

PSX/N- 1479

Dated: December 16, 2021

Reproduced hereunder letter No. HSM/PSX/R6/2021 December 03, 2021 received from **Husein Sugar Mills Limited** alongwith the relevant details/information pertaining to Issuance of Preference Right letters by the Company and the Schedule of Trading, for information of all concerned.

## HUSEIN

SUGAR

Ref.No. HSM/PSX/R6/2021

Dated: December 03, 2021

Akbar Ali  
Assistant Manager,  
Trading & TREC Holders Affairs  
Pakistan Stock Exchange Ltd  
Stock Exchange Building / Road  
Karachi

### ISSUANCE OF 37.50% PREFERENCE SHARES RS. 10/- PER SHARE BY WAY OF RIGHT

Dear Sir,

With reference to our application for issuance of Preference shares (by way of Right) we hereby further confirm as under:

We shall abide by the CDC and PSX procedures relating to preference right shares and shall deposit the unpaid preference right in (book entry) within the time frame as stipulated under the CDC procedures as well as PSX regulations.

#### **Online Payment Option for IAS Account Holders:**

CDC has introduced Online Payment facility through 1Link for rights subscription. The Investor Account Holder can now make online payment for their respective rights subscribed against 1Bill Payment ID printed on the top right hand side of the Right Subscription Request (generated by CDS) through all the available online banking channels of 1Link's member banks (such as internet banking, Automated Teller Machines (ATM) and mobile banking).

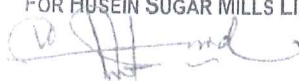
The payment of unpaid right letter will be made by cash or crossed cheque or demand draft or pay order made out to the credit of "**Husein Sugar Mills Limited – Preference Right Shares Subscription Account**" through all branches of National Bank of Pakistan as per tentative schedule submitted to you.

The Shareholders holding ordinary shares of the Company in physical form should please note that under the CDC applicable Rights Shares Procedures, the physical shareholder can renounce his/her Letter of Rights by depositing into his/her own CDS investor or sub account to a person who is investor or sub-account holder with CDC. Further, physical shareholder can renounce his/her Letter of Rights and Renouncee(s) can also get credit of preference right shares in book-entry form in his/her own CDS investor or sub- account by providing his/her own CDS investor or sub account details. Shareholders holding shares of the Company in physical form can also get credit of preference right shares in his/her own CDS investor or sub account by providing his/her own CDS investor or sub account details.

We shall request you to please approve the letter of intimation, Letter of Preference right to Physical Shareholders, Information as per Schedule I to Companies (Further Issue of Shares) Regulations, 2020 and tentative schedule of preference right issue and Preference right Subscription Request which were earlier provided to you.

Should you need any other documents/information, please contact the undersigned

Sincerely yours,  
FOR HUSEIN SUGAR MILLS LIMITED



KHALID MAHMOOD



117

(To be retained by Shareholder/ Renouncee)

**HUSEIN SUGAR MILLS LIMITED**

Registered Office: 180 Abu Bakr Block, New Garden Town, Canal Road, Lahore

R-6

Share Registrar:

M/s CorpTec Associates (Pvt) Limited

Address: 503-E, Johar Town, Lahore.

Tel: +92 42-35170336-7 Email: info@corptec.com.pk

1 Bill Payment ID

OFFER LETTER (LETTER OF PREFERENCE RIGHTS)  
ISSUE OF 14,450,000 PREFERENCE SHARES OF RS 10/- EACH

TO BE ISSUED AT RS. 10/- PER SHARE PAYABLE IN FULL ON ACCEPTANCE ON OR  
BEFORE JANUARY 21, 2022

IMPORTANT: NOTES AND INSTRUCTIONS FOR DEALING WITH THIS LETTER ARE GIVEN ON PAGE-2,  
WHICH SHOULD BE CAREFULLY READ AND FOLLOWED.

|                               |                                    |
|-------------------------------|------------------------------------|
| NAME & ADDRESS OF SHAREHOLDER | NAME(S) OF JOINT HOLDER(S), IF ANY |
| <br><br>                      | <br><br>                           |

Dear Shareholder(s),

In accordance with the provisions of Section 83(1) of the Companies Act, 2017 and the provisions of the Companies (Further Issue of Shares) Regulations, 2020 and the decision of the Board of Directors of the Company and approval of the members of the Company by way of special resolution in the Extra Ordinary General Meeting held on 27 August 2021, we are pleased to inform you that your right offer in the ratio of 37.50 Preference right Shares offer for every 100 Shares registered in your name as of August 15, 2021 have been credited into your CDS Account. Thus, physical letter of preference right is not required to be issued to you.

| CDS Account No. | No. of Shares Held | Preference right Offer Credited* |
|-----------------|--------------------|----------------------------------|
|                 |                    |                                  |

\* This preference right offer is now available for trading and settlements in book entry form, as per scheduled dates of trading.

