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

HSM/SEs-1/2015-16
December 29, 2015
The General Manager,
Karachi Stock Exchange Limited,
Stock Exchange Building,
KARACHI.

The General Manager,
Lahore Stock Exchange Limited,
19-Khayaban-e-Aiwan-e-Iqbal,
LAHORE.

FINANCIAL RESULTS FOR THE YEAR ENDED SEPTEMBER 30, 2015

Dear Sir,

We are pleased to inform you that Board of Directors of our Company in its meeting held on December 29, 2015 at 11:00 a.m. held at the Head Office of the Company at 30-A E/1, Old F.C.C. Gulberg-III Lahore, has recommended the following:

i.	**CASH DIVIDEND:**	NIL
ii.	**BONUS ISSUE:**	NIL
iii.	**RIGHT ISSUE:**	NIL

The financial results of the Company are for the year ended September 30, 2015 are annexed herewith.
The Annual General Meeting of the Company will be held on January 28, 2016 **(Thursday)** at **09:00** am at its registered office, located at **30-A/E-I, Old FCC, Gulberg-III, Lahore.**
The share transfer books of the Company will be closed from **January 22, 2016** to **January 28, 2016** (both days inclusive). Transfers received at the Company's Share Registrar, Hameed Majeed Associates (Private) Limited, H.M. House, 7 Bank Square, Lahore, by close of the business on January 21, 2016, will be treated in time.

We shall be sending you **200** copies of the printed accounts for distribution amongst the members of the Exchange, 21 days before the date of annual general meeting.

Thanking you.

Sincerely yours,
For Husein Sugar Mills Limited

KHALID MAHMOOD
COMPANY SECRETARY

HUSEIN SUGAR MILLS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	2015 Rupees	2014 Rupees
Sales	1,995,710,327	2,694,800,903
Cost of sales	(2,203,630,719)	(2,749,750,765)
Gross loss	(207,920,392)	(54,949,862)
Distribution cost	(17,625,456)	(9,198,868)
Administrative expenses	(147,608,656)	(133,000,020)
Other expenses	(6,715,156)	(5,082,334)
	(171,949,268)	(147,281,222)
	(379,869,660)	(202,231,084)
Other income	25,061,094	4,801,441
Loss from operations	(354,808,566)	((197,429,643)
Finance cost	(61,335,416)	(90,543,802)
Loss before taxation	(416,143,982)	(287,973,445)
Taxation	(2,197,539)	(6,672,040)
Loss after taxation	(418,341,521)	(294,645485)
Other comprehensive income /(loss)	4,868,045	(3,484,005)
Total comprehensive loss for the year	**(413,473,476)**	**(298,129,490)**
Loss per share – Basic and diluted	**(24.61)**	**(17.33)**

Mahmood

Chief Financial Officer

HUSEIN SUGAR MILLS LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **HUSEIN SUGAR MILLS LIMITED** as at 30 September 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) As explained in note 1.2 to these financial statements, the mill premises of the company was sealed on the order of Honorable Lahore High Court, Lahore. Therefore, we did not observe the counting of physical quantities of stock-in-trade as at 30 September 2015 (Note 18) which is stated in these financial statements at Rupees 321.669 million. We were unable to satisfy ourselves by alternative means concerning the quantities of stock-in-trade.

b) Creditors presented under trade and other payables (Note 9) to these financial statements include balances amounting to Rupees 264.704 million against which we were unable to obtain sufficient appropriate audit evidence.

Except for the effects of the matters described in the paragraphs (a) and (b) above, we report that:

(a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;

(b) in our opinion:

i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

ii) the expenditure incurred during the year was for the purpose of the company's business; and

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iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

(c) in our opinion, and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at 30 September 2015 and of the loss, its comprehensive loss, its cash flows and changes in equity for the year then ended; and

(d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

We draw attention to note 1.2 to the financial statements, which indicates that the mill premises of the company was sealed on the order of Honourable Lahore High Court, Lahore which was subsequently de-sealed subject to the payment of outstanding balances payable to sugarcane growers. Further, the company has incurred gross loss and loss after taxation amounting to Rupees 207.920 million and Rupees 418.342 million respectively during the year ended 30 September 2015. Equity of the company stands at a negative balance of Rupees 573.752 million due to accumulated losses of Rupees 743.752 million as on 30 September 2015. At the balance sheet date, the company's current liabilities exceeded its current assets by Rupees 1,022.041 million. These conditions, alongwith other matters as set forth in the aforesaid note, indicate the existence of material uncertainty which may cast doubt about the company's ability to continue as a going concern. These financial statements 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 opinion is not qualified in respect of this matter.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Syed Mustafa Ali

Date: 29-12-2015

LAHORE