

Un-Audited Condensed Financial Information  
for the 1st Quarter Ended December 31, 2017

# 50 Years of Excellence



HUSSEIN  
SUGAR



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## Company Information

### Board of Directors

**Mian Ahmed Ali Tariq**  
Chairman

**Mian Mustafa Ali Tariq**  
Chief Executive Officer

**Mrs. Nusrat Shamim**  
Non-Executive Director

**Mrs. Maryam Habib**  
Executive Director

**Mr. Taufiq Ahmed Khan**  
Independent Director

**Mr. Ali Ashfaq**  
Non-Executive Director

**Mr. Muhammad Iftikhar**  
Non-Executive Director

### Chief Operating and Financial Officer

**Mr. Wasim Saleem**

### Company Secretary

**Mr. Khalid Mahmood**

### Head of Internal Audit

**Mr. Jalal-ud-din Khan**

### Audit Committee

**Mr. Taufiq Ahmed Khan**  
Chairman

**Mian Ahmed Ali Tariq**  
Member

**Mr. Ali Ashfaq**  
Member

### Human Resource & Remuneration Committee

**Mian Ahmed Ali Tariq**  
Chairman

**Mr. Taufiq Ahmad Khan**  
Member

**Mian Mustafa Ali Tariq**  
Member

### Legal Advisor

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



### Bankers

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

### Share Registrar/Transfer Agent

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

### External Auditors

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

### Cost Auditors

Amin Mudassar & Company  
Chartered Accountants  
Liberty, Lahore

### Mills

Lahore Raod, Jaranwala  
041-4312483  
041-4312499

### Registered & Head Office

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

### Website Information

[www.husein.pk](http://www.husein.pk)



## Directors' Report to the Shareholders

On behalf of the Board of Directors, I am pleased to present the un-audited interim condensed financial information of the Company for the first quarter ended 31 December 2017.

Highlights of the Company's performance for the first quarter and its comparison with the corresponding period of last year is given below:

	31-12-2017	31-12-2016
<b>OPERATIONAL</b>		
Sugarcane crushed (Metric Tons)	174,913	251,413
Sugar produced (Metric Tons)	13,950	21,835
Sugar recovery (%)	8.56	9.00
	(Rupees)	
<b>FINANCIAL</b>		
Sales	327,075,379	850,162,659
Gross profit	53,607,365	118,506,221
Operating and finance cost	(54,273,583)	(65,593,395)
Profit before taxation	5,229,521	75,535,820
Profit after taxation	1,141,078	67,034,193
Earnings per share	0.05	3.94

The company started its new crushing season on 29 November 2017 (last year 05 November 2016) and crushed 30% less sugarcane compared to the same period last year. The carry forward unsold sugar stocks from last year's production by large players of the industry not only caused a delay in the start of the new crushing season, but also kept sugar prices under severe pressure. Although the Government has allowed export of 1.5 million tons of sugar from the start of the season, this incentive failed to stabilize domestic sugar prices as millers are losing interest in export of sugar due to non-release of export subsidy of previous tranches, conditionalities attached to the export quota, border issues with Afghanistan and indifferent attitude of FBR in resolving issues in export circulars and documentation. Had these irritants been removed expeditiously, the uncertainty prevailed in the local market would have been eliminated.

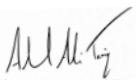
The crop size this year is of more or less of same quantum as that of last year however, due to severe pest and white fly attack in Central Punjab, the sucrose recovery in this region is likely to be lower than last year. Moreover, delayed crushing in the provinces of Punjab and Sindh will drag the crushing season into the month of April which is a low recovery period due to high temperatures across the country. We expect the national production to remain 5% lower than last year. Had the Government taken a proactive approach in resolving sugar sector issues, it would have been a win-win situation for all stakeholders.

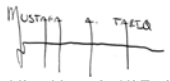
The Company is planning a major BMR program to be implemented in phases which envisages replacement of uneconomical, inefficient and high power consumption equipment with state of the art energy saving equipment. The Company at present is negotiating with machinery suppliers.

Due to late start of the crushing season, carry forward sugar stocks from last year's production, distortions in purchase price of sugarcane in the industry, and presence of infected sugarcane crop, it is anticipated that sugar industry will walk on light rope unless Government addresses various issues being faced by it on war footings. Your Company however is taking all possible measures for mitigating adverse scenario.

