,992,928	30,542,025
Payable to HSML Employees' Provident Fund Trust - related party	9.2	22,801,879	23,546,693
Worker's Profit Participation Fund payable	9.3	17,657,962	5,171,431
Unclaimed dividend		1,208,089	1,208,842
Ijarah rentals payable		227,019	103,908
Temporary book overdraft - unsecured	9.4	2,614,439	–
Diminishing Musharakah rental payable		302,770	–
Retention money payable		535,537	290,299
Others		992,452	1,744,970
		523,923,664	762,269,832
9.1 Security deposits - interest free it includes:			
Dealers security deposits		48,083,000	18,483,000
Employee vehicle deposits		4,814,585	7,838,414
		52,897,585	26,321,414

- 9.2 It includes mark-up payable to HSML Employees' Provident Fund Trust - related party amounting to Rs. 5,406,707 (2016: Rs. 4,068,137) accrued at the rate of 7% per annum (2016: 6% per annum).

Notes to the Financial Statements

for the year ended 30, September 2017

	Note	2017 (Rupees)	2016
9.3 Due to workers' profit participation fund (WPPF)			
Opening balance		5,171,431	–
Interest on funds utilized by the Company		441,640	–
Allocation for the year		12,044,891	5,171,431
		17,657,962	5,171,431
Payment made during the year		–	–
Closing balance		17,657,962	5,171,431
9.4	This represents unpresented cheques at the terminal date which have been cleared subsequent to the balance sheet date.		
	Note	2017 (Rupees)	2016
10. Accrued Mark-Up on Secured Borrowings			
From banking companies			
Short term borrowings		10,391,674	5,334,298
11. Short Term Borrowings			
From banking companies - secured			
Cash finance	11.1	24,995,182	49,995,092
Agricultural finance	11.2	116,505,000	139,505,000
Istisna finance	11.3	250,000,000	249,446,685
Cash finance-2	11.4	98,900,000	–
		490,400,182	438,946,777

11.1 This cash finance facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 50 million (2016: Rs. 50 million), to meet working capital requirements of the Company. It carries markup at the rate of 3 months KIBOR + 3% (2016: 3 months KIBOR + 3%) per annum, payable quarterly and effective rate of markup ranges from 6.15% to 6.29% (2016: 8.99% to 9.35%) per annum. It is secured by way of first pari passu charge over all present and future assets (both fixed and current) of the Company to the extent of Rs. 134 million (2016: Rs. 134 million) with a margin of 25% on hypothecated current and fixed assets and personal guarantees of two directors of the Company.

11.2 This agricultural finance facility has been obtained from Bank of Punjab, out of the total sanctioned limit of Rs. 140.155 million (2016: Rs. 140.155 million), for adjustment purposes only. It carries markup at the rate of 3 months KIBOR + 3% (2016: 3 months KIBOR + 3%) per annum, payable quarterly and effective rate of markup ranges from 9.03% to 9.25% (2016: 8.93% to 9.67%) per annum. It is secured by way of first pari passu charge over all present and future fixed assets of the Company to the extent of Rs. 180 million (2016: Rs. 180 million), corporate guarantee of the Company and personal guarantees of two directors of the Company.

11.3 This istisna finance facility has been obtained from Bank Islami Pakistan Limited, out of total sanctioned limit of Rs. 250 million (2016: Rs. 250 million) for production of sugar. It carries profit at the rate of respective KIBOR + 3% (2016: respective KIBOR + 3%) per annum, payable quarterly and effective rate of markup ranges from 8.10% to 8.25% (2016: 9.35% to 9.36%) per annum. It is secured by way of ownership of Istisna goods, first pari passu charge over all future and present current assets of the Company to the extent of Rs. 234 million (2016: Rs. 234 million), ranking charge over all future and present fixed assets of the Company to the extent of Rs. 334 million (2016: Rs. 334 million) and personal guarantees of all the directors of the Company.

- 11.4 This cash finance facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 200 million (2016: Rs. 200 million) to meet working capital requirements of the Company. It carries markup at the rate of 1 months KIBOR + 2.5% (2016: 1 months KIBOR + 2.5%) per annum, payable quarterly and effective rate of markup ranges from 8.10% to 8.75% per annum. It is secured by way pledge of refined sugar in standard bags of 50 kgs each in shared godowns with a margin of 25% on pledge of sugar or as per SBP, ranking charge of Rs. 400 million (2016: Rs. 400 million) already registered with SECP over fixed assets of the Company as additional security and personal guarantees of two directors of the Company.
- 11.5 The Company has total credit facilities from all the banks as mentioned in notes 11.1 to 11.4 above, amounting to Rs. 140 million (2016: Rs. 950 million) that remained unutilized at the terminal date. The overall charge on the current and fixed assets of the Company is in the sum of Rs. 7.875 billion (2016: Rs. 5.154 billion) at the terminal date.

	Note	2017	2016
		(Rupees)	
12. Loan from Related Party		5,874,760	70,000,000
Unsecured and interest free			
Balance as on October 01,		70,000,000	–
Additions during the year		32,745,000	70,000,000
Repaid during the year		(41,870,240)	–
		60,874,760	70,000,000
Transferred to directors' loans - unsecured and interest free	6.	(55,000,000)	–
Balance as on September 30,	12.1	5,874,760	70,000,000

- 12.1 This represents loan obtained from the sponsoring director, Mr. Mustafa Ali Tariq, of the Company to bridge / assist its working capital requirements. It is unsecured, interest free and payable on demand.

13. Contingencies and Commitments

13.1 Contingencies

- 13.1.1 The tax department raised demand of Rs. 44.039 million in show cause notice issued to the Company on 10 November, 2014, alleging that the Company charged federal excise duty (FED) at the rate of 0.5% instead of 8% on local supplies made during the period from January 2014 to June 2014 against quantity of white crystalline sugar exported to Afghanistan which was not in accordance with clause (d) of SRO 77(1)/2013 dated 07 February, 2013. Consequently, the Company filed a writ petition against this notice in the Honorable Lahore High Court, Lahore on the basis that the FED at the rate of 0.5% has been charged as allowed by the order dated 08 November, 2013 passed in W.P No. 4927/2013, which declared that clause (d) of SRO No. 77/2013 was unlawful. The writ petition filed by the Company is in the process of hearing. The Company has also filed appeal against this order before the CIR (Appeals) Lahore, pending adjudication at the terminal date.
- 13.1.2 During the previous year, Deputy Commissioner Inland Revenue raised Sales tax demand of Rs. 15.402 million along with penalty / default surcharge amounting to Rs. 0.508 million on the basis of audit conducted by the tax department for the period from July 2012 to June 2013. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) Lahore against the order of Deputy Commissioner Inland Revenue. The Commissioner Inland Revenue (Appeals) deleted the demand of Rs. 14.209 million along with penalty / default surcharge amounting to Rs. 0.426 million. Against the remaining demand of Rs. 1.193 million along with penalty amounting to Rs. 0.082 million, the Company has filed an appeal before Appellate Tribunal Inland Revenue which is pending for adjudication at the terminal date. However, subsequent to the terminal date on 27-11-2017 the Appellate Tribunal Inland Revenue has annulled the orders of the both the authorities below and directed the assessing officer to pass a speaking order after affording opportunity of hearing to the Company.

Notes to the Financial Statements

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- 13.1.3 As a result of withholding tax audit for the tax year 2010, the Deputy Commissioner Inland Revenue raised a demand of Rs. 7.264 million under sections 161 / 205 of the Income Tax Ordinance, 2001. The CIR (Appeals) Lahore has rejected Company's appeal. Currently, the Company is in appeal before Appellate Tribunal Inland Revenue against this order, pending adjudication.
- 13.1.4 For the tax year 2011, the Income Tax Department has created tax demand of Rs. 15.914 million under section 161 / 205. The Company filled appeal before the learned CIR (Appeals) Lahore, pending adjudication at the terminal date. However, subsequent to the terminal date on 07-11-2017 the learned CIR (Appeals) Lahore has deleted tax demand to the extent of Rs. 7.991 million. The Company is in the process of filling second appeal before the Appellate Tribunal Inland Revenue, Lahore considering the remaining demand is also not in accordance with law.
- 13.1.5 The Department has filled reference before the Honorable Lahore High Court Lahore, against the order of the Appellate Tribunal Inland Revenue, Lahore, deleting the income tax demand of Rs. 17.3 million for the assessment years 2001-2002 and 2002-2003. This reference has not been heard so far.
- 13.1.6 The Company has filed appeal before the Commissioner of Inland Revenue (Appeals) Lahore against the Order in-original no. 14/2015 passed by DCIR Enforcement - 18 zone- III, LTU, Lahore for the tax period January 2015 for illegal adjustment of input sale tax in the sum of Rs. 22,081,342 on the bills of Lahore Electric Supply Company against its liability of federal excise duty in monthly sale tax return in sale tax mode along with additional tax and penalty, pending adjudication at the terminal date.
- 13.1.7 A writ petition has been filed by the Company against the assumptions of jurisdiction by the Competition Commission of Pakistan whereby a show cause notice dated December 31, 2009 had been issued to the Company under section 30 of the Competition Ordinance, 2009. The Company has sought declaration that such show cause is without lawful authority and of no legal effect as the Competition Ordinance, 2009 itself is ultra vires the Constitution of the Islamic Republic of Pakistan, 1973 as well as the law laid down by the Supreme Court of Pakistan.

The Company has also filed a writ petition before Sind High Court against the assumption of jurisdiction by Pakistan Standard and Quality Control Authority (PSQCA) for issuing notification demanding marking fee at the rate of 0.1% of ex-factory price of all sales as the fee payable for placing the PSQCA standard mark on the notified item. The learned High Court struck down the notification and declared to be void. The Appellant being aggrieved assailed the judgement before the Supreme Court of Pakistan which is still pending adjudication.

The legal advisor of the Company is of the view that due to complex nature of the legal and constitutional laws it is not possible to assess the outcome of these legal proceedings and the financial impact thereof.

- 13.1.8 The Sind High Court in its order has disallowed tax credit u/s 113 of the Income Tax Ordinance, 2001 to companies which has Nil normal tax due to tax losses. The order has been challenged in the Supreme Court of Pakistan which is pending for adjudication at balance sheet date. The same point of law has also been brought before the Lahore High Court who has ordered the petitioner to first refer the matter before the forums below where remedy can be sought. Further no adverse orders have been passed by the tax department against those petitioners. The Company has accounted for tax credit u/s 113 amounting to Rs. 72.721 million (2016: Rs. 26.367 million) in these financial statements. The management of Company is confident that these tax credits will be allowed to the Company in accordance with the provision of section 113 and its past history; and of the firm opinion that the interpretation of this provision shall be decided in favour of the Company by the apex court.

13.1.9 The Finance Act, 2017 introduced a tax levy under section 5A of the Income Tax Ordinance, 2001 on every public Company other than a scheduled bank or Modarba, that derives profits for tax year but does not distribute at least 40% of the after tax profit within six months of the end of said tax year through cash or bonus shares. For the tax year 2017 relevant to the income year ended September 30, 2016, bonus share or cash dividends may be distributed before the due date mentioned in sub-section 2 of section 118, for filling of income tax return relevant to the income year ended September 30, 2016. The Company declared profit after tax in the sum of Rs. 115.665 million in the tax year 2017, therefore, 40% of profit after tax should have been distributed among the shareholders through dividend or bonus shares at the time of filling its income tax return on or before September 30, 2017. Against this levy the Company file writ petition before the Honourable Lahore High Court Lahore. The Honourable Court has fixed the hearing of the case for 13-12-2017. The management of the Company considered this levy against the Constitution of Pakistan and tantamount to double taxation, therefore a favourable outcome is expected in this case. Accordingly, no provision for tax in the sum of Rs. 7.369 million being the 7.5% of the accounting profit before tax on non distribution dividend in cash or kind has been made in these financial statements.

The management of the Company and its legal / tax advisors expects a favorable outcome of the above mentioned cases / suits, hence no provision has been made against contingencies disclosed in the Note 13.1.1 to 13.1.9 to these financial statements.

13.1.10 The Company is contingently liable for the outstanding principal and markup on the Agri Murabaha facility obtained by the Company's Sugarcane Growers from Bank Islami Pakistan Limited. Company has given corporate guarantee amounting to Rs. 820 million (2016: Rs. 820 million) and ranking charge over current assets of the Company with 25% margin as security against Agri Murabaha facility to the Sugarcane Growers obtained from Bank Islami Pakistan Limited. The outstanding principal amount against the said facility confirmed by the bank was Rs. 604.000 million (2016: Rs. 200.028 million) at the terminal date. The corporate guarantee was expired on November 30, 2017, however, the Company is in process of renewal thereof.

13.1.11 The Company is contingently liable for the outstanding principal and markup on the Agricultural financing facility to the Company's Sugarcane Growers from Apna Bank Limited. Company has also given corporate guarantee amounting to Rs. 350 million (2016: Rs. 350 million) against this facility to Company's Sugarcane Growers from Apna Microfinance Bank Limited. The outstanding amount against the said facility confirmed by the bank was Rs. 131.116 million (2016: Rs. 303.200 million) at the terminal date.

