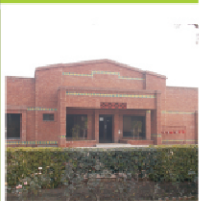




# Husein Sugar Mills Limited



**UN-AUDITED CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE THIRD QUARTER ENDED  
30 JUNE 2017**



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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Directors	Mr. Ahmed Ali Tariq (Chairman) Mr. Mustafa Ali Tariq (Chief Executive Officer) Mr. Ali Ashfaq Mrs. Maryam Habib Mr. Muhammad Iftikhar Mst. Nusrat Shamim Mr. Taufiq Ahmed Khan
Chief Financial Officer/COO	Mr. Wasim Saleem
Company Secretary	Mr. Khalid Mahmood
Head of Internal Audit	Mr. Jalal-ud-din Khan

### AUDIT COMMITTEE

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

### HUMAN RESOURCE & REMUNERATION COMMITTEE

Chairman	Mr. Ahmed Ali Tariq
Member	Mr. Taufiq Ahmad Khan
Member	Mr. Mustafa Ali Tariq

### LEGAL ADVISOR

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

### BANKERS

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

### SHARE REGISTRAR

M/s Corptec Associates (Pvt) Limited  
503-E, Johar Town, Lahore.  
Ph:042- 35170336-7 Fax: 042- 35170338  
E-mail: info@corptec.com.pk

### EXTERNAL AUDITORS

Kreston Hyder Bhimji & Co  
Chartered Accountants  
Amin Building, The Mall, Lahore.

### COST AUDITORS

Amin Mudassar & Company  
Chartered Accountants  
IEP Building, Liberty, Lahore.

### MILLS

### REGISTERED / HEAD OFFICE

Lahore Raod, Jaranwala Ph: 041-4563299-96  
30-A E/1, Old FCC Gulberg III, Lahore  
**Ph:** 042-35762089 - 35762090 Fax: 35712680  
**E-mail:** info@huseinsugarmills.com  
**Website:** www.huseinsugarmills.com

**DIRECTORS' REPORT**

I am pleased to present the third quarter interim condensed financial information of the Company for the period ending on June 30, 2017.

The highlights of the Company's performance for the nine months and its comparison with the corresponding period from last year are illustrated below:

	<b>2017</b>	<b>2016</b>	<b>% Increased</b>
<b>OPERATIONAL</b>			
Sugarcane crushed (M. Tons)	<b>660,136</b>	499,396	31.20
Sugar produced (M. Tons)	<b>65,024</b>	46,861	38.76
Sugar recovery percentage	<b>9.85</b>	9.41	4.67
	Rupees		
<b>FINANCIAL</b>			
Sales	<b>3,099,870,313</b>	2,937,701,935	5.52
Gross profit	<b>526,537,193</b>	262,483,520	10.0
Operating cost	<b>158,658,847</b>	135,988,227	16.67
Finance cost	<b>67,739,911</b>	45,385,578	49.25
Profit before taxation	<b>329,803,017</b>	154,652,424	113.25
Profit after taxation	<b>298,804,314</b>	204,275,405	46.28
Earnings per share	<b>17.58</b>	12.02	46.26

Alhamdulillah, in the first nine months of the current financial year, the company has outperformed expectations to post record-breaking earnings. The continued outstanding performance of the company has been the result of the incorporation of strategic operational and financial policies that have generated historic revenues and profits. In particular, by anticipating the national cultivation of sugarcane timely, foreseeing a surplus in sugar production, and analyzing market trends preemptively, the decision of the company's management to pursue an aggressive sales strategy by selling all our sugar and molasses at very attractive rates during the crushing season has led to considerable and comprehensive returns. This approach has led to remarkable financial results in the first nine months and similar profitability trends can be expected in the final quarter of the financial year.

Furthermore, this year we have actively pursued policies catered at reestablishing the confidence of all our stakeholders. It gives me pleasure in revealing to members of the company that confidence of the bankers in your project has been restored and we are confident that in the next financial year, the entirety of our requirement of working capital finances will be available at competitive markup rates.

The company has embarked upon an Efficiency Improvement Project (EIP) that aims to considerably reduce operational losses and multiply savings in fuel consumption. To finance the project, the company has issued right shares at a premium. The Directors of the company have subscribed to the rights and have deposited their dues. The EIP is being implemented as per schedule; letters of credit for imported machines have also been established and orders for local machines have been placed. All these machines will be commissioned before the start of the forthcoming crushing season expected to begin in November 2017.



