

**PARTICULARS TO BE INCLUDED IN
COST AUDITORS' REPORT TO THE DIRECTORS OF
HUSEIN SUGAR MILLS LIMITED
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

1. CAPACITY

	Unit	2011	2010
a. Licensed		Not Applicable	
Installed: Maximum cane crushing per day	Metric Tons	5,000.00	5,000.00
Utilized: Cane crushing per day	Metric Tons	4,720.37	3,146.91
Days operated	Numbers	122	106
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	2011	2010
Actual cane crushed	Metric Tons	575,886	333,572
Days operated	Numbers	122	106
Actual recovery	Percentage	8.72	8.62
Production capacity of white refined sugar	Metric Tons	53,198	45,701
Actual production of white refined sugar	Metric Tons	50,221	28,764
Capacity utilization	Percentage	94.40	62.94
Molasses produced	Metric Tons	26,996	15,434

5. SALARIES AND WAGES

2011	2010
Rupees	

a. Category wise break up of salaries and wages

Direct Labor costs on production	30,760,446	27,315,773
Indirect employees costs on production	33,323,816	31,181,741
Employees cost on administration	51,744,628	35,246,560
Employees costs on selling and distribution	1,678,940	1,585,511
Bonus to workers and employees	10,287,390	6,670,840
Other employees cost	19,598,876	15,909,255
	<u>147,394,096</u>	<u>117,909,680</u>

b. Chief Executive and Directors' Remuneration

	Chief Executive	Directors
	Rupees	
Managerial Remuneration	4,775,610	5,444,387
House rent	1,416,000	1,748,154
Contribution to provident fund	316,800	386,485
Utilities/medical allowance	476,191	401,673
Reimbursable expenses	296,572	602,621
	<u>7,281,173</u>	<u>8,583,320</u>

Rupees

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

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

2011	2010
------	------

c.	Total available man-days of direct labour	150	150
	Total actually worked man-days of direct labour	122	106
d.	Average number of workers employed during the year	981	715

2011	2010	2009
Rupees per Metric Ton		

e.	Direct labour cost per unit of output/product	612.50	949.66	774.91
f.	The direct labour cost per unit of output decreased mainly due to increased crushing and more sugar 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

2011	2010
Rupees per M.Ton	

Per unit expenditure of stores and spares on output 164.16 199.09

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 & 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	2011	2010	2009
	R u p e e s		
Other factory overheads (Note 8.1)	11,869,581	10,670,152	6,296,145
Administrative overheads (Note 8.2)	99,142,216	77,325,887	75,287,490
Selling overheads (Note 8.3)	7,815,000	4,809,921	5,024,957
Financial charges	66,503,859	71,343,411	62,569,783
	<u>185,330,656</u>	<u>164,149,371</u>	<u>149,178,375</u>

8.1 Other Factory Overheads

Apprenticeship training expenses	11,470	12,070	15,490
Tractor trolley expenses	4,860,875	3,224,092	972,277
Press mud removal charges	-	118,018	131,034
Electricity -Colony	6,957,800	7,315,972	5,177,344
Others	39,436	-	-
	<u>11,869,581</u>	<u>10,670,152</u>	<u>6,296,145</u>

8.2 Administrative Expenses

Salaries, wages and benefits	63,893,581	53,520,787	52,931,482
Traveling and conveyance	647,255	1,016,814	896,552
Printing and stationery	1,226,625	945,791	830,940
Communication	1,392,256	1,095,411	841,009
Subscriptions, books and periodicals	2,336,803	620,750	656,043
Legal and professional	4,653,166	1,654,756	1,221,767
Auditors' remuneration	707,500	691,500	546,000
Rent, rate and taxes	3,503,581	2,983,019	2,321,856
Insurance	1,079,615	835,674	790,601
Water, gas and electricity	608,740	668,795	423,027
Entertainment	1,088,430	791,021	566,031
Advertisement	280,545	98,900	61,100
Vehicles running and maintenance	8,364,500	5,212,416	4,048,234
Repair and maintenance	2,373,398	931,501	1,450,510
Depreciation and amortization	5,126,720	4,746,871	6,623,243
Miscellaneous expenses	1,859,501	1,511,881	1,079,190
	<u>99,142,216</u>	<u>77,325,887</u>	<u>75,287,490</u>