	Note	2017 (Rupees)	2016
13.2 Commitments			
13.2.1 Company is committed to pay the following:			
<i>Ijarah rentals</i>			
Due within one year		2,728,476	1,246,896
Due after one year but not later than five years		8,860,947	4,571,952
<i>Diminishing Musharikah rentals</i>			
Due within one year		3,633,240	-
Due after one year but not later than five years		14,230,190	-
		29,452,853	5,818,848
13.2.2 Commitment against CAPEX		22,034,605	-
13.2.3 Commitment against supply of plant and machinery under letters of credit are amounting to Rs. 63.983 million (2016: Nil) at the terminal date secured against ranking charge of Rs. 49.031 million after deduction of 25% margin on the amount of Performa invoice.			
	Note	2017 (Rupees)	2016
14. Property, Plant and Equipment			
Operating fixed assets	14.1	2,707,124,638	2,388,975,515
Capital work-in-progress	14.2	282,154,466	176,197,590
		2,989,279,104	2,565,173,105

Notes to the Financial Statements

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14.1 Operating fixed assets - tangible

	Cost / Revalued Amount					Accumulated Depreciation					Net book					
	Balance as at 1-Oct 16	Additions	Transfer	Deletion	Revaluation Surplus	Depreciation Adjustment	Balance as at 30 Sep 17	Rate %	Balance as at 1-Oct 16	For the year	Transfer	Deletion	Depreciation Adjustment	Balance as at 30 Sep 17	value as at 30 Sep 17	
Owned																
Freehold land	649,089,430	-	-	-	279,766,820	-	928,856,250	-	-	-	-	-	-	-	928,856,250	
Buildings on freehold land	539,221,222	-	-	-	61,899,553	(166,285,114)	434,835,661	10	137,089,230	41,909,077	-	-	(166,285,114)	12,713,193	422,122,468	
Plant and machinery	2,057,338,943	21,140,560	-	-	49,424,794	(824,062,104)	1,323,842,193	5	777,308,971	65,472,707	-	-	(824,062,104)	18,719,574	1,305,122,619	
Stand by equipments	2,625,683	-	-	-	-	-	2,625,683	10	907,669	171,801	-	-	-	1,079,470	1,546,213	
Factory equipments	7,294,540	1,600,605	-	-	-	-	8,895,145	10	6,077,968	178,666	-	-	-	6,256,634	2,638,511	
Gas and electric installations	16,995,536	5,068,650	-	-	-	-	22,064,186	10	10,068,030	1,055,085	-	-	-	11,113,115	10,951,077	
Railway sidings	492,072	-	-	-	-	-	492,072	5	492,072	-	-	-	-	492,072	-	
Furniture and fixtures	4,266,837	79,400	-	-	-	-	4,346,237	10	3,469,451	83,388	-	-	-	3,553,039	793,198	
Office equipments	7,431,009	130,040	-	-	-	-	7,561,049	20	5,751,785	350,872	-	-	-	6,102,657	1,458,392	
Computer equipments	5,347,217	687,190	-	-	-	-	6,034,407	30	4,696,002	295,985	-	-	-	4,991,987	1,042,420	
Vehicles	92,639,387	19,133,535	-	(29,428,269)	-	-	82,344,653	20	47,915,183	8,537,324	-	(6,701,350)	-	49,751,157	32,593,496	
Assets subject to finance lease																
Vehicles	3,382,741,876	47,839,980	-	(29,428,269)	411,091,167	(990,347,218)	2,821,897,536	-	993,766,361	118,055,105	-	(6,701,350)	(990,347,218)	114,772,898	2,707,124,638	
Rupees - 2017	3,382,741,876	47,839,980	-	(29,428,269)	411,091,167	(990,347,218)	2,821,897,536		993,766,361	118,055,105	-	(6,701,350)	(990,347,218)	114,772,898	2,707,124,638	
Owned																
Freehold land	649,089,430	-	-	-	-	-	649,089,430	-	-	-	-	-	-	-	649,089,430	
Buildings on freehold land	539,221,222	-	-	-	-	-	539,221,222	10	92,407,897	44,681,333	-	-	-	137,089,230	402,131,992	
Plant and machinery	2,048,519,304	8,819,639	-	-	-	-	2,057,338,943	5	697,261,697	80,047,274	-	-	-	777,308,971	1,280,029,972	
Stand by equipments	2,625,683	-	-	-	-	-	2,625,683	10	716,779	190,890	-	-	-	907,669	1,718,014	
Factory equipments	7,294,540	-	-	-	-	-	7,294,540	10	5,942,793	135,175	-	-	-	6,077,968	1,216,572	
Gas and electric installations	16,653,842	341,694	-	-	-	-	16,995,536	10	9,313,103	744,927	-	-	-	10,058,030	6,937,506	
Railway sidings	492,072	-	-	-	-	-	492,072	5	492,072	-	-	-	-	492,072	-	
Furniture and fixtures	4,253,831	13,006	-	-	-	-	4,266,837	10	3,381,930	87,521	-	-	-	3,469,451	797,386	
Office equipments	7,226,100	204,909	-	-	-	-	7,431,009	20	5,347,338	404,447	-	-	-	5,751,785	1,679,224	
Computer equipments	5,327,917	19,300	-	-	-	-	5,347,217	30	4,420,060	275,942	-	-	-	4,696,002	651,215	
Vehicles	69,308,704	-	29,808,348	(6,477,665)	-	-	92,639,387	20	32,039,198	4,990,325	13,302,582	(2,416,922)	-	47,915,183	44,724,204	
Assets subject to finance lease																
Vehicles	3,350,012,645	9,398,548	29,808,348	(6,477,665)	-	-	3,382,741,876	-	851,322,867	131,557,834	13,302,582	(2,416,922)	-	993,766,361	2,388,975,515	
Rupees - 2016	3,379,820,993	9,398,548	-	(6,477,665)	-	-	3,382,741,876	20	12,098,837	1,203,745	(13,302,582)	-	-	-	993,766,361	2,388,975,515

- 14.1.1 Freehold land, building on free hold land and plant and machinery have been carried at revalued amounts determined by professional valuers (level 2 measurement under IFRS-13 'Fair Value Measurements'). The valuations are conducted by an independent valuer, namely; Messrs Harvester Services (Private) Limited, who are approved by Pakistan Banks' Association (PBA) in any amount category. Fresh valuation exercises were carried out on June 22, 2017 (Previously free hold land was carried on March 31, 2014 and building on free hold land and plant and machinery was carried on September 30, 2014). As discussed in note 2.1 (e) of these financial statements, the Companies Act, 2017 is applicable for financial year beginning on 1 July 2017. This would result in reclassification of surplus on revaluation of freehold land, building on free hold land and plant and machinery to equity. The valuation experts used a market based approach to arrive at the fair value of the Company's properties. The basis used for revaluation were as follows:

Free hold land

Fair market value of freehold land was assessed through survey of land, taking into consideration, the land specifications, independent market inquiries from property dealers / estate agents, recent matured transactions in the vicinity and market trends.

Building on free hold land

Construction specifications were noted for each building and structure and new construction rates are applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed market value.

Plant and machinery

Current replacement cost was determined by collecting information regarding current prices of comparable sugar plant from suppliers and different sugar plant consultants in Pakistan and abroad. Fair depreciation factor for each item is applied according to their physical condition, usage and maintenance.

- 14.1.2 Had the revaluations of these assets not been made, the carrying value of these assets as at September 30, would have been as under:

	2017				2016			
	Opening carrying amount	Addition during the year	Depreciation for the year	Closing carrying amount	Opening carrying amount	Addition during the year	Depreciation for the year	Closing carrying amount
	Rupees				Rupees			
Freehold land	3,600,212	-	-	3,600,212	3,600,212	-	-	3,600,212
Buildings on freehold land	45,474,923	-	4,547,492	40,927,431	50,527,692	-	5,052,769	45,474,923
Plant and machinery	482,316,527	21,140,560	24,636,009	478,821,078	498,667,482	8,819,639	25,170,594	482,316,527
	531,391,662	21,140,560	29,183,501	523,348,721	552,795,386	8,819,639	30,223,363	531,391,662

Notes to the Financial Statements

for the year ended 30, September 2017

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

	Note	2017 (Rupees)	2016
Cost of sales	24	101,883,215	118,049,220
Administrative and general expenses	25	9,267,769	6,961,980
Selling and distribution cost	26	6,904,121	7,750,379
		118,055,105	132,761,579

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

Description	Cost	Accumulated Depreciation	Net Book Value	Sale Proceeds	Gain/(Loss)	Mode of Disposal	Particulars of purchasers
Rupees							
Vehicles							
LEL8528-14- (Motor Bike 125)	105,500	57,017	48,483	40,452	(8,031)	Company policy	Mr. Javed Husain - Employee
LEL8531-14- (Motor Bike - 70)	73,500	39,723	33,777	27,612	(6,165)	Company policy	Mr. Khalid Nawaz - Employee
Suzuki Bolan - LE3808-	717,385	412,673	304,712	161,233	(143,479)	Company policy	Mr. Khalid Javaid - Employee
Suzuki Mehran - LEC7014-	594,120	372,647	221,473	226,800	5,327	Company policy	Mr. Khalid Mehmood - Employee
Suzuki Mehran - LEC7015-	594,120	372,647	221,473	226,800	5,327	Company policy	Mr. Gul Zamin - Employee
Suzuki Cultus - LED4022-	944,435	592,373	352,062	364,408	12,346	Company policy	Mr. Khalid Chatta - Employee
Toyota xli - LEC5698-	1,440,315	903,401	536,914	549,600	12,686	Company policy	Mr. Mudassar - Employee
Suzuki Mehran - LE6475-	620,425	419,180	201,245	241,766	40,521	Company policy	Mr. Ch. Hafeez - Employee
Suzuki Cultus - LE3254-	987,138	666,944	320,194	375,200	55,006	Company policy	Mr. Saeed Anwar - Employee
Suzuki Mehran - LE2866-	640,513	421,688	218,825	246,020	27,195	Company policy	Mr. Shahzad Anwar - Employee
Suzuki Mehran - LEA2871-	640,513	421,688	218,825	244,003	25,178	Company policy	Mr. Liaqat Ali - Employee
Suzuki Cultus - LEB2061-	1,023,435	673,791	349,644	391,008	41,364	Company policy	Mr. Sohail Akbar - Employee
Suzuki Cultus - LEB2060-	1,023,435	673,789	349,646	396,000	46,354	Company policy	Mr. Zaheer Abbas - Employee
Suzuki Cultus - LEB2056-	1,023,435	673,789	349,646	391,008	41,362	Company policy	Mr. Siddique - Employee
Mercedes Benz S400- Hybrid	19,000,000	-	19,000,000	19,000,000	-	Third party	First Habib Modaraba
	29,428,269	6,701,350	22,726,919	22,881,910	154,991		

- 14.1.5 The cost of operating fixed assets includes fully depreciated operating fixed assets which are still in use of the Company. The breakup of cost of such assets is as follows :

	Note	2017 (Rupees)	2016
Plant and machinery		319,164,000	305,934,000
Vehicles		15,462,221	16,045,033
		334,626,221	321,979,033

14.2 Capital work-in-progress

	Opening Balance	Additions / Adjustment	Transfer to operating fixed Assets	Closing Balance
	Rupees			
Civil work and buildings	16,025,128	2,396,911	-	18,422,039
Plant and machinery	111,786,636	23,942,929	-	135,729,565
Advances for capital expenditure – plant and machinery	48,385,826	79,617,036	-	128,002,862
	176,197,590	105,956,876	-	282,154,466

15. The Company has fully amortized intangible assets i.e. computer software of Rs. 1 million (2016: Rs. 1 million) which are still in use of the Company.

	Note	2017 (Rupees)	2016
16. Long Term Deposits			
Security deposits			
- against ijarah and diminishing musharikh facilities		8,462,500	1,903,250
- utilities		784,440	784,440
		9,246,940	2,687,690
17. Stores, Spare Parts and Loose Tools			
Stores		127,428,688	129,441,636
Spare parts		18,974,410	13,422,802
Loose tools		1,946,691	1,749,897
		148,349,789	144,614,335
18. Stock-In-Trade			
Work-in-process		7,264,038	8,250,909
Finished goods		225,763,607	172,262,473
		233,027,645	180,513,382

- 18.1 Stock-in-trade includes inventory amounting to Rs. 88.773 million (2016: Rs. 172.122 million) carried at net realizable value.

Notes to the Financial Statements

for the year ended 30, September 2017

	Note	2017 (Rupees)	2016
19. TRADE DEBTS - unsecured			
Considered good		7,592,188	5,427,404
Considered doubtful		27,180	27,180
Provision for doubtful trade debts		(27,180)	(27,180)
		-	-
		7,592,188	5,427,404

20. Advances and Prepayments			
Considered good			
Advances to:			
Employees against salaries - secured and interest free	20.1	3,370,065	2,179,613
Employees against expenses - unsecured		10,836	877,189
Suppliers - unsecured	20.2	60,120,157	84,972,234
Contractors - unsecured	20.3	10,025	10,025
Sugarcane growers - unsecured	20.4	2,265,492	4,589,578
Margin deposit against letters of credits		13,237,138	-
Prepayments		1,533,332	828,598
		80,547,045	93,457,237

20.1 It includes advances amounting to Rs. 1,839,368 (2016: Rs. 781,837) given to key Executives of the Company. The maximum aggregate balance due from executives at the end of any month during the year was Rs. 2,106,838 (2016: Rs. 781,837). These are secured against staff retirement benefits - provident fund.