Timely rain showers have ensured a healthy crop production for the upcoming season starting in November. Moreover with reduction in fertilizer prices, growers are utilizing fertilizer in increasing capacities. Therefore, we are anticipating better yields per acre and better sucrose contents in the sugarcane crop for the upcoming season.

The government has recently allowed further export of sugar without any export rebate. This belated decision of government will help in reducing surplus sugar stocks in the country to some extent. The government should announce sustainable sugar export policy on a permanent basis after taking all stakeholders on board.

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 dedication, commitment, and hard work.

*On Behalf of the Board of Directors*

A handwritten signature in black ink, appearing to read 'Ahmed Ali Tariq'.

**Ahmed Ali Tariq**

Chairman of the Board

**Lahore: July 17, 2017**

## ڈائریکٹرز رپورٹ

بورڈ کی طرف سے، میں 30 جون 2017ء کو اختتامہ مدت کیلئے کمپنی کی نوامی عبوری منجمد مالی معلومات بخوشی پیش کرتا ہوں۔

نوامی میں کمپنی کی کارکردگی اور گزشتہ سال کی اسی مدت کے ساتھ اس کے موازنہ کی جھلکیاں مندرجہ ذیل ہیں:

آپریشنل	2017	2016	فیصد اضافہ
گنے کی کرشنگ	660,136 (میٹرک ٹن)	499,396 (میٹرک ٹن)	31.20
چینی کی پیداوار	65,024 (میٹرک ٹن)	46,861 (میٹرک ٹن)	38.76
فیصد چینی کا حصول	9.85	9.41	4.67
مالیات	روپے	روپے	
فروخت	3,099,870,313	2,937,701,935	5.52
مجموعی نفع	526,537,193	262,483,520	10.0
آپریٹنگ لاگت	158,658,847	135,988,227	16.67
فنانس لاگت	67,739,911	45,385,578	49.25
ٹیکس سے قبل نفع	329,803,017	154,652,424	113.25
ٹیکس کے بعد نفع	298,804,314	204,275,405	46.28
آمدن فی حصص	17.58	12.02	46.26

الحمد للہ، موجودہ مالی سال کی پہلی نوامی میں کمپنی نے توقعات سے بڑھ کر ریکارڈ توڑ آمدنی حاصل کرنے کی کارکردگی ظاہر کی ہے۔ کمپنی کی مسلسل غیر معمولی کارکردگی آپریشنل حکمت عملی اور مالی پالیسیوں کا نتیجہ ہے جس سے تاریخی آمدنی اور منافع حاصل ہوا ہے۔ خصوصی طور پر، بروقت گنے کی قومی کاشت کاری میں حصہ لینے، چینی کی پیداوار میں سرپلس کو دیکھتے ہوئے، اور پہلے ہی مارکیٹ کے رجحان کا جائزہ لیتے ہوئے، کرشنگ سیزن کے دوران بہت متاثر کن شرح پر ہماری تمام چینی اور مولاس فروخت کرتے ہوئے جارحانہ فروخت کی حکمت عملی کی پیروی کرنے کے لئے کمپنی کی انتظامیہ کے فیصلہ نے غیر معمولی اور نمایاں ریٹرنز کی طرف قیادت کی ہے۔ اس رسائی نے پہلی نوامی میں قابل ذکر مالی نتائج کی طرف قیادت کی ہے اور اسی منافع کے رجحانات مالی سال کی آخری سہ ماہی میں توقع کئے جاسکتے ہیں۔

اس کے علاوہ، اس سال ہم نے اپنے تمام اسٹیک ہولڈرز کے اعتماد کو دوبارہ قائم کرتے ہوئے پالیسیوں کو پورا کرنے کے لئے فعال طور پر پیروی کی ہے۔ مجھے کمپنی کا رکن ہونے پر خوشی محسوس ہوتی ہے کہ منصوبہ میں بینکرز کا اعتماد بحال ہوا ہے اور ہم پُر اعتماد ہیں کہ اگلے مالی سال میں، ورلڈ کپٹل فنانسز کی ہماری ضروریات کی کیفیت مسابقتی شرح سود پر دستیاب ہوگی۔

