

**PARTICULARS TO BE INCLUDED IN
COST AUDITORS' REPORT TO THE DIRECTORS OF
HUSEIN SUGAR MILLS LIMITED
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

1. CAPACITY

		Unit	2012	2011
a.	Licensed		Not Applicable	
	Installed: Maximum cane crushing per day	Metric Tons	6,500.00	5,000.00
	Utilized: Cane crushing per day	Metric Tons	5,380.00	4,720.37
	Days operated	Numbers	121	122
b.	In addition to manufacturing and sale of white refined sugar, the company is also engaged in the sale of molasses, (a by-product).			

2. COST ACCOUNTING SYSTEM

The company is using a separate cost accounting system for sugarcane procurement and its costing. The system generates the following reports:-

- i. Cane payment receipt (CPR)
- ii. Daily sugarcane purchased and payments to growers
- iii. Daily summary of sugarcane purchases
- iv. Fortnightly sugarcane purchases and payments report
- v. Sugarcane procurement cost report – on daily, weekly, fortnightly and monthly basis
- vi. Growers' ledger and loan reports

All other cost accounting data and information are generated from financial accounting system.

3. PRODUCTION

Quantitative data for white refined sugar (main product) and molasses (by-product) is as under:

	Unit	2012	2011
Actual cane crushed	Metric Tons	650,995	575,886
Days operated	Numbers	121	122
Actual recovery	Percentage	9.39	8.72
Production capacity of white refined sugar	Metric Tons	73,852	53,198
Actual production of white refined sugar	Metric Tons	61,128.7	50,221
Capacity utilization	Percentage	82.77	94.40
Molasses produced	Metric Tons	28,634	26,996

4. RAW MATERIAL

- a. The details of raw materials and its cost components, on actual basis, are given below:-

2012			2011			2010			
Quantity	Rate	Amount	Quantity	Rate	Amount	Quantity	Rate	Amount	
M/Tons	Rupees Per M/ Ton	Rupees	M/Tons	Rupees Per M/ Ton	Rupees	M/Tons	Rupees Per M/ Ton	Rupees	
Sugarcane purchased/crushed	650,995	3,717.62	2,420,153,423	575,886	4,654.44	2,680,425,376	333,573	2,727.27	909,744,343
Sugarcane development cess		25.00	16,275,435		25.03	14,413,385		18.75	6,257,430
Market committee fee		5.07	3,301,951		5.00	2,879,993		5.23	1,743,806
Cane unloading		0.44	283,579		0.47	268,208		0.59	196,688
Others (Loading and other expenses)		203.58	132,528,074		234.70	135,161,874		2,651.88	884,593,802
			<u>2,572,542,462</u>			<u>2,833,148,836</u>			<u>1,802,536,069</u>

2012	2011	2010
Metric Tons		

Consumption of raw material :

Per unit of production – Actual	10.64	11.47	11.60
Per unit of production – Standard	Not applicable		

- b. Consumption of raw material per unit of production is dependent on many factors, such as sucrose contents/sugar recovery percentage, quality of sugarcane, elapsed time between sugarcane harvesting and crushing, distance from sugarcane field and factory site and uninterrupted milling / crushing etc.

Although no standard has been fixed for cane procured and consumed, company strives to consume fresh and clean cane. Since, the company did not operate a 'Standard Costing System'; comparison of actual raw material consumption with standard could not be made. Therefore, variances could not be worked out.

- c. Company's own bagasse, which is about **30.172%** of the sugarcane crushed, was used for steam generation besides selling only a small portion of it. The mud being **3%** of the sugarcane was discarded as waste material.
- d. The company is buying sugarcane for the production of white refined sugar and the sugarcane acquired is directly put to crushing. Cost of purchase of raw material comprises the purchase price, other taxes and transport, handling and other costs directly attributable to the acquisition of materials. Computerized records are being maintained for purchase of sugarcane and its consumption.

5. SALARIES AND WAGES

2012	2011
Rupees	

a. Category wise break up of salaries and wages

Direct labor costs on production	33,715,576	30,760,446
Indirect employees costs on production	36,525,207	33,323,816
Employees cost on administration	59,641,289	51,744,628
Employees costs on selling and distribution	2,150,952	1,678,940
Bonus to workers and employees	12,488,938	10,287,390
Other employees cost	22,741,843	19,598,876
	167,263,805	147,394,096

b. Chief Executive and Directors' Remuneration

	Chief Executive	Directors
Rupees		
Managerial remuneration	5,778,045	6,623,657
House rent	1,728,000	2,112,519
Contribution to provident fund	192,000	470,784
Utilities/medical allowance	692,332	509,087
Reimbursable expenses	506,064	555,870
	8,896,441	10,271,917

In addition to above, the chief executive and certain directors are provided with free use of the company's maintained car.

Chief Executive and Directors' remuneration are included in administrative expenses.

	2012	2011
c. Total available man-days of direct labour	150	150
Total actually worked man-days of direct labour	121	122
d. Average number of workers employed during the year	950	981

	2012	2011	2010
Rupees per Metric Ton			

- e.** Direct labour cost per unit of output/product 551.55 612.50 949.66
- f.** Direct labour cost per unit of output decreased mainly due to increase in crushing and production.
- g.** The Company did not operate any incentive scheme for its workers except bonuses for its all staff/workers.

6. STORES AND SPARE PARTS

	2012	2011
	Rupees per M.Ton	
Per unit expenditure of stores and spares on output	162.40	164.16

Store was valued at moving average cost while items considered obsolete are carried at nil value. Stores/spares in transit are valued at cost comprising invoice value plus other charges paid thereon to reporting date.