The preference right offer @ Rs. 10/- per Share must be accepted and paid for in full to the extent of such subscription on or before January 21, 2022. For the purpose of exercising the preference right offer, you will have to request the CDC participant / Investor Account Services (IAS) department (on behalf of IAS account holders) to initiate Preference right Subscription Request transaction into CDS on your behalf. Upon execution of preference right subscription request, CDC participant / IAS department will provide two copies of Preference right Subscription Request printouts to you to make the payment with authorized banker(s) to the preference right issue as mentioned in the preference right subscription request printout.

**ONLINE PAYMENT OPTION FOR IAS ACCOUNT HOLDERS**

CDC has introduced Online Payment facility through 1Link for preference rights subscription. The Investor Account Holder can now make online payment for their respective preference rights subscribed against 1Bill Payment ID printed on the top right hand side of the Right Subscription Request (generated by CDS) through all the available online banking channels of 1Link's member banks (such as internet banking, Automated Teller Machines (ATM) and mobile banking).

If any right offer is not taken up by the CDS account holder, then these right offers shall be deemed to have declined by you and will be treated as cancelled. In that event these will be offered to and taken up as decided by the Board of Directors of the Company as per requirement of section 83(1) of the Companies Act 2017.

The fractional right entitlements will be consolidated and disposed of on the Securities Exchange and proceeds of such sale will be distributed in due course by the company in the manner prescribed under the provisions of the applicable laws.

Please note that once the Right Subscription Request has been initiated by CDC Participant / IAS Department into CDS, right offer to the extent included in such request will be blocked and therefore cannot be traded further.

Please also note that securities against paid Right Subscription Request will be credited into your respective CDS account within 14 business days from the last payment date.

Schedule I to the Companies (Further Issue of Shares) Regulations, 2020 is enclosed.

Yours faithfully,  
for HUSEIN SUGAR MILLS LIMITED





## **PAYMENT OF PREFERENCE RIGHT OFFER BY CDS ACCOUNT HOLDERS**

Details of Trading, Subscription and Credit of Preference Shares (issued by way of rights) for CDS Account Holders:

| Activities   | Dates      |
|--|------------|
| Subscription of Preference Right Offer Start Date  | 23.12.2021 |
| Date of Commencement of trading of unpaid Preference Rights on the Pakistan Stock Exchange | 23.12.2021 |
| Last date of trading of unpaid Preference Rights   | 14.01.2022 |
| Last date of subscription of Preference Right Offer  | 21.01.2022 |
| Date of credit of Preference Right Shares into CDS   | 10.02.2022 |

### **PAYMENT PROCEDURES:**

#### **1) BANKER TO THE RIGHT ISSUE:**

National Bank of Pakistan (All Branches)

#### **2) EXCHANGE THE RIGHT OFFERS IN CDS:**

- a) For subscription of Preference Shares Offer, CDS account holder will request in writing to his/her CDC participant / IAS Department to initiate Preference Right Shares Subscription Request into CDS on his/her behalf and CDC participant / IAS Department will provide him / her two copies of Right Subscription Request enabling him/her to make the payment with authorized banker to the Preference Shares Right issue.
- b) Preference Shares Right Subscription Request can be initiated for full or partial Preference Shares Right offer.

