

HUSEIN SUGAR MILLS LIMITED



**Condensed Interim Financial Information
For The Half Year Ended
31 MARCH 2015**



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**COMPANY INFORMATION**

BOARD OF DIRECTORS	Mst. Nusrat Shamim Mr. Ahmed Ali Tariq Mr. Mustafa Ali Tariq Mr. Shahzad Aslam Mr. Aamir Naseem Mr. Ejaz Ahmad Mr. Muhammad Shams Amin	Executive Director Non Executive Director Executive Director Non Executive Director Non Executive Director Independent Director Non Executive Director	CEO Chairman
AUDIT COMMITTEE	Mr. Ejaz Ahmad Mr. Ahmed Ali Tariq Mr. Aamir Naseem	Independent Director Non Executive Director Non Executive Director	Chairman Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mr. Ahmed Ali Tariq Mr. Ejaz Ahmad Mr. Mustafa Ali Tariq	Non Executive Director Independent Director Executive Director	Chairman Member Member
CHIEF FINANCIAL OFFICER	Mr. Farooq Ahmed		
COMPANY SECRETARY	Syed Arif Hussain		
LEGAL ADVISOR	Syed Mazhar Hussain Naqvi		
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 Albaraka Bank (Pakistan) Limited Bank Islami Pakistan Limited Summit Bank Limited NIB Bank Limited		
SHARE REGISTRAR	M/S Hameed Majeed Associates (Pvt) Limited 1st Floor, H. M. House, 7-Bank Square, Lahore. Ph:042- 37235081-2 Fax: 042- 37358817		
AUDITORS	Riaz Ahmad & Company Chartered Accountants		
MILLS	Lahore Raod, Jaranwala		
REGISTERED HEAD OFFICE	30-A E/1, Old FCC Gulberg III, Lahore Ph: 042-35762089 - 35762090 Fax: 042-35712680 E-mail: info@huseinsugarmills.com Website: www.huseinsugarmills.com		



DIRECTORS' REPORT

On behalf of the Board, I am pleased to present half yearly interim condensed financial information of the Company for the period ended on March 31, 2015.

Highlights of the Company's performance for the half year and its comparison with corresponding period of last year is as under:

OPERATIONAL		2015	2014
Crushing days	Nos.	139	114
Sugarcane crushed	(M. Tons)	447,091	429,611
Sugar produced	(M. Tons)	41,103	40,415
Sugar recovery	(Percentage)	9.20	9.41

Rupees

FINANCIAL			
Sales		1,880,467,297	2,289,980,006
Gross profit / (loss)		(110,985,720)	158,850,117
Operating and finance cost		118,839,230	135,450,081
Profit / (loss) before taxation		(211,243,009)	30,178,854
Profit / (loss) after taxation		(211,243,009)	1,581,364
Earnings / (loss) per share		(12.43)	0.09

The early start of crushing season did not improve the operational and financial position of the Company. The tight liquidity of the Company also not allowed to achieve its crushing targets. The sugar industry generally and central Punjab mills particularly are in liquidity trap. Mills are forced to sell stocks at low sugar prices creating glut in the local market. This situation has become acute as cane price forms the largest component of sugar cost. Whereas, sugar prices remain low due to surplus availability in local and international market. The export subsidy allowed by the government, mitigated by disparity of sugar cane prices among the Provinces.

In response to the auditor's observation regarding Company's ability to continue as going concern, the directors' comments are as follows:

Although company has current and accumulated losses mainly due to low sugar prices because of surplus availability. However, the management is able to full fill financial commitments despite the low sugar prices and administrative pressure for payment to growers, Further the sponsors have assured fresh injection of the fund into the company to improve the liquidity. The assurance by the financial institution providing the financial facilities, which will also help to procure quality sugar cane during the next crushing season which will improve the profitability and financial strength of the company.