The system of store accounting for recording receipts issues and balances both in quantity and value is computer based and found satisfactory. Store receipts are recorded on the basis of goods receipt notes, purchase orders, demand notes etc. Issue of stores is made on the basis of issue requisitions received from the relevant departments. Store consumption is charged to relevant heads properly. Store consumed for capital expenditure are shown under the relevant heads separately in financial statements.

The proportion of closing inventory of stores representing items which have not moved for over twenty-four months was Rs. NIL.

7. DEPRECIATION

- a) Depreciation on all operating fixed assets is charged to profit on the straight-line method.
- b) The basis of allocation of depreciation on common assets is based on its utilization by the production and other departments.
- c) The depreciation to the cost of products is charged on the basis of assets directly used in the production of products.

8. OVERHEADS

The total amount of overheads and a break-up of items are given below:

PARTICULARS	2012	2011	2010
	R u p e e s		
Other factory overheads (Note 8.1)	11,653,903	11,869,581	10,670,152
Administrative overheads (Note 8.2)	111,626,744	99,142,216	77,325,887
Selling overheads (Note 8.3)	8,922,296	7,815,000	4,809,921
Financial charges	84,712,605	66,503,859	71,343,411
	<u>216,915,548</u>	<u>185,330,656</u>	<u>164,149,371</u>

8.1 Other Factory Overheads

Apprenticeship training expenses	21,600	11,470	12,070
Tractor trolley expenses	3,267,587	4,860,875	3,224,092
Press mud removal charges	-	-	118,018
Electricity -Colony	8,364,702	6,957,800	7,315,972
Others	-	39,436	-
	<u>11,653,903</u>	<u>11,869,581</u>	<u>10,670,152</u>

8.2 Administrative Expenses

Salaries, wages and benefits	74,520,096	63,893,581	53,520,787
Traveling and conveyance	1,148,159	647,255	1,016,814
Printing and stationery	1,508,768	1,226,625	945,791
Communication	1,459,691	1,392,256	1,095,411
Subscriptions, books and periodicals	1,102,916	2,336,803	620,750
Legal and professional	1,512,500	4,653,166	1,654,756
Auditors' remuneration	769,900	707,500	691,500
Rent, rate and taxes	3,911,901	3,503,581	2,983,019
Insurance	1,707,997	1,079,615	835,674
Water, gas and electricity	725,413	608,740	668,795
Entertainment	1,437,331	1,088,430	791,021
Advertisement	36,850	280,545	98,900
Vehicles running and maintenance	9,374,816	8,364,500	5,212,416
Repair and maintenance	1,303,582	2,373,398	931,501
Depreciation and amortization	8,611,238	5,126,720	4,746,871
Miscellaneous expenses	2,495,586	1,859,501	1,511,881
	<u>111,626,744</u>	<u>99,142,216</u>	<u>77,325,887</u>

2012	2011	2010
R u p e e s		

8.3 Distribution and Selling Expenses

Salaries, wages and other benefits	2,150,952	1,678,940	1,585,511
Commission to selling agent	3,247,828	3,455,340	1,422,180
Handling and distribution	2,850,507	2,341,558	1,342,831
Repair and maintenance	222,427	140,354	98,880
Printing and stationery	71,035	64,577	49,778
Miscellaneous	15,654	14,231	190,741
Depreciation	363,893	120,000	120,000
	<u>8,922,296</u>	<u>7,815,000</u>	<u>4,809,921</u>

a. Reasons for Significant Variances

Other Overheads:

Factory overheads decreased by Rs 215,678 mainly due to rise in tractor trolley income.

Administrative Expenses

An increase in administrative expenses by Rs 12,484,528 is mainly due to annual increments, increase in minimum wage rates, increase in vehicle running expenses .

Distribution and Selling Expenses

Handling and distribution cost is directly attributable to volume of sugar sold, which is more than corresponding year. This has resulted in increase in handling and distribution cost by Rs 1,107,296.

Financial Charges

Financial charges increased by Rs. 18,208,746 mainly due to increase in long term financing obtained during the year for BMR by the company.

b. Basis of Overhead Allocation

Overhead cost of various service cost centers is allocated to the production cost centers on actual basis.

9. ROYALTY/TECHNICAL AID PAYMENTS

No royalty or technical aid payments were made during the current year.

10. ABNORMAL NON-RECURRING FEATURES

There are no abnormal non-recurring features affecting the production and its disposal in ordinary course of business of the Company:

- a. The impact of any abnormal features affecting production/cost of production during the year, e.g. strikes, lockouts, major break downs in the plant, substantial, power cuts, serious accidents, etc. None

- b. If there are any special expenses which have been directly allocated to products under reference, the total amount as also the incidence per unit of product shall be shown. None

11. COST OF PRODUCTION

The Company is producing single product (refined white sugar) and its cost of production per metric ton of sugar production is as under:

	Rupees
Year ended September 30, 2012	42,352.82
Year ended September 30, 2011	56,007.95

Cost of production per metric ton of sugar production decreased as compared to last year mainly due to purchase of better quality sugarcane at competitive rates, increase in production and continued supply of sugarcane resulting in lesser stoppages and increased sugar recovery.