The Board acknowledges with thanks the continued support and cooperation extended by the shareholders, bankers, sugarcane farmers, and all other stakeholders. The Board also places on record its appreciation for employees of the Company for its devotion and hard work.

For and on behalf of the Board of Director:

  
**Mian Ahmed Ali Tariq**  
 Chairman / Director

  
**Mian Mustafa Ali Tariq**  
 Chief Executive Officer

Lahore: 26 January 2018



## ڈائریکٹرز رپورٹ

پورڈ آف ڈائریکٹرز کی طرف سے، میں 31 دسمبر 2017ء کو اختتام مدت کیلئے کھیتی کی پہلی سرمایہ کی غیر نظر ثانی شدہ منجمد صورتی مالی معلومات بخوشی پیش کرتا ہوں۔ پہلی سرمایہ میں کھیتی کی کارکردگی اور گزشتہ سال کی اسی مدت کے ساتھ اس کے موازنہ کی جھلکیاں مندرجہ ذیل ہیں:

اپریل 2017	اپریل 2016	اپریل 2017
کھیتی کی کرشک	174,913 (کھڑکھن)	251,413 (کھڑکھن)
کھیتی کی پیداوار	13,950 (کھڑکھن)	21,835 (کھڑکھن)
نیرمدگنی کا حصول	8.56 فیصد	9.00 فیصد
مابیات	روپے	روپے
فروخت	327,075,379	850,162,659
مجموعی نفع	53,607,365	118,506,221
آپریٹنگ اور ٹرانس فیکٹ	(54,273,583)	(65,593,395)
فیکس سے نفع	5,229,521	75,535,820
فیکس کے بعد نفع	1,141,078	67,034,193
آمدنی فی شخص	0.05	3.94

کھیتی نے 29 نومبر 2017 کو نئے کرشک بیزن کا آغاز کیا (گزشتہ سال 05 نومبر 2016) اور گزشتہ سال کے مقابلے میں 30 فیصد کم گنا کرش کیا۔ گزشتہ سال کی پیداوار سے آگے آنے والے غیر فروخت شدہ اسٹاک نے نہ صرف نئے کرشک بیزن کے آغاز میں تاخیر کی، اہم وجہ بننے میں اہم کردار ادا کیا ہے بلکہ کھیتی کی قیمتوں کو بھی بہت باڈا میں رکھا ہے۔ اگرچہ حکومت نے بیزن کے آغاز سے 1.5 ملین ٹن کھیتی برآمد کرنے کی اجازت دی، یہ رعایت مقامی کھیتی کی قیمتوں کو مستحکم کرنے میں ناکام رہی کیونکہ مل مالکان گزشتہ ٹرائیجر کی برآمدی سبسڈی کی عدم واکزاری، برآمدی کوڈ سے فسلک شرائط، افغانستان کے ساتھ سرحدی مسائل اور برآمدی سرگزر اور دستاویزات کے مسائل کو حل کرنے میں ایف پی آر کے مختلف رویوں کی وجہ سے کھیتی کی برآمد میں کم دلچسپی لے رہے ہیں۔ اگر ان پریشانیوں کو جلد ختم کر دیا گیا تو، مقامی مارکیٹ میں غیر یقینی صورتحال ختم ہو جائے گی۔

اس سال فصل کا سات گزشتہ سال کے ساتھ سے کم یا زیادہ ہے، تاہم، مرکزی پنجاب میں شدید کیڑوں اور سفید کھمبے کے حملے کی وجہ سے، اس علاقے میں سکروں کی ریکوری گزشتہ سال سے قدرے کم ہے۔ اس کے علاوہ، پنجاب اور سندھ کے صوبوں میں تاخیری کرشک، کرشک بیزن کو اپریل کے مہینے میں لے جانے کی جب ملک بھر میں اعلیٰ درجہ حرارت کی وجہ سے کم سکروں وصولی کی مدت ہوتی ہے۔ ہمیں امید ہے کہ قومی پیداوار پچھلے سال سے 5 فیصد کم رہے گی۔ اگر حکومت نے کھیتی کے شعبے کے معاملات کو حل کرنے میں ایک فعال نقطہ نظر اپنایا تو، یہ تمام اسٹیک ہولڈرز کے لئے جیت کی صورت حال ہوگی۔