The Board acknowledges with thanks the continued support and cooperation extended by all stakeholders, bankers, financial institutions and growers. The Board also places on record its appreciation for employees of the Company for their devotion and hard work.

Amir H.
Chief Executive

(By the order of the Board)

Lahore: May 27, 2015



**AUDITORS' REPORT TO THE MEMBERS
ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION**

Introduction

We have reviewed the accompanying condensed interim balance sheet of **HUSEIN SUGAR MILLS LIMITED** as at 31 March 2015 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (herein after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 March 2015 and 31 March 2014 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 March 2015.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended 31 March 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to note 1.1 to the financial statements, which indicates that the company has incurred net loss of Rupees 211.243 million during the half year ended 31 March 2015. Equity of the company stands at a negative balance of Rupees 404.447 million due to accumulated losses of Rupees 574.447 as on 31 March 2015. At the balance sheet date, the company's current liabilities exceeded its current assets by Rupees 1,087.807 million. These conditions, alongwith other matters as set forth in the note 1.1, indicate the existence of material uncertainty which may cast doubt about the company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the realization of the company's assets and liquidation of any liabilities that may be necessary should the company be unable to continue as a going concern. Our conclusion is not qualified in respect of this matter.


RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Syed Mustafa Ali
Date: May 27, 2015
LAHORE

**HUSEIN SUGAR MILLS LIMITED****CONDENSED INTERIM BALANCE SHEET**

	NOTE	Un-audited 31 March 2015 Rupees	Audited 30 September 2014 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
50,000,000 (30 September 2014: 50,000,000) ordinary shares of Rupees 10 each		<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid-up share capital			
17,000,000 (30 September 2014: 17,000,000) ordinary shares of Rupees 10 each		170,000,000	170,000,000
Reserves		<u>(574,446,501)</u>	<u>(390,734,171)</u>
Total equity		(404,446,501)	(220,734,171)
Share deposit money		107,000,000	107,000,000
Surplus on revaluation of operating fixed assets - net of deferred income tax		1,512,545,256	1,541,802,260
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term finance	6	-	-
Liabilities against assets subject to finance lease	7	-	7,576,147
Long term deposits		6,861,793	6,753,535
Deferred income tax liability	8	295,704,769	295,704,769
		302,566,562	310,034,451
CURRENT LIABILITIES			
Trade and other payables		1,415,889,214	1,015,893,600
Accrued mark-up		15,870,927	12,037,547
Short term borrowings		411,091,993	316,430,454
Current portion of non-current liabilities		38,236,299	60,318,011
Provision for taxation		6,850,985	6,850,985
Total liabilities		<u>1,887,939,418</u>	<u>1,411,530,597</u>
		2,190,505,980	1,721,565,048
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		<u>3,405,604,735</u>	<u>3,149,633,137</u>

The annexed notes form an integral part of this condensed interim financial information.


CHIEF EXECUTIVE
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AS AT 31 MARCH 2015

ASSETS	NOTE	Un-audited 31 March 2015 Rupees	Audited 30 September 2014 Rupees
NON-CURRENT ASSETS			
Fixed assets	10	2,585,843,411	2,558,087,353
Long term investments		14,217,925	15,944,250
Long term deposits		5,410,929	9,904,929
		2,605,472,265	2,583,936,532
 CURRENT ASSETS			
Stores, spare parts and loose tools		113,235,187	112,585,164
Stock-in-trade		403,067,518	106,541,620
Trade debts		41,625,939	15,529,595
Advances		16,798,839	32,580,568
Short term deposits and prepayments		17,795,587	20,716,782
Other receivables		199,482,279	151,077,178
Cash and bank balances		8,127,121	106,465,698
		800,132,470	545,496,605
Non-current asset held for sale		-	20,200,000
		800,132,470	565,696,605
 TOTAL ASSETS		3,405,604,735	3,149,633,137