Sugar	2012		2011	
	Per Metric Ton	Total	Per Metric Ton	Total
	R	U P	E E	S
Quantity produced		61,128.700M.Tons		50,221.100 M.Tons
Quantity sold		60,482.450 M.Tons		52,150.350 M.Tons
Cost of sales	42,365.84	2,562,390,399	56,328.46	2,937,548,960
Admin expenses	1845.61	111,626,744	1,901.08	99,142,216
Selling expenses	147.52	8,922,296	149.86	7,815,000
Financial charges	1400.61	84,712,605	1,275.23	66,503,859
Other charges/ (income)	(511.42)	(30,931,908)	22.78	1,187,800
Sales tax and SED	3,174.57	192,005,799	3,849.52	200,753,720
	<u>48,422.73</u>	<u>2,928,725,935</u>	<u>63,526.93</u>	<u>3,312,951,555</u>

Decrease in cost to make and sell per metric ton is attributable to factors mentioned in paragraph 11.

12. SALES

The Company is a single product (refined white sugar) enterprise and data relating to sale of its single product is as under:

Sugar sales	2012			2011		
	Quantity	Amount	Average Sales Realization	Quantity	Amount	Average Sales Realization
	Metric Tons	Rupees	Rupees per Metric Ton	Metric Tons	Rupees	Rupees per Metric Ton
Local	60,482.45	2,946,772,281	48,721.11	52,150.35	3,419,249,550	65,565.23
Export				-	-	-
	60,482.45	2,946,772,281	48,721.11	52,150.35	3,419,249,550	65,565.23

Sale realization includes Federal Excise Duty excluding Federal Excise Duty on sale to Trading corporation of Pakistan.

13. PROFITABILITY/(LOSS)

	2012	2011
Quantity sold (M.Tons)	60,482.450	52,150.35
Machine hours (Numbers)	2,717.00	2,505.40
Profit before tax per unit on sugar	Rupees per Metric Ton 298.37	2,038.30
Profit before tax per machine hour	Rupees per machine hour crushed 6,642.01	42,427.55

14. COST AUDITORS' OBSERVATIONS AND CONCLUSIONS

a. Matters, which appear to be clearly wrong in principle or apparently unjustifiable:

No such matter observed during the cost audit.

b. Cases where the company's funds have been used in a negligent or inefficient manner:

No such matter noticed during the cost audit.

c. Factors, which could have been controlled, but have not been done resulting in increase in the cost of production:

No such matter noticed during the cost audit.

d. The adequacy or otherwise of Budgetary Control System, if any, vogue in the company:

The Company's budgetary control system is adequate in relation to its business activities.

e. The Scope and Performance of Internal Audit, if any:

The company has established an effective internal audit function whose scope is determined by the higher management. The internal audit reports are submitted directly to 'Audit Committee', formed under 'Code of Corporate Governance'.

f. Suggestion for Improvements in Performance:

Standard costing system should be introduced by the company in order to arrive at likely comparisons as far as performance is concerned.

i. Rectification of general imbalance in production facilities:

No such imbalance observed.

ii. Fuller utilization of installed capacity:

Full utilization of plant capacity depends upon availability of sufficient quantity of sugarcane of required quality.

iii. Comments on areas offering scope for-

Areas	Comments
a. Cost reduction	Economies in cost could be achieved through synchronization in production flow.
b. Increased productivity	Production can be increased by optimal utilization of installed capacity subject to availability of adequate quantity of sugar cane.
c. Key limiting factors causing production bottle-necks	Key limiting factors include availability of adequate quantity of sugar cane of required quality.
d. Improved inventory policies	Management improved the inventory by introducing sophisticated techniques. However, it can further be improved by adjusting the level required for different inventory items.
e. Energy conservancy	None

iv. The state of technology, whether modern or obsolete. The state of technology is moderate.

- v. **Plant, whether new or second hand when installed.** The plant when installed was new.

f. **Other Matters**

i. Process Material

Adequate quantitative and value-wise record has been maintained for receipt, issue and balance, for each item of the process material.

ii. Work in Process and Finished Goods Stock

These are valued at lower of cost and net realizable value except molasses (a by-product) and press mud, which are valued at net realizable value. Cost in relation to work-in-process and finished goods consist of average material cost, direct labour and factory overheads. Net realizable value is determined on the basis of general market prices less expenses incidental to sales.

iii. Repair and Maintenance

Maintenance, normal repair, renewals and replacements are charged to the relevant heads of account/cost centers, as and when incurred.

Proper record of repair and maintenance is maintained in respect of all fixed assets of the Company. No capital nature transaction is included in repair and maintenance.

iv. Borrowing Cost

Interest, mark-up and other charges on long-term borrowings 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.

v. Adjustment of Cost Variances

The company did not operate standard costing system. Consequently the comparison of standard cost with the actual cost is not possible. Accordingly no variances could be worked out.

vi. Waste and Spoilage

The company has not reported any abnormal process losses. The normal loss if any is charged to cost of production. Income derived from the disposal of scrap is credited to other income account.

vii. Sales Tax and Federal Excise Duty

Proper record is maintained for input and output sales tax and federal excise duty. The company did not claim any rebate during the current year.

viii. Statistical Records

The Company maintained all necessary statistical data and information.

ix. Service Department

Adequate record has been maintained for various service departments.

x. Inter-Company Transactions

There were no inter-company transactions, involving sale or purchase of any commodity between associated companies/undertakings.

xi. Insurance

Adequate record has been maintained to reflect payment of insurance premium to cover various risks associated with assets, including inventories, of the Company. Insurance expense has been charged as follows:-

	2012	2011
	Rupees	Rupees
Cost of sales	3,057,893	1,884,915
Administrative, selling and general expenses	1,707,997	1,079,615
	4,765,890	2,964,530

15. RECONCILIATION WITH FINANCIAL STATEMENTS

Cost accounting record is reconciled with financial accounts. ANNEXURE-12 .