	Note	2017 (Rupees)	2016
20.2 Advances to suppliers - unsecured			
Considered good		60,120,157	84,972,234
Considered doubtful		6,591,703	5,143,275
Less: Provision for doubtful advances	20.2.1	(6,591,703)	(5,143,275)
		-	-
		60,120,157	84,972,234

20.2.1 During the year provision against doubtful advances amounting to Rs. 1,448,428 (2016: Rs. 2,134,680) was made.

	Note	2017 (Rupees)	2016
20.3 Advances to contractors - unsecured			
Considered good		10,025	10,025
Considered doubtful		12,000	12,000
Less: Provision for doubtful advances		(12,000)	(12,000)
		-	-
		10,025	10,025

	Note	2017 (Rupees)	2016
20.4 Advances to sugarcane growers - unsecured			
Considered good		2,265,492	4,589,578
Considered doubtful		2,037,006	1,519,503
Less: Provision for doubtful advances	20.4.1	(2,037,006)	(1,519,503)
		-	-
		2,265,492	4,589,578

20.4.1 During the year provision against doubtful advances amounting to Rs. 517,503 (2016: Nil) was made.

	Note	2017 (Rupees)	2016
21. Other Receivables			
Unsecured and Considered good			
Accrued mark-up on PLS bank accounts		2,020	236
Freight subsidy receivable from Government		36,295,750	97,025,250
Miscellaneous receivables	21.1	5,400,139	1,994,682
		41,697,909	99,020,168

21.1 Miscellaneous receivables			
Considered good		5,400,139	1,994,682
Considered doubtful		1,865,466	1,804,447
Less: Provision for doubtful miscellaneous receivables		(1,865,466)	(1,804,447)
		-	-
		5,400,139	1,994,682

21.1.1 During the year provision against miscellaneous receivables amounting to Rs. 61,019 (2016: Rs. 84,842) was made during the year.

	Note	2017 (Rupees)	2016
22. Cash and Bank Balances			
Cash in hand		248,254	1,355,832
Cash at bank in local currency:			
Current accounts	22.1	59,220,785	14,613,450
Saving accounts	22.2	629,091	112,324
		59,220,785	14,788,044
Cash at bank in foreign currency			
US\$ account Nil US\$ (2016: 597.6 US\$)		-	62,270
		60,098,130	16,206,146

22.1 This includes cash retained in a bank account as margin against letter of credits amounting to Rs. 19,921,250 (2016: Rs. Nil) on which bank has a lien.

22.2 Rate of profit on saving accounts ranges from 2.25% to 7.05% (2016: 2.15% to 6.00%) per annum.

Notes to the Financial Statements

for the year ended 30, September 2017

	Note	2017 (Rupees)	2016
23. Net Sales			
Local sales	23.1	3,086,123,007	2,656,544,140
Export sales - sugar		770,415,622	382,211,731
Freight subsidy		–	105,391,000
		3,856,538,629	3,144,146,871
23.1 Local sales			
Sugar		2,961,292,290	2,583,699,888
By Products:			
Molasses		265,117,253	177,345,462
Bagasse		59,647,359	120,358,251
Press mud		94,995,238	–
		419,759,850	297,703,713
		3,381,052,140	2,881,403,601
Less: Sales tax on molasses, bagasse and press mud		31,884,803	30,356,120
Less: Sale tax / Federal Excise Duty on local sale of sugar		263,044,330	194,503,341
		294,929,133	224,859,461
		3,086,123,007	2,656,544,140
24. Cost of Sales			
Raw material consumed:			
Sugarcane purchased		2,985,062,911	2,376,210,288
Sugarcane development cess		24,754,824	18,727,534
Market committee fee		3,300,673	2,497,030
		3,013,118,408	2,397,434,852
Salaries, wages and other benefits	24.1	140,412,488	116,661,893
Workers' welfare expense		12,058,658	6,325,119
Stores, spare parts and loose tools consumed		11,413,215	9,454,859
Chemicals consumed		30,761,421	21,472,236
Packing material consumed		23,776,913	19,423,722
Fuel and power		18,580,142	21,384,983
Repair and maintenance		58,385,026	36,480,093
Insurance		5,139,711	3,787,659
Other factory overheads		8,204,095	6,965,058
Depreciation	14.1.3	101,883,215	118,049,220
		3,423,733,292	2,757,439,694
Work-in-process			
Opening stock		8,250,909	2,519,008
Closing stock		(7,264,038)	(8,250,909)
		986,871	(5,731,901)
Cost of goods manufactured		3,424,720,163	2,751,707,793
Finished goods			
Opening stock		172,262,473	319,150,354
Closing stock		(225,763,607)	(172,262,473)
		(53,501,134)	146,887,881
		3,371,219,029	2,898,595,674

- 24.1 Salaries, wages and other benefits include Rs. 3,097,311 (2016: Rs. 2,622,192) in respect of contribution to HSML Employees' Provident Fund Trust - related party by the Company.

	Note	2017	2016
		(Rupees)	
25. Administrative and General Expenses			
Directors' remuneration	25.1	16,395,738	19,600,464
Salaries, wages and other benefits	25.1	98,959,273	85,970,867
Travelling and conveyance		2,923,047	2,176,801
Communication		2,357,236	2,364,414
Rent, rates and taxes		3,943,810	4,189,897
Printing and stationery		2,489,045	2,039,321
Repair and maintenance		2,022,854	1,322,479
Vehicle running and maintenance		7,539,315	8,037,632
Fee and subscription		6,118,975	2,019,271
Legal and professional		2,447,769	2,207,316
Auditors' remuneration	25.2	1,713,800	1,535,000
Entertainment		3,363,246	3,219,954
Advertisement		440,500	249,095
Fines and penalties		–	5,103,673
Insurance		1,277,120	2,000,581
Ijarah rentals		2,160,970	645,042
Diminishing musharakah rental		302,770	–
Depreciation	14.1.3	9,267,769	6,961,980
Miscellaneous		3,893,532	4,847,867
		167,616,769	154,491,654

- 25.1 Salaries and other benefits include Rs. 3,927,833 (2016: Rs. 2,571,476) in respect of contribution to HSML Employees' Provident Fund Trust - related party by the Company.

	Note	2017	2016
		(Rupees)	
25.2 Auditors' remuneration			
Audit fee		750,000	750,000
Certification fee		68,000	50,000
Half yearly review		200,000	200,000
Tax advisory fee		577,800	460,000
Out of pocket expenses		118,000	75,000
		1,713,800	1,535,000

26. Selling and Distribution Cost			
Salaries, wages and other benefits	26.1	4,301,364	4,404,056
Handling and distribution		5,416,506	3,107,371
Repair and maintenance		41,689	62,066
Printing and stationery		113,479	65,032
Commission to selling agents		499,770	–
Depreciation	14.1.3	6,904,121	7,750,379
		17,276,929	15,388,904

- 26.1 Salaries, wages and other benefits include Rs. 158,277 (2016: Rs. 175,390) in respect of contribution to HSML Employees' Provident Fund Trust - related party by the Company.

Notes to the Financial Statements

for the year ended 30, September 2017

	Note	2017 (Rupees)	2016
27. Other Operating Expenses			
Donations	27.1	–	150,000
Provision for doubtful advances to suppliers	20.2	1,448,428	2,134,680
Provision for balances doubtful of recovery		578,522	84,842
Workers' Profit Participation Fund		12,044,891	5,171,431
		14,071,841	7,540,953

27.1 There is no interest in the donees fund, of any director or their spouses.

	Note	2017 (Rupees)	2016
28. Other Income			
Income from financial assets			
Profit on bank deposits		549,139	150,777
Dividend income		–	1,275,000
Gain on sale of investments		–	19,916,481
		549,139	21,342,258
Income from non-financial assets			
Gain on sale of fertilizers and seeds to growers		28,601,176	65,446,748
Miscellaneous		413,982	3,084,139
Gain on disposal of operating fixed assets		154,991	1,794,481
Old credit balances written back		–	29,057
		29,719,288	91,696,683

29. Finance Cost			
Mark up on secured borrowings:			
- Short term borrowings		77,748,033	53,403,616
Lease financial charges		–	160,309
Interest on balance payable to provident fund trust - related party		1,338,570	819,308
Interest on Workers' Profit Participation Fund		441,640	–
Bank charges and commission		7,692,168	7,185,955
		87,220,411	61,569,188

30. Taxation			
Current income tax:			
Turnover tax		36,947,646	26,407,075
Presumptive / final tax regime		7,704,156	3,949,617
Prior year		(15,070,317)	–
Deferred income tax			
Tax rate adjustment		(14,637,043)	7,332,080
For the year	8.1	12,318,415	(55,096,420)
		27,262,857	(17,407,648)

30.1 There is no relationship between tax expense and accounting profit as the provision for current taxation is based on turnover tax therefore no numerical reconciliation has been presented. The Company has carry forwardable tax losses of Rs. 471,930,101 (2016: Rs. 910,054,000).

		2017 (Rupees)	2016
31. Earnings Per Share - Basic and Diluted			
Profit attributable to ordinary shareholders	Rupees	201,590,081	115,664,829
Weighted average number of ordinary shares outstanding during the year	Numbers	21,104,325	20,624,858
Earnings per share - Basic	Rupees	9.55	5.61

No figure for diluted earnings per share has been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

32. Remuneration of Chief Executive, Directors and Executives

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

	2017		
	Chief Executive	Executive directors	Executives
	Rupees		
Managerial remuneration	8,420,251	2,449,950	25,052,886
House rent	2,606,897	1,102,473	8,539,507
Contribution to provident fund	579,300	244,997	2,292,925
Utilities / medical allowance	-	167,573	2,505,287
Others	579,300	244,997	2,505,287
	12,185,748	4,209,990	40,895,892
Number of persons	1	2	28

	2016		
	Chief Executive	Executive directors	Executives
	Rupees		
Managerial remuneration	7,483,700	3,644,984	23,061,687
House rent	2,331,810	1,391,190	6,917,971
Contribution to provident fund	337,534	309,150	2,096,774
Utilities / medical allowance	53,878	356,092	2,096,774
Others	1,768,563	1,923,563	-
	11,975,485	7,624,979	34,173,206
Number of persons	1	2	24

32.1 In addition to above, the chief executive, directors and certain executives are provided with the free use of the Company's maintained cars. Nineteen (2016: Nineteen) executives are also provided with furnished accommodation including utilities.

32.2 No meeting fee was paid to directors during the year (2016: Rs. Nil).

Notes to the Financial Statements

for the year ended 30, September 2017

32.3 No remuneration was paid to non-executive directors of the Company (2016: Rs. Nil).

32.4 Remuneration and benefits of executive directors include remuneration and benefits paid to one director who remained executive director of the Company only for seven months and the remaining remuneration and benefits of five months are included in the remuneration to Key Executives.

33. Transactions with Related Parties

The related parties comprise associated undertakings, close family relative, key management personnel i.e. directors, chief executive & executives and staff retirement benefits. The outstanding balances, transactions with related parties and remuneration to chief executive, directors and executives have been disclosed in the relevant notes to these financial statements. Details of transactions with related parties during the year other than those which have been disclosed elsewhere in these financial statements are stated below:

Particulars	Relationship	Name	2017 (Rupees)	2016
Building being on rental basis	Close family relative	Mrs. Rukhsana Javed	2,700,000	2,700,000
Purchase of vehicle	Chairman of the Board / Non-Executive Director	Mr. Ahmad Ali Tariq	19,000,000	-

All transactions were carried out on commercial terms and conditions and at arm's length price.

34. Relationship with The Islamic and Conventional Financial Institution

The Company in the normal course of business deals with sole Islamic financial institutions as well as the financial institutions who operate both the conventional side and Islamic window. During the period the Company carried out transactions with both the conventional side as well as Islamic window of financial institutions. The details of segregation between Shariah complaints and conventional assets/liabilities and income/expenditure are given below :

	2017			2016		
	Islamic Banks	Conventional Banks	Total	Islamic	Conventional Banks	Total Banks
	Rupees			Rupees		
Account balances:						
Accrued markup on secured borrowings	1,489,873	8,901,801	10,391,674	3,073,919	2,260,379	5,334,298
Short term borrowings	250,000,000	240,400,182	490,400,182	249,446,685	189,500,092	438,946,777
Bank balances	(49,716,623)	(10,133,253)	(59,849,876)	(1,183,704)	(13,666,610)	(14,850,314)
	201,773,250	239,168,730	440,941,980	251,336,900	178,093,861	429,430,761
Class of transactions:						
Ijarah and diminishing musharikhah rentals	2,463,740	-	2,463,740	645,042	-	645,042
Finance cost	48,279,016	38,941,395	87,220,411	27,543,094	34,026,094	61,569,188
Income from PLS bank accounts	(15,022)	(534,177)	(549,139)	(21,740)	(129,037)	(150,777)
Dividend income	-	-	-	(1,275,000)	-	(1,275,000)
Gain on sale of investments	-	-	-	(19,916,481)	-	(19,916,481)
	50,727,734	38,407,278	89,135,012	6,974,915	33,897,057	40,871,972
Disclosures:						
Commitments						
Ijarah rentals	11,589,423	-	11,589,423	5,818,848	-	5,818,848
Diminishing Musharikhah rentals	17,863,430	-	17,863,430	-	-	-
	29,452,853	-	29,452,853	5,818,848	-	5,818,848

		2017	2016
35. Plant Capacity and Actual Production			
Installed crushing capacity for 151 (2016: 111) working days	Metric tons	981,500	721,500
Actual crushing	Metric tons	660,136	499,396
Actual production	Metric tons	65,043	46,861
Sugar recovery	Percentage	9.85	9.41

35.1 Optimum level of capacity utilization could not be achieved due to the liquidity crunch being faced by the Company, which the management is trying hard to manage in future.