 CHAIRMAN / DIRECTOR

**HUSEIN SUGAR MILLS LIMITED****CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 MARCH 2015**

Note	HALF YEAR ENDED		QUARTER ENDED	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	----- Rupees -----			
SALES	1,880,467,297	2,289,980,006	1,268,827,663	1,098,502,680
COST OF SALES	11 (1,991,453,017)	(2,131,129,889)	(1,377,437,191)	(998,702,399)
GROSS PROFIT / (LOSS)	(110,985,720)	158,850,117	(108,609,528)	99,800,281
DISTRIBUTION COST	(9,693,141)	(6,040,285)	(7,200,901)	(2,800,455)
ADMINISTRATIVE EXPENSES	(75,413,442)	(72,571,244)	(38,098,237)	(39,447,184)
OTHER EXPENSES	(1,168,893)	(5,954,466)	(1,168,893)	(5,657,916)
	(86,275,476)	(84,565,995)	(46,468,031)	(47,905,555)
	(197,261,196)	74,284,122	(155,077,559)	51,894,726
OTHER INCOME	18,581,941	6,778,818	(704,311)	3,058,118
PROFIT / (LOSS) FROM OPERATIONS	(178,679,255)	81,062,940	(155,781,870)	54,952,844
FINANCE COST	(32,563,754)	(50,884,086)	(17,795,361)	(28,775,270)
PROFIT / (LOSS) BEFORE TAXATION	(211,243,009)	30,178,854	(173,577,231)	26,177,574
TAXATION	-	(28,597,490)	-	(37,936,022)
PROFIT / (LOSS) AFTER TAXATION	(211,243,009)	1,581,364	(173,577,231)	(11,758,448)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED	(12.43)	0.09	(10.21)	(0.69)

The annexed notes form an integral part of this condensed interim financial information.

Ahmed Al-Fayez
CHIEF EXECUTIVE

Ahmed Al-Fayez
CHAIRMAN / DIRECTOR



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 MARCH 2015**

HALF YEAR ENDED		QUARTER ENDED	
31 March 2015	31 March 2014	31 March 2015	31 March 2014

-----Rupees-----

PROFIT / (LOSS) AFTER TAXATION (211,243,009) 1,581,364 (173,577,231) (11,758,448)

OTHER COMPREHENSIVE INCOME:

Items that will not be reclassified to profit and loss account

-	-	-	-
(1,726,325)	5,046,745	1,008,425	8,042,450

Items that may be reclassified subsequently to profit and loss account:

Surplus / (deficit) on remeasurement of available for sale investments

Other comprehensive income / (loss) for the period (1,726,325) 5,046,745 1,008,425 8,042,450

**TOTAL COMPREHENSIVE INCOME / (LOSS)
FOR THE PERIOD**

(212,969,334) 6,628,109 (172,568,806) (3,715,998)

The annexed notes form an integral part of this condensed interim financial information.