16. COST STATEMENT

Following cost statements are attached herewith:

Description of Cost Statement	Annexure Reference
Cost of Production and Sale of White Bagged Sugar	1
Cost of Sugarcane Produced	2
Cost of Sugarcane Crushed	3
Cost of Beet Consumed	4
Cost of Process Material Consumed	5
Cost of Salaries, Wages and Benefits	6
Cost of Steam Generated	7/1
Cost of Steam Consumed	7/2
Cost of Electric Power Purchased and Generated	8/1
Cost of Electric Power Consumed	8/2
Other Factory Overheads	9
Administrative Expenses	10
Selling Expenses	11
Reconciliation with Financial Statements	12

HUSEIN SUGAR MILLS LIMITED
STATEMENTS SHOWING COST OF PRODUCTION AND SALE
OF WHITE BAGGED SUGAR FOR THE YEAR ENDED SEPTEMBER 30, 2012

Quantitative Data - Bagged Sugar

	2012	2011
Opening Stock (M.Ton)	53.750	1,983.500
Production (M.Ton)	61,128.700	50,221.100
Closing Stock (M.Ton)	(700.000)	(53.750)
Sales (M.Ton)	60,482.450	52,150.350

S.No.	Particulars	2012		2011	
		Amount	Cost per ton of sugar	Amount	Cost per ton of sugar
		Rupees	Rupees	Rupees	Rupees
1	Raw Materials:				
	(a) Sugar Cane (Annex 3)	2,575,181,485	42,127.21	2,835,494,634	56,460.23
	(b) Beet (Annex 4)				
	(c) Gur				
	(d) Raw Sugar	-	-	-	-
	(e) Process Material (Annex 5)	24,547,959	401.58	19,404,892	386.39
2	Salaries / Wages and Benefits (Annex 6)	73,422,862	1,201.12	66,559,446	1,325.33
3	Consumable Stores	9,446,848	154.54	7,803,313	155.38
4	Repairs and Maintenance	44,996,989	736.10	29,458,227	586.57
5	Utilities				
	Steam (Annex 7/2)	19,234,653	314.66	22,359,442	445.22
6	Electric Power (Annex 8/2)	18,680,404	305.59	23,232,873	462.61
7	Water & Gas	2,153,257	35.22	2,480,750	49.40
8	Insurance	2,972,207	48.62	1,803,050	35.90
9	Depreciation	38,502,267	629.86	33,033,327	657.76
10	Other Factory Overheads (Annex 9)	11,653,903	190.65	11,869,581	236.35
11	Total Cost	2,820,792,834	46,145.15	3,053,499,535	60,801.13
12	ADD: Opening Stock of W.I.P.	485,457	-	586,375	-
13	LESS: Closing Stock of W.I.P.	(370,926)	-	(485,457)	-
14	Total Cost of Goods Manufacturing	2,820,907,365	46,147.02	3,053,600,453	60,803.14
15	Less: Realisable value of By-Products:				
	Molasses	(244,857,990)	(4,005.61)	(255,999,615)	(5,097.45)
	Bagasse	(9,140,649)	(149.53)	(2,101,851)	(41.85)
	Press Mud	(1,904,241)	(31.15)	(1,101,613)	(21.94)
16	Net Cost of goods Manufacturing:	2,565,004,485	41,960.72	2,794,397,374	55,641.90
17	Add: Packing Material and Handling	23,968,288	392.10	18,383,651	366.05
18	Net Cost of Bagged Sugar	2,588,972,773	42,352.82	2,812,781,025	56,007.95
19	Add: Sales Tax & S.E.D.	192,005,799	3,174.57	200,753,720	3,849.52
20	Total Cost of Bagged Sugar:	2,780,978,572	45,527.39	3,013,534,745	59,857.47
21	Add: Opening Stock of Sugar	2,996,632	-	127,764,567	-
22	Less: Closing Stock of Sugar	(29,579,006)	-	(2,996,632)	-
23	Cost of Sales	2,754,396,198	45,540.42	3,138,302,680	60,177.98
24	Administrative Expenses (Annex 10)	111,626,744	1,845.61	99,142,216	1,901.08
25	Selling and Distribution Expenses (Annex 11)	8,922,296	147.52	7,815,000	149.86
26	Financial Expenses	84,712,605	1,400.61	66,503,859	1,275.23
27	Other Charges	(30,931,908)	(511.42)	1,187,800	22.78
	Total Cost to Make and Sell.	2,928,725,935	48,422.74	3,312,951,555	63,526.93