2011	2010	2009
R u p e e s		

8.3 Distribution and Selling Expenses

Salaries, wages and other benefits	1,678,940	1,585,511	1,645,857
Commission to selling agent	3,455,340	1,422,180	1,317,396
Handling and distribution	2,341,558	1,342,831	1,643,354
Repair and maintenance	140,354	98,880	221,957
Printing and stationery	64,577	49,778	46,163
Miscellaneous	14,231	190,741	30,230
Depreciation	120,000	120,000	120,000
	7,815,000	4,809,921	5,024,957

a. Reasons for Significant Variances

Other Overheads:

Factory overheads increased by Rs 1,199,429 the increase was mainly due to increase in cost of and tractor trolley expenses.

Administrative Expenses

An increase in administrative expenses by Rs 21,816,329 is mainly due to annual increments, increase in minimum wage rates, increase in vehicle running expenses and legal and professional 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 3,005,079.

Financial Charges

Financial charges decreased by Rs. 4,839,552 mainly due to decrease in short term financing obtained during the year for working capital required by the company and the decrease in interest on liabilities against assets subject to finance lease.

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, 2011	56,007.95
Year ended September 30, 2010	64,235.09

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	2011		2010	
Quantity produced	50,221.100 M.Tons		28,763.700 M.Tons	
Quantity sold	52,150.350 M.Tons		29,464.200 M.Tons	
	Rs. Per Metric Ton	Rupees	Rs. Per Metric Ton	Rupees
Cost of sales	56,328.46	2,937,548,960	61,687.55	1,817,574,414
Admin expenses	1,901.08	99,142,216	2,624.40	77,325,887
Selling expenses	149.86	7,815,000	163.25	4,809,921
Financial charges	1,275.23	66,503,859	2,421.36	71,343,411
Other charges/ (income)	22.78	1,187,800	(171.04)	(5,039,639)
Sales tax and SED	3,849.52	200,753,720	2,878.32	84,807,288
	63,526.93	3,312,951,555	69,603.84	2,050,821,282

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	2011			2010		
	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	52,150.35	3,419,249,550	65,565.23	29,464.20	1,758,126,286	59,669.91
Export				-	-	-
	52,150.35	3,419,249,550	65,565.23	29,464.20	1,758,126,286	59,669.91

Sale realization includes general sales tax and special excise duty.

13. PROFITABILITY/(LOSS)

	2011	2010
Quantity sold (M.Tons)	52,150.35	29,464.20
Machine h. (Hours)	2,505.40	1,436.35
Profit/(Loss) before tax per unit on sugar	Rupees per Metric Ton 2,038.30	(9,933.93)
Profit/(Loss) before tax per machine hour	Rupees per machine hour crushed 42,427.55	(203,776.93)

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

Proper record is maintained for input and output sales tax. 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:-

	2011	2010
	Rupees	Rupees
Cost of sales	1,884,915	2,184,400
Administrative, selling and general expenses	1,079,615	835,674
	<u>2,964,530</u>	<u>3,020,074</u>

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

Amin, Mudassar & Co.
Chartered Accountants

ANNEX- A

HUSEIN SUGAR MILLS LIMITED
STATEMENT OF CAPACITY UTILIZATION UNDER RULE 4(1)(a)
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	2011	
	Rated Capacity M.Tons	Utilised Capacity M.Tons
Cane Crushing Per day	5,000	4,720.37
No. of days crushing done	122	122
Cane crushed	610,000	575,886