کھیتی مرحلہ وار اطلاق کے لئے ایک بڑے BMR پروگرام کی منصوبہ بندی کر رہی ہے جس میں توانائی کی پخت کے جدید آلات کے ساتھ ناقابل اعتماد، غیر موثر اور زیادہ بجلی استعمال کرنے والے آلات کو تھیل کرنے کی ضرورت ہے۔ اس وقت کھیتی مشینری کے سپلائرز کے ساتھ بات چیت کر رہی ہے۔

کرشک بیزن دیر سے شروع ہونے، گزشتہ سال کی پیداوار سے آگے آنے والے کھیتی کے اسٹاک، انٹرنیٹ میں گھنے کی قیمت خرید میں اتار چڑھاؤ اور متاثرہ گھنے کی فصل کی موجودگی کی وجہ سے، یہ پیش گوئی کی جاتی ہے کہ کھیتی کی صنعت اس وقت تک مسائل کا شکار رہے گی جب تک حکومت اس کو درپیش مسائل کا حل نہیں کرتی ہے۔ تاہم، آپ کی کھیتی منفی مظہر نامہ کو کم کرنے کے لئے تمام ممکنہ اقدامات کر رہی ہے۔

پورڈ تمام اسٹیک ہولڈرز، بینکاروں، مالیاتی اداروں اور کاشتکاروں کے شکر یہ کہ ساتھ وسیع مسلسل حمایت اور تعاون کا شکر یہ ادا کرتا ہے۔ پورڈ، کھیتی کے لئے ملازمین کی ریکارڈ جان ثاری اور سخت محنت پر بھی ان کی تعریف کرتا ہے۔

منجانب پورڈ آف ڈائریکٹرز

میاں احمد علی طارق

میاں مصطفیٰ علی طارق

لاہور: 26 جنوری 2018ء

نائب من

چیف ایگزیکٹو افسر

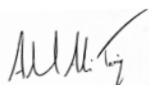
# Condensed Interim Balance Sheet

as at 31, December 2017

	Note	(Un-Audited) 31 December 2017	(Audited) 30 September 2017
		(Rupees)	
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 50,000,000 ordinary shares of Rs. 10 each		500,000,000	500,000,000
Issued, subscribed and paid-up share capital		250,000,000	250,000,000
Share premium account		141,093,550	141,093,550
General reserves		169,450,000	169,450,000
Accumulated loss		(489,639,921)	(511,119,452)
		70,903,629	49,424,098
Director's loans - related parties	5	533,391,513	531,051,753
Surplus on revaluation of fixed assets account - net of deferred tax		1,807,854,839	1,822,091,754
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liability		185,633,258	191,734,794
<b>CURRENT LIABILITIES</b>			
Trade and other payables		788,309,443	523,923,664
Accrued mark-up on secured borrowings		5,645,841	10,391,674
Short term borrowings	6	893,257,098	490,400,182
Loan from related party		-	5,874,760
		1,687,212,382	1,030,590,280
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,284,995,621</b>	<b>3,624,892,679</b>

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

Lahore



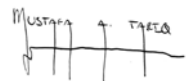
**Mian Ahmed Ali Tariq**  
Chairman / Director



	Note	(Un-Audited) 31 December 2017	(Audited) 30 September 2017 [Rupees]
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	2,984,237,785	2,989,279,104
Intangible assets		-	-
Long term deposits		6,777,165	9,246,940
		2,991,014,950	2,998,526,044
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		169,587,986	148,349,789
Stock-in-trade		827,904,656	233,027,645
Trade debts		8,538,100	7,592,188
Advances and prepayments		96,648,321	80,547,045
Other receivables		53,373,970	41,697,909
Tax refund due from Government - income tax		56,891,924	55,053,929
Cash and bank balances		81,035,714	60,098,130
		1,293,980,671	626,366,635
<b>TOTAL ASSETS</b>		<b>4,284,995,621</b>	<b>3,624,892,679</b>



**Wasim Saleem**  
Chief Financial Officer



**Mian Mustafa Ali Tariq**  
Chief Executive Officer

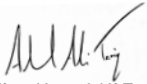
## Condensed Interim Profit and Loss Account (Un-Audited)