کمپنی ایف ڈی سی ایچ پرومٹ (EIP) میں شریک ہوئی ہے جس کا مقصد ایڈھن کے استعمال میں آپریشنل نقصانات میں نمایاں کمی اور بچت میں اضافہ کرنا ہے۔ منصوبہ کی مالی مدد کے لئے، کمپنی نے پریئم پر رائٹ شیئرز جاری کئے ہیں۔ کمپنی کے ڈائریکٹرز نے رائٹس کو سبسکرائب کیا ہے اور اپنے واجبات جمع کروائے ہیں۔ EIP کا اطلاق شیڈول کے مطابق ہو رہا ہے، ایپورنڈ مشینری کے لئے کریڈٹ کے خطوط تیار ہو چکے ہیں اور مقامی مشینری کے لئے آرڈرز دے دیئے گئے ہیں۔ یہ تمام شیئیں نومبر 2017ء کے آغاز میں کرشنگ سیزن شروع ہونے سے قبل کمشنڈ ہونے کی توقع ہے۔

بروقت بارشوں نے نومبر میں شروع ہونے والے آئندہ سیزن کے لئے صنعتی فصل کی پیداوار کو یقینی بنایا دیا ہے۔ مزید برآں کھادوں کی قیمتوں میں کمی کے ساتھ، کاشتکار کافی مقدار میں کھادوں کا استعمال کر رہے ہیں۔ اس لئے ہم آئندہ سیزن کے لئے گنے کی فصل میں بہتر پھر پورسکروس اور بہتر فی ایکڑ پیداوار حاصل ہونے کی پیش بینی کر رہے ہیں۔

حکومت نے حال ہی میں کسی برآمدی رعایت کے بغیر مزید چینی برآمد کرنے کی اجازت دی ہے۔ حکومت کا یہ تاخیری فیصلہ کسی حد تک ملک میں چینی کے سربلس اسٹاک کو کم کرنے میں مدد کرے گا۔ حکومت کو تمام اسٹیک ہولڈرز سے صلاح مشورہ کے بعد مستقل بنیادوں پر مضبوط چینی کی برآمد پالیسی کا اعلان کرنا چاہیے۔

بورڈ تمام اسٹیک ہولڈرز، بینکاروں، مالیاتی اداروں اور کاشتکاروں کے شکریہ کے ساتھ وسیع مسلسل حمایت اور تعاون کو تسلیم کرتا ہے۔ بورڈ، کمپنی کے لئے ملازمین کی ریکارڈ جان نثاری اور سخت محنت پر ان کی تعریف کرتا ہے۔

بحکم بورڈ آف ڈائریکٹرز

لاہور: 17 جولائی 2017ء

زنا علی طارق  
احمد علی طارق  
بورڈ چیئرمین


**CONDENSED INTERIM BALANCE SHEET**

	Note	Un-Audited 30-June-2017	Audited 30-September-2016
		Rupees	
EQUITY AND LIABILITIES			
Share capital & reserves			
Authorized share capital			
50 million (30 September 2016: 50 million) ordinary shares of Rupees 10 each		500,000,000	500,000,000
Issued, subscribed and paid-up share capital			
17 million (30 September 2016: 17 million) ordinary shares of Rupees 10 each		170,000,000	170,000,000
Reserves		(257,894,588)	(580,245,660)
Total equity		(87,894,588)	(410,245,660)
Deposit for purchase of shares - related parties		609,681,833	609,681,833
Surplus on revaluation of property, plant and equipment - net of deferred tax		1,437,536,785	1,453,548,580
NON-CURRENT LIABILITIES			
Deferred tax liability		202,050,143	209,585,106
CURRENT LIABILITIES			
Trade and other payables		784,317,967	762,269,832
6	Short term borrowings	804,841,220	438,946,777
	Accrued markup on secured borrowings	14,007,318	5,334,298
	Loan from related party	55,205,680	70,000,000
		1,658,372,185	1,276,550,907
CONTINGENCIES AND COMMITMENTS			
7			
TOTAL EQUITY AND LIABILITIES		3,819,746,357	3,139,120,766

