

3rd QUARTER REPORT
June 30, 2014 (Un-audited)



HASEEB WAQAS SUGAR MILLS LTD.





HASEEB WAQAS SUGAR MILLS LIMITED

COMPANY PROFILE

BOARD OF DIRECTORS

- | | |
|--------------------------------|-----------------|
| 1. Brig (R) Muhammad Akram | Chief Executive |
| 2. Hafiz M. Irfan Hussain Butt | Chairman |
| 3. Mian Waqas Riaz | Director |
| 4. Mian Haseeb Ilyas | Director |
| 5. Mrs. Zainab Waqas | Director |
| 6. Mrs. Shahzadi Ilyas | Director |
| 7. Miss. Zakia Ilyas | Director |
| 8. Mr. Raza Mustafa | Director |

AUDIT COMMITTEE

1. Mr. Raza Mustafa (Chairman)
2. Ms. Zakia Ilyas (Member)
3. Hafiz M. Irfan Hussain Butt (Member)

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

Mr. Ansar Ahmed
Tel: 042-35917313
Email: cs@hwgc.com.pk

AUDITORS

M/s Qadeer & Company,
Chartered Accountants
89-F, Jail Road, Lahore
Tel: 042-37425267-9

MILLS

Mehrajabad, Tehsil & District
Nankana Sahib.
Tel: 056-2724010-4
Fax: 056-2874367

BANKERS

National Bank of Pakistan
Sindh Bank Limited
Summit Bank Limited
The Bank of Punjab

HUMAN RESOURCE & REMUNERATION COMMITTEE

1. Mian Waqas Riaz (Member)
2. Mrs. Zainab Waqas (Member)
3. Ms. Zakia Ilyas (Member)

REGISTERED OFFICE

6-F, Model Town, Lahore.
Tel: 042-35917321-23
Fax: 042-35917317
Website: www.hwgc.com.pk

REGISTRAR

Hameed Majeed Associates (Pvt.)
Limited.
H.M. House, 7-Bank Square, LHR.
Tel: 042-37235081-2

LEGAL ADVISOR

Mian Aslam Shahzad
(Advocate)



HASEEB WAQAS SUGAR MILLS LIMITED

DIRECTORS' REVIEW FOR THE NINE MONTHS ENDED JUNE 30, 2014

Dear Members

The directors of your Company take this opportunity to present the interim accounts for the period of nine months ended on June 30, 2014.

FINANCIAL RESULTS

The financial results of the company for the period under review are summarized as follows:

	For Nine Months ended June 30	
	2014	2013
	(Rupees in thousand)	
Net Sales	1,920,337	2,036,088
Gross Profit / (Loss)	(271,506)	(167,328)
Net Profit / (Loss) before tax	(433,891)	(340,443)
Net Profit / (Loss) after tax	(441,275)	(336,636)
Basic Earning	(13.62)	(10.39)

During the period under review net sales of the company has been decreased due to low sale prices of sugar. The reason of Gross loss is that there is gross mismatch in cane cost and sale prices of sugar

The management is expecting the end of this cycle of 3 years of depression phase in sugar industry which is in 3rd years since sugar industry is of cyclic nature & goes through the depression phase after every 3 to 4 years.

Taking the above factors into consideration the management of your company is in the process of emphasizing towards the value addition of by products & BMR to increase the recovery. In first phase we have installed Falling Film Evaporator (FFE) which has started working successfully. During the year we are planning to install further FFE to save the baggass which will contribute positively towards the revenue generation to cover some losses during the year. The efficiency of milling and energy system will be further upgraded in coming years, after which the management plans to move to electricity generation. This increased crushing, baggass saving, additional sugar production from same cost of cane and improvement in demand & supply situation of sugar will help in generating positive cash flows in the future.

OPERATIONAL DATA

The crushing season started on November 18, 2013. The operating results for the period under review are as under:

		November 18, 2013 To March 02, 2014	December 03, 2012 To March 21, 2013
Crushing days	Days	105	109
Average recovery	%age	9.24%	8.46%
Cane crushed	M.T.	420,096.125	513,707
Avg. Cane crushed (per day)	M.T.	4,000.90	4,713
Sugar produced	M.T.	38,762	43,565



HASEEB WAQAS SUGAR MILLS LIMITED

The mills were operated for 105 days with total crushing of 420,096 M.Tones as against 109 days with total crushing of 470,972 M.Tones. Average recovery has decreased from 9.26% to 9.24%. Cane crushed & sugar produced is 4,000 M.T & 38,762 M.T as compared with 4,321 M.T & 43,565 M.T respectively of same period of last year.