36. Provident Fund Related Disclosures

The following information is based on un-audited financial statements of the provident fund as on 30 June 2016 and 30 June 2017:

		2017	2016
Size of the fund	Rupees	101,786,748	95,129,653
Cost of investments	Rupees	59,257,390	43,244,272
Percentage of investments made	Percentage	58.22%	45.46%
Fair value of investments	Rupees	57,889,942	43,244,272

36.1 Break-up of cost of investments is as follows:

	2017 Percentage	2016	2017 Rupees	2016 Rupees
Term deposit receipts	50%	13%	29,300,000	5,700,000
National saving scheme	7%	55%	4,000,000	23,900,000
Bank balances	6%	20%	3,309,145	8,344,272
Mutual funds	37%	–	21,280,797	–
Loans	–	12%	–	5,300,000
	100%	100%	57,889,942	43,244,272

36.2 Investments, out of provident fund, have been made in accordance with the provisions of section 227 of the repealed Companies Ordinance, 1984 and the rules formulated for this purpose. The investment shall be brought in conformity with the provisions of the Employees' Provident Fund (Investment in Listed Securities) Rules 2016 within two years as allowed under Rule 1(3) of these new rules.

	2017	2016
37. Number of Employees		
Number of employees as on September 30	634	644
Average number of employees during the year	939	839

Notes to the Financial Statements

for the year ended 30, September 2017

38. Financial Risk Management

38.1 Financial risk factors

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The accounts department of the Company assist the Board in developing and monitoring the Company's risk management policies. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits, and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Company does not engaged in the trading of financial assets for speculative purposes nor does it write options.

The Company's Board Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board Audit Committee.

The Company is exposed to various risks in relation to financial instruments. The main types of risks are credit risk, liquidity risk and market risk.

(a) Market risk

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

(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. The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which advances, sales and purchases and bank balances are denominated and the respective functional currency of the Company i.e. Pakistan Rupee. The currency in which these transactions are primarily denominated is US dollars. Payables exposed to foreign currency are not covered through any forward foreign exchange contracts or through hedging.

Currently, the Company is not exposed to foreign exchange risk.

(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.

Currently, the Company is not exposed to any commodity price risk.

(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 except for saving bank accounts. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The short term borrowing and loans and advances by the Company has variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

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

	Note	2017 (Rupees)	2016
Floating rate instruments			
Financial assets			
Bank balances - saving accounts	22	112,324	112,324
Financial liabilities			
Short term borrowings	11	490,400,182	438,946,777

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 (decreased) / increased by Rs. 4.904 million (2016: Rs. 4.389 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 i.e. borrowings outstanding at reporting dates were outstanding for the whole year.

(b) **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed. The Company is exposed to credit risk from its operating activities primarily for local trade debts, advances, deposits and other receivables, and other financial assets.

Notes to the Financial Statements

for the year ended 30, September 2017

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the end of the reporting period is as follows:

	Note	2017 (Rupees)	2016
Financial Assets			
Long term deposits	16	784,440	784,440
Trade debts	19	7,592,188	5,427,404
Advances	20	16,607,203	2,179,613
Other receivables	21	41,697,909	99,020,168
Bank balances	22	59,849,876	14,850,314
		126,531,616	122,261,939

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 Short Term	Long term	Agency	2017 (Rupees)	2016
Banks					
Allied Bank Limited	A1+	AA+	PACRA	2,923,437	4,831
Bank Islami Pakistan Limited	A1	A+	PACRA	29,152,622	910,925
Faysal Bank Limited	A1+	AA	PACRA	327,367	327,367
The Bank of Punjab	A1+	AA	PACRA	29,923	1,070,553
Habib Bank Limited	A1+	AA+	JCR-VIS	1,197,319	11,402,905
Meezan Bank Limited	A1+	AA	JCR-VIS	291,213	186,994
National Bank of Pakistan	A1+	AAA	PACRA	3,092,444	12,654
United Bank Limited	A1+	AAA	JCR-VIS	1,049,470	28,938
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	5,404	4,868
Summit Bank Limited	A1	A-	JCR-VIS	43,911	43,911
NIB Bank Limited	A1+	AA-	PACRA	6,921	7,270
Apna Microfinance Bank Limited	A3	BBB	PACRA	121,102	19,100
Dubai Islamic Bank Limited	A1	AA-	JCR-VIS	20,166,950	-
Askari Bank Limited	A1+	AA+	PACRA	101,261	-
JS Bank Limited	A1+	AA-	PACRA	448,910	-
Finca Microfinance Bank Limited	A1	A	PACRA	407,000	-
Soneri Bank Limited	A1+	AA-	PACRA	5,000	-
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	479,622	-
MCB Bank Limited	A1+	AAA	PACRA	-	660,386
Bank Alfalah Limited	A1+	AA	PACRA	-	169,612
				59,849,876	14,850,314

Trade debts

Customer is counterparty to local trade debts against sale of refined sugar. New customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms & conditions are offered. Sales limits are established for each customer based on internal rating criteria and reviewed regularly. Any sales exceeding these limits require special approval. Outstanding customer receivables are regularly monitored. The analysis of ages of trade debts of the Company as at the reporting date is as follows:

	Note	2017 (Rupees)	2016
Past due but not impaired			
1 - 90 days		7,592,188	5,427,404
Past due and impaired			
More than three years		27,180	27,180
		7,619,368	5,454,584

Due to the Company's long standing business relationships with counter party 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 the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets, or that such obligations will have to be settled in a manner unfavourable to the Company. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Board of Directors has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. At 30 September 2017, the Company had Rupees 140 million (2016: Rupees 950 million) available credit limits from financial institutions and Rupees 60.098 million (2016: Rupees 16.206 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:

Notes to the Financial Statements

for the year ended 30, September 2017

Contractual maturities of financial liabilities as at 30 September 2017

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 years
	Rupees					
Non - derivative financial liabilities						
Trade and other payables	322,549,869	322,549,869	322,549,869	-	-	-
Accrued mark-up on secured borrowings	10,391,674	10,391,674	10,391,674	-	-	-
Short term borrowings	490,400,182	490,400,182	98,900,000	391,500,182	-	-
Loan from related party	5,874,760	5,874,760	5,874,760	-	-	-
	829,216,485	829,216,485	437,716,303	391,500,182	-	-

Contractual maturities of financial liabilities as at 30 September 2016

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 years
	Rupees					
Non - derivative financial liabilities						
Trade and other payables	663,929,090	663,929,090	663,929,090	-	-	-
Accrued mark-up on secured borrowings	5,334,298	5,334,298	5,334,298	-	-	-
Short term borrowings	438,946,777	438,946,777	339,132,851	99,813,926	-	-
Loan from related party	70,000,000	70,000,000	28,000,000	42,000,000	-	-
	1,178,210,165	1,178,210,165	1,036,396,239	141,813,926	-	-

38.2 Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

Fair value hierarchy

IFRS 13 requires fair value measurement disclosures using following three level fair value hierarchy that reflects the significance of the inputs used in measuring fair value of financial instruments.

- Level 1 Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derive from prices).
- Level 3 Inputs for asset or liability that are not based on observable market data (unobservable inputs).

The Company has no financial assets measured at above mentioned levels. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. As at September 30, 2017, the Company did not hold any financial instruments carried at fair value.

	Note	2017 (Rupees)	2016
38.3 Financial instruments by categories			
<i>Loans and receivables</i>			
Assets as per balance sheet			
Long term deposits	16	784,440	784,440
Trade debts	19	7,592,188	5,427,404
Advances	20	16,607,203	2,179,613
Other receivables	21	41,697,909	99,020,168
Cash and bank balances	22	60,098,130	16,206,146
		126,779,870	123,617,771
Liabilities as per balance sheet, measured at amortized cost			
Trade and other payables	9	322,549,869	663,929,090
Accrued mark-up on secured borrowings	10	10,391,674	5,334,298
Short term borrowings	11	490,400,182	438,946,777
Loan from related parties	12	5,874,760	70,000,000
		829,216,485	1,178,210,165

38.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

Notes to the Financial Statements

for the year ended 30, September 2017

39. Segment Information

39.1 Sales of sugar represents 90% (2016: 89%) of the total sales of the Company.

39.2 The sales percentage by geographic region is as follows:

	Note	2017 (Rupees)	2016
Pakistan		80.00%	87.00%
Afghanistan		19.98%	13.00%
Canada		0.02%	–
		100.00%	100.00%

39.3 All non-current assets of the Company as at 30 September 2017 were located in Pakistan.

39.4 37.20% (2016: 45.16%) of the total sales of the Company are made to a single customer in Pakistan.

40. Date of Authorization


These financial statements have been approved and authorized by the Board of Directors of the Company for issue on December 20, 2017

41. General


41.1 Figures of the corresponding period have been re-arranged and regrouped to represent better / true presentation and to facilitate appropriate comparison. Major reclassification made in the corresponding figures for better presentation are as under:

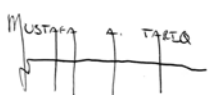
	2016 Rupees	Reclassification	
		From	To
Advances to suppliers	57,528,589	Capital work in progress (Plant and machinery)	Advances and prepayments
Miscellaneous receivable	4,733,980	Other receivable	Trade debts
Trade and other payables	290,299	Other payables	Retention money payable
Prepaid expenses	828,598	Short term deposits and prepayments	Advances and prepayments
Administrative and general expenses	460,000	Legal and professional	Auditors' remuneration

41.2 Figures have been rounded off to nearest of Rupee.


Mian Ahmed Ali Tariq
 Chairman / Director

Lahore


Wasim Saleem
 Chief Financial Officer


Mian Mustafa Ali Tariq
 Chief Executive Officer

Pattern Of Shareholding

Incorporation Number 0002202

Name of The Company Husein Sugar Mills Limited

Pattern of Holding of the Shares held by the Shareholders as at :September 30, 2017

No. of Shareholders	Shareholding		Total Shares held
	From	To	
322	1	100	6,366
204	101	500	80,036
178	501	1,000	155,204
257	1,001	5,000	692,035
73	5,001	10,000	590,601
27	10,001	15,000	330,041
9	15,001	20,000	160,558
12	20,001	25,000	271,525
8	25,001	30,000	230,894
4	30,001	35,000	128,647
4	35,001	40,000	155,264
4	40,001	45,000	175,234
3	45,001	50,000	145,382
1	50,001	55,000	51,221
2	60,001	65,000	122,653
2	65,001	70,000	135,830
2	70,001	75,000	142,741
1	80,001	85,000	81,705
1	85,001	90,000	89,548
2	90,001	95,000	187,087
4	95,001	100,000	390,946
3	105,001	110,000	322,833
1	145,001	150,000	147,058
1	150,001	155,000	152,793
1	160,001	165,000	160,066
1	165,001	170,000	167,636
2	170,001	175,000	346,895
2	190,001	195,000	383,033
1	195,001	200,000	200,000
1	215,001	220,000	218,985
1	235,001	240,000	237,260
1	335,001	340,000	337,429
1	360,001	365,000	361,029
1	380,001	385,000	382,000
1	500,001	505,000	502,867
1	520,001	525,000	521,172
1	635,001	640,000	635,729
1	865,001	870,000	865,027
1	4,465,001	4,470,000	4,467,646
1	4,580,001	4,585,000	4,582,156
1	5,680,001	5,685,000	5,684,868
1,144			25,000,000

5.0 Categories of Shareholder	Total	% age
Directors, Chief Executive Officer, Their Spouses and Minor Children		
Chief Executive		
Mr. Mustafa Ali Tariq	4,582,156	18.33
Directors		
Mr. Ahmad Ali Tariq	4,467,646	17.87
Mr. Taufiq Ahmed Khan	3,676	0.01
Mst. Nusrat Shamim	152,793	0.61
Mrs. Maryam Habib	3,676	0.01
Mr. Muhammad Iftikhar	735	0.00
Mr. Ali Ashfaq	735	0.00
	9,211,417	36.85
Executive	735	0.00
NIT & ICP		
Investment Corporation of Pakistan	1,219	0.00
	1,219	0.00
Banks, NBFCs, DFIs, Takaful, Pension Funds	2,118	0.01
Modarabas	-	-
Insurance Companies	-	-
Other Companies, Corporate Bodies, Trust etc.	510,621	2.04
General Public	15,273,890	61.10
	25,000,000	100.00
Shareholders More Than 5.00%		
Sadia Ali Tariq	5,684,868	22.74
Mustafa Ali Tariq	4,582,156	18.33
Ahmad Ali Tariq	4,467,646	17.87