Chief Executive Officer

Chief Financial Officer

Husein Sugar Mills Limited

Amin, Mudassar & Co.
Chartered Accountants

ANNEX- B

HUSEIN SUGAR MILLS LIMITED
STATEMENT OF STOCK IN TRADE UNDER RULE 4(1)(b)
AS AT SEPTEMBER 30, 2011

	Quantity (M.Tons)	Cost (Rupees)
Raw Material	-	-
Work in process		
Sugar	11	476,919
Molasses (By product)	1	<u>8,538</u>
		485,457
Finished goods		
Sugar	54	2,996,632
Press mud (Trucks)	16,700	<u>7,198,663</u>
		10,195,295
		<u>10,680,752</u>
		<u><u>10,680,752</u></u>

Chief Executive Officer

Chief Financial Officer

HUSEIN SUGAR MILLS LIMITED
STATEMENTS SHOWING COST OF PRODUCTION AND SALE
OF WHITE BAGGED SUGAR FOR THE YEAR ENDED SEPTEMBER 30, 2011

Quantitative Data - Bagged Sugar

	2011	2010
Opening Stock (M.Ton)	1,983.000	2,683.500
Production (M.Ton)	50,221.100	28,763.700
Closing Stock (M.Ton)	(53.750)	(1,983.000)
Sales (M.Ton)	52,150.350	29,464.200

S.No.	Particulars	2011		2010	
		Amount	Cost per ton of sugar	Amount	Cost per ton of sugar
		Rupees	Rupees	Rupees	Rupees
1	Raw Materials:				
	(a) Sugar Cane (Annex 3)	2,835,494,634	56,460.23	1,804,038,265	62,719.27
	(b) Beet (Annex 4)				
	(c) Gur				
	(d) Raw Sugar	-	-	-	-
	(e) Process Material (Annex 5)	19,404,892	386.39	4,386,521	152.50
2	Salaries / Wages and Benefits (Annex 6)	66,559,446	1,325.33	52,838,347	1,836.98
3	Consumable Stores	7,803,313	155.38	5,412,264	188.16
4	Repairs and Maintenance	29,458,227	586.57	36,668,252	1,274.81
5	Utilities				
	Steam (Annex 7/2)	22,359,442	445.22	15,569,958	541.31
6	Electric Power (Annex 8/2)	23,232,873	462.61	13,361,866	464.54
7	Water & Gas	2,480,750	49.40	11,004,188	382.57
8	Insurance	1,803,050	35.90	2,109,150	73.33
9	Depreciation	33,033,327	657.76	33,249,837	1,155.97
10	Other Factory Overheads (Annex 9)	11,869,581	236.35	10,670,152	370.96
11	Total Cost	3,053,499,535	60,801.13	1,989,308,800	69,160.39
12	ADD: Opening Stock of W.I.P.	586,375	-	314,292	-
13	LESS: Closing Stock of W.I.P.	(485,457)	-	(586,375)	-
14	Total Cost of Goods Manufacturing	3,053,600,453	60,803.14	1,989,036,718	69,150.93
15	Less: Realisable value of By-Products:				
	Molasses	(255,999,615)	(5,097.45)	(147,086,382)	(5,113.61)
	Bagasse	(2,101,851)	(41.85)	(881,474)	(30.65)
	Press Mud	(1,101,613)	(21.94)	(2,908,390)	(101.11)
16	Net Cost of goods Manufacturing:	2,794,397,374	55,641.90	1,838,160,472	63,905.56
17	Add: Packing Material and Handling	18,383,651	366.05	9,478,452	329.53
18	Net Cost of Bagged Sugar	2,812,781,025	56,007.95	1,847,638,924	64,235.09
19	Add: Sales Tax & S.E.D.	200,753,720	3,849.52	84,807,288	2,878.32
20	Total Cost of Bagged Sugar:	3,013,534,745	59,857.47	1,932,446,212	67,113.41
21	Add: Opening Stock of Sugar	127,764,567	-	97,700,058	-
22	Less: Closing Stock of Sugar	(2,996,632)	-	(127,764,567)	-
23	Cost of Sales	3,138,302,680	60,177.98	1,902,381,702	64,565.87
24	Administrative Expenses (Annex 10)	99,142,216	1,901.08	77,325,887	2,624.40
25	Selling and Distribution Expenses (Annex 11)	7,815,000	149.86	4,809,921	163.25
26	Financial Expenses	66,503,859	1,275.23	71,343,411	2,421.36
27	Other Charges/ (Income)	1,187,800	22.78	(5,039,639)	(171.04)
	Total Cost to Make and Sell.	3,312,951,555	63,526.93	2,050,821,282	69,603.83

