



Husein Sugar Mills Limited

HEAD OFFICE: 30-A/E-1, Old FCC, Gulberg III, Lahore. Ph: 0092-42-35762089-90, 35878153
Fax: 0092-42-35712680 Website: www.huseinsugarmills.com, E-mail: info@huseinsugarmills.com

Ref: HSM/HY-16/PSX/2
Dated: May 19, 2016

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

FINANCIAL RESULTS FOR THE PERIOD ENDED MARCH 31, 2016

Dear Sir,

We have to inform you that Board of Directors of our Company in their meeting held on **Thursday, May 19, 2016, at 11:30 A.M.**, at its registered office, 30-A/E-I, Old FCC, Gulberg-III, Lahore, recommended the following:

- (iv) CASH DIVIDEND: NIL
- (v) BONUS ISSUE: NIL
- (vi) RIGHT SHARES: NIL

The Half Yearly Financial Results of the Company are as follows:

	HALF YEAR ENDED		QUARTER ENDED	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	----- Rupees -----			
Sales	2,149,692,403	1,880,467,297	1,462,673,158	1,268,827,663
Cost of Sales	(1,911,731,798)	(1,991,453,017)	(1,297,300,720)	(1,377,437,191)
Gross Profit/(Loss)	237,960,605	(110,985,720)	165,372,438	(108,609,528)
Distribution Cost	(9,206,629)	(9,693,141)	(7,385,788)	(7,200,901)
Administrative Expenses	(81,264,977)	(75,413,442)	(42,957,437)	(38,098,237)
Other Expenses	(7,241,475)	(1,168,893)	(6,118,720)	(1,168,893)
	(97,713,081)	(86,275,476)	(56,461,945)	(46,468,031)
Other Income	140,247,524	(197,261,196)	108,910,493	(155,077,559)
Profit/(Loss) from Operations	31,951,502	18,581,941	29,723,929	(704,311)
Finance Cost	172,199,026	(178,679,255)	138,634,422	155,781,870
Profit/(Loss) before Taxation	(34,984,280)	(32,563,754)	(21,960,991)	(17,795,361)
Taxation	137,214,746	(211,243,009)	116,673,431	(173,577,231)
Profit/(Loss) after Taxation	42,398,746	-	49,268,938	-
Earnings/(Loss) per share – Basic & diluted	179,613,492	(211,243,009)	165,942,369	(173,577,231)
	10.57	(12.43)	9.76	(10.21)



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We will be sending 200 copies of the printed Accounts for distribution amongst the members of the Exchange

Notes:

- 1) As a matter of emphasis the Auditors has given a paragraph about going concern assumption used by the Company in preparation of its financial information based on the existing unsatisfactory financial condition of the Company.
- 2) Consolidated Profit and Loss Account - Not Applicable

Thanking you.

Sincerely yours,
For Husein Sugar Mills Limited

KHALID MAHMOOD
COMPANY SECRETARY





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

Introduction

We have reviewed the accompanying condensed interim balance sheet of **HUSEIN SUGAR MILLS LIMITED** as at 31 March 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (herein after referred to as the "condensed interim financial information").

Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 March 2016 and 31 March 2015 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 March 2016.

Scope of Review

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

Basis for Qualified Conclusion

The outgoing auditors of the company have expressed qualified opinion on the financial statements of the company for the year ended September 30, 2015 on the following issues:

- i. That they did not observe the counting of physical quantities of stock in trade as at 30 September, 2015 which was stated at Rs. 321.669 million due to mill premises of the company was sealed on the order of the Honourable Lahore High Court, Lahore; and they were also unable to satisfy themselves by alternative means concerning the quantities of stock in trade.
- ii. That the balances included in creditors presented under the head of trade and other payable amounting to Rs. 264.704 million for which they were unable to obtain sufficient and appropriate audit evidence.

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Since our review being substantially less in scope than an audit, we could not verify and confirm these reservations at March 31, 2016, other than the facts that the said stock has so far been sold out and does not include in the stock in trade as at March 31, 2016 and no detail / information as regard to the above said creditors amounting to Rs. 323.469 million (30 September 2015: Rs. 264.704 million) were provided to us.

Qualified Conclusion

Based on our review, except for the matters stated in Basis for Qualified Conclusion Paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respect, in accordance with approved accounting standards as applicable in Pakistan.

Matter of Emphasis

We draw attention of the members toward note 1.2 of this condensed interim financial information which indicates that although sponsoring directors have further invested Rs. 202.290 million in addition to Rs. 403.442 million until 30 September, 2015 and the company has earned reasonable profitability in the period under review, yet it has incurred losses in the previous financial years and as a result of these the equity of the company stands at a negative balance of Rs. 368.874 million at the balance sheet date, where the company's current liabilities also exceed its current assets by Rs 467 966 million. These conditions indicate the existence of material uncertainty which may cast doubt about the company's ability to continue as a going concern. This condensed interim financial information do not include any adjustments relating to the realization of the company's assets and liquidation of any liabilities that may be necessary should the company be unable to continue as a going concern. Our conclusion is not qualified in respect of this matter.

Other Matter

The condensed interim financial information of the company for the half year ended 31 March 2015 and the annual financial statements for the year ended 30 September 2015 were reviewed and audited, respectively, by the outgoing auditors Messrs Riaz Ahmad and Co., Chartered Accountants, Lahore, whose review report dated 27 May 2015 expressed an unmodified conclusion with an emphasis of matter paragraph and their audit report dated 29 December, 2015 expressed qualified opinion with an emphasis of matter paragraph.

Lahore: 19 MAY 2016

Kreston Hyder Bhimji & Co.
KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS
Engagement Partner – Shabir Ahmad, FCA

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