Information Under CCG

for the year ended 30, September 2017

Sr.no	Categories Of Shareholders	Shares Held	%
A)	Associated Companies, Undertakings and related parties	-	-
B)	Mutual Funds	-	-
C)	Directors/Chief Executive Officer and their spouse and minor Children		
1	Mian Ahmed Ali Tariq	4,467,646	17.87
2	Mian Mustafa Ali Tariq	4,582,156	18.33
3	Mrs. Nusrat Shamim	152,793	0.61
4	Mrs. Maryam Habib	3,676	0.01
5	Mr. Taufiq Ahmed Khan	3,676	0.01
6	Mr. Ali Ashfaq	735	0.00
7	Mr. Muhammad Iftikhar	735	0.00
	TOTAL: -	9,211,417	36.85
D)	Executives	735	0.003
E)	Public Sector Companies & Corporations		
1	Investment Corporation of Pakistan	1,219	0.01
	TOTAL:-	1,219	0.01
F)	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds		
1	Habib Bank Limited	2,000	0.01
2	National Bank of Pakistan	1	0.00
3	Trustee National Bank of Pakistan Employees Pension Fund	117	0.00
	TOATL : -	2,118	0.01
G)	*Shareholding 5% or more		
1	Mian Ahmed Ali Tariq	4,467,646	17.87
1	Mian Mustafa Ali Tariq	4,582,156	18.33
1	Mrs. Sadia Ali Tariq	5,684,868	22.74
	TOTAL: -	14,734,670	58.94
H)	Joint Stock Companies		
1	M/s Irfan Ashfaq & Company (Private) Limited	93,382	0.37
2	M/s Bulk Management Pakistan (Private) Limited	147,058	0.59
3	M/s Westbury (Private) Limited	44,117	0.18
4	M/s Nadeem International (Private) Limited	1,470	0.01
5	M/s Mogul Tobacco Company (Private) Limited	99,999	0.40
6	M/s HH Misbah Securities (Private) Limited	10,000	0.04
7	M/s Irfan Ashfaq & Company (Private) Limited	7,352	0.03
8	M/s Fairtrade Capital Securities (Private) Limited	2,352	0.01
9	M/s Shadab Innovations (Private) Limited	2,000	0.01
10	M/s B. K. Saadaan (Private) Limited	10,000	0.04
11	M/s Pearl Securities Limited	5,000	0.02
12	M/s Ismail Iqbal Securities (Private) Limited.	17,500	0.07
13	M/s Arif Habib Limited	30,000	0.12
14	M/s Din Capital Limited.	11,000	0.04
15	M/s Aba Ali Habib Securities (Private) Limited	1,000	0.00
16	M/s Bawa Securities (Private) Limited.	10,000	0.04
17	M/s N. U. A. Securities (Private) Limited	4,000	0.02
	TOTAL:-	496,230	1.98
I)	Investment Companies	-	-
J)	Others		
1	Trustee National Bank of Pakistan Emp Benevolent Fund	4	0.00
2	Pakistan Cloth Merchants Association	1,434	0.01
3	The Okhai Memon Anjuman	953	0.00
4	Fikree's (Smc-Pvt) Ltd.	500	0.00
5	Ncc - Pre Settlement Delivery Account	500	0.00
6	M/s. Fabtex Corporation	11,000	0.04
	TOTAL:-	14,391	0.06
K)	General Public	15,273,890	61.10
	GRAND TOTAL	25,000,000	100.00

* Shareholders having 5% or above shares exist in other categories therefore not included in total.

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 are as under:

		Sold	Purchased
1	Mr. Mustafa Ali Tariq-CEO	-	10,000
2	Mst. Nusrat Shamim-Director	-	105,000
3	Mrs. Maryam Habib-Director	-	2,500

Corporate Calendar

2016-2017

MEETINGS	DATES
Audit Committee meeting to consider annual accounts of the Company for the year ended September 30, 2016	January 05, 2017
Board of Directors meeting to consider annual accounts of the Company for the year ended September 30, 2016	January 05, 2017
Audit Committee meeting to consider interim accounts of the Company for the first quarter ended December 31, 2016	January 24, 2017
Board of Directors meeting to consider interim accounts of the Company for the first quarter ended December 31, 2016	January 24, 2017
Annual General meeting of Shareholders to consider annual accounts of the Company for the year ended September 30, 2016	January 31, 2017
Extra Ordinary General meeting of Shareholders for Election of Directors for next three years	March 31, 2017
Audit Committee meeting to consider interim accounts of the Company for the second quarter ended March 31, 2017	May 11, 2017
Board of Directors meeting to consider interim accounts of the Company for the second quarter ended March 31, 2017 and right shares issuance	May 11, 2017
Audit Committee meeting to consider interim accounts of the Company for the third quarter ended June 30, 2017	July 17, 2017
Board of Directors meeting to consider interim accounts of the Company for the second quarter ended June 30, 2017 and right shares issuance	July 17, 2017

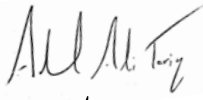
ویب کی موجودگی

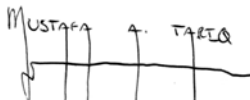
کمپنی کی ویب سائٹ سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان (ایس ای سی پی) کی ضروریات کے مطابق ہے، اور کمپنی سے متعلقہ تمام معلومات بشمول متواتر مالی حسابات/سالانہ رپورٹوں وغیرہ ویب سائٹ پر دستیاب ہیں اسٹیک ہولڈرز اور عام عوام اپنی مطلوبہ معلومات حاصل کرنے کے لئے کمپنی کی ویب سائٹ www.husein.pk ملاحظہ کر سکتے ہیں۔

اظہار تشکر

ڈائریکٹروں کے لئے ایک کمپنی پر خدمات سرانجام دینا ایک اعزاز اور استحکام ہے جس نے مہارت کے پچاس سال مکمل کر لئے ہیں۔ جیسا کہ ہم یہ جوبلی مناتے ہیں، ہم اپنے اسٹیک ہولڈرز کا شکریہ ادا کرنا چاہتے ہیں جنہوں نے اس مسلسل مہارت کو ممکن بنایا ہے۔ آپ کی کمپنی کے ڈائریکٹرز سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، دیگر سرکاری اداروں، بینکوں، مالیاتی اداروں، اور انشورنس کمپنیوں کی مسلسل حمایت اور تعاون کے لئے شکریہ ادا کرنا چاہیں گے۔ ڈائریکٹرز ہمارے قابل قدر گاہکوں اور سپلائرز کی طرف سے فراہم کی گئی حمایت کے شکرگزار اور تعریف کا بھی اظہار کرنا چاہیں گے۔ ہم اپنے حصص داروں کا بھی شکریہ ادا کرتے ہیں، جنہوں نے کمپنی میں اپنے اعتماد اور یقین کو برقرار رکھا اور کمپنی میں ان کی سرمایہ کاری کے زیادہ سے زیادہ استعمال کو یقینی بنانے کے لئے ہماری بہترین کوششوں یقین رکھا ہے۔ حتیٰ اور بالآخر، اس سال غیر معمولی اور ریکارڈ توڑ کارکردگی کے لئے، ڈائریکٹرز کمپنی کی نمو اور کامیابی کے لئے ملازمین کے تمام گروہوں کی جان نثاری، وفاداری، اور سخت محنت پر ان کی تعریف کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز


میاء احمد علی طارق
چیئر مین


میاء مصطفیٰ علی طارق
چیف ایگزیکٹو آفیسر

لاہور: 20 دسمبر 2017ء

نوٹ:

* 31 مارچ 2017 کو منتخب ہوئیں۔

** 31 مارچ 2017 کو استعفیٰ دے دیا۔

جوڈائزیکٹرز بورڈ کے اجلاس میں شرکت نہیں کر سکتے تھے کو غیر حاضری کی چھٹی دی گئی۔

اسٹیک ہولڈرز کے ساتھ تعلقات

حسین شوگر ملز سپلائرز، کسٹمرز، بینکاروں، ملازمین، اسٹاک ایکسچینج، ایس ای سی پی اور کمپنی کے دیگر کاروباری شراکت داروں کے ساتھ باہمی مفاد کے تعلقات قائم کرنے کے لئے مصروف عمل ہے۔ زیر جائزہ سال کے دوران تمام اسٹاک اسٹیک ہولڈرز کے ساتھ تعلقات خوشگوار رہے۔

کمپنیز ایکٹ 2017ء کی دفعہ 205 کے تحت معلومات

30 ستمبر 2017 کو ختم ہونے والے سال کے دوران بورڈ نے جناب مصطفیٰ علی طارق کو کمپنی کے بطور چیف ایگزیکٹو آفیسر دوبارہ مقرر کیا اور 700,000 روپے ماہانہ ان کا معاوضہ طے کیا ہے۔ بورڈ نے محترمہ مریم حبیب کو 300,000 روپے ماہانہ معاوضہ پر بطور ایگزیکٹو ڈائریکٹر بھی مقرر کیا ہے۔

بعد از بیلنس شیٹ واقعات

بیلنس شیٹ کی تاریخ کے بعد، کوئی قابل ذکر تبدیلی واقع یا حصص یافتگان کو مطلع کئے جانے والی کوئی بات بورڈ کے علم میں نہیں آئی۔

حصص داران کا کردار

کمپنی کے حصص یافتگان کو کمپنی کی ویب سائٹ پر دستیاب سرمایہ اکاؤنٹس کے ذریعے کمپنی کے معاملات کی حالت کے بارے میں باقاعدگی سے مطلع کر رہے ہیں۔ اراکین کے اجلاسوں میں فعال شرکت کی احتساب اور شفافیت کو یقینی بنانے کے لئے حوصلہ افزائی کی جاتی ہے۔

قانونی تعمیل

سال کے دوران، کمپنی نے کمپنیز آرڈیننس 1984 (ایکٹ 181) کے تحت اور متعلقہ قوانین و ضوابط، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) ریگولیشنز اور پاکستان اسٹاک ایکسچینج (PSX) کی ریگولیشنز کے تحت درکار تمام قابل اطلاق احکامات کی تعمیل، تمام ریٹرنز/فارم داخل اور تمام متعلقہ معلومات فراہم کی ہیں۔

سیکرٹریل تعمیل کے سرٹیفکیٹ

کمپنی سیکرٹری نے سالانہ ریٹرن کا ایک حصہ سیکرٹریل تعمیل کا سرٹیفکیٹ کمیشن کے ہاں اس تصدیق کا جمع کرایا ہے کمپنیز ایکٹ 2017 کی سیکرٹریل اینڈ کارپوریٹ ضروریات، کمپنی کے میمورنڈم اینڈ آرٹیکلز آف ایسوسی ایشن اور فہرستی ریگولیشنز پر مکمل طور پر عمل کیا گیا ہے۔

سرمایہ کاروں کی شکایت کی پالیسی

حسین شوگر کمپنی سیکرٹری کے ذریعے مسلسل اپنے سرمایہ کاروں کے ساتھ مشغول رہتی ہے اور ان کے سوالات اور معلومات کے لئے درخواست کا جواب دیتی ہے۔

بیرونی آڈیٹرز

کمپنی کے بیرونی آڈیٹرز، کریسٹن حیدر بھیم جی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس سالانہ عام اجلاس کے اختتام پر ریٹائر ہو جائیں گے۔ لسٹنگ ضوابط کے تحت دوبارہ تعیناتی کے لئے اہل ہونے کے ناطے، انہوں نے 30 ستمبر 2018 کو ختم ہونے والے مالی سال کے لئے کمپنی کے آڈیٹرز کے طور پر اپنی خدمات کی پیشکش کی ہے۔ آڈٹ کمپنی نے 30 ستمبر 2018 کو ختم ہونے والے سال کے لئے کمپنی کے آڈیٹرز کے طور پر کریسٹن حیدر بھیم جی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کی ہے اور بورڈ، آڈٹ کمیٹی کی سفارشات سے اتفاق کرتا ہے۔

آڈیٹرز نے اگلے سال کے لئے آڈیٹرز کے طور پر کام کرنے کے لئے اپنی رضامندی دی ہے اور انہیں بتا دیا ہے کہ انہیں انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس پاکستان کے کوالٹی کنٹرول کے جائزے کے تحت تسلی بخش ریٹنگ دی گئی ہے کہ اور یہ کہ فرم اور اس کے تمام پارٹنرز انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کی طرف سے جاری کردہ ضابطہ اخلاق پر مکمل طور پر عمل پیرا ہیں۔ آڈیٹرز نے یہ بھی تصدیق کی ہے سال کے دوران کسی بھی وقت فرم اور نہ ہی ان کے شراکت داروں اور ان کی بیویوں یا چھوٹے بچوں میں سے کسی نے کمپنی کے حصص میں کوئی تجارت نہیں کی ہے۔