Chief Executive Officer

Chief Financial Officer

HUSEIN SUGAR MILLS LIMITED
STATEMENT SHOWING COST OF SUGARCANE PRODUCED
FOR THE YEAR ENDED SEPTEMBER 30, 2011

S.No.	Particulars	2011		2010	
		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, 2011

S.No.	Particulars	2011			2010		
		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	575,886	4,654.44	2,680,425,376	333,572.670	2,727.27	909,744,343
2	Sugarcane produced from own farm (Annex 2)	-	-	-	-	-	-
3	Less: Loss in transit	-	-	-	-	-	-
4	Sugarcane received at factory gate	575,886	4,654.44	2,680,425,376	333,572.670	2,727.27	909,744,343
5	Commission	-	-	-	-	-	-
6	Quality premium	-	-	-	-	-	-
7	Unloading charges	-	0.47	268,208	-	0.59	196,688
8	Cane development expenses						
	(a) Salaries and Wages of Supply and Development Staff (Annexure 6)	-	4.07	2,345,798	-	4.50	1,502,196
	(b) Sugarcane Development Research	-	-	-	-	-	-
	(c) Supply staff and transportation expenses	-	-	-	-	-	-
	(d) Other expenditure (Incentive for S.C Procurement)	-	198.75	114,455,457	-	2,591.02	864,293,974
9	Taxes and Levies:						
	(a) Cane / purchase tax	-	-	-	-	-	-
	(b) Market committee fee	-	5.00	2,879,993	-	5.23	1,743,806
	(c) Road /cane development cess	-	25.03	14,413,385	-	18.76	6,257,430
	(d) Octroi	-	-	-	-	-	-
	(e) Other levies	-	-	-	-	-	-
10	Transportation Charges:						
	(a) Delivery expenses	-	-	-	-	-	-
	(b) Transport expenses	-	28.28	16,284,984	-	30.37	10,129,547
	(c) Others	-	-	-	-	-	-
11	Other Expenditures at Cane Collection Centres:						
	(a) Salaries and Wages	-	-	-	-	-	-
	(b) Stores	-	-	-	-	-	-
	(c) Repairs and Maintenance	-	-	-	-	-	-
	(d) Others	-	7.68	4,421,433	-	30.49	10,170,281
	Total cost of "SUGARCANE" Transferred to production processes (Annex 1)	-	4,923.71	2,835,494,634	-	5,408.23	1,804,038,265

Chief Executive Officer

Chief Financial Officer

HUSEIN SUGAR MILLS LIMITED
STATEMENT SHOWING COST OF BEET CONSUMED FOR THE YEAR ENDED SEPTEMBER 30, 2011

S.No.	Particulars	2011			2010		
		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 SALARIES, WAGES AND BENEFITS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