Chief Executive Officer

Chief Financial Officer

HUSEIN SUGAR MILLS LIMITED
STATEMENT SHOWING COST OF SUGARCANE PRODUCED
FOR THE YEAR ENDED SEPTEMBER 30, 2012

S.No.	Particulars	2012		2011	
		Quantity	Amount Rupees	Quantity	Amount Rupees
1	Seeds and Other inputs:				
	Seed.				
	Fertilizers, herbicides etc.		N/A		N/A
	Insecticides.		N/A		N/A
	Abiana / Water Charges		N/A		N/A
	Total Cost of Inputs		N/A		N/A
2	Labour Cost:				
	Land preparation Plantation		N/A		N/A
	Maintenance of cane crop/rations		N/A		N/A
	Operation of Tractors		N/A		N/A
	Harvesting		N/A		N/A
	Total Labour Cost		N/A		N/A
3	Other Cost:				
	Fuel for Tractors operation		N/A		N/A
	Maintenance and overhaul of Tractors		N/A		N/A
	Insurance, Interest expenses		N/A		N/A
	Depreciation of equipments		N/A		N/A
	Rent of agriculture equipments (if any)		N/A		N/A
	Total Other Costs		N/A		N/A
	Total Cost of own production (1+2+3)		N/A		N/A
	Sales Value at controlled price		N/A		N/A
	Profit/Loss on own production		N/A		N/A

Chief Executive Officer

Chief Financial Officer

HUSEIN SUGAR MILLS LIMITED
STATEMENT SHOWING COST OF SUGARCANE CRUSHED FOR THE YEAR ENDED SEPTEMBER 30, 2012

S.No.	Particulars	2012			2011		
		Quantity M.Ton	Rate per M.Ton (Rs.)	Amount Rupees	Quantity M.Ton	Rate per M.Ton (Rs.)	Amount Rupees
1	Total sugarcane purchased at Government fixed rate	650,995	3,717.62	2,420,153,423	575,886	4,654.44	2,680,425,376
2	Sugarcane produced from own farm (Annex 2)	-	-	-	-	-	-
3	Less: Loss in transit	-	-	-	-	-	-
4	Sugarcane received at factory gate	650,995	3,717.62	2,420,153,423	575,886	4,654.44	2,680,425,376
5	Commission	-	-	-	-	-	-
6	Quality premium	-	-	-	-	-	-
7	Unloading charges	-	0.44	283,579	-	0.47	268,208
8	Cane development expenses						
	(a) Salaries and Wages of Supply and Development Staff (Annexure 6)	-	4.05	2,639,023	-	4.07	2,345,798
	(b) Sugarcane Development Research	-	-	-	-	-	-
	(c) Supply staff and transportation expenses	-	-	-	-	-	-
	(d) Other expenditure (Incentive for S.C Procurement)	-	162.22	105,601,176	-	198.75	114,455,457
9	Taxes and Levies:						
	(a) Cane / purchase tax	-	-	-	-	-	-
	(b) Market committee fee	-	5.07	3,301,951	-	5.00	2,879,993
	(c) Road /cane development cess	-	25.00	16,275,435	-	25.03	14,413,385
	(d) Octroi	-	-	-	-	-	-
	(e) Other levies	-	-	-	-	-	-
10	Transporation Charges:						
	(a) Delivery expenses	-	-	-	-	-	-
	(b) Transport expenses	-	32.38	21,077,538	-	28.28	16,284,984
	(c) Others	-	-	-	-	-	-
11	Other Expenditures at Cane Collection Centres:						
	(a) Salaries and Wages	-	-	-	-	-	-
	(b) Stores	-	-	-	-	-	-
	(c) Repairs and Maintenance	-	-	-	-	-	-
	(d) Others	-	8.99	5,849,360	-	7.68	4,421,433
	Total cost of "SUGARCANE" Transferred to production processes (Annex 1)	-	3,955.76	2,575,181,485	-	4,923.71	2,835,494,634

Chief Executive Officer

Chief Financial Officer

HUSEIN SUGAR MILLS LIMITED
STATEMENT SHOWING COST OF BEET CONSUMED FOR THE YEAR ENDED SEPTEMBER 30, 2012

S.No.	Particulars	2012			2011		
		Quantity M.Ton	Rate Rs./M.Ton	Amount Rupees	Quantity M.Ton	Rate Rs./M.Ton	Amount Rupees
1	Total beet purchased at Government fixed rate			N/A			N/A
2	Less: Loss in transit			N/A			N/A
3	Beet received at factory gate			N/A			N/A
4	Commission paid			N/A			N/A
5	Loading unloading			N/A			N/A
6	Beet development expenses:			N/A			N/A
	(a) Salaries and Wages of Supply and Development Staff			N/A			N/A
	(b) Sugar Development Research			N/A			N/A
	(c) Supply staff and transportation expenses			N/A			N/A
	(d) Other expenditure			N/A			N/A
7	Taxes and Levies (if any)						
	(a) Purchase tax			N/A			N/A
	(b) Market committee fee			N/A			N/A
	(c) Road cess			N/A			N/A
	(d) Octroi			N/A			N/A
	(e) Other levies			N/A			N/A
8	Transportation Charges:						
	(a) Delivery expenses /travelling from purchases centre to mill gate			N/A			N/A
	(b) Transport subsidy			N/A			N/A
	(c) Others			N/A			N/A
9	Other Expenditures at Beet Collection Centres:						
	(a) Salaries and Wages			N/A			N/A
	(b) Stores			N/A			N/A
	(c) Repairs and Maintenance			N/A			N/A
	(d) Others			N/A			N/A
	Total cost of "BEET" Transferred to production processes (Annexure 1)						