بورڈ کمیٹیاں

آڈٹ کمیٹی

کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل میں، بورڈ نے چیئرمین کی سربراہی میں تین ارکان پر مشتمل ایک آڈٹ کمیٹی تشکیل دی ہے۔ کمیٹی باقاعدگی سے چیف فنانشل آفیسر اور داخلی آڈٹ کے سربراہ کے ساتھ جائزہ اور یقینی بنانے کے لئے ملاقات کرتی ہے کہ اکاؤنٹنگ کے اعلیٰ معیار کو برقرار رکھا جا رہا ہے۔ آڈٹ کمیٹی درج ذیل ارکان پر مشتمل ہے۔

نام	عہدہ
جناب توفیق احمد خان	چیئرمین
میاں احمد علی طارق	رکن
میاں علی اشفاق	رکن

انسانی وسائل اور ریمیزیشن (HR&R) کمیٹی

کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل میں، بورڈ نے چیئرمین کی سربراہی میں تین ارکان پر مشتمل ایک انسانی وسائل اور ریمیزیشن (HR&R) کمیٹی تشکیل دی ہے۔ کمیٹی باقاعدگی سے انسانی وسائل اور انتظامی حکموں کے ساتھ جائزہ اور یقینی بنانے کے لئے ملاقات کرتی ہے کہ پروفیشنل کے اعلیٰ معیار کو برقرار رکھا جا رہا ہے۔ انسانی وسائل اور ریمیزیشن (HR&R) کمیٹی درج ذیل ارکان پر مشتمل ہے۔

میاں احمد علی طارق	چیئرمین
جناب توفیق احمد خان	رکن
میاں مصطفیٰ علی طارق	رکن

بورڈ آف ڈائریکٹرز کے اجلاس

پاکستان میں رواں سال کے دوران کمپنی کے بورڈ کے چار اجلاس ہوئے اور ان اجلاسوں میں ڈائریکٹرز کی حاضری پوزیشن حسب ذیل ہے:

ڈائریکٹرز کے نام	اجلاسوں میں شرکت کی تعداد
میاں احمد علی طارق	4
میاں مصطفیٰ علی طارق	4
محترمہ نصرت شمیم	4
محترمہ مریم حبیب *	2
جناب توفیق احمد خان	3
جناب وسیم سلیم **	2
جناب علی اشفاق	4
جناب محمد افتخار	4

صحت کی دیکھ بھال کے میدان میں، کمپنی نے میاں شمیم انور میموریل ہسپتال قائم کرنے میں مدد کی ہے۔ 20 بستر کا ہسپتال علاقے کے لوگوں کو بہت کم قیمت پر بنیادی طبی سہولیات فراہم کرتا ہے۔ وارڈ، ایک ڈسپنسری، ایک آپریشن تھیٹر، اور لیب کے ساتھ لیس، ہسپتال نے اپنے آپریشن کے دوران ہزاروں مرلیضوں کی خدمت کی ہے۔

حسین شوگر اپنی مقامی کمیونٹی کو واپس دینے کے لئے اپنے عزم کو برقرار رکھتا ہے۔ جیسا کہ کمپنی مستحکم بینجمنٹ اور آپریشنل پالیسیوں کی حمایت پر ٹھوس مالی فوائد حاصل کرتی ہے، اس میں کوئی شک نہیں ہونا چاہئے کہ لوگوں کی بہتری کے لئے اسی فطرت کی ابتدائی سرگرمیاں، خاص طور پر جڑا نوالہ کے ارد گرد جاری رہیں گی۔

جدت اور کارکردگی کی بہتری

کمپنی نے بین الاقوامی معیار کی مصنوعات کی مسلسل پیداوار کو یقینی بنانے، آپریشنل نقصان کو کم کرنے، اور توانائی کو بچانے کے لئے تیزی سے بدلنے والے ٹیکنالوجی کے مطابق پیداواری لائن کو جدید اور بہتر بنانے کے لئے کام شروع کر دیا ہے۔ اس سلسلے میں مختلف کارکردگی کی بہتری کے اقدامات کئے گئے ہیں اور اس کے نتیجے میں مثبت نتائج پہلے ہی حاصل کئے گئے ہیں، جس میں بہتر آمدنی پیدا کرنے والی پیداوار اور منافع میں اضافہ ہوا ہے۔

فی شیئر آمدنی

آپ کی کمپنی کا بعد از ٹیکس 201.590 ملین روپے کا منافع جو 9.55 روپے فی شیئر منافع بنتا ہے جبکہ گزشتہ سال میں یہ 5.61 روپے فی شیئر منافع تھا۔

کارپوریٹ گورننس کے ضابطے کی تعمیل

ہم اچھے کارپوریٹ گورننس کیپا بند ہیں اور پاکستان اسٹاک ایکسچینج لمیٹڈ کیسلٹنگ ضابطے میں شامل کارپوریٹ گورننس کے ضابطہ اخلاق پر عمل کرتے ہیں۔ کارپوریٹ گورننس کے ضابطہ اخلاق کے بہترین طریقوں کی تعمیل کا بیان منسلک ہے

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل میں، ہم کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک پر حسب ذیل بیان پیش کرتے ہیں:

- 1- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی حسابات اس کے امور، آپریشنز کے نتائج، نقدی کا بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- 2- کمپنی کے کھاتے جات کمپنیز ایکٹ 2017 کے تحت درکار بالکل صحیح طور سے بنائے گئے ہیں۔
- 3- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- 4- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی ضروریات کی پیروی کی گئی ہے
- 5- اندرونی کنٹرول کا نظام جدید انتظامی اصولوں کے مطابق ڈیزائن ہے اور اس پر مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- 6- کمپنی کے گولنگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔ جیسا کہ اس رپورٹ اور نوٹ نمبر 1.2 میں وضاحت کی گئی ہے کہ کمپنی اپنے تمام وسائل کو بروئے کار لاتے ہوئے مستقبل میں آپریشنز کو جاری رکھے گی۔
- 7- پاکستان اسٹاک ایکسچینج کے فہرستی قواعد و ضوابط میں تفصیلی کارپوریٹ گورننس کے بہترین عوامل سے کوئی مادی انحراف نہیں کیا گیا ہے۔
- 8- گزشتہ چھ سال کا کلیدی آپریشننگ اور مالیاتی ڈیٹا منسلک ہے۔
- 9- 30 ستمبر 2017 کو نمونہ حصص داری بشمول اضافی معلومات منسلک ہیں۔
- 10- پراویڈنٹ فنڈ کا قاعدہ ایک علیحدہ ٹرسٹ کے زیر انتظام ہے اور ٹرسٹ نے 30 ستمبر 2017 کو 53.094 ملین روپے (2016: 28.087 ملین روپے) کی سرمایہ کاری کی ہے۔
- 11- ڈائریکٹرز، چیف ایگزیکٹو، کمپنی سیکریٹری، چیف فنانشل آفیسر، ان کے زوج اور چھوٹے بچوں کی طرف سے کمپنی کے حصص میں لین دین کی تفصیلات حسب ذیل ہیں:

حصص کی خریداری:

میاں مصطفیٰ علی طارق - چیف ایگزیکٹو آفیسر 10,000

محترمہ نصرت شمیم - ڈائریکٹر 105,000

محترمہ مریم حبیب - ڈائریکٹر 2,500

قرض کی ادائیگی

کمپنی کے ذمہ کوئی طویل مدتی قرضہ نہیں ہے۔ یہ صرف مختصر مدت کے ورکنگ کیپٹل قرضوں سے فائدہ اٹھاتی ہے جو قرض دہندہ کے مکمل اطمینان کے لئے ادا کئے جارہے ہیں۔

آڈیٹرز کے مشاہدے پر تبصرہ:

گوئنگ کنسرن

کمپنی کی صلاحیت کے بارے میں آڈیٹرز کے مشاہدے کے جواب میں گوئنگ کنسرن کے طور پر ڈائریکٹرز نے مندرجہ ذیل وضاحتیں کی ہیں:

- i- کمپنی نے رواں مالی سال میں مجموعی منافع اور ٹیکس کے بعد خالص منافع بالترتیب 485.320 ملین روپے (2016: 245.551 ملین روپے) اور 201.590 ملین روپے (2016: 115.665 ملین روپے) حاصل کیا جو 49.424 ملین روپے کی مثبت ایکوئیٹی (2016: منفی بیلنس 410.246 ملین روپے) تک پہنچ گیا ہے۔ کمپنی کے مجموعی نقصانات میں 511.119 ملین روپے (2016: 770.789 ملین روپے) کی آئی ہے۔ ماضی میں مسلسل نقصانات کے نتیجے میں کمپنی کی ایکوئیٹی کا خاتمہ اور ہماری ورکنگ کیپٹل بنیاد کی کمی واقع ہوئی ہے۔ تاہم، اسپانسرز کے مسلسل مالی تعاون اور کمپنی کے بہتر نتائج کے ساتھ کمپنی کی مجموعی لیکویڈٹی کی حالت بتدریج بہتر ہوئی ہے۔
- ii- کمپنی اگلے سال کے لئے جامع ورکنگ کیپٹل سہولیات کی تجدید اور توسیع حاصل کرنے کے لئے این بی پی، ڈی آئی بی ایل، عسکری، میزان اور بی آئی پی ایل جیسے مختلف بینکوں کے ساتھ بات چیت کرنے میں کامیاب رہی ہے۔ یہ بات بھی قابل ذکر ہے کہ کمپنی نے ڈیفالٹ فری ریکارڈ برقرار رکھا ہے۔ اگلے کرٹنگ موسم کے لئے کمپنی نے پہلے ہی اپنی تجدید سے ان سہولیات پر ڈراؤن کے لئے آغاز کر دیا ہے۔
- iii- موجودہ وقت میں کمپنی کسی بھی بینک یا مالیاتی ادارے کی نادہندہ نہیں ہے اور اسٹیٹ بینک آف پاکستان کی طرف سے برقرار eCIB ڈیٹا میں کمپنی کے خلاف کوئی منفی تبصرہ نہیں ہے۔ اس کے علاوہ، انقضاء معاوضہ کوئی مقررہ شرائط قرضے نہیں ہیں اور کمپنی طویل مدتی اثاثہ جات کی مالی اعانت کرنے کے لئے مختصر مدتی قرضوں پر انحصار نہیں کر رہی ہے اور کوئی قرض کے معاہدے میں نہیں ہے جس پر کمپنی عمل کرنے کے قابل نہیں ہے۔
- iv- کمپنی خام مال کے سپلائرز، مشینری مینوفیکچررز، اور اسپئر پارٹس سپلائرز کے ساتھ بہت اچھی ساکھ سے لطف اندوز ہوتی ہے۔ اسی طرح کمپنی کی مصنوعات کو مارکیٹ میں خریداروں کی طرف سے ترجیح دی جاتی ہے اور اس کے اعلیٰ اور مسلسل معیار کے باعث ایک پریمیم حاصل کرتی ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی رواداری، باہمی احترام، دوستانہ، اپنی مدد آپ اور باہمی اعتماد اور اعتماد کی ثقافت کو فروغ دینے کے علاوہ، اپنے تمام ملازمین کو ایک محفوظ، صحت مند، اور دوستانہ ماحول فراہم کرتی ہے۔ تازہ گریجویٹ اور پوسٹ گریجویٹوں کے لئے اپرنٹس شپ کی پیشکش کے علاوہ، کمپنی خالصتاً میرٹ کی بنیاد پر روزگاری کی پالیسی کو مکمل طور پر برقرار رکھتی ہے۔ بورڈ آف ڈائریکٹرز کی طرف سے مقرر کردہ نقطہ نظر کے ساتھ، کمپنی یقینی طور پر ملازمت کے مساوی مواقع کو یقینی بناتی ہے کہ تمام ممکنہ ملازمین کو فراہم کی جائے۔ اس کے علاوہ، کمپنی امتیازی سلوک کے سلسلے میں صفر رواداری کی پالیسی پر سختی سے عمل کرتی ہے۔ کمپنی جسمانی طور پر معذور اور خصوصی افراد کو بھی معاشرے کا مفید حصہ بنانے کے لئے روزگار فراہم کرتی ہے۔

ایک ذمہ دار کارپوریٹ ادارے کے طور پر، کمپنی مقامی معاشرہ کی ترقی کو زیادہ سے زیادہ کرنے کے لئے سرکاری اداروں اور دیگر مقامی نمائندوں کے ساتھ کام جاری رکھتی ہے۔ اس مقصد کے لئے، کمپنی نے بنیادی طور پر تعلیم اور صحت کے میدان میں، غریب اور مندوں کی فلاح و بہبود کے لئے غیر منافع بخش ادارے قائم کیے ہیں۔