S.No.	Particulars	2011		2010	
		Amount	Cost per ton of sugar	Amount	Cost per ton of sugar
1	Total Sugar Produced (M-Tons)		50,221.10		28,763.70
2	Cost:	Rupees	Rupees	Rupees	Rupees
	<i>Salaries / Wages:-</i>				
	Officers and Permanent Staff	79,847,146	1589.91	62,203,939	2162.58
	Seasonal Staff	10,423,567	207.55	9,370,728	325.78
	Daily rated and Contract Labour	8,545,344	170.15	7,685,410	267.19
	Bonuses	10,287,390	204.84	6,670,840	231.92
	Benefits:				
	Medical Expenses / PESSI	6,618,998	131.80	5,431,294	188.82
	Canteen Expenses	420,000	8.36	384,000	13.35
	Welfare, Recreation	2,051,282	40.85	1,977,982	68.77
	Transport and Travelling	1,052,915	20.97	1,077,838	37.47
	Education Cess	-	-	-	0.00
	Group Insurance	954,114	19.00	957,388	33.28
	Comp. Insurance	-	-	-	-
	Prov.Fund (Employer's contribution)	3,950,735	78.67	3,439,206	119.57
	EOBI	3,643,729	72.55	2,801,800	97.41
	Other Benefits (If any)	19,598,876	390.25	15,909,255	553.10
	Total :	147,394,096	2,934.90	117,909,680	4,099.25
	Less allocated to :				
	Electricity Generation (Annexure - 8/2)	7,245,987	144.28	5,114,068	177.80
	Steam Generation (Annexure - 7/2)	5,670,344	112.91	3,348,771	116.42
	Raw Material (Annexure - 3)	2,345,798	46.71	1,502,196	52.23
	Admin Expenses (Annexure - 10)	63,893,581	1272.25	53,520,787	1860.71
	Selling & Distribution Expenses (Annexure - 11)	1,678,940	33.43	1,585,511	55.12
	Any Other Specify				
		80,834,650	1,609.58	65,071,333	2,262.27
	Balance transferred to production process (Annexure-1)	66,559,446	1,325.33	52,838,347	1,836.98

Chief Executive Officer

Chief Financial Officer

HUSEIN SUGAR MILLS LIMITED
STATEMENT SHOWING COST OF STEAM / GENERATED CONSUMED
FOR THE YEAR ENDED SEPTEMBER 30, 2011

S.No.	Particulars	Unit	2011	Unit	2010
	Types of steam boilers used - Water Tube Bolier				
1	No. of days worked	-	122	-	106
2	Installed Capacity (steam in tonnes)	-	150 Ton/Hr.	-	150 Ton/Hr.
3	Utilised capacity (steam in tonnes)	-	109 Ton/Hr.	-	98 Ton/Hr.
4	Production:				
	(a) High pressure steam	-	-	-	-
	(b) Medium pressure steam	-	-	-	-
	(c) Low pressure steam	-	109 Ton/Hr.	-	98 Ton/Hr.
	(d) Less: Transit losses	-	-	-	-
	(e) Total	-	109 Ton/Hr.	-	98 Ton/Hr.
5	Percentage of capacity utilization ($\frac{3}{2} * 100$)	-	72.67%	-	65.33%