Chief Executive Officer

Chief Financial Officer

HUSEIN SUGAR MILLS LIMITED
STATEMENT SHOWING COST OF PROCESS MATERIAL CONSUMED
FOR THE YEAR ENDED SEPTEMBER 30, 2012

S.No.	Particulars	2012		2011	
		Amount	Cost per ton of sugar	Amount	Cost per ton of sugar
	Total Sugar Produced (M-Tons)		61,128.7		50,221.10
		Rupees	Rupees	Rupees	Rupees
1	Unslaked Lime	-	-	-	-
2	Phosphoric Acid	3,558,917	58.22	3,205,595	63.83
3	Chemquest	-	-	-	-
4	Chemrite	-	-	-	-
5	Caustic Soda	4,329,162	70.82	4,756,067	94.70
6	Soda Ash	51,166	0.84	48,187	0.96
7	Trisodium Phosphate	10,873	0.18	29,238	0.58
8	Lime Quick	3,057,588	50.02	2,437,818	48.54
9	Bio Cide S.D.D.	86,580	1.42	-	-
10	Filter Paper	16,242	0.27	-	-
11	Laboratory Chemicals	-	-	197,856	3.94
12	Filter Media	-	-	19,318	0.38
13	Sewing Thread	-	-	9,585	0.19
14	Caustic Soda Flakes	43,923	0.72	-	-
15	Dechlorizer/Colorquest 555 Talafolic	10,458,180	171.08	6,820,802	135.82
16	Others	858,512	14.04	435,452	8.67
16.1	Common Salt	4,918	0.08	6,736	0.13
16.2	Chema Float 100	-	-	113,369	2.26
16.3	AccoFlocA-110	382,746	6.26	-	-
16.4	Juice Flocculant	1,339,633	21.91	835,299	16.63
16.5	Bleaching Powder	138,308	2.26	118,983	2.37
16.6	Lead Sub Acetate	76,211	1.25	16,297	0.32
16.7	Hydrochloric Acid	-	-	3,104	0.06
16.8	Chemfloc-57HP	-	-	277,765	5.53
16.9	Accofloc	-	-	-	-
16.10	Spirit Mathelated	135,000	2.21	73,421	1.46
16.11	SuperfolicBD-319	-	-	-	-
16.12	Decalent(Chemoquest SD-40)	-	-	-	-
	Total	24,547,959	401.58	19,404,892	386.39
	Less allocated to _____		-		-
a.	Electricity generation	-	-	-	-
b.	Steam Generation	-	-	-	-
c.	Raw Material	-	-	-	-
d.	Admin Expenses	-	-	-	-
e.	Selling and Distribution Expenditure	-	-	-	-
f.	Any Other Specify	-	-	-	-
	Balance transferred to production process Annexure-1	24,547,959	401.58	19,404,892	386.39

Chief Executive Officer

Chief Financial Officer

HUSEIN SUGAR MILLS LIMITED
STATEMENT SHOWING COST OF SALARIES, WAGES AND BENEFITS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

S.No.	Particulars	2012		2011	
		Amount	Cost per ton of sugar	Amount	Cost per ton of sugar
1	Total Sugar Produced (M-Tons)		61,128.7		50,221.10
2	Cost:				
	<i>Salaries / Wages:-</i>				
	Officers and Permanent Staff	89,663,982	1466.81	79,847,146	1589.91
	Seasonal Staff	11,769,245	192.53	10,423,567	207.55
	Daily rated and Contract Labour	9,544,800	156.14	8,545,344	170.15
	Bonuses	12,488,938	204.31	10,287,390	204.84
	Benefits:				
	Medical Expenses / PESSI	7,764,800	127.02	6,618,998	131.80
	Canteen Expenses	624,000	10.21	420,000	8.36
	Welfare, Recreation	1,610,333	26.34	2,051,282	40.85
	Transport and Travelling	915,931	24.81	1,052,915	20.97
	Education Cess	-	-	-	-
	Group Insurance	2,162,449	35.38	954,114	19.00
	Comp. Insurance	-	-	-	-
	Prov.Fund (Employer's contribution)	4,060,387	66.42	3,950,735	78.67
	EOBI	3,917,097	64.08	3,643,729	72.55
	Other Benefits (If any)	22,741,843	372.03	19,598,876	390.25
	Total :	167,263,805	2,746.08	147,394,096	2,934.90
	Less allocated to :				
	Electricity Generation (Annexure - 8/2)	8,151,735	133.35	7,245,987	144.28
	Steam Generation (Annexure - 7/2)	6,379,137	104.36	5,670,344	112.91
	Raw Material (Annexure - 3)	2,639,023	43.17	2,345,798	46.71
	Admin Expenses (Annexure - 10)	74,520,096	1219.07	63,893,581	1272.25
	Selling & Distribution Expenses (Annexure - 11)	2,150,952	35.19	1,678,940	33.43
	<i>Any Other Specify</i>				
		93,840,943	1,535.14	80,834,650	1,609.58
	Balance transferred to production process (Annexure-1)	73,422,862	1,210.94	66,559,446	1,325.33

Chief Executive Officer

Chief Financial Officer

HUSEIN SUGAR MILLS LIMITED
STATEMENT SHOWING COST OF STEAM / GENERATED CONSUMED
FOR THE YEAR ENDED SEPTEMBER 30, 2012

S.No.	Particulars	Unit	2012	Unit	2011
	Types of steam boilers used - Water Tube Bolier				
1	No. of days worked	-	121	-	122
2	Installed Capacity (steam in tonnes)	-	150 Ton/Hr.	-	150 Ton/Hr.
3	Utilised capacity (steam in tonnes)	-	117.09	-	109 Ton/Hr.
4	Production:				
	(a) High pressure steam	-	-	-	-
	(b) Medium pressure steam	-	-	-	-
	(c) Low pressure steam	-	117.09	-	109 Ton/Hr.
	(d) Less: Transit losses	-	-	-	-
	(e) Total	-	117.09	-	109 Ton/Hr.
5	Percentage of capacity utilization ($\frac{3}{2} * 100$)	-	78.06%	-	72.67%