1983 میں، میاں شمیم انور ایجوکیشنل کمپلیکس تعمیر کیا گیا تھا۔ کارپوریشن اور دونوں منصوبوں کے اسپانسرز کی حمایت کی وجہ سے، 35 سالوں سے زائد عرصہ کی کوشش سے اداروں میں تیزی سے اضافہ ہوا ہے۔ 1999 میں میاں محمد علی طارق کالج برائے خواتین کا تصور اور قائم کیا گیا تھا۔ 2002 میں مکمل طور پر آلات سے لیس جدید کمپس پر کام مکمل کیا گیا۔ آج، کمپلیکس میاں نذیر حسین گرلز ہائر سیکنڈری سکول، میاں نذیر حسین بوائز ماڈل سکول، سنکھاری سکول اور میاں محمد علی طارق گرلز کالج پر مشتمل ہے۔ مجموعی طور پر، ان اداروں میں 1000 سے زائد طالب علم 60 اساتذہ کے عملے کے تعاون سے پڑھ رہے ہیں۔ ایجوکیشنل کمپلیکس ایک آڈیٹوریم، آلات کے ساتھ سائنس لیبارٹریز، ایک لائبریری، ایک کمپیوٹر لیب اور دیگر سہولیات کے ساتھ لیس ہے۔ ادارہ، جو کمپنی کا حمایت یافتہ ہے، سیکٹروں بچوں کو ٹیوشن کی سہولیت دیتا ہے اور مالیاتی ضروریات کی بنیاد پر اسکالرشپ فراہم کرتا ہے۔ ایجوکیشنل ٹرسٹ حالیہ گریجویٹوں جنہوں نے اعلیٰ دانشورانہ صلاحیتیں ظاہر کیں کو بھی اسکالرشپ فراہم کرتا ہے۔ ہم اس بات پر فخر کرتے ہیں کہ ہمارے فارغ التحصیل نے معاشرہ کے تمام شعبوں مسلح افواج سے طبی اور قانونی کمیونٹی میں خود کو تسلیم کرایا ہے۔ حقیقت میں، ان میں سے بہت سے تعلیم کے شعبے میں اپنا حصہ شامل کرنے کے لئے واپس آ چکے ہیں۔

اندازہ لگایا گیا ہے کہ زیر کاشت گنے کا علاقہ اور گنے کی فی ایکڑ اوسط پیداوار گزشتہ سال کے برابر ہے۔ تاہم، جیسا کہ اوپر بیان کیا گیا ہے، اس سال گنے کی کمزور حالت دی گئی ہے، یہ دیکھنا باقی ہے کہ آیا چینی کی پیداوار تقریباً گزشتہ سال کی اسی سطح پر ہوگی۔

مقامی اور بین الاقوامی مارکیٹوں میں موجود اضافی چینی اور پاکستان میں فصل کی خراب حالت کے باوجود حکومت پنجاب، خیبر پختونخواہ اور سندھ نے 18-2017 کرشنگ سیزن کے لئے گنے کی امدادی قیمت بالترتیب 180 روپے فی 40 کلوگرام جسے تبدیل نہ کرنے کا اعلان کیا ہے۔ یہ ذکر کرنا ضروری ہے کہ گزشتہ سال سے آگے آنے والا چینی کا دافرا شک اور اس سال بھی اسی طرح چینی کی پیداوار میں کوئی مثبت اشارہ نہیں ہے کہ چینی کی مقامی قیمتوں میں اضافہ ہوگا۔ اگرچہ کموڈٹی بین الاقوامی مارکیٹ میں پانچ سال کی کم سطح سے قدرے 380 ڈالر فی ٹن تک آگئی ہے۔

گزشتہ چند ہفتوں میں، حکومت نے حال ہی میں برآمدی رعایت کے ساتھ مزید چینی برآمد کرنے کی اجازت دی ہے۔ حکومت کے اس تاخیری خوشگوار فیصلہ سے ملک بھر میں وافر چینی کے اشناک کو کم کرنے میں مدد ملے گی۔ اس کے علاوہ، حکومت کی اقتصادی تعاون کمیٹی نے برآمد کے مقصد کے لئے ٹینڈر کے عمل کے ذریعے 300,000 ٹن چینی خریدنے کا فیصلہ کیا ہے۔ اس کے علاوہ، روپے کی قدر امریکی ڈالر سے نمایاں طور پر کم ہوئی ہے۔ اس کی نے بین الاقوامی مارکیٹوں میں برآمد کو زیادہ منافع بخش بنادیا ہے۔ یہ ایک ایسا موقع ہے جس میں اگر مناسب طریقے سے جستجو کی گئی، تو پاکستان کی سٹرگلنگ شوگر صنعت کو کچھ مدد فراہم کر سکتا ہے۔ تاہم، حکومت اور صنعت کو برآمد کے سلسلے میں ایک طویل مدتی نقطہ نظر اپنانے کے لئے بات چیت کے ذریعے اتفاق رائے کو فروغ دینے کی ضرورت ہے۔ یہ واضح ہے کہ پاکستان کے پاس وافر چینی ہے اور مسلسل اضافی چینی پیدا ہونے کی توقع ہے، یہ حکومت کے لئے مل مالکان اور اسٹیک ہولڈرز کے ساتھ کام کرنے کے لئے سامان کی برآمد کے حوالے سے ایک جامع اور طویل مدتی پالیسی کو فروغ دینا ضروری ہے۔ اگر حکومت پاکستان کو چینی کے برآمد کنندہ کے طور پر دیکھنا چاہتی ہے تو متعلقہ اسٹیک ہولڈرز جیسا کہ گنے کے کاشتکاروں، مل مالکان، بینکنگ اداروں، اور دیگر کے ساتھ اتفاق رائے کے ذریعے اس سلسلے میں مستقل پالیسی کو فروغ دینے میں کامیابی حاصل کرے، یہ صنعت میں استحکام، سکورٹی، اور مستقل مزاجی کو یقینی بنانے میں مدد کرے گی۔ اگرچہ، ہم ہر امید ہیں کہ حکومت آئندہ سال میں صنعت کو سہولت دے گی، لیکن اس کے باوجود ہر آپریشنل اور مالی کامیابی کو یقینی بنانے کے لئے دوسرے مواقع تلاش کر رہے ہیں۔

طویل مدتی شراکت داری قدر کی جزیئن ہماری کمپنی کی بنیادی ڈرائیونگ فورس ہے۔ ہمارے حصص یافتگان کا مسلسل اعتماد اور بھروسہ ہمارے لئے انتہائی اہمیت رکھتا ہے۔ اس سلسلے میں، میں بیان کرتے ہوئے خوش ہوں کہ اس سال ہم نے 15 روپے پاکستانی کے پریمیم پرائسز حصص اجراء کامیابی سے مکمل کیا ہے، جو ہمارے حصص یافتگان نے کلی طور پر سبسکرائب کیا تھا۔ حسین شوگر میں، ہم نے ہمیشہ اپنی شراکت داری کا حصہ زیادہ سے زیادہ کرنے کی کوشش کی ہے اور ہم اپنے عزم پر قائم رہے ہیں۔ اس سلسلے میں، آپ کی کمپنی نے ایک ایگزیکیوٹو ایسوسی ایشن (EIP) پر عمل کیا ہے جس کا مقصد آپریشنل نقصان کو کافی کم کرنا اور ایندھن کی کھپت میں بچت کو بڑھانا ہے۔ EIP شیڈول کے مطابق نافذ کیا جا رہا ہے اور درآمد شدہ مشینری کے لئے قرضہ کے خطوط تیار کر لئے گئے ہیں اور مقامی مشینوں کے لئے آرڈرز دے دیئے ہیں۔ کچھ مشینیں موجودہ کرشنگ موسم کے آغاز سے پہلے نومبر 2017 میں کمشن ہو گئی ہیں اور ہم ہر امید ہیں کہ سال کے وسط میں دیگر سامان کی ترسیل وصول ہو جائے گی۔ جیسا کہ ٹیکنالوجی کاروبار کے راستے میں رکاوٹ جاری رکھے ہوئے ہے، اس لئے ہماری مشینری کو مسلسل جدید اور بہتر بنانا ضروری بن گیا ہے۔ ہماری توانائی یا بھاپ کی کھپت کو کم کرنے کیلئے ان فنڈز کی آمدنی کا استعمال کیا جا رہا ہے۔ اپنی مشینوں کو زیادہ مؤثر اور کم بھاپ لینے والی بنا کر، ہم ہر امید ہیں کہ ہم مزید بگاس کو بچانے کے قابل ہو جائیں گے اور اس طرح ہماری آمدنی کے سلسلے میں اضافہ ہوگا۔

اس سال ہم نے فعال طور پر عملدرآمد کی پالیسیوں کو اپنے تمام حصص داروں کے اعتماد کو دوبارہ بحال کرنے کے لئے تیار کیا ہے۔ یہ مجھے اپنے حصص داروں کو ظاہر کرنے میں خوشی دیتا ہے کہ آپ کے منصوبے میں ہمارے بینکوں نے اعتماد کیا ہے اور آپ کی انتظامیہ نے مسابقتی مارک اپ شرحوں پر ورکنگ کیپٹل فنانسنگ کی تمام مطلوبہ رقوم کو محفوظ بنانے میں مدد دی ہے۔

2016 کے آغاز میں، حسین شوگر نے دوبارہ آگے دیکھنے کا آغاز کیا ہے۔ یہ گزشتہ 5 سالوں میں چینی کی قیمتوں میں سب سے کم سطح کے ساتھ، ریکارڈ پر سب سے مشکل سالوں میں سے ایک رہا ہے۔ ہم نے حسین شوگر میں مشکلات کے باوجود حوصلہ نہیں ہارا ہے۔ بلکہ، ہم نے مشکلات کا سامنا کیا اور اس پر زور دیا۔ 2015 سے، حسین شوگر کی کہانی بحالی، دوبارہ تعمیر اور پلکار میں سے ایک ہے۔ اب ہم مقصد اور عزم کے ساتھ آگے دیکھتے ہیں جیسا کہ گزشتہ دو سالوں میں حالت رہی ہے، 2018 میں آپ نموی کہانی کی توقع کر سکتے ہیں۔

ڈیویڈنڈ

مستقل ورکنگ کیپٹل کو بہتر بنانے اور کارکردگی کی بہتری کے منصوبوں کو شروع کرنے کے لئے درکار فنڈز کی برقراری کے طور پر کسی ڈیویڈنڈ کی سفارش نہیں کی گئی ہے۔

پاکستانی تک پہنچ گیا، بنگلہ میں 97.64 فیصد کا اضافہ ہوا ہے۔ ٹیکس کے بعد منافع 200 ملین روپے پاکستانی سے تجاوز کر گیا ہے، جو گزشتہ سال سے 74.28 فیصد زیادہ ہے۔ ہمارے سکروس کی ریکوری سال بہ سال بڑھتی جا رہی ہے اور 9.85 فیصد حاصل کی جا رہی ہے ہم یقین رکھتے ہیں، ہم آنے والے سالوں میں سیزن کی 10 فی صد کی اوسط ریکوری حاصل کر لیں گے۔ ہماری اسٹریٹجک مالی پالیسیوں کو دیگر تکنیکی کامیابیوں کے ساتھ ضم کیا گیا تھا۔ اس سال حسین شوگر نے 9.85 کی ریکوری پر 660,000 ٹن سے زیادہ گنا کرش کیا ہے۔ علاقے میں گنے کی اعلیٰ معیار کی اقسام کو فروغ دینے اور بڑھانے کے لئے ہم نے کوششیں کی ہیں۔ کیونکہ کہ ہم گنے کی اقسام کو تبدیل کرنا جاری رکھتے ہیں، ہم یقین رکھتے ہیں کہ ہم سب سے زیادہ اوسط سکروس ریکوری حاصل کرنا جاری رکھیں گے۔ جیسا کہ ہم اپنے پلانٹ کی کارکردگی کو بہتر بنانا جاری رکھتے ہیں، اپنی مصنوعات اور عمل کے معیار اور پیداوار کو بڑھانے کے لئے جدید ترین مشینری خریدی جا رہی ہے۔ ہمارا آپریٹنگ منافع تقریباً چار گنا ہو گیا ہے اور ہماری فی شیئر آمدنی 9.55 روپے پاکستانی ہے۔ نہ صرف ہم نے کمپنی کی تاریخ میں چینی کی سب سے زیادہ مقدار بنائی ہے، بلکہ ہم نے بگاس اور راب جیسی بائی مصنوعات کی پیداوار میں بھی بہترین نتائج حاصل کئے ہیں۔

گزشتہ بارہ مہینوں میں، چینی کی مارکیٹ سے انتہائی غیر مستحکم سلوک کیا گیا ہے۔ جنوری 2016 کے آغاز میں، بین الاقوامی قیمتیں تقریباً 380 ڈالر فی ٹن سے بڑھنا شروع ہوئیں اور ستمبر 2016 میں سب سے زیادہ تقریباً 600 ڈالر فی ٹن تک پہنچ گئیں تھیں۔ تاہم، مثبت جذبات جنہوں نے 2016 کے زیادہ عرصہ میں اشیاء کو استحکام دیا رواں سال میں مستحکم نہیں رہے۔ بین الاقوامی چینی کی قیمتیں تقریباً 380 ڈالر فی ٹن پرواپس آ گئیں اور مقامی مارکیٹ میں بھی پیروی کی گئی۔ بین الاقوامی اور مقامی چینی کی قیمتیں تیزی سے گرنے کے ساتھ، تاہم یہ سال پاکستانی چینی کی صنعت کے لئے سب سے مشکل سالوں میں سے ایک مشکل ترین رہا ہے۔ لیکن یہ ایک ایسا سال تھا جب ہم نے چیلنجوں کو مواقع میں تبدیل کیا اور صنعت کی تیزی سے بڑھتی ہوئی مشکلات میں مقابلہ کرنے کے نئے طریقوں کو تلاش کیا ہے۔