Chief Executive Officer

Chief Financial Officer

HUSEIN SUGAR MILLS LIMITED
STATEMENT SHOWING COST OF STEAM / GENERATED CONSUMED
FOR THE YEAR ENDED SEPTEMBER 30, 2011

S.No.	Particulars	2011			2010		
		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	176,509.00	-	-	101,563.32	-	-
	ii) Purchased	-	-	-	-	-	-
	(b) Pith	-	-	-	-	-	-
	(c) Coal purchased	-	-	-	-	-	-
	(d) Furnace Oil Itrs	-	-	-	-	-	-
	(e) Fire Wood Kg	108.63	-	909,191	85.38	-	401,286
	(f) Gas	-	-	-	-	-	-
	(g) Other fuels, if any (Raw Straw)	-	-	4,733,307	-	-	269,262
3	Quantity of waste heat from the plant, if any	-	-	-	-	-	-
4	Consumable stores	-	-	290,886	-	-	198,590
5	Direct salaries, Wages and benefits (Annexure 6)	-	-	5,670,344	-	-	3,348,771
6	Repairs and Maintenance	-	-	9,997,890	-	-	10,600,840
7	Other direct expenses (e.g.Boiler inspection fee etc)	-	-	30,000	-	-	30,000
8	Insurance	-	-	81,865	-	-	75,250
9	Depreciation	-	-	645,959	-	-	645,959
	Total Cost of Steam Raised			22,359,442			15,569,958
10	Less: Outside sale	-	-	-	-	-	-
	Total Cost of Steam for Self Consumption	-	-	22,359,442	-	-	15,569,958
	Add: Cost of Steam Purchased	-	-	-	-	-	-
	Total Cost of Steam Consumed			22,359,442			15,569,958
	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)			22,359,442			15,569,958

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, 2011

S.No.	Particulars	2011			2010		
		Quantity M.Ton	Rate Rs./M.Ton	Amount Rupees	Quantity M.Ton	Rate Rs./M.Ton	Amount Rupees
1	Steam (Annexure 7)						
2	Consumable Stores			150,345			115,765
3	Salaries and Wages (Annexure 6)			7,245,987			5,114,068
4	Other direct expenses			-			-
5	Repairs and maintenance			1,275,466			875,962
6	Duty on electricity			696,340			386,257
7	Depreciation			923,727			923,727
8	Total			10,291,865			7,415,779
	Less: (a) Credit for exhaust steam used in process etc.			-			-
	(b) Other credits, if any			-			-
9	Cost of power generated			10,291,865			7,415,779
10	Less: Cost of power sold			-			-
11	Add: Cost of power purchased			13,506,988			13,888,284
12	Total net cost of power consumed			23,798,853			21,304,063
13	Cost per unit average			2.18			2.86
	Total at item 12 allocated to _____						
	(i) White bagged sugar			16,275,073			13,361,866
	(ii) Self-consumption			-			-
	(iii) Others:			-			-
	(a) Staff colony			6,957,800			7,315,972
	(b) Office building			565,980			626,225
	(c) Other (specify)			-			-
	Total as per item 12 above transferred to (Annexure 1)			23,798,853			21,304,063

Chief Executive Officer

Chief Financial Officer

HUSEIN SUGAR MILLS LIMITED
STATEMENT SHOWING OTHER FACTORY OVERHEADS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

S.No.	Particulars	2011		2010	
		Amount Rs.	Cost per ton of sugar	Amount Rs.	Cost per ton of sugar
1	Total Sugar Produced (M-Tons)		50,221.10		28,763.70
		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	11,470	0.23	12,070	0.42
12.2	Tractor trolley expenses	4,860,875	96.79	3,224,092	112.09
12.3	M.Committee fee -Molasses	39,436	0.79	-	-
12.4	Press mud removal	-	-	118,018	4.10
12.5	Electricity-colony	6,957,800	138.54	7,315,972	254.35
13	Total	11,869,581	236.35	10,670,152	370.96
	Allocated to ____				
(i)	White bagged sugar	11,869,581	236.35	10,670,152	370.96
(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)	11,869,581	236.35	10,670,152	370.96