**AHMED ALI TARIQ**  
Chairman / Director



**WASIM SALEEM**  
Chief Financial Officer



**ALI ASHFAQ**  
Director






## AS AT 30 JUNE 2017 (UN-AUDITED)

	Note	Un-Audited 30-June-2017	Audited 30-September-2016
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	2,539,612,558	2,622,701,694
Long term deposits		3,764,340	2,687,690
		<b>2,543,376,898</b>	2,625,389,384
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		139,782,145	144,614,335
Stock-in-trade		953,041,047	180,513,382
Trade debts		20,623,843	693,424
Advances		36,467,726	35,100,050
Short term deposits and prepayments		4,089,246	828,598
Other receivables		49,386,309	103,754,148
Tax refund due from Government - income tax		47,535,756	32,021,299
Cash and bank balances		25,443,387	16,206,146
		<b>1,276,369,459</b>	513,731,382
<b>TOTAL ASSETS</b>		<b>3,819,746,357</b>	<b>3,139,120,766</b>

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

As the chief executive of the company is out of country for the time being, this un-audited condensed interim financial information have been signed by two directors of the company pursuant to section 232 of Companies Act 2017.

  
**AHMED ALI TARIQ**  
 Chairman / Director

  
**WASIM SALEEM**  
 Chief Financial Officer

  
**ALI ASHFAQ**  
 Director


**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE THIRD QUARTER ENDED 30 JUNE 2017**

		NINE MONTHS ENDED 30 JUNE		QUARTER ENDED 30 JUNE	
	Note	2017	2016	2017	2016
		Rupees			
NET SALES	9	3,099,870,313	2,937,701,935	865,535,278	788,009,532
COST OF SALES	10	(2,573,333,120)	(2,675,218,415)	(725,341,432)	(763,486,617)
GROSS PROFIT		526,537,193	262,483,520	140,193,846	24,522,915
OPERATING EXPENSES					
Selling and distribution expenses		(13,122,642)	(12,315,224)	(3,260,273)	(3,108,595)
Administrative and general expenses		(127,725,264)	(115,356,601)	(38,226,409)	(34,091,624)
Other operating expenses		(17,810,941)	(8,316,402)	(3,851,513)	(1,074,927)
		(158,658,847)	(135,988,227)	(45,338,195)	(38,275,146)
PROFIT FROM OPERATIONS		367,878,346	126,495,293	94,855,651	(13,752,231)
OTHER INCOME		29,664,582	73,542,710	2,307,029	41,591,208
FINANCE COST		(67,739,911)	(45,385,578)	(21,505,107)	(10,401,298)
PROFIT BEFORE TAXATION		329,803,017	154,652,425	75,657,573	17,437,679
TAXATION		(30,998,703)	49,622,981	(17,216,110)	7,224,235
PROFIT AFTER TAXATION		298,804,314	204,275,406	58,441,463	24,661,914
EARNINGS PER SHARE - BASIC AND DILUTED		17.58	12.02	3.44	1.45

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

As the chief executive of the company is out of country for the time being, this un-audited condensed interim financial information have been signed by two directors of the company pursuant to section 232 of Companies Act 2017.

**AHMED ALI TARIQ**  
Chairman / Director

**WASIM SALEEM**  
Chief Financial Officer

**ALI ASHFAQ**  
Director




**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE THIRD QUARTER ENDED 30 JUNE 2017**

	NINE MONTHS ENDED 30 JUNE		QUARTER ENDED 30 JUNE	
	2017	2016	2017	2016
	-----Rupees-----			
<b>PROFIT AFTER TAXATION</b>	<b>298,804,314</b>	204,275,406	<b>58,441,463</b>	24,661,914
<b>OTHER COMPREHENSIVE INCOME / (LOSS):</b>				
Items that will not be re classified to profit and loss account	-	-	-	-
Items that may be reclassified subsequently to profit and loss account:				
Deficit on remeasurement of available for sale investments	-	-	(16,011,795)	-
	-	-	(16,011,795)	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>298,804,314</b>	204,275,406	<b>42,429,667</b>	24,661,914

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

As the chief executive of the company is out of country for the time being, this un-audited condensed interim financial information have been signed by two directors of the company pursuant to section 232 of Companies Act 2017.