For the 1st Quarter Ended 31 December 2017

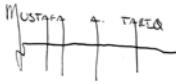
	Note	Quarter Ended	
		31 December 2017	31 December 2016
		(Rupees)	
<b>SALES-NET</b>	9	327,075,379	850,162,659
<b>COST OF SALES</b>	10	(273,468,014)	(731,656,438)
<b>GROSS PROFIT</b>		53,607,365	118,506,221
<b>OPERATING EXPENSES:</b>			
Selling and distribution cost		(3,480,677)	(4,190,182)
Administrative and general expenses		(37,004,043)	(39,363,604)
Other operating expenses		(1,240,961)	(3,975,570)
		(41,725,681)	(47,529,356)
<b>PROFIT FROM OPERATIONS</b>		11,881,684	70,976,865
<b>OTHER INCOME</b>		5,895,738	19,622,994
<b>FINANCE COST</b>		(12,547,901)	(15,064,039)
<b>PROFIT BEFORE TAXATION</b>		5,229,521	75,535,820
<b>TAXATION</b>		4,088,442	8,501,627
<b>PROFIT AFTER TAXATION</b>		1,141,078	67,034,193
<b>EARNING PER SHARE - BASIC AND DILUTED</b>		0.05	3.94

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

Lahore

  
**Mian Ahmed Ali Tariq**  
 Chairman / Director

  
**Wasim Saleem**  
 Chief Financial Officer

  
**Mian Mustafa Ali Tariq**  
 Chief Executive Officer

## Condensed Interim Statement Of comprehensive Income (Un-Audited)

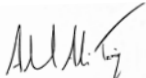
For the 1st Quarter Ended 31 December 2017

	Note	Quarter Ended	
		31 December 2017	31 December 2016
		(Rupees)	
PROFIT AFTER TAXATION		1,141,078	67,034,193
OTHER COMPREHENSIVE INCOME :			
Items that will not be reclassified to profit and loss account		-	-
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		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,141,078</b>	<b>67,034,193</b>

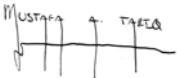
Surplus on revaluation of freehold land, building on free hold land and plant and machinery is presented under separate head below equity in accordance with the requirements of section 235 of the repealed Companies Ordinance, 1984. The surplus arises on the revaluation of fixed assets can be utilized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

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

Lahore

  
**Mian Ahmed Ali Tariq**  
 Chairman / Director

  
**Wasim Saleem**  
 Chief Financial Officer

  
**Mian Mustafa Ali Tariq**  
 Chief Executive Officer

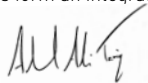
# Condensed Interim Cash Flow Statement (Un-Audited)

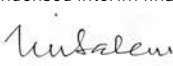
For the 1st Quarter Ended 31 December 2017

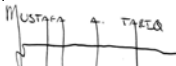
	Note	Quarter Ended	
		31 December 2017	31 December 2016
		(Rupees)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		5,229,521	75,535,820
Adjustments for non-cash charges and other items:			
Depreciation		29,513,776	31,650,329
Finance cost		12,547,901	15,064,039
Profit on bank deposits		(5,233)	(33,948)
<b>CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES</b>		<b>47,285,965</b>	<b>122,216,240</b>
<b>WORKING CAPITAL CHANGES</b>			
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		(21,238,197)	(10,575,213)
Stock-in-trade		(594,877,011)	(530,844,243)
Trade debts		(945,912)	(133,622,321)
Advances and prepayments		(16,101,276)	(76,744,132)
Other receivables		(11,676,061)	27,364,983
(Decrease) / increase in current liabilities:			
Trade and other payables		264,385,779	298,838,430
		(380,452,678)	(425,582,496)
<b>CASH USED IN OPERATIONS</b>		<b>(333,166,713)</b>	<b>(303,366,256)</b>
Finance cost paid		(17,293,734)	(2,555,691)
Income tax paid		(3,314,017)	(3,395,251)
Dividend paid		-	-
Net (increase) / decrease in long term deposits		2,469,775	(1,076,650)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>		<b>(351,304,689)</b>	<b>(310,393,848)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Property, plant and equipment - acquired		(24,472,456)	(9,488,879)
Profit on bank deposits received		7,252	34,184
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(24,465,204)</b>	<b>(9,454,695)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Directors' loan - unsecured and interest free		2,339,760	-
Loan from related party repaid		(5,874,760)	-
Short term borrowings-net		402,856,916	799,607,027
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>		<b>399,321,916</b>	<b>799,607,027</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>23,552,023</b>	<b>479,758,484</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD *</b>		<b>57,483,691</b>	<b>16,206,146</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>81,035,714</b>	<b>495,964,630</b>
<i>* The reconciliation in opening cash and cash equivalents is as follows:</i>			
<b>Cash and cash equivalents- at beginning of the period:</b>			
Cash and bank balances		60,098,130	16,206,146
Temporary book overdraft		(2,614,439)	-
<b>Cash and cash equivalents at the beginning of the year</b>		<b>57,483,691</b>	<b>16,206,146</b>