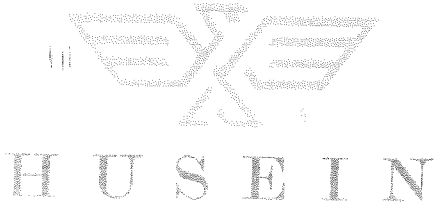
#### **3) PAYMENT:**

- a) Payment as indicated on **Preference Shares Right Subscription Request** should be made by cash or crossed Cheque or demand draft or pay order made out to the credit of **"HUSEIN SUGAR MILLS LIMITED – Preference Right Shares Subscription Account"** through National Bank of Pakistan any branch in Pakistan on or before January 21, 2022 along with **Preference Right Subscription Request** duly filled in and signed by the subscriber(s).
- b) In case of Non-Resident Pakistan / Foreign shareholder, the demand draft of equivalent amount in Pak Rupees should be sent to the Company Secretary; HUSEIN SUGAR MILLS LIMITED at the registered office of the company along with Preference Shares Right Subscription Request (both copies) duly filled and signed by the subscriber(s) with certified copy of NICOP / Passport well before the last date of payment.
- c) All cheques and drafts must be drawn on a bank situated in the same city where Right Subscription Request is deposited. Cheque is subject to realization.
- d) The Bank will not accept Preference Shares Right Subscription Requests delivered by post which may reach after the closure of business on January 21, 2022 unless evidence is available that these have been posted before the last date of payment.
- e) CDC has introduced Online Payment facility through 1Link for Preference Shares rights subscription. The **Investor Account Holder** can now **make online payment** for their respective rights subscribed against 1Bill Payment ID printed on the top right hand side of the Preference Shares Right Subscription Request (generated by CDS) through all the available online banking channels of 1Link's member banks (such as internet banking, Automated Teller Machines (ATM) and mobile banking).

#### **4) ACCEPTANCE OF PAYMENT THROUGH RIGHT SUBSCRIPTION REQUEST:**

- a) Payment of the amount indicated on Preference Shares Right Subscription Request to the Company's Bankers to the issue on or before January 21, 2022, shall be treated as acceptance of the Preference Shares Right offer (by way of rights).
- b) Two copies of Preference Shares Right Subscription Requests should be handed over to the Company's Bankers to the issue intact. Client's copy of Preference Shares Right Subscription Request will be returned to the subscriber whilst Issuer's copy will be retained by the Banker for onward transmission to the Company. The Client's copy must be preserved and retained safely by the subscriber.





COMPANY SECRETARY

## SCHEDULE OF TIMELINES

### 37.50% PREFERENCE RIGHT ISSUE

Book Closure: From 16.08.2021 to 23.08.2021 (both days inclusive)

| Sr.No | Procedure  | Day       | Date       |
|-------|--|-----------|------------|
| 1     | Date of credit of unpaid Preference rights into CDC in Book Entry Form             | Monday    | 20.12.2021 |
| 2     | Dispatch of Letter of Preference right (LOR) to physical shareholders              | Wednesday | 22.12.2021 |
| 3     | Intimation to Stock Exchange for dispatch of physical Letter of Preference rights  | Wednesday | 22.12.2021 |
| 4     | Commencement of trading of unpaid Preference rights on the Pakistan Stock Exchange | Thursday  | 23.12.2021 |
| 5     | Last date for splitting and deposit of requests into CDS                           | Wednesday | 05.01.2022 |
| 6     | Last date of trading of Preference rights Letter                                   | Friday    | 14.01.2022 |
| 7     | Last date for acceptance and payment of shares in CDC and physical form            | Friday    | 21.01.2022 |
| 8     | Allotment of shares and credit of book entry of shares into CDC                    | Thursday  | 10.02.2022 |
| 9     | Date of dispatch of physical shares certificates                                   | Friday    | 20.02.2022 |

Regards

For and on behalf Husein Sugar Mills Limited

**KHALID MAHMOOD**  
COMPANY SECRETARY



Husein Sugar Mills Limited

28-C, Block E-1, Gulberg-III,  
Lahore - Pakistan.