Amal Singh
CHIEF EXECUTIVE

Amal Singh
CHAIRMAN / DIRECTOR

**HUSEIN SUGAR MILLS LIMITED****CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 MARCH 2015**

	HALF YEAR ENDED	
	31 March 2015	31 March 2014
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	(211,243,009)	30,178,854
Adjustments for non-cash charges and other items:		
Depreciation	60,595,361	31,494,152
Profit on bank deposits	(139,024)	(127,851)
Dividend income	(375,000)	(562,500)
Loss / (gain) on disposal of operating fixed assets	90,959	(1,800,000)
Finance cost	32,563,754	50,884,086
Cash flows from operating activities before working capital changes	(118,506,959)	110,066,741
WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(650,023)	41,613,906
Stock-in-trade	(296,525,898)	15,139,729
Trade debts	(26,096,344)	6,008,890
Advances	15,781,729	(8,063,812)
Short term deposits and prepayments	6,267,695	(3,849,379)
Other receivables	(35,734,915)	(26,644,719)
Increase in current liabilities:		
Trade and other payables	399,995,614	263,509,213
	63,037,858	287,713,828
Cash generated from / (used in) operations	(55,469,101)	397,780,569
Finance cost paid	(28,730,374)	(60,446,139)
Income tax paid	(12,667,281)	(28,556,882)
Net decrease in long term deposits	1,147,500	-
Net cash generated from / (used in) operating activities	(95,719,256)	308,777,548
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of operating fixed assets	20,437,640	1,800,000
Property, plant and equipment - acquired	(88,680,018)	(26,963,310)
Dividend received	375,000	562,500
Profit on bank deposits received	136,123	139,657
Net cash used in investing activities	(67,731,255)	(24,461,153)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of liabilities against assets subject to finance lease	(4,674,525)	(4,948,788)
Repayments of long term finance	(24,983,338)	(24,983,334)
Short term borrowings - net	94,661,539	(294,904,031)
Share deposit money received	-	52,500,000
Long term deposits - net	108,258	527,758
Net cash flows from / (used in) financing activities	65,111,934	(271,808,395)
Net (decrease) / increase in cash and cash equivalents	(98,338,577)	12,508,000
Cash and cash equivalents at the beginning of the period	106,465,698	13,390,467
Cash and cash equivalents at the end of the period	8,127,121	25,898,467

The annexed notes form an integral part of this condensed interim financial information.


CHIEF EXECUTIVE
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CHAIRMAN / DIRECTOR



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 MARCH 2015

	RESERVES							TOTAL EQUITY	
	Capital			Revenue			TOTAL		
	Premium on issue of right shares	Fair value reserve	Sub total	General	Accumulated loss	Sub total			
SHARE CAPITAL									
	----- Rupees -----								
Balance as at 30 September 2013 (audited)	170,000,000	21,093,550	16,927,805	38,021,355	169,450,000	(300,076,036)	(130,626,036)	(92,604,681)	77,395,319
Profit for the half year ended 31 March 2014	-	-	-	-	-	1,581,364	1,581,364	1,581,364	1,581,364
Other comprehensive income for the half year ended 31 March 2014	-	-	5,046,745	5,046,745	-	-	-	5,046,745	5,046,745
Total comprehensive income for the half year ended 31 March 2014	-	-	5,046,745	5,046,745	-	1,581,364	1,581,364	6,628,109	6,628,109
Balance as at 31 March 2014 (un-audited)	170,000,000	21,093,550	21,974,550	43,068,100	169,450,000	(298,494,672)	(129,044,672)	(85,976,572)	84,023,428
Loss for the half year ended 30 September 2014	-	-	-	-	-	(296,226,849)	(296,226,849)	(296,226,849)	(296,226,849)
Other comprehensive loss for the half year ended 30 September 2014	-	-	(8,530,750)	(8,530,750)	-	-	-	(8,530,750)	(8,530,750)
Total comprehensive loss for the half year ended 30 September 2014	-	-	(8,530,750)	(8,530,750)	-	(296,226,849)	(296,226,849)	(304,757,599)	(304,757,599)
Balance as at 30 September 2014 (audited)	170,000,000	21,093,550	13,443,800	34,537,350	169,450,000	(594,721,521)	(425,271,521)	(390,734,171)	(220,734,171)
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of tax	-	-	-	-	-	29,257,004	29,257,004	29,257,004	29,257,004
Loss for the half year ended 31 March 2015	-	-	-	-	-	(211,243,009)	(211,243,009)	(211,243,009)	(211,243,009)
Other comprehensive loss for the half year ended 31 March 2015	-	-	(1,726,325)	(1,726,325)	-	-	-	(1,726,325)	(1,726,325)
Total comprehensive loss for the half year ended 31 March 2015	-	-	(1,726,325)	(1,726,325)	-	(211,243,009)	(211,243,009)	(212,969,334)	(212,969,334)
Balance as at 31 March 2015 (un-audited)	170,000,000	21,093,550	11,717,475	32,811,025	169,450,000	(776,707,526)	(607,257,526)	(574,446,501)	(404,446,501)

The annexed notes form an integral part of this condensed interim financial information.

