



HUSEIN

SUGAR

Ref: HSM/FR-Annual/PSX/1

Dated: January 31, 2019

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Karachi

FINANCIAL RESULTS FOR THE YEAR ENDED SEPTEMBER 30, 2018

Dear Sir,

We have to inform you that Board of Directors of our Company in their meeting held on **Thursday, January 31, 2019**, at **10:00 A.M.**, at its registered office, 30-A/E-I, Old FCC, Gulberg-III, Lahore, recommended the following:

(i) CASH DIVIDEND: NIL

(ii) BONUS ISSUE: NIL

(iii) RIGHT SHARES:

The Board of Directors have decided to issue 40.1316 % right shares at Rs. 10 per share which will be offered to all the shareholders whose names will appear on the register of members on the book closure date.

(i) ANY OTHER ENTITLEMENT/CORPORATE ACTION
Nil

(ii) ANY OTHER PRICE-SENSITIVE INFORMATION
Nil

The Annual General Meeting of the Company will be held on February 27, 2019 at 10:00 a.m. at the Registered Office of the Company at Lahore.

The Share Transfer Books of the Company will remain closed from 21 February 2019 to 27 February 2019 (both days inclusive). Transfers received in order at the office of our Share Registrar, Corp Tec Associates (Pvt) Limited, 503-E, Johar Town, Lahore by the close of business on 20 February 2019, will be treated in time for the purpose of above entitlement to the transferees.



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THE FINANCIAL RESULTS OF THE COMPANY ARE AS FOLLOWS:

	2018 Rupees	2017 Rupees
Net Sales	2,755,736,878	3,856,538,629
Cost of sales	(2,492,066,008)	(3,371,219,029)
Gross profit	263,670,870	485,319,600
OPERATING EXPENSES:		
Selling and Distribution cost	(15,794,109)	(17,276,929)
Administrative and general expenses	(160,899,355)	(167,616,769)
Other operating expenses	(8,066,199)	(14,071,841)
	(184,759,663)	(198,965,539)
Profit from operations	78,911,207	286,354,061
Other income	92,634,924	29,719,288
Finance cost	(141,900,489)	(87,220,411)
Profit before taxation	29,645,642	228,852,938
Taxation	3,126,910	(27,262,857)
Profit after taxation	32,772,552	201,590,081
Earnings per share – Basic and diluted	1.55	9.55

The Annual Report of the Company will be transmitted through PUCARS at least 21 days before holding of Annual General Meeting.

Thanking you.

Sincerely yours,
For Husein Sugar Mills Limited

KHALID MAHMOOD
COMPANY SECRETARY

CC: **The Director Enforcement**
Securities & Exchange Commission of Pakistan, Islamabad



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DECLARATION OF RIGHT SHARES

In accordance with the requirements of applicable provisions of the Securities Act, 2015 and the PSX Rule Book, Husein Sugar Limited ("**the Company**") is pleased to inform you that the Board of Directors of the Company in their meeting held on January 31 2019, has resolved to issue 10,032,900 million ordinary shares by way of rights issue in proportion of 40.1316 ordinary shares for every 100 shares held by the existing shareholders of the Company at Par Value i.e. PKR 10 per share. The Rights Shares shall rank pari passu with the existing shares in all respect. Furthermore, the Board of Directors has been informed that in the event any portion of the right issue remains unsubscribed, the Directors of the Company shall take up the same.

We also enclose herewith the following information/documents in compliance of Section 83 of the Companies Act, 2017:

- i. Certified true copy of the Board Resolution dated January 31, 2019 (**Annexure A**);
- ii. Statement of Purpose, Benefits, Use of funds, and Financial Projections (**Annexure B**); and
- iii. Books closure dates will be considered as mentioned in Notice of Annual General Meeting

The Share Transfer Books of the Company shall remain closed from February 21, 2019 to February 27, 2019(both days inclusive). No transfers will be accepted for registration during this period.

Sincerely yours,
For Husein Sugar Mills Limited

KHALID MAHMOOD
COMPANY SECRETARY



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Annexure-A

**BOARD RESOLUTION DATED JANUARY 31, 2019
ISSUANCE OF RIGHT SHARES**

RESOLVED THAT, pursuant to requirements of provisions of Section 83 of the Companies Act 2017, approval of the Board be and is hereby accorded to offer 10,032,900 Ordinary Right Shares in proportion of 40.1316 ordinary right shares for every 100 shares held to the existing shareholders of the Company at Par Value i.e. PKR 10/- per share, which shall rank pari passu in all respect with the existing ordinary shares of the Company (the "**Rights Issue**").

FURTHER RESOLVED THAT the size of the Rights Issue, issue price, purpose of the Rights Issue, use of the proceeds of the Rights Issue, benefits to the Company, the risk factors associated with the Rights Issue as mentioned in the statement mentioned therein, be and is hereby approved.