UAN: 0092 42 111 111 476 (HSM)  
[www.husein.pk](http://www.husein.pk)



**Term Sheet for Issuance of 14,445,000 listed, convertible, irredeemable, non-voting, non-participatory Preference Shares**

**Approved by the Board of Directors of Husein Sugar Mills Limited  
In its meeting held on July 16, 2021**

| S.No.  |   |  |  |               |                  |  |                   |                    |  |                   |                    |  |                   |                    |
|--|---|--|--|---------------|------------------|--|-------------------|--------------------|--|-------------------|--------------------|--|-------------------|--------------------|
| 1.   | Instrument  | Cumulative, irredeemable, non-voting, non-participatory, convertible and listed Preference Shares.   |  |               |                  |  |                   |                    |  |                   |                    |  |                   |                    |
| 2.   | Quantum of the Issue  | The quantum of the Right Issue is 37.50% of the existing paid-up capital of the Company i.e. 37.50 Preference Shares for every 100 Ordinary Shares held by the existing members of the Company.  |  |               |                  |  |                   |                    |  |                   |                    |  |                   |                    |
| 3.   | Size issue  | PKR 144,450,000 divided into 14,445,000 Preference Shares.   |  |               |                  |  |                   |                    |  |                   |                    |  |                   |                    |
| 4.   | Issue price   | PKR 10/- per share.  |  |               |                  |  |                   |                    |  |                   |                    |  |                   |                    |
| 5.   | Purpose of the issue  | The purpose of the Right Issue is to help the Company to mitigate the adverse impact on profitability and to raise working capital and to refund sponsors' loan of the Company   |  |               |                  |  |                   |                    |  |                   |                    |  |                   |                    |
| 6.   | Utilization of the proceeds of the issue  | The proceeds of Right Shares will augment the Company's liquidity resulting in reduction in debt burden. This will support the Company to maintain a minimum level of debt and will also result in enhancement of the capacity of the company to distribute profit among the members by way of dividend and to meet any future capital expenditures. This proposed increase in profitability will enhance the expected returns to the valued members of the Company. The proceeds of the right shares will be also be used to meet the working capital requirements of the Company and to refund sponsors' loan of the Company.  |  |               |                  |  |                   |                    |  |                   |                    |  |                   |                    |
| 7.   | Benefits of the issue to the company and its Shareholders                                       | In addition to an increase in the equity base, the subscription amount from the Right Issue is expected to provide relief to the Company from the burden of sponsors' loan.  |  |               |                  |  |                   |                    |  |                   |                    |  |                   |                    |
| 8.   | Risks, if any, associated with the issue to which the company and/or its members are exposed to | There is no additional investment risk as the right issue is being offered at par value of PKR 10/- per preference share. However, normal risks associated with the business would remain.   |  |               |                  |  |                   |                    |  |                   |                    |  |                   |                    |
| 9.   | Description of different kind of shares such as Preference Shares                               | <p>Paid up capital of the Company after the proposed issue of Preference Shares will be as under:</p> <table border="1"> <thead> <tr> <th></th><th>No. of Shares</th><th>Amount<br/>In PKR</th></tr> </thead> <tbody> <tr> <td><b>Paid up Share Capital – Current Ordinary Shares</b></td><td><b>38,520,000</b></td><td><b>385,200,000</b></td></tr> <tr> <td><b>Proposed Preference Right Issue</b></td><td><b>14,445,000</b></td><td><b>144,450,000</b></td></tr> <tr> <td><b>Paid up Share Capital After proposed Preference Right Issue</b></td><td><b>52,965,000</b></td><td><b>529,650,000</b></td></tr> </tbody> </table> |  | No. of Shares | Amount<br>In PKR | <b>Paid up Share Capital – Current Ordinary Shares</b> | <b>38,520,000</b> | <b>385,200,000</b> | <b>Proposed Preference Right Issue</b> | <b>14,445,000</b> | <b>144,450,000</b> | <b>Paid up Share Capital After proposed Preference Right Issue</b> | <b>52,965,000</b> | <b>529,650,000</b> |
|  | No. of Shares   | Amount<br>In PKR   |  |               |                  |  |                   |                    |  |                   |                    |  |                   |                    |
| <b>Paid up Share Capital – Current Ordinary Shares</b>             | <b>38,520,000</b>   | <b>385,200,000</b>   |  |               |                  |  |                   |                    |  |                   |                    |  |                   |                    |
| <b>Proposed Preference Right Issue</b>                             | <b>14,445,000</b>   | <b>144,450,000</b>   |  |               |                  |  |                   |                    |  |                   |                    |  |                   |                    |
| <b>Paid up Share Capital After proposed Preference Right Issue</b> | <b>52,965,000</b>   | <b>529,650,000</b>   |  |               |                  |  |                   |                    |  |                   |                    |  |                   |                    |