Amruth Singh
CHIEF EXECUTIVE

Amruth Singh
CHAIRMAN / DIRECTOR



**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 MARCH 2015**

1. THE COMPANY AND ITS OPERATIONS

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

1.1 GOING CONCERN ASSUMPTION

The Company incurred loss after taxation of Rupees 294.645 million in the preceding financial year ended 30 September 2014 and further incurred loss after taxation of Rupees 211.243 million during the current half year ended 31 March 2015. These continuing losses have resulted in erosion of the Company's equity and depletion of working capital base. During last few years, the Company is facing financial crunch mainly due to low sugar prices as abundant supply of sugar is available in local and international markets. Further, cut throat competition among sugar mills for procurement of sugarcane at higher prices and Government pressure to make timely payments to sugarcane growers, forced the sugar industry to sell the sugar at below its cost of manufacturing. In order to turn the current state of affairs around, the Company undertook significant measures to improve its productivity, financial results and liquidity. During the half year ended 31 March 2015, additions have been made in the plant and machinery to improve the efficiency. Further, cost cut measures have also been taken at Company level. Government policies regarding subsidies for export of sugar will further help in improving the liquidity as well as profitability. The management is planning to get long term loans from banks / financial institutions after injection of further share capital from sponsors and is confident that these steps will bring the Company out of the existing crisis and the Company will continue as 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. BASIS OF PREPARATION

This condensed interim financial information is un-audited but subject to limited scope review by the statutory auditors and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This condensed interim financial information of the Company for the half year ended 31 March 2015 has been prepared in accordance with the requirements of International Accounting Standard - 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information should be read in conjunction with audited annual published financial statements of the Company for the year ended 30 September 2014.

3. ACCOUNTING POLICIES

The accounting policies and method of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 September 2014.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information 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.



During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 September 2014.

5. SEASONALITY OF OPERATIONS

The Company is inter-alia, engaged in manufacturing of sugar for which the season begins in October / November and ends in March / April. Therefore, majority of expenses are incurred and production activities are undertaken in first half of the Company's financial year thus increasing volume of inventories and financing at the end of this first half.

	Un-audited 31 March 2015 Rupees	Audited 30 September 2014 Rupees
6. LONG TERM FINANCE		
Opening balance	49,966,664	99,933,332
Less: Repayment during the half year / year	<u>24,983,334</u>	<u>49,966,668</u>
Closing balance	<u>24,983,330</u>	<u>49,966,664</u>
Less: Current portion shown under current liabilities	<u>24,983,330</u>	<u>49,966,664</u>
	<u>-</u>	<u>-</u>

7. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Future minimum lease payments	13,647,397	18,764,688
Less: Un-amortized finance charge	<u>394,428</u>	<u>837,194</u>
Present value of future minimum lease payments	<u>13,252,969</u>	<u>17,927,494</u>
Less: Current portion shown under current liabilities	<u>13,252,969</u>	<u>10,351,347</u>
	<u>-</u>	<u>7,576,147</u>

8. DEFERRED INCOME TAX LIABILITY

The (liability) / asset for deferred taxation comprises temporary differences arising due to:

	Un-audited 31 March 2015 Rupees	Audited 30 September 2014 Rupees
Taxable temporary differences		
Accelerated tax depreciation	(111,277,262)	(88,057,173)
Finance lease	(3,069,599)	(3,583,051)
Surplus on revaluation of operating fixed assets	<u>(427,057,451)</u>	<u>(441,467,617)</u>
	<u>(541,404,312)</u>	<u>(533,107,841)</u>
Deductible temporary differences		
Available tax losses	<u>323,138,141</u>	<u>251,233,839</u>
Turnover tax available for carry forward	<u>-</u>	<u>31,784,666</u>
	<u>323,138,141</u>	<u>283,018,505</u>
Net deferred income tax liability	<u>(218,266,171)</u>	<u>(250,089,336)</u>
Less: Deferred income tax asset not recognized	<u>77,438,598</u>	<u>45,615,433</u>
Net deferred income tax liability recognized	<u>(295,704,769)</u>	<u>(295,704,769)</u>