Chief Executive Officer

Chief Financial Officer

HUSEIN SUGAR MILLS LIMITED
STATEMENT SHOWING COST OF STEAM / GENERATED CONSUMED
FOR THE YEAR ENDED SEPTEMBER 30, 2012

S.No.	Particulars	2012			2011		
		Quantity M.Ton	Rate Per Unit (Rs.)	Amount Rupees	Quantity M.Ton	Rate Per Unit (Rs.)	Amount Rupees
1	Water						
2	Fuels:						
	(a) Bagasse:						
	i) Own	188,897.188	-	-	176,509.000	-	-
	ii) Purchased	-	-	-	-	-	-
	(b) Pith	-	-	-	-	-	-
	(c) Coal purchased	-	-	-	-	-	-
	(d) Furnace Oil	-	-	-	-	-	-
	(e) Fire Wood Kg	119.36	-	999,001	108.63	-	909,191
	(f) Gas	-	-	-	-	-	-
	(g) Other fuels, if any	-	-	-	-	-	4,733,307
3	Quantity of waste heat from the plant, if any	-	-	-	-	-	-
4	Consumable stores	-	-	315,416	-	-	290,886
5	Direct salaries, Wages and benefits (Annexure 6)	-	-	6,379,137	-	-	5,670,344
6	Repairs and Maintenance	-	-	10,714,433	-	-	9,997,890
7	Other direct expenses (e.g.Boiler inspection fee etc)	-	-	30,000	-	-	30,000
8	Insurance	-	-	85,686	-	-	81,865
9	Depreciation	-	-	710,980	-	-	645,959
	Total Cost of Steam Raised			19,234,653			22,359,442
10	Less: Outside sale	-	-	-	-	-	-
	Total Cost of Steam for Self Consumption	-	-	19,234,653	-	-	22,359,442
	Add: Cost of Steam Purchased	-	-	-	-	-	-
	Total Cost of Steam Consumed			19,234,653			22,359,442
	ALLOCATION						
	Total of item 12 allocated to _____	-	-	-	-	-	-
	(i) White bagged sugar	-	-	-	-	-	-
	(ii) Electric powerhouse	-	-	-	-	-	-
	(iii) Others	-	-	-	-	-	-
	(a) Staff colony	-	-	-	-	-	-
	(b) Office building etc.	-	-	-	-	-	-
	Total cost of "Steam" transferred to (Annexure1)			19,234,653			22,359,442

Chief Executive Officer

Chief Financial Officer

HUSEIN SUGAR MILLS LIMITED
STATEMENT OF COST OF ELECTRIC POWER PURCHASED / GENERATED AND CONSUMED
FOR THE YEAR ENDED SEPTEMBER 30, 2012

S.No.	Particulars	2012	2011	Variance
1	Installed Capacity (KWH).	22,506,000	22,692,000	(186,000)
2	No. of units generated (KWH).	11,290,396	9,684,751	1,605,645
3	No. of units purchased (KWH).	1,145,052	1,212,860	(67,808)
4	Total (2 + 3)	12,435,448	10,897,611	1,537,837
5	Consumption in Power House including other losses	-	-	-
6	Net units consumed (4-5)	12,435,448	10,897,611	1,537,837
7	Percentage of consumption	100%	100%	-
	losses to total units	-	-	-
	Available =5/4* 100	-	-	-
	Percentage of power generated to installed capacity	-	-	-
	2/1 * 100	50.17%	42.68%	-

Chief Executive Officer

Chief Financial Officer

HUSEIN SUGAR MILLS LIMITED
STATEMENT OF COST OF ELECTRIC POWER PURCHASED / GENERATED AND CONSUMED
FOR THE YEAR ENDED SEPTEMBER 30, 2012

S.No.	Particulars	2012			2011		
		Quantity M.Ton	Rate Rs./M.Ton	Amount Rupees	Quantity M.Ton	Rate Rs./M.Ton	Amount Rupees
1	Steam (Annexure 7/2)						
2	Consumable Stores			165,497			150,345
3	Salaries and Wages (Annexure 6)			8,151,735			7,245,987
4	Other direct expenses			-			-
5	Repairs and maintenance			1,345,679			1,275,466
6	Duty on electricity			478,259			696,340
7	Depreciation			965,786			923,727
8	Total			11,106,956			10,291,865
	Less: (a) Credit for exhaust steam used in process etc.			-			-
	(b) Other credits, if any			-			-
9	Cost of power generated			11,106,956			10,291,865
10	Less: Cost of power sold			-			-
11	Add: Cost of power purchased			16,620,713			13,506,988
12	Total net cost of power consumed			27,727,669			23,798,853
13	Cost per unit average			2.23			2.18
	Total at item 12 allocated to _____						
	(i) White bagged sugar			18,680,404			16,275,073
	(ii) Self-consumption			-			-
	(iii) Others:			-			-
	(a) Staff colony			8,364,702			6,957,800
	(b) Office building			682,563			565,980
	(c) Other (specify)			-			-
	Total as per item 12 above transferred to (Annexure 1)			27,727,669			23,798,853

Chief Executive Officer

Chief Financial Officer

HUSEIN SUGAR MILLS LIMITED
STATEMENT SHOWING OTHER FACTORY OVERHEADS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