|     |  |  |
|-----|--|--|
| 10. | Description of different rights such as different class in each kind, rights and privileges attached to each class or kind of capital;   | <p>Preference Shares shall carry an entitlement to a fixed cumulative preferential dividend out of the normal profits of the Company @ 10% (Ten percent) per annum.</p> <p>If cash dividend is not paid in any year, due to loss or inadequate profits, then such unpaid cash dividend will accumulate and will be paid in the subsequent year(s) subject to the approval of the Board of Directors of the Company. There will be no change/revision in the rate of preference dividend in case of accumulation.</p>   |
| 11. | Whether the shares are being issued as right or other than right;  | Shares will be issued as Right.  |
| 12. | Whether the holders of such shares shall be entitled to participate in profits or surplus funds of the company;  | Preference Shares shall not carry any entitlement to the ordinary dividends, right shares or bonus shares, as may be announced by the Company from time to time on the Ordinary Shares of the Company, or to any right to participate in the profits of the Company in any manner or any other rights whatsoever that are available to the Ordinary Shareholders.  |
| 13. | Whether the holders of such shares shall be entitled to participate in surplus assets and profits of the company on its winding-up which may remain after the ordinary shareholders has been repaid; | The holders of these Cumulative, irredeemable, non-voting, non-participatory, convertible and listed Preference Shares shall not be entitled to Participate in any further profit or assets of the Company.  |
| 14. | Whether payment of dividend on Preference Shares is on cumulative or non-cumulative basis;   | Cumulative basis   |
| 15. | In case the shares being issued are convertible into ordinary shares, then mode, mechanism and manner of such conversion;  | <p>The Company shall also have a firm option to convert" Preference Shares into ordinary shares of PKR 10/- each of the Company on September 30 of any calendar year prior to <u>2031</u> (the Conversion Option).</p> <p>The Conversion shall take place in proportion of 01 Ordinary Share of PKR 10/- each for every 02 Preference Shares.</p> <p>Upon the exercise of its Conversion Option, the Company shall issue a Conversion Notice to each Preference Shareholder with a book closure for such conversion. The Conversion Notice shall also be issued in two newspapers circulating in Lahore /Karachi.</p> <p>Each holder of Preference Shares whose name is registered in the books of the Company as Preference Shareholder shall be issued one fully paid-up Ordinary Shares of the Company for every two Preference Shares held by him/her/it i.e. in the ratio of 1:2. Such Ordinary shares shall be allotted and issued within a further period of thirty (30) days from the date of the completion of the book closure to be mentioned in the Conversion Notice. Such ordinary Shares shall rank pari passu in all respects with the other Ordinary Shares of the Company then already issued by the</p> |

|     |  | Company.  |
|-----|--|---|
| 16. | Rights of holders of Preference Shares regarding dividend, participation in general meetings and voting therein before and after conversion of Preference Shares into ordinary shares; | <p>Preference Shares shall not carry any entitlement to the ordinary dividends, right shares or bonus shares, as may be announced by the Company from time to time on the Ordinary Shares of the Company, or to any right to participate in the profits of the Company in any manner or any other rights whatsoever that are available to the Ordinary Shareholders.</p> <p>Preference Shareholders shall not have any voting power and shall not be entitled to receive notices of or right to attend general meetings of the Company and/or to vote at such meetings except on matters affecting their substantive rights as provided under the law.</p>  |
| 17. | In case the shares are partially or wholly redeemable, then mode and manner of redemption;   | Preference Shares shall not be redeemable.  |
| 18. | Any other feature as deem appropriate by the board.  | <p>Tenure 10 years (up to 2031)</p> <p><u>Unsubscribed Preference Shares and Fractions Shares</u></p> <p>The Directors may at their discretion offer such unsubscribed Preference Shares on the same terms and conditions as specified above, to such periods or entities and in such manner as the Directors may deem appropriate in exercise of power under Section 83(1)(a)(iv) of Companies Act, 2017.</p> <p>Fractions Preference Shares shall not be offered and all fractions less than a share shall be consolidated and disposed of by the Directors as and how they may deem appropriate in exercise of powers under Regulation 3(1)(ii) of Companies (Further Issue of Shares) Regulations, 2020 and the proceeds from such disposition shall be paid to such of the entitled members as may have accepted this offer.</p> |