9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

9.1.1 The tax department raised demand of Rupees 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 is unlawful. The proceeding of case is in process. Based on the advice of the legal counsel, the management expects a favourable outcome of the matter. Hence, no provision has been made in these financial statements.

9.1.2 Guarantees of Rupees 42.800 million (30 September 2014: Rupees 42.800 million), Rupees Nil (30 September 2014: Rupees 20.000 million) and Rupees Nil (30 September 2014: Rupees 16.577 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connection, Engro Fertilizers Limited against supply of fertilizer and Trading Corporation of Pakistan against sale of sugar respectively.

	Un-audited 31 March 2015 Rupees	Audited 30 September 2014 Rupees
9.2 Commitments		
For capital expenditure	Nil	Nil
Letters of credit other than capital expenditure	Nil	7,061,123

10. FIXED ASSETS

Property, plant and equipment

Operating fixed assets

Owned (Note 10.1)

Leased (Note 10.2)

Capital work-in-progress (Note 10.3)

Intangible asset (Note 10.4)

2,536,406,193	2,440,054,016
22,554,783	28,785,225
2,558,960,976	2,468,839,241
26,882,435	89,248,112
-	-
2,585,843,411	2,558,087,353

10.1 OPERATING FIXED ASSETS – OWNED

Opening book value

Add: Cost of additions during the half year / year (Note 10.1.1)

Add: Surplus on revaluation of operating fixed assets

Add: Book value of assets transferred from assets subject to finance lease during the half year / year (Note 10.2)

Less: Book value of deletions during the half year / year (Note 10.1.2)

Less: Book value of asset transferred to non-current asset held for sale

Less: Impairment loss charged during the half year / year

Less: Depreciation charged during the half year / year

Closing book value

2,440,054,016	964,239,884
151,045,695	33,581,719
-	1,490,585,848
4,474,687	-
2,595,574,398	2,488,407,451
328,599	419,894
-	20,200,000
2,595,245,799	2,467,787,557
-	740,212
58,839,606	26,993,329
2,536,406,193	2,440,054,016



	Un-audited 31 March 2015 Rupees	Audited 30 September 2014 Rupees
10.1.1 COST OF ADDITIONS DURING THE HALF YEAR / YEAR		
Freehold land	-	285,892
Plant and machinery	143,799,906	24,143,564
Factory equipment	198,000	108,609
Gas and electric installations	3,182,680	2,958,208
Furniture and fixtures	-	35,400
Office equipment	50,500	1,469,369
Computer equipment	887,300	127,660
Vehicles	2,927,309	4,453,017
	<u>151,045,695</u>	<u>33,581,719</u>
	Un-audited 31 March 2015 Rupees	Audited 30 September 2014 Rupees
10.1.2 BOOK VALUE OF DELETIONS DURING THE HALF YEAR / YEAR		
COST		
Standby equipment	-	492,475
Office equipment		39,000
Vehicle	594,120	416,000
	<u>594,120</u>	<u>947,475</u>
Less: Accumulated depreciation	265,521	527,581
	<u>328,599</u>	<u>419,894</u>
10.2 OPERATING FIXED ASSETS – LEASED		
Opening book value	28,785,225	34,954,120
Less: Book value of assets transferred to owned fixed assets during the half year / year (Note 10.1)	4,474,687	-
Less: Book value of deletions during the half year / year	-	1,009,028
	<u>24,310,538</u>	<u>33,945,092</u>
Less: Depreciation charged during the half year / year	1,755,755	5,159,867
Closing book value	<u>22,554,783</u>	<u>28,785,225</u>
10.3 CAPITAL WORK-IN-PROGRESS		
Plant and machinery	4,026,435	87,167,612
Advance for purchase of vehicle	22,856,000	2,080,500
	<u>26,882,435</u>	<u>89,248,112</u>
10.4 INTANGIBLE ASSET		
This represents fully amortized computer software having cost of Rupees 1,000,000. This is still in the use of the Company.		