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

Lahore

  
Mian Ahmed Ali Tariq  
Chairman / Director

  
Wasim Saleem  
Chief Financial Officer

  
Mian Mustafa Ali Tariq  
Chief Executive Officer

# Condensed Interim Statement of Changes In Equity (Un-Audited)

For the 1st Quarter Ended 31 December 2017

	Reserves							Total equity	
	Capital			Revenue		Sub total	Total		
	Share capital	Premium on issue of right shares	Fair value reserve	General	Accumulated loss				
						Rupees			
<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)	(580,245,660)	(410,245,660)
Profit for the period	-	-	-	-	67,034,193	-	67,034,193	67,034,193	67,034,193
Surplus realized during the period on account of incremental depreciation	-	-	-	-	-	16,986,548	16,986,548	16,986,548	16,986,548
Other comprehensive loss for the period	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	84,020,741	84,020,741	84,020,741	84,020,741
<b>Balance as at 31 December 2016 (un-audited)</b>	170,000,000	21,093,550	-	21,093,550	169,450,000	(686,766,469)	(517,316,469)	(496,224,919)	(326,224,919)
<b>Transactions with owners of the Company - Contributions</b>									
Issuance of right shares	80,000,000	120,000,000	-	120,000,000	-	-	120,000,000	120,000,000	200,000,000
Profit for the period	-	-	-	-	-	134,555,888	134,555,888	134,555,888	134,555,888
Surplus realized during the period on account of incremental depreciation	-	-	-	-	-	41,093,129	41,093,129	41,093,129	41,093,129
Other comprehensive loss for the period	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	175,649,017	175,649,017	175,649,017	175,649,017
<b>Balance as at 30 September 2017 (audited)</b>	250,000,000	141,093,550	-	141,093,550	169,450,000	(511,119,452)	(341,669,452)	(200,575,902)	49,424,098
Profit for the period	-	-	-	-	-	1,141,078	1,141,078	1,141,078	1,141,078
Surplus realized during the period on account of incremental depreciation	-	-	-	-	-	20,338,453	20,338,453	20,338,453	20,338,453
Total comprehensive income for the period	-	-	-	-	-	21,479,531	21,479,531	21,479,531	21,479,531
<b>Balance as at 31 December 2017 (un-audited)</b>	250,000,000	141,093,550	-	141,093,550	169,450,000	(489,639,921)	(320,189,921)	(179,096,371)	70,903,629

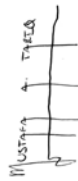
The annexed notes form an integral part of this condensed interim financial information.



**Mian Ahmed Ali Tariq**  
Chairman / Director



**Wasim Saleem**  
Chief Financial Officer



**Mian Mustafa Ali Tariq**  
Chief Executive Officer

Lahore

## Notes to the Condensed Interim Financial Information (Un-Audited)

For the 1st Quarter Ended 31 December 2017

### 1. THE COMPANY AND ITS OPERATIONS

Husein Sugar Mills Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now the Companies Act, 2017). The shares of the Company are listed on Pakistan Stock Exchange. The Company is principally engaged in the business of production and sale of sugar and by products. Its registered office is situated at 30-A E/1, Old FCC, Gulberg-III, Lahore

### 2. BASIS OF PREPARATION

These condensed interim financial information of the company for the quarter ended 31 December 2017 are unaudited and are being submitted to shareholders as required by section 237 of the Companies Act, 2017. These condensed interim financial information have been prepared in accordance with the requirements of International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP). These condensed interim financial information not include all of the information required for full annual financial statements, and should be read in conjunction with audited annual published financial statements of the company for the year ended 30 September 2017.