Chief Executive Officer

Chief Financial Officer

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

S.No.	Particulars	2011		2010	
		Amount	Cost per ton of sugar	Amount	Cost per ton of sugar
1	Total Sugar Sold (M-Tons)		52,150.35		29,464
		Rupees	Rupees	Rupees	Rupees
	Costs:				
2	Salaries, Wages and Benefits (Annex 6)	63,893,581	1,225.18	53,520,787	1,816.47
3	Rent, Rate and Taxes	3,503,581	67.18	2,983,019	101.24
4	Insurance	1,079,615	20.70	835,674	28.36
5	Water, Gas and Electricity	608,740	11.67	668,795	22.70
6	Printing and Stationery	1,226,625	23.52	945,791	32.10
7	Telephone Fax and Telex & Postage	1,392,256	26.70	1,095,411	37.18
8	Repair and Maintenance	2,373,398	45.51	931,501	31.61
9	Travelling and Conveyance	647,255	12.41	1,016,814	34.51
10	Subscriptions, Books and Periodicals	2,336,803	44.81	620,750	21.07
11	Entertainment	1,088,430	20.87	791,021	26.85
12	Advertising	280,545	5.38	98,900	3.36
13	Legal and Professional Expenditure	4,653,166	89.23	1,654,756	56.16
14	Auditors' remuneration	707,500	13.57	691,500	23.47
15	Vehicle Running Expenses	8,364,500	160.39	5,212,416	176.91
16	Depreciation & Amortization	5,126,720	98.31	4,746,871	161.11
17	Misc. expenses	1,859,501	35.66	1,511,881	51.31
	Total "Admin Expenses" transferred to (Annexure 1)	99,142,216	1,901.08	77,325,887	2,624.40

Chief Executive Officer

Chief Financial Officer

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

S.No.	Particulars	2011		2010	
		Amount	Cost per ton of sugar	Amount	Cost per ton of sugar
1	2	3	4	3	4
1	Total Sugar Sold (M-Tons)		52,150.35		29,464.20
	Costs:	Rupees	Rupees	Rupees	Rupees
2	Salaries, Wages and Benefits (Annex 6)	1,678,940	32.19	1,585,511	53.81
3	Travelling and Conveyance	-	-	-	-
4	Commission	3,455,340	66.26	1,422,180	48.27
5	Freight Outwards	-	-	-	-
6	Handling and Distribution	2,341,558	44.90	1,342,831	45.58
7	Loading / Unloading	-	-	-	-
8	Export Expenses	-	-	-	-
9	Vehicle Running Expenses	-	-	-	-
10	Other Expenses	339,162	6.50	459,399	15.59
	Total :Selling Expenses" transferred to (Annexure 1)	7,815,000	149.86	4,809,921.00	163.25

Chief Executive Officer

Chief Financial Officer

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

S.No.	Particulars	2011		2010	
		Amount	Cost per ton of sugar	Amount	Cost per ton of sugar
1	2	3	4	3	4
1	Total Sugar Sold (M-Tons)		52,150.35		29,464.20
	Costs:	Rupees	Rupees	Rupees	Rupees
2	Salaries, Wages and Benefits (Annex 6)	1,678,940	32.19	1,585,511	53.81
3	Travelling and Conveyance	-	-	-	-
4	Commission	3,455,340	66.26	1,422,180	48.27
5	Freight Outwards	-	-	-	-
6	Handling and Distribution	2,341,558	44.90	1,342,831	45.58
7	Loading / Unloading	-	-	-	-
8	Export Expenses	-	-	-	-
9	Vehicle Running Expenses	-	-	-	-
10	Other Expenses	339,162	6.50	459,399	15.59
	Total :Selling Expenses" transferred to (Annexure 1)	7,815,000	149.86	4,809,921.00	163.25

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, 2011

	Amount	Rupees
Cost of sales as per financial statements	3,184,341,030	
Add: Sales tax and special excise duty on sugar		200,753,720
Less Realisable value of:		
Molasses		(255,999,615)
Press Mud		(1,101,613)
Bagasses		(2,101,851)
		(259,203,079)
Add: Effect of finished goods stock of Molasses and Mud:		
Opening stock		
Molasses	-	
Mud	(1,209,474)	(1,209,474)
Closing stock		
Molasses	-	
Mud	7,198,663	7,198,663
		5,989,189
Add: Inspection fee of Boiler		30,000
Add: Electricity of Colony		6,957,800
Less: Electricity of Office Building		(565,980)
Cost of sales as per Annexure 1		3,138,302,680