**HUSEIN SUGAR MILLS LIMITED**

(Un-audited)

	HALF YEAR ENDED		QUARTER ENDED	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
11. COST OF SALES				
Rupees				
Raw materials consumed:				
Sugarcane purchased	2,033,277,757	1,887,436,789	1,090,077,410	1,041,460,782
Sugarcane development cess	16,771,801	10,738,704	8,912,969	5,765,397
Market committee fee	2,236,240	2,147,741	1,428,343	1,153,080
	2,052,285,798	1,900,323,234	1,100,418,722	1,048,379,259
Salaries, wages and other benefits	78,202,226	67,656,419	40,642,264	40,118,950
Workers' welfare	1,060,465	2,077,647	535,360	784,155
Stores, spare parts and loose tools	10,428,073	8,395,184	3,468,794	3,670,933
Chemicals consumed	26,202,933	28,926,040	14,230,408	18,344,410
Packing material consumed	22,193,674	21,047,055	12,805,523	12,590,451
Fuel and power	13,435,333	9,358,453	4,659,776	3,359,698
Repair and maintenance	24,145,436	42,322,647	14,854,502	580,108
Insurance	1,758,009	2,559,563	830,142	1,223,111
Other factory overheads	4,960,446	7,881,329	1,191,668	3,763,526
Depreciation	53,306,523	25,442,589	24,998,155	12,999,607
	235,693,118	215,666,926	118,216,592	97,434,949
	2,287,978,916	2,115,990,160	1,218,635,314	1,145,814,208
Work-in-process:				
Opening stock	1,659,576	1,272,242	19,374,911	21,660,754
Closing stock	(2,299,865)	(1,723,251)	(2,299,865)	(1,723,251)
	(640,289)	(451,009)	17,075,046	19,937,503
Cost of goods manufactured	2,287,338,627	2,115,539,151	1,235,710,360	1,165,751,711
Finished goods:				
Opening stock	104,882,044	665,180,797	542,494,485	482,540,747
Closing stock	(400,767,654)	(649,590,059)	(400,767,654)	(649,590,059)
	(295,885,610)	15,590,738	141,726,831	(167,049,312)
	1,991,453,017	2,131,129,889	1,377,437,191	998,702,399

12. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, other related companies, key management personnel and provident fund. The Company in the normal course of business carries out transactions with related parties. Details of transactions with related parties are as follows:

	Un-audited 31 March 2015 Rupees	Un-audited 31 March 2014 Rupees
Contributions to provident fund	2,350,822	2,426,346
Remuneration to key management personnel	25,469,156	27,560,307
Dividend received from associated company	375,000	562,500

13. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 September 2014.

14. DATE OF AUTHORIZATION

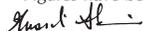
This condensed interim financial information was approved by the Board of Directors and authorized for issue on May 27, 2015

15. CORRESPONDING FIGURES

Corresponding figures in the condensed interim balance sheet and condensed interim statement of changes in equity comprise of balances as per the audited financial statements for the year ended 30 September 2014. Corresponding figures in the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement comprise of balances of comparable period as per the condensed interim financial information for the half year ended 31 March 2014, which were subjected to limited scope review by the auditors as required by the Code of Corporate Governance.

16. GENERAL

Figures have been rounded off to the nearest of Rupee.


CHIEF EXECUTIVE


CHAIRMAN / DIRECTOR