FUTURE OUTLOOK

In the current year, prices of sugar are at its lowest ebb due to surplus production of sugar and continuing situation probably will prevail. However some improvement is seen in prices of sugar during Ramadan.

ACKNOWLEDGEMENT

The Board of directors deeply express their appreciation and pay their gratitude to sugarcane growers, valuable customers, shareholders, banks and Government departments for their continued support, trust, persistent co-operation and patronage which gives strength to pursue our corporate objectives with renewed vigor. The Board also acknowledges the valuable teamwork, devotion and dedication by the executives, employees and workers of the Company.

On behalf of the Board

Lahore
July 24, 2014.

Brig. (R) Muhammad Akram
Chief Executive



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT JUNE 30, 2014

	Note	<i>Restated</i>	
		Un-audited June 30, 2014	Audited Sep 30, 2013
Rupees			
CAPITAL AND LIABILITIES			
Share capital and reserves			
Authorized capital			
35,000,000 (2013: 35,000,000) ordinary shares of Rs. 10 each		350,000,000	350,000,000
Issued, subscribed and paid up capital	5	324,000,000	324,000,000
Accumulated loss		<u>(913,333,336)</u>	<u>(123,122,604)</u>
		(589,333,336)	200,877,396
Surplus on revaluation of property, plant and equipment		1,161,203,106	1,271,117,724
Non current liabilities			
Long term financing	6	207,171,944	236,995,324
Liabilities against assets subject to finance lease		27,847,156	49,243,806
Deferred gain		316,796	1,267,139
Deferred liabilities		19,759,876	17,187,780
Deferred taxation		583,981,959	577,727,733
		839,077,731	882,421,782
			1,058,802,949
Current liabilities			
Trade and other payables		421,741,925	328,081,597
Markup/ interest payables		122,889,692	64,083,209
Short term borrowings		1,824,996,215	1,604,792,162
Current portion of non current liabilities	7	147,417,396	161,242,669
Provision for taxation		-	7,931,012
		2,517,045,228	2,166,130,649
			2,003,173,755
Contingencies and commitments	8	-	-
		<u>3,927,992,729</u>	<u>4,061,698,127</u>
			<u>4,533,971,825</u>
ASSETS			
Non current assets			
Property, plant and equipment	9	2,472,472,427	2,509,729,821
Long term deposits		14,247,120	14,247,120
		2,486,719,547	2,523,976,941
			2,597,229,445
Current assets			
Stores, spares and loose tools		53,532,601	64,876,629
Stock in trade	10	866,474,537	881,329,501
Loans and advances		5,914,758	3,450,000
Trade deposits and short term prepayments		512,504,807	568,744,749
Cash and bank balances		2,846,478	19,320,307
		<u>1,441,273,182</u>	<u>1,537,721,186</u>
		<u>3,927,992,729</u>	<u>4,061,698,127</u>
			<u>4,533,971,825</u>

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

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE 3rd QUARTER AND NINE MONTHS ENDED JUNE 30, 2014.

	Note	Nine months ended		Quarter ended	
		June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
		Rupees		Rupees	
Sales - Net	11	1,920,337,068	2,036,088,589	270,875,176	413,072,271
Cost of goods sold	12	(2,191,843,586)	(2,203,417,308)	(276,565,965)	(609,790,308)
Gross profit/(loss)		(271,506,518)	(167,328,719)	(5,690,789)	(196,718,037)
Operating expenses:					
- Administrative and general		26,794,302	24,767,157	8,093,357	8,347,829
		(298,300,820)	(192,095,876)	(13,784,146)	(205,065,866)
Other operating income		1,283,389	961,192	316,781	316,940
Profit/ (loss) from operation		(297,017,431)	(191,134,684)	(13,467,365)	(204,748,926)
Finance cost		136,874,134	149,308,600	48,539,478	52,705,172
Profit/ (loss) before taxation		(433,891,565)	(340,443,284)	(62,006,843)	(257,454,098)
Taxation:					
Current		-	(10,180,443)	-	(2,065,361)
Deferred		(7,384,361)	13,987,284	(2,667,307)	12,537,241
		(7,384,361)	3,806,841	(2,667,307)	10,471,880
(Loss) after taxation		(441,275,925)	(336,636,443)	(64,674,150)	(246,982,218)
Earning/ (loss) per share - basic		(13.62)	(10.39)	(2.00)	(7.62)