  
**AHMED ALI TARIQ**  
Chairman / Director

  
**WASIM SALEEM**  
Chief Financial Officer

  
**ALI ASHFAQ**  
Director

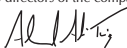


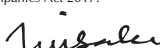
# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE THIRD QUARTER ENDED 30 JUNE 2017

	30-June-2017	30-June-2016
	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	329,803,017	154,652,424
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	86,214,410	84,513,801
Profit on bank deposits	(326,238)	(155,066)
Dividend income	-	(1,275,000)
Loss / (gain) on disposal of operating fixed assets	583,352	(1,816,009)
Gain on sale of available for sale investment	-	(19,917,431)
Finance cost	67,739,911	45,385,578
<b>Cash generated from operating activities before working capital changes</b>	<b>484,014,452</b>	<b>261,388,297</b>
<b>WORKING CAPITAL CHANGES</b>		
<b>(Increase) / decrease in current assets:</b>		
Stores, spare parts and loose tools	4,832,190	(1,481,975)
Stock in trade	(772,527,665)	(2,201,696)
Trade debts	(1,930,419)	(98,723,992)
Advances	(1,367,676)	(72,487,631)
Short term deposits and prepayments	(3,260,648)	6,213,606
Other receivables	54,367,839	(138,569,856)
<b>Increase in current liabilities:</b>		
Trade and other payables	22,048,135	(497,176,525)
	(715,838,243)	(804,428,069)
<b>Cash used in operations</b>	<b>(231,823,792)</b>	<b>(543,039,772)</b>
Finance cost paid	(59,066,891)	(51,740,554)
Income tax paid	(46,513,160)	(19,763,273)
<b>Net cash used in operating activities</b>	<b>(337,403,842)</b>	<b>(614,543,599)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of operating fixed assets	3,813,846	5,855,224
Addition in property, plant & equipment	(7,522,472)	(30,492,795)
Proceeds from sale of investments	-	22,417,431
Dividend received	-	1,275,000
(Increase) / decrease in long term deposits	(1,076,650)	(84,600)
Profit on bank deposits received	326,238	2,022,850
<b>Net cash (used in)/ generated from investing activities</b>	<b>(4,459,038)</b>	<b>993,110</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of liabilities against assets subject to finance lease	-	(7,976,878)
Repayment of long term financing	-	(11,491,663)
Deposit for purchase of shares received	-	206,240,000
Change in long term deposits	-	203,630,790
Short term borrowings obtained - net	365,894,443	143,028,818
Repayment of director's loan - net	(14,794,320)	-
<b>Net cash flows from financing activities</b>	<b>351,100,123</b>	<b>533,431,067</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>9,237,241</b>	<b>(80,119,422)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>16,206,146</b>	<b>102,706,499</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>25,443,387</b>	<b>22,587,077</b>

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

As the chief executive of the company is out of country for the time being, this un-audited condensed interim financial information have been signed by two directors of the company pursuant to section 232 of Companies Act 2017.

  
**AHMED ALI TARIQ**  
Chairman / Director

  
**WASIM SALEEM**  
Chief Financial Officer

  
**ALI ASHFAQ**  
Director

**HUSEIN SUGAR MILLS LIMITED**



**ALI ASHFAQ**  
Director

*Wasim Saleem*  
WASIM SALEEM  
Chief Financial Officer

**AHMED ALI TARIQ**  
Chairman / Director

	SHARE CAPITAL	RESERVES					TOTAL	TOTAL EQUITY
		Capital		Revenue		Sub total		
		Premium on issue of right shares	Fair value reserve	General	Accumulated loss			
Rupees.								
<b>Balance as at 30 September 2015 (Audited)</b>								
Total comprehensive income for the period ended 30 June 2016	170,000,000	21,093,550	18,311,845	39,405,395	169,450,000	(952,607,709)	(783,157,709)	(743,752,314)
Profit after taxation	-	-	-	-	-	-	-	-
Other comprehensive loss	-	-	(18,311,845)	(18,311,845)	-	204,275,406	204,275,406	204,275,406
	-	-	(18,311,845)	(18,311,845)	-	204,275,406	185,963,561	185,963,561
Incremental depreciation associated with surplus on revaluation of property, plant and equipment (net of deferred tax)	-	-	-	-	-	41,657,006	41,657,006	41,657,006
<b>Balance as at 30 June 2016 (Un-audited)</b>	170,000,000	21,093,550	-	21,093,550	169,450,000	(706,675,297)	(537,225,297)	(346,131,747)
Total comprehensive loss for the period ended 30 September 2016	-	-	-	-	-	(88,610,577)	(88,610,577)	(88,610,577)
Loss after taxation	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	(88,610,577)	(88,610,577)	(88,610,577)
Incremental depreciation associated with surplus on revaluation of property, plant and equipment (net of deferred tax)	-	-	-	-	-	24,496,664	24,496,664	24,496,664
<b>Balance as at 30 September 2016 (Audited)</b>	170,000,000	21,093,550	-	21,093,550	169,450,000	(770,789,210)	(601,339,210)	(410,245,660)
Total comprehensive income for the period ended 30 June 2017	-	-	-	-	-	298,804,314	298,804,314	298,804,314
Profit after taxation	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	298,804,314	298,804,314	298,804,314
Incremental depreciation associated with surplus on revaluation of property, plant and equipment (net of deferred tax)	-	-	-	-	-	23,546,758	23,546,758	23,546,758
<b>Balance as at 30 June 2017 (Un-audited)</b>	170,000,000	21,093,550	-	21,093,550	169,450,000	(448,438,138)	(275,988,138)	(87,894,588)