### 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 2017.

### 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 2017.



	Note	(Un-Audited) 31 December 2017	(Audited) 30 September 2017
		(Rupees)	
<b>5. DIRECTORS' LOAN-Related parties</b>			
<i>Unsecured and interest free</i>	5.1	533,391,513	531,051,753
Mr. Mustafa Ali Tariq		260,285,680	329,405,833
Mr. Ahmed Ali Tariq		273,105,833	201,645,920
		533,391,513	531,051,753

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

	Note	(Un-Audited) 31 December 2017	(Audited) 30 September 2017
		(Rupees in thousand)	
<b>6. SHORT TERM BORROWINGS</b>			
From banking companies - secured & interest bearing			
Cash finance		99,995,182	24,995,182
Agricultural finance		-	116,505,000
Istisna finance		245,500,000	250,000,000
Cash finance-2		499,903,125	98,900,000
Salam finance		29,920,000	-
Tijarah finance		17,938,791	-
		893,257,098	490,400,182

## Notes to the Condensed Interim Financial Information (Un-Audited)

For the 1st Quarter Ended 31 December 2017

### 7. CONTINGENCIES AND COMMITMENTS

#### 7.1 Contingencies

7.1.1 There is no material change in contingencies and commitments from the preceding audited financial statements of the Company for the year ended 30 September 2017.

Note	(Un-Audited) 31 December 2017	(Audited) 30 September 2017 (Rupees)
<b>7.2 Commitments</b>		
<b>7.2.1 Company is committed to pay the following:</b>		
<i>Ijarah rentals</i>		
Due within one year	3,292,572	2,728,476
Due after one year but not later than five years	10,301,500	8,860,947
<i>Diminishing Musharikah rentals</i>		
Due within one year	3,633,240	3,633,240
Due after one year but not later than five years	13,321,880	14,230,190
	<b>30,549,192</b>	<b>29,452,853</b>
<b>7.2.2 Commitment against CAPEX</b>	<b>23,789,200</b>	<b>22,034,605</b>
<b>8. FIXED ASSETS</b>		
<b>Property, plant and equipment:</b>		
Operating fixed assets		
Owned (Note 8.1)	2,702,083,318	2,707,124,638
Leased (Note 8.2)	-	-
Capital work-in-progress (8.3)	282,154,466	282,154,466
	<b>2,984,237,785</b>	<b>2,989,279,104</b>
<b>8.1 Operating fixed assets-Owned</b>		
Opening net book value	2,707,124,638	2,388,975,515
Add: Cost of additions during the quarter / year (Note 8.1.1)	24,472,456	47,839,980
	<b>2,731,597,094</b>	<b>2,436,815,495</b>
Less: Book value of deletions during the period / year	-	22,726,919
	<b>2,731,597,094</b>	<b>2,414,088,576</b>
Add: Revaluation surplus	-	411,091,167
	<b>2,731,597,094</b>	<b>2,825,179,743</b>
Less: Depreciation charged during the period / year	29,513,776	118,055,105
	<b>2,702,083,318</b>	<b>2,707,124,638</b>

	Note	(Un-Audited) 31 December 2017	(Audited) 30 September 2017 [Rupees]
<b>8.1.1 Cost of additions</b>			
Plant and machinery		17,302,361	21,140,560
Factory equipments		-	1,600,605
Gas and electric installations		6,936,395	5,068,650
Office equipment		227,200	130,040
Computer equipment		6,500	687,190
Furniture and fixture		-	79,400
Vehicles		-	19,133,535
		<b>24,472,456</b>	<b>47,839,980</b>
<b>8.2 Operating fixed assets-Leased</b>			
Opening net book value		-	-
Add: Cost of additions during the period / year		-	-
Less: Book value of assets transferred to owned assets		-	-
Less: Book value of deletions during the period / year		-	-
Less: Depreciation charged during the period / year		-	-
		-	-
<b>8.3 Capital work-in-progress</b>			
Civil works and buildings		18,422,039	18,422,039
Plant and machinery		135,729,565	135,729,565
Advance for plant and machinery		128,002,862	128,002,862
		<b>282,154,466</b>	<b>282,154,466</b>