HUSEIN SUGAR MILLS LIMITED
RECONCILIATION OF COST OS SALE AS PER FINANCIAL AND COST AUDIT

		1	3	7.2	8.2	Total	Difference
Sugarcane Purchased	2,815,855,458		2,815,855,458			2,815,855,458	-
Surecane development cess	14,413,385		14,413,385			14,413,385	-
Market Committee fee	2,879,993		2,879,993			2,879,993	-
Salaries and wages	79,350,293	66,559,446		5,670,344	7,245,987	79,475,777	(125,484)
Workers Welfare	2,471,282		2,345,798			2,345,798	125,484
Stores and spares	8,244,544	7,803,313		290,886	150,345	8,244,544	-
Boiler Inspection Fee	-			30,000		30,000	(30,000)
Chemical Consumed	19,404,892	19,404,892				19,404,892	-
Packing Material	18,383,651	18,383,651				18,383,651	-
Fuel And Power	22,326,576	2,480,750		5,642,498	14,203,328	22,326,576	-
Repair And Maintenance	40,731,583	29,458,227		9,997,890	1,275,466	40,731,583	-
Insurance	1,884,915	1,803,050		81,865		1,884,915	-
Other factory overheads	4,911,781	11,869,581				11,869,581	(6,957,800)
Depreciation	34,603,013	33,033,326		645,959	923,727	34,603,012	1

3,065,461,366	190,796,236	2,835,494,634	22,359,442	23,798,853	-	3,072,449,165	(6,987,799)
---------------	-------------	---------------	------------	------------	---	---------------	-------------

WIP	586,375	586,375				586,375	0
	(485,457)	(485,457)				(485,457)	-

100,918	100,918					100,918	0.42
---------	---------	--	--	--	--	---------	------

Finished Goods	128,974,041	127,764,567				127,764,567	1,209,474
	(10,195,295)	(2,996,632)				(2,996,632.00)	(7,198,663.00)

118,778,746	124,767,935					124,767,935.27	(5,989,189.27)
-------------	-------------	--	--	--	--	----------------	----------------

HUSEIN SUGAR MILLS LIMITED
RECONCILIATION OF ADMIN EXPENSES AS PER FINANCIAL AND COST AUDIT

	A	B	C	B-C	A-B	
Particulars	As per Trial	As per Financial Statement	As per Cost Audit Report	Difference	Difference	
Salaries and other benefits	65,572,521	63,893,581	63,893,581	-	1,678,940	to Selling and distribution
Travelling and conveyance	647,255	647,255	647,255	-	-	
Communications	1,392,256	1,392,256	1,392,256	-	-	
Rent, rates and taxes	3,503,581	3,503,581	3,503,581	-	-	
Printing and stationary	1,291,202	1,226,625	1,226,625	-	64,577	to Selling and distribution
Repair and maintenance	2,513,752	2,373,398	2,373,398	-	140,354	to Selling and distribution
Vehicle running	8,364,500	8,364,500	8,364,500	-	-	
Fee and Subscription	2,244,445	2,244,445	2,336,803	(92,358)	-	
Legal and professional	4,653,166	4,653,166	4,653,166	-	-	
Auditors remuneration	707,500	707,500	707,500	-	-	
Entertainment	1,088,430	1,088,430	1,088,430	-	-	
advertizement	280,545	280,545	280,545	-	-	
Insurance	1,079,615	1,079,615	1,079,615	-	-	
amortization	333,300	333,300		333,300	-	
Depreciation	4,793,420	4,793,420	5,126,720	(333,300)	-	
Water , Gas and electricity	-		608,740	(608,740)	-	
Miscellaneous	2,038,842	2,024,619	1,859,501	165,118	14,223	to Selling and distribution
	<u>100,504,330.0</u>	<u>98,606,236.0</u>	<u>99,142,216.0</u>	<u>(535,980.0)</u>	<u>1,898,094.0</u>	
			To COS			