*The annexed notes form an integral part of this condensed interim financial information. As the chief executive of the company is out of country for the time being, this unaudited report is pursuant to section 232 of Companies Act 2017.*

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE THIRD QUARTER ENDED 30 JUNE 2017****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 Companies Act, 2017). The shares of the Company are listed on Pakistan Stock Exchange. 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.

**2. BASIS OF PREPARATION**

This condensed interim financial information is un-audited and is being submitted to shareholders as required by section 237 of the Companies Act, 2017. This condensed interim financial information of the Company for the period ended 30 June 2017 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 Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 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 2016.

**3. STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in preparation of financial statements of the Company for the year ended 30 September 2016.

**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 applied in the preceding audited annual published financial statements of the Company for the year ended 30 September 2016.

**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 30-June-2017	Audited 30-September-2016
		Rupees	
SHORT TERM BORROWINGS			
6	From banking companies - secured		
	National Bank of Pakistan		
	Cash finance (hypothecation)	24,995,182	49,995,092
	Cash finance (pledge)	6.1 300,000,000	-
	Meezan Bank Limited		
	Istisna / tijarah	111,841,038	-
	The Bank of Punjab		
	Agricultural finance	118,005,000	139,505,000
	BankIslami Pakistan Limited		
	Karobar finance	250,000,000	249,446,685
		804,841,220	438,946,777

- 6.1** This cash finance facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 300 million (2016: Rs. 200 million), to procure the raw materials. It carries markup at the rate of 1 month KIBOR + 2.5% (2016: 1 months KIBOR + 2.5%) per annum, payable quarterly. It is secured by way of 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.

## 7. CONTINGENCIES AND COMMITMENTS

### 7.1 CONTINGENCIES

There is no change in the status of contingencies as reported in the annual financial statements of the company for the year ended September 30, 2016.

### 7.2 COMMITMENTS

Company is committed to pay the following ijarah rentals:



	Note	Un-audited 30-June-2017	Audited 30-September-2016
		Rupees	
Due within one year		2,345,040	1,246,896
Due after one year but not later than five year		7,858,728	4,571,952
		10,203,768	5,818,848

## 8 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	8.1	2,318,828,685	2,388,975,515
Capital work in progress		220,783,873	233,726,179
		2,539,612,558	2,622,701,694

### 8.1 Owned

Opening balance - net book value		2,388,975,515	2,516,399,289
Additions during the period / year		20,464,778	9,398,548
Disposals during the period - net book value		4,397,198	4,060,743
Depreciation charged during the period / year		86,214,410	132,761,579
Closing balance - net book value		2,318,828,685	2,388,975,515

NINE MONTHS ENDED - (Un-audited)		QUARTER ENDED - (Un-audited)	
30 June 2017	30 June 2016	30 June 2017	30 June 2016

## 9 NET SALES

	Rupees			
Local sales - net of GST and FED	2,453,863,071	2,450,099,204	446,436,096	788,009,532
Export sales	646,007,242	382,211,731	419,099,182	-
Subsidy	-	105,391,000	-	-
	3,099,870,313	2,937,701,935	865,535,278	788,009,532