FURTHER RESOLVED THAT in the event that any portion of the right issue remains unsubscribed, the Directors of the Company shall take up the same.

FURTHER RESOLVED THAT the Chief Executive Officer, the Chief Financial Officer and the Company Secretary be and are hereby Authorized singly to approach Dubai Islamic Bank for appointment as bankers to the right issue in order to collect the right subscription money against right shares and to open an account in the name of HUSEIN SUGAR MILLS LIMITED-RIGHT SHARES SUBSCRIPTION ACCOUNT" with Dubai Islamic Bank Limited so appointed to maintain and operate the Bank Account and give instructions for transfer of proceeds from right subscription account to the Company's other Bank Account.

FURTHER RESOLVED THAT the Chief Executive Officer, the Chief Financial Officer and the Company Secretary be and are hereby singly authorized to appoint any consultant(s) and potential underwriters, finalize terms and conditions and sign underwriting agreements and settle/finalize fees, underwriting commission, take up commission and third party expenses and/or any other expenses relating to the Right Issue.

FURTHER RESOLVED THAT the Chief Executive Officer, the Chief Financial Officer and the Company Secretary are hereby authorized to consolidate and dispose of fractional shares on PSX and the proceeds of such sale be distributed in due course by the Company in the manner prescribed under the applicable laws.

Cerified To Be True Copy
For Husein Sugar Mills Ltd
Company Secretary



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FURTHER RESOLVED THAT the Chairman and the Chief Executive Officer, being the authorized signatories in Central Depository Company of Pakistan Limited (the "CDC"), be and are hereby Authorized singly to take all necessary actions as required by CDC including but not limited to induction of the offer for right shares and right in Central Depository System of the CDC and in this connection to sign all requisite applications, forms, documents undertakings and other papers on behalf of the company.

FURTHER RESOLVED THAT the Chief Executive Officer, Chief Financial Officer and the Company Secretary, be and are hereby Singly authorized to allot / credit right shares and file returns as required by SECP / Stock Exchange / CDC along with auditors or any other authority.

FURTHER RESOLVED THAT the Chief Executive Officer, the Chief Financial Officer and the Company Secretary be and are hereby Authorized singly to take any and all necessary steps for issuance of letters of offer under section 83 of the Companies Act, 2017 and related circular along with terms and conditions therein, get Signatures under the Act and file the requisite returns/notices in the Company Registration Office and / or to the securities and Exchange Commission of Pakistan and Pakistan Stock Exchange Limited, as the case may be.

Khalid Mahmood
Company Secretary

Certified To Be True Copy
For Husein Sugar Mills Ltd
Company Secretary



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SUGAR STATEMENT OF PURPOSE, BENEFITS, USE OF FUNDS, AND FINANCIAL PROJECTION

Annexure-B

Quantum of Issue	10,032,900 Right Shares in proportion of 40,1316 ordinary right shares for every 100 shares held to the existing shareholders of the Company which shall rank pari passu in all respect with the existing ordinary shares of the Company			
Issue Price	This right issue is offered at Par Value i.e. PKR 10/- per share.			
Purpose of issue	The purpose of right issue is to strengthen the working capital of the Company.			
Financial Plan of the Right Issue	The proceeds of the right shares will be used to enhance the permanent working capital base of the Company.			
Benefits of the Company	<ul style="list-style-type: none"> i) The issue of right shares will enhance the share capital of the company and help in strengthening of working capital of the Company. ii) The Company to save on the finance cost and improve profitability; iii) Equity injection to improve liquidity position of the Company; and iv) Debt: Equity ratio to be improved. 			
Risk factors associated with Right Issue; if any	Investment Risk	Right issue is being made at par of Rs.10/- each which is far less than the current share price in the market. Hence, there is no major investment risk associated with the right issue.		
	Risks relating to subscription/under-subscription of right issue	This right issue is offered at par and in the event if issue is undersubscribed than the directors of the company will subscribe the remaining portion of right issue.		
	Major Material contingencies (As per financial statements for the period ended September 30, 2018).	The material contingencies pertain to the litigations proceedings for the major court cases which are described in Note No 14 of financial statement of the company as published for 30 th September 2018.		
	Major Material commitments (As per financial statements for the period ended September 30, 2018)	As disclosed in note 14 of consolidated financial statement of the company as published for 30 th September 2018.		
	Description of major courts cases	As discussed in point III above, the major court cases have been disclosed in the financial statements of the company.		
	Any adverse issue reported by the auditor in their audit reports in previous five years	The Auditors have reported qualified opinion on financial statements for the year ended 30 September 2015 and 30 September 2016.		
	Financial Projections (for 3 years) consolidated	Year	FY 19	FY 20
Total Revenue (Rs 000)		5,365,913	5,719,387	5,816,830
Profit after Tax (Rs 000)		190,943	320,539	375,394
EPS (Rupees) post right		5.45	8.90	10.43
Paid Up Capital		35,032,900	36,000,000	36,000,000

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