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



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE 3rd QUARTER AND NINE MONTHS ENDED JUNE 30, 2014

	Nine months ended		Quarter ended	
	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>
	Rupees		Rupees	
(Loss) after taxation	(441,275,925)	(336,636,443)	(64,674,150)	(246,982,218)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income/(loss) for the period	<u>(441,275,925)</u>	<u>(336,636,443)</u>	<u>(64,674,150)</u>	<u>(246,982,218)</u>

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

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS ENDED JUNE 30, 2014.

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/ profit before taxation	(433,891,565)	(340,443,284)
Adjustments for:		
- Depreciation	97,993,225	100,159,546
- Provision for employees retirement benefits	1,787,262	1,752,032
- Gain on disposal of property plant and equipment	(332,994)	-
- Amortization of deferred income	(950,395)	(950,323)
- Finance cost	136,874,134	149,308,600
	<u>235,371,231</u>	<u>250,269,855</u>
Operating profit before working capital changes	(198,520,333)	(90,173,429)
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	11,344,028	(13,896,774)
- Stock in trade	14,854,964	(142,780,818)
- Loans and advances	(2,464,758)	-
- Trade deposits and short term prepayments	56,239,942	(162,535,448)
Increase / (decrease) in current liabilities:		
- Trade and other payables	92,750,318	645,390,844
	<u>172,724,494</u>	<u>326,177,804</u>
Cash used in/generated from operations	(25,795,839)	236,004,375
Income tax paid / deducted	(6,660,951)	(11,089,029)
Gratuity paid	(345,301)	(291,310)
Finance cost paid	<u>(78,067,651)</u>	<u>(158,847,522)</u>
Net cash generated from/used in operating activities	(110,869,742)	65,776,514
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(60,762,837)	(33,140,516)
Long term deposits	-	5,773,382
Net cash used in investing activities	(60,762,837)	(27,367,134)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) from long term loans - Net	(29,823,380)	(97,970,980)
Proceeds / (Repayment) from Lease Finance - Net	(35,221,923)	(28,840,294)
Proceeds / (Repayment) from short term borrowings - Net	220,204,053	88,710,255
Dividend paid	-	-
Net cash used in/ generated from financing activities	<u>155,158,750</u>	<u>(38,101,019)</u>
Net increase/ (decrease) in cash and cash equivalents	(16,473,829)	308,360
Cash and cash equivalents at the beginning of the period	19,320,307	6,598,499
Cash and cash equivalents at the end of the period	<u><u>2,846,478</u></u>	<u><u>6,906,859</u></u>

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

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE 3rd QUARTER AND NINE MONTHS ENDED JUNE 30, 2014.

	Issued, subscribed and paid-up	Accumulated loss / Unappropriated profit	Total
R u p e e s			
As at October 01, 2012 previously reported	324,000,000	(123,690,168)	200,309,832
Change in accounting policy for recognition of actuarial gain and losses	-	567,564	567,564
As at October 01, 2012 restated	324,000,000	(123,122,604)	200,877,396
Net (loss) for the period	-	(336,636,443)	(336,636,443)
Other comprehensive income	-	-	-
Total comprehensive income/(loss) for the period	-	(336,636,443)	(336,636,443)
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation	-	47,849,436	47,849,436
Balance as at June 30, 2013 restated	<u>324,000,000</u>	<u>(411,909,611)</u>	<u>(87,909,611)</u>
Balance as at June 30, 2013 as previously reported	324,000,000	(412,477,175)	(88,477,175)
Change in accounting policy for recognition of actuarial gain and losses	-	2,193,791	2,193,791
Net (loss) for the period	-	(123,839,207)	(123,839,207)
Other comprehensive income	-	-	-
Total comprehensive income/(loss) for the period	-	(123,839,207)	(123,839,207)
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation	-	16,931,337	16,931,337
Balance as at September 30, 2013 as restated	<u>324,000,000</u>	<u>(517,191,254)</u>	<u>(193,191,254)</u>
Net (loss) for the period	-	(441,275,925)	(441,275,925)
Other comprehensive income	-	-	-
Total comprehensive income/(loss) for the period	-	(441,275,925)	(441,275,925)
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation	-	45,133,843	45,133,843
Balance as at June 30, 2014	<u>324,000,000</u>	<u>(913,333,336)</u>	<u>(589,333,336)</u>