نہ صرف ہم نے جدید مشینری میں سرمایہ کاری نہ صرف اپنے پلانٹ کی کارکردگی کو بڑھانے کے لئے کی ہے، بلکہ ہم نے پیداوار کو زیادہ سے زیادہ کرنے کے لئے جدید ترین سوفٹ ویئر اور داخلی کنٹرول سسٹم میں بھی سرمایہ کاری کی ہے۔ اس سال، ہم نے اپنے پالیسی سازوں کو بروقت درست حقیقی مہارت فراہم کرنے کے لئے اپنے رپورٹنگ نظامات کو بہتر بنا دیا ہے۔ ہم اسٹیک ہولڈرز جیسے کہ گنے کے کاشتکاروں کے ساتھ مواصلات کو بہتر بنانے اور پوری کمپنی میں کارکردگی کو زیادہ سے زیادہ کرنے کے لئے جدید ترین سوفٹ ویئر کے نظام کو شامل کرنے کے لئے نئی ٹیکنالوجیز کو بھی تلاش کر رہے ہیں۔

صحت، حفاظت، اور ماحول

حسین شوگر میں، ہم اپنے ملازمین کی صحت اور حفاظت پر کوئی معاہدہ نہیں کرتے ہیں۔ اس سال، ہم نے سب سے زیادہ حفاظت اور صحت کے معیار کو برقرار رکھنے کے لئے اپنے کارکنوں کے کام کرنے کے حالات کو بہتر بنانے اور بڑھانے کے لئے جدید ترین بین الاقوامی طریقوں کو لاگو کرنے کے اقدامات کیے ہیں۔ ہم اپنے ملازمین، اسٹیک ہولڈرز اور زائرین کے لئے ایک حفظان صحت اور محفوظ ماحول فراہم کرنے کے لئے پُر عزم ہیں۔ ہماری سب سے بڑی ترجیح ہمیشہ ہمیشہ کی حفاظت ہے اور 2017 میں ہم نے گزشتہ برسوں کی ترقی کی تعمیر جاری رکھی ہے۔ میں یہ بیان کرتے ہوئے پُر جوش ہوں کہ ہم نے حسین شوگر میں ایک اور محفوظ اور حادثہ سے پاک سال مکمل کر لیا ہے۔

ہم مستقبل میں بھی حفاظت اور صحت کی اسی سطح کو یقینی بنانے کے لئے اقدامات جاری رکھیں گے۔ ہماری ایک اور ترجیح ماحول ہے۔ ذمہ دار کارپوریٹ شہریوں کے طور پر، ہم ماحولیاتی نظام کی حفاظت میں ایک اجتماعی ذمہ داری میں شریک ہوتے ہیں جو ہمارے آپریشنز، ترقی اور نمو کو پروان چڑھاتی ہے۔ ہم مقامی شراکت داروں اور دیگر اسٹیک ہولڈرز کے ساتھ کام کرنے کے منتظر رہتے ہیں کہ ہم اس بات کا یقین کرنے میں اپنا حصہ لیں کہ حسین شوگر کی تمام مصنوعات کو ایک ذمہ دار اور ماحول دوست طریقے سے بنایا جائے۔ ہم اپنے عمل کو جدید اور بہتر بنانے کے لئے نئی ٹیکنالوجیز کو بھی تلاش کر رہے ہیں۔

مستقبل کا نقطہ نظر

گزشتہ سال سے چینی کی کم قیمتوں اور چینی کے نمایاں وافر اسٹاک کی وجہ سے، سال 2017-2018 کے لئے شوگر کرشنگ سیزن میں بہت زیادہ تاخیر کی گئی ہے۔ گزشتہ سال کے مقابلے میں، اس سال کے لئے کرشنگ تقریباً ایک مہینہ تاخیر سے شروع ہوئی ہے۔ اس میں چینی کے شعبے کے لئے تباہ کن نتائج ہیں۔ پورے خطے میں گنے کی فصلیں نمایاں طور پر خراب ہو گئیں اور مختلف قسم کے مسائل بشمول جو پیتھوجنز اور دیگر بیماریوں کے ذریعے آلودگی تک محدود نہیں، جلدی کٹائی کی وجہ سے کٹائی اور کرش کے درمیان زیادہ وقت اور دیگر فصلوں کی کاشت کے لئے کسانوں کی طرف سے خشک اسٹوریج اور آب و ہوا کے حالات کی وجہ سے اپنے سکروس کے اجزاء ضائع ہو گئے ہیں۔ اس تباہی نے آپ کی کمپنی کے آپریشنل نتائج کو نئے موسم کی تاریخ تک واضح کر دیا ہے۔ گزشتہ سال کی اسی تاریخ تک 199,645 ٹن کے مقابلے میں ہم نے صرف 109,596 ٹن گنا کرش کیا ہے۔ اسی طرح، ہم نے گزشتہ سال کی 8.80 کے مقابلے میں صرف 8.55 کی سکروس ریکوری حاصل کی ہے۔

ڈائریکٹرز رپورٹ

ڈائریکٹرز 30 ستمبر 2017ء کو ختم ہونے والے سال کے لیے حسین شوگر ملز لمیٹڈ کی 50 ویں سالانہ رپورٹ بخوشی پیش کرتے ہیں۔

موجودہ اور گزشتہ سال کے لئے کمپنی کی کارکردگی حسب ذیل ہے:

آپریشنز	30 ستمبر 2017	30 ستمبر 2016
گنے کی کرشنگ (میٹرک ٹن)	660,136	499,396
چینی کی پیداوار (میٹرک ٹن)	65,024	46,861
تیار راب (میٹرک ٹن)	32,941	22,305
چینی کا حصول (فیصد)	9.85	9.41
مالیات	روپے ہزاروں میں	روپے ہزاروں میں
فروخت	3,856,539	3,144,147
مجموعی منافع	485,320	245,551
آپریٹنگ منافع	286,354	68,130
مالی لاگت	87,220	61,569
بعد از ٹیکس منافع	201,590	115,665
فی شیئر آمدنی (روپے)	9.55	5.61

چیئر مین کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز نے 30 ستمبر 2017ء کو ختم ہونے والے سال کے لئے کمپنی کی کارکردگی پر چیئر مین کے جائزہ کو مکمل طور پر منظور کیا ہے۔

ریکارڈ توڑ جوہلی

آپ کی کمپنی کے کاروبار کے پچاس سال کے لئے اس گولڈن جوہلی کے موقع پر، میں عاجزانہ خوشی محسوس کرتا ہوں، تاہم خوشی سے یہ بیان کرتا ہوں کہ اللہ کے فضل سے، آپ کی کمپنی نے آپریٹنگ اور مالی کارکردگی کا تمام گزشتہ ریکارڈ توڑ دیا ہے۔ نہ صرف آپ کی کمپنی نے اپنی تاریخ میں سب سے زیادہ آمدنی، مجموعی منافع اور ٹیکس کے بعد منافع کے مالی سنگ میل حاصل کیا ہے، بلکہ آپ کی کمپنی نے کمپنی کے آپریٹنگ کی اس تاریخ میں گنے کی سب سے زیادہ مقدار کو کرش، سب سے زیادہ مقدار میں چینی اور سب سے زیادہ مقدار میں راب پیدا اور سب سے زیادہ ریکوری بھی حاصل کی ہے۔ ہم ان کامیابیوں کے لئے اللہ تعالیٰ کے شکر گزار ہیں اور مستقبل کے لئے اسکی رہنمائی، رحمت اور برکتوں کے متلاشی رہیں گے۔

چینی کی مارکیٹوں اور آپریٹنگ جائزہ

حسین شوگر مل کی انتظامیہ نے ہمیشہ مارکیٹ سے آگے رہنے پر زور دیا ہے۔ اس سال ہماری مارکیٹ کی مہارت پر عملدرآمد اور مقامی طور پر لاکھوں ٹن سرپلس کے پیش نظر، انتظامیہ نے ایک انتہائی جارحانہ فروخت کی حکمت عملی کی پیروی کی ہے۔ اس پالیسی پر عمل کیا گیا ہے اور آپ کی کمپنی نے منافع بخش قیمتوں پر منافع کو مد نظر رکھا ہے۔ اس مالی سال کے لئے، آپ کی کمپنی نے 3.85 بلین روپے پاکستانی تک فروخت میں اضافہ کیا ہے اور ہم یقین رکھتے ہیں کہ آمدنی صرف بڑھتی یہ جائے گی۔ گزشتہ سال سے مجموعی منافع تقریباً دو گنا 485 ملین روپے

Form of Proxy

51st Annual General Meeting

I/We _____ of _____

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

hereby appoint Mr. /Mrs./Miss. _____

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

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

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

as my proxy to attend and vote for me and on my behalf at the Annual General Meeting of the Company to be held at its Registered Head Office of the Company 30-A E/1, Old FCC, Gulberg III, Lahore on Saturday, the 27th January, 2018 at 10:00 A.M and at any adjournment thereof.

Signed this _____ day of _____ 2018.

WITNESS

1. Signature _____

Name _____

Address _____

CNIC or Passport No. _____

2. Signature _____

Name _____

Address _____

CNIC or Passport No. _____

(Signature on
Rupees Five
Revenue Stamp)

Signature should agree with
specimen signature with the
company

Notes:

1. A member entitled to attend and vote at the meeting may appoint any other member as his/her proxy to attend the meeting and vote.
2. If a member is unable to attend the meeting, they may complete and sign this form and send it to the company secretary, the Husein Sugar Mills Limited, Lahore so as to reach not less than 48 hours before the time appointed for holding the meeting.
3. For CDC Shareholders in addition to above the following requirements have to be met.
 - i) In case of individual, 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 requirement notified by the Company.
 - ii) The 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) The Proxy shall produce his/her original CNIC or original passport at the time of the meeting.
 - v) In case of corporate entity being a Member, the Board of Directors' resolution / power of attorney with specimen signature of the nominee/attorney shall have to be submitted (unless it has been provided earlier) along with the proxy form to the Company.



AFFIX
CORRECT
POSTAGE

The Company Secretary
HUSEIN SUGAR MILLS LIMITED
30-A E/1, Old FCC Gulberg III, Lahore

مختار نامہ

میں / ہم _____ کا / کے _____
 بحیثیت رکن حسین شوگر ملز لمیٹڈ اور حامل عام حصص، بمطابق شیئرز رجسٹر فو لیو نمبر _____ اور / سی ڈی سی
 پارٹسپینٹ (شرکت) آئی ڈی نمبر _____ اور سب اکاؤنٹ (ذیلی کھاتہ) نمبر _____
 محترم / محترمہ _____ کو اپنے / ہمارے ایماء پر مورخہ 27 جنوری 2018 بروز ہفتہ _____
 بمقام 30- اے / ای-1، اولڈ ایف۔سی۔سی، گلبرگ-3، لاہور میں صبح 10.00 بجے منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں حق رائے دہی
 استعمال کرنے یا کسی بھی التواء کی صورت اپنا / ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں / کرتے ہیں۔
 آج بروز _____ بتاریخ _____ 2018ء کو دستخط کئے گئے۔

گواہان:

پانچ روپے مالیت کے رسیدی ٹکٹ پر دستخط

دستخط کمپنی کے نمونہ دستخط سے مماثل ہونے چاہئیں

1- دستخط: _____

نام: _____

پتہ: _____

کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر: _____

2- دستخط: _____

نام: _____

پتہ: _____

کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر: _____

نوٹ:

- ایک ممبر (رکن) جو اجلاس میں شرکت اور ووٹ دینے کا مجاز ہوا، اپنی جگہ کسی کو بطور نائب شرکت کرنے اور ووٹ دینے کا حق تفویض کر سکتا ہے۔
- ایک ممبر (رکن) جو اجلاس میں شرکت نہیں کر سکتا، وہ اس فارم کو مکمل کرے اور دستخط کرنے کے بعد اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل سیکرٹری حسین شوگر ملز لمیٹڈ لاہور کے پتے پر ارسال کر دے۔
- سی ڈی شیئرز ہولڈر ہونے کی صورت میں درج بالا کے علاوہ ذیل میں درج ہدایات پر بھی عمل کرنا ہوگا:
 - (الف) فرد ہونے کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا وہ جس کی سکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد و ضوابط کے مطابق اپ لوڈ ہوں انہیں کمپنی کی جانب سے دی گئی ہدایات کی روشنی میں پراکسی فارم جمع کرانا ہوگا۔
 - (ب) مختار نامے پر بطور گواہان دو افراد کے دستخط ہونے چاہئیں اور ان کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبرز فارم پر درج ہوں۔
 - (ج) بینیفیشیل اونرز (مستفید ہونے والے فرد) کمپیوٹرائزڈ قومی کارڈ یا پاسپورٹ کی مصدقہ نقول بھی منسلک کرنی ہوگی جسے نائب مختار نامے کے ہمراہ پیش کرے گا۔
 - (د) اجلاس کے وقت نائب کو اپنا اصل کمپیوٹرائزڈ قومی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔
 - (و) کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر (رکن)، بورڈ آف ڈائریکٹرز کی قرارداد / مع نامزد کردہ شخص / انارنی کے نمونہ دستخط پاؤ آف انارنی (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختار نامے) کے ہمراہ کمپنی میں جمع کرانا ہوگا۔



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