## Notes to the Condensed Interim Financial Information (Un-Audited)

For the 1st Quarter Ended 31 December 2017

	Un-Audited	
	31 December 2017	31 December 2016
	(Rupees)	
<b>9. SALES - NET</b>		
Sale of Sugar	292,427,780	706,093,345
Sale of Molasses	34,347,405	103,476,094
Sale of Press Mud	300,194	27,300,186
Sale of Baggase	-	13,293,034
	<b>327,075,379</b>	<b>850,162,659</b>
<b>10. COST OF SALES</b>		
Raw materials consumed:		
Sugarcane purchased	747,948,257	1,131,257,096
Sugarcane development cess	6,584,996	9,427,909
Market committee fee	1,769,223	1,257,060
	<b>756,302,476</b>	<b>1,141,942,065</b>
Salaries, wages and other benefits	29,928,670	35,144,189
Workers' welfare	2,148,625	3,440,196
Stores, spare parts and loose tools	5,648,641	4,132,824
Chemicals consumed	2,989,156	10,683,557
Packing material consumed	5,519,408	8,392,738
Fuel and power	9,287,000	3,621,051
Repair and maintenance	26,127,467	22,823,247
Insurance	1,284,928	1,209,312
Other factory overheads	3,637,851	3,004,544
Depreciation	25,470,804	28,106,957
	<b>112,042,550</b>	<b>120,558,615</b>
	<b>868,345,026</b>	<b>1,262,500,680</b>
<b>Work-in-process:</b>		
Opening stock	7,264,038	8,250,909
Closing stock	(49,613,568)	(34,177,985)
	<b>(42,349,530)</b>	<b>(25,927,076)</b>
<b>Cost of goods manufactured</b>	<b>825,995,496</b>	<b>1,236,573,604</b>
<b>Finished goods:</b>		
Opening stock	225,763,607	172,262,473
Closing stock	(778,291,088)	(677,179,639)
	<b>(552,527,481)</b>	<b>(504,917,166)</b>
	<b>273,468,014</b>	<b>731,656,438</b>

## 11. TRANSACTIONS WITH RELATED PARTIES

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

	(Un-Audited) 31 December 2017	(Un-Audited) 31 December 2016
Note	(Rupees)	
Contributions to provident fund	1,793,465	1,504,616
Remuneration to key management personnel	14,305,635	13,828,920
Rent of Building-Head Office	675,000	675,000

## Notes to the Condensed Interim Financial Information (Un-Audited)

For the 1st Quarter Ended 31 December 2017

### 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 :

	As at December 31, 2017			As at September 30, 2017		
	Un-Audited Rupees			Audited Rupees		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Accrued markup on secured borrowings	-	5,645,841	5,645,841	1,489,873	8,901,801	10,391,674
Short term borrowings - secured	293,358,791	599,898,307	893,257,098	250,000,000	240,400,182	490,400,182
Cash and bank balances	(41,868,877)	(20,508,668)	(62,377,545)	(49,716,623)	(10,133,253)	(59,849,876)
	<b>251,489,914</b>	<b>667,921,693</b>	<b>836,525,394</b>	<b>201,773,250</b>	<b>239,168,730</b>	<b>440,941,980</b>
	Quarter ended December 31, 2017			Quarter ended December 31, 2016		
	Un-Audited Rupees			Un-Audited Rupees		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Ijarah rentals	1,476,613	-	1,476,613	311,724	-	311,724
Finance cost	2,201,645	6,590,819	8,792,464	9,953,438	5,110,601	15,064,039
Income from PLS bank account	(5,233)	-	(5,233)	-	(33,948)	(33,948)
	<b>3,673,025</b>	<b>6,590,819</b>	<b>10,263,844</b>	<b>10,265,162</b>	<b>5,076,653</b>	<b>15,341,815</b>



### 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 2017.

### 14. SEGMENT INFORMATION

14.1 Sales of sugar represents 89.40% (30 September 2017: 90%) of the total sales of the Company.

14.2 The sales percentage by geographic region is as follows:

	31-12-2017	30-09-2017
Pakistan	99.75%	80.00%
Afghanistan	0.00%	19.98%
Canada	0.25%	0.02%
	100.00%	100.00%

14.3 All non-current assets of the Company as at 31 December 2017 were located in Pakistan.

14.4 45.63% (30 September 2017: 37.20%) 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 26 January 2018.

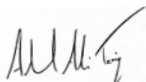
### 16. CORRESPONDING FIGURES

No significant reclassification / rearrangement of comparative figures has been made.

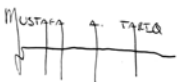
### 17. GENERAL

Figures have been rounded off to the nearest of Rupee.

Lahore

  
**Mian Ahmed Ali Tariq**  
 Chairman / Director

  
**Wasim Saleem**  
 Chief Financial Officer

  
**Mian Mustafa Ali Tariq**  
 Chief Executive Officer





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