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



HASEEB WAQAS SUGAR MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION. FOR THE 3rd QUARTER AND NINE MONTHS ENDED JUNE 30, 2014.

1 STATUS AND ACTIVITIES

Haseeb Waqas Sugar Mills Limited ("the Company") was incorporated on 13 January 1992 as a Public Limited Company under the Companies Ordinance, 1984. The Company's registered office is situated at 6-F Model Town, Lahore. The mill is situated at Merajabad, Nankana Sahib, District Nankana Sahib. The Company is listed on Lahore and Karachi Stock Exchanges. The principal activity of the Company is manufacture and sale of refined sugar and its by-products.

2 STATEMENT OF COMPLIANCE

These condensed interim financial information are unaudited and are being submitted to share holders as required u/s 245 of Companies Ordinance, 1984. These have been prepared in accordance with the International Accounting Standard No. 34 "Interim Financial Reporting" as applicable in Pakistan and notified by Securities and Exchanges Commission of Pakistan (SECP) and shall be read in conjunction with the published audited financial statements for the year ended September 30, 2013

The crushing season 2013-2014 of the Company commenced on November 18, 2013 and ended on March 02, 2014.

3 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention modified by adjustment of revaluation of certain assets. In this condensed interim financial information, except for the cash flow statement, all the transactions have been accounted for on accrual basis.

In the condensed interim financial statements which indicate that the Company incurred gross loss amounting to Rs. 271,506,518 (2013: Rs. 236,204,109) and net loss from operations amounting to Rs. 433,891,565 (2013: Rs. 473,780,304) during the third quarter ended June 30, 2014 leading to negative equity of Rs. 589,333,336 (2013: Rs. 193,191,254). Moreover, the current liabilities exceed current assets by Rs 1,075,772,047 (2013: Rs. 628,409,463). The management regards it as a temporary phase in business for mills in the north and center of Punjab, which had developed due to extraordinary increase in sugar cane support price for the last many years. This resulted in increased area under cultivation of cane thus resulting in oversupply of sugar in the market. Realizing its ill effects the government has kept support price at Rs.170 / maund for the last two years.

Taking the above factors into consideration the management has taken concrete steps to overcome this situation. It has started investment in energy saving & improved cane extraction in the first phase which will be available for next season's crushing. The efficiency of milling and energy system will be further upgraded in coming years, after which the management plans to move to electricity generation. This increased crushing, bagasse saving, additional sugar production from same cost of cane and improvement in demand & supply situation of sugar will help in generating positive cash flows in the future.

In view of the situation described above, material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, management believes that considering the mitigating factors set out in the preceding paragraphs, the going concern assumption is appropriate and has, as such, prepared these condensed interim financial statements on a going concern basis.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods for computation adopted for the preparation of this condensed interim financial information is the same as those applied in preparation of the financial statements for the year ended September 30, 2013.

5 SHARE CAPITAL

	June 30, 2014	Sep 30, 2013
	Rupees	
5.1 Authorized capital		
35,000,000 (Sep 30, 2013: 35,000,000) ordinary shares of Rs. 10/- each.	350,000,000	350,000,000
5.2 Issued, subscribed and paid-up capital:		
27,000,000 (2013: 27,000,000) shares issued for cash.	270,000,000	270,000,000
5,400,000 (2013: 5,400,000) shares issued as fully paid bonus shares.	54,000,000	54,000,000
	<u>324,000,000</u>	<u>324,000,000</u>

There is no movement in ordinary share capital of the Company during period.



HASEEB WAQAS SUGAR MILLS LIMITED

		<u>June 30, 2014</u>	<u>Sep 30, 2013</u>
		Rupees	
6 LONG TERM FINANCING			
Loan from banking companies and other financial institutions-secured	6.