## 10 COST OF SALES

Raw materials consumed:				
Sugarcane purchased	2,985,062,911	2,377,259,180	25,285,538	-
Sugarcane development cess	24,754,824	20,592,528	184,351	1,864,994
Market committee fee	3,300,673	2,497,030	24,580	-
	3,013,118,408	2,400,348,738	25,494,469	1,864,994
Salaries, wages and other benefits	117,015,750	96,114,360	25,724,795	18,105,987
Workers' welfare	11,500,867	5,720,294	1,706,011	158,890
Stores, spares and loose tools consumed	10,807,963	8,506,349	900,618	761,349
Chemicals consumed	30,752,196	21,440,581	3,244,259	308,245
Packing material consumed	23,769,785	19,442,688	540,402	14,480
Fuel and power	11,566,345	16,535,866	5,845,963	5,345,027
Repair and maintenance	41,367,765	29,870,579	7,888,258	9,102,388
Insurance	4,215,948	3,230,324	1,400,000	641,037
Other factory overheads	7,782,109	4,067,311	1,668,849	233,244
Depreciation	73,963,649	72,143,019	24,654,550	20,723,673
	332,742,376	277,071,371	73,573,704	55,394,320
	3,345,860,784	2,677,420,109	99,068,173	57,259,314
Work-in-process:				
Opening stock	8,250,910	2,519,008	32,847,621	8,702,395
Closing stock	(35,326,454)	(9,530,496)	(35,326,454)	(9,530,496)
	(27,075,544)	(7,011,488)	(2,478,833)	(828,101)
Cost of goods manufactured	3,318,785,239	2,670,408,621	96,589,339	56,431,213
Finished goods:				
Opening stock	172,262,473	319,150,357	1,546,466,685	1,021,395,967
Closing stock	(917,714,593)	(314,340,562)	(917,714,593)	(314,340,562)
	(745,452,120)	4,809,795	628,752,092	707,055,405
	2,573,333,120	2,675,218,415	725,341,432	763,486,617





## 11. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, Directors, key management personnel and provident fund trust. The Company in the normal course of business carries out transactions with related parties. Details of transactions with related parties during the year other than those which have been disclosed elsewhere in these financial statements are stated below:

	Un-audited 30-June-2017	Un-audited 30-June-2016
	Rupees	
Contributions to provident fund trust	5,387,040	3,982,808
Remuneration to key management personnel	39,452,365	33,425,638
Head office building rent paid	2,025,000	1,352,000
Dividend received from associated company	-	1,275,000

## 12. 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:

	June 30, 2017 - (Un-audited)			September 30, 2016 - (Audited)		
	Rupees			Rupees		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Accrued markup on secured borrowings	4,635,766	9,371,552	14,007,318	3,073,919	2,260,379	5,334,298
Shortterm borrowings	361,841,038	443,000,182	804,841,220	249,446,685	189,500,092	438,946,777
Bank balances	(15,369,281)	(9,745,957)	(25,115,238)	(1,183,704)	(13,666,610)	(14,850,314)
	351,107,523	442,625,777	793,733,300	251,336,900	178,093,861	429,430,761
	Nine Months ended 30 June 2017 - (Un-audited)			Nine Months ended 30 June 2016 - (Un-audited)		
	Rupees			Rupees		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Ijarah rentals	1,273,800	-	1,273,800	-	-	-
Finance cost	38,055,792	29,684,119	67,739,911	14,359,557	24,087,511	38,447,068
Dividend income	-	-	-	(1,275,000)	-	(1,275,000)
Income from PLS bank account	(24,726)	(301,512)	(326,238)	(66,994)	(88,072)	(155,066)
	39,304,866	29,382,607	68,687,473	13,017,563	23,999,439	37,017,002

## 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 2016.



#### 14. SEGMENT INFORMATION

These financial statements have been prepared on the basis of a single reportable segment. Sales of sugar represents 88.50% (2016: 87.41%) of the total sales of the Company. 79.16% (2016: 81.30%) of the sales of the Company relates to customers in Pakistan. Of the remaining sales of the Company relating to customers outside Pakistan, all of those sales are made to customers in Afghanistan. All non-current assets of the Company as at 30 June 2017 were located in Pakistan. 66.70% (2016: 37.52% ) of the total sales of the Company are made to a Single customer in Pakistan.

#### 15. DATE OF AUTHORIZATION

This condensed interim financial information was approved by the Board of Directors and authorized for issue on 17 July 2017.

#### 16. GENERAL

**16.1** Figures of the corresponding period have been re-arranged and regrouped to represent better / true presentation and to facilitate appropriate comparison. However there were no major reclassifications during the period.

**16.2** The figures have been rounded off to the nearest rupee.

A handwritten signature in black ink, appearing to read 'Ahmed Ali Tariq'.

**AHMED ALI TARIQ**  
Chairman / Director

A handwritten signature in black ink, appearing to read 'Wasim Saleem'.

**WASIM SALEEM**  
Chief Financial Officer

A handwritten signature in black ink, appearing to read 'Ali Ashfaq'.

**ALI ASHFAQ**  
Director