S.No.	Particulars	2012		2011	
		Amount Rs.	Cost per ton of sugar	Amount Rs.	Cost per ton of sugar
1	Total Sugar Produced (M-Tons)		61,128.7		50,221.10
		Rupees	Rupees	Rupees	Rupees
2	Rent, Rate and Taxes	-	-	-	-
3	Printing and Stationery	-	-	-	-
4	Postage and Telegrams	-	-	-	-
5	Telephone Fax and Telex	-	-	-	-
6	Travelling and Conveyance	-	-	-	-
7	Subscriptions, Books and Periodicals	-	-	-	-
8	Entertainment	-	-	-	-
9	Vehicle Running Expenses	-	-	-	-
10	Security	-	-	-	-
11	Fire Fighting	-	-	-	-
12	Other Expenses				
12.1	Apprenticeship training expenses	21,600	0.35	11,470	0.23
12.2	Tractor trolley expenses	3,267,601	53.45	4,860,875	96.79
12.3	M.Committee fee -Molasses	-	-	39,436	0.79
12.4	Press mud removal	-	-	-	-
12.5	Electricity-colony	8,364,702	136.84	6,957,800	138.54
13	Total	11,653,903	190.65	11,869,581	236.35
	Allocated to ____				
	(i) White bagged sugar	11,653,903	190.65	11,869,581	236.35
	(ii) Power House	-	-	-	-
	(iii) Steam Generation	-	-	-	-
	(iv) Others:	-	-	-	-
	(a) Staff Colony	-	-	-	-
	(b) Office building etc.	-	-	-	-
	Total as per item 13 above transferred to (Annexure 1)	11,653,903	190.65	11,869,581	236.35

Chief Executive Officer

Chief Financial Officer

HUSEIN SUGAR MILLS LIMITED
STATEMENT SHOWING ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2011

S.No.	Particulars	2012		2011	
		Amount	Cost per ton of sugar	Amount	Cost per ton of sugar
1	Total Sugar Sold (M-Tons)		60,482.45		52,150.35
		Rupees	Rupees	Rupees	Rupees
	Costs:				
2	Salaries, Wages and Benefits (Annex 6)	74,520,096	1,232.09	63,893,581	1,225.18
3	Rent, Rate and Taxes	3,911,901	64.68	3,503,581	67.18
4	Insurance	1,707,997	28.24	1,079,615	20.70
5	Water, Gas and Electricity	725,413	11.99	608,740	11.67
6	Printing and Stationery	1,508,768	24.95	1,226,625	23.52
7	Telephone Fax and Telex & Postage	1,459,691	24.13	1,392,256	26.70
8	Repair and Maintenance	1,303,582	21.55	2,373,398	45.51
9	Travelling and Conveyance	1,148,159	18.98	647,255	12.41
10	Subscriptions, Books and Periodicals	1,102,916	18.24	2,336,803	44.81
11	Entertainment	1,437,331	23.76	1,088,430	20.87
12	Advertising	36,850	0.61	280,545	5.38
13	Legal and Professional Expenditure	1,512,500	25.01	4,653,166	89.23
14	Auditors' remuneration	769,900	12.73	707,500	13.57
15	Vehicle Running Expenses	9,374,816	155.00	8,364,500	160.39
16	Depreciation & Amortization	8,611,238	142.38	5,126,720	98.31
17	Misc. expenses	2,495,586	41.26	1,859,501	35.66
	Total "Admin Expenses" transferred to (Annexure 1)	111,626,744	1,845.61	99,142,216	1,901.08

Chief Executive Officer

Chief Financial Officer

HUSEIN SUGAR MILLS LIMITED
STATEMENT SHOWING SELLING EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

S.No.	Particulars	2012		2011	
		Amount	Cost per ton of sugar	Amount	Cost per ton of sugar
1	2	3	4	3	4
1	Total Sugar Sold (M-Tons)		60,482.45		52,150.35
	Costs:	Rupees	Rupees	Rupees	Rupees
2	Salaries, Wages and Benefits (Annex 6)	2,150,952	35.56	1,678,940	32.19
3	Travelling and Conveyance	-	-	-	-
4	Commission	3,247,828	53.70	3,455,340	66.26
5	Freight Outwards	-	-	-	-
6	Handling and Distribution	2,850,507	47.13	2,341,558	44.90
7	Loading / Unloading	-	-	-	-
8	Export Expenses	-	-	-	-
9	Vehicle Running Expenses	-	-	-	-
10	Other Expenses	673,009	11.13	339,162	6.50
	Total :Selling Expenses" transferred to (Annexure 1)	8,922,296	147.52	7,815,000	149.86

Chief Executive Officer

Chief Financial Officer

HUSEIN SUGAR MILLS LIMITED
RECONCILIATION OF COST OS SALE AS PER FINANCIAL AND COST AUDIT
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Amount	Rupees
Cost of sales as per financial statements		2,812,500,263
Add: Sales tax and special excise duty on sugar		192,005,799
Less Realisable value of:		
Molasses	-	(244,857,990)
Press Mud	-	(9,140,649)
Bagasses	-	(1,904,241)
		(255,902,880)
Add: Effect of finished goods stock of Molasses and Mud:		
Opening stock		
Molasses	-	
Mud	(7,198,663)	(7,198,663)
Closing stock		
Molasses	-	
Mud	13,644,242	13,644,242
		6,445,579
Add: Inspection fee of Boiler		30,000
Add: Electricity of Colony		
Less: Electricity of Office Building		(682,563)
Cost of sales as per Annexure 1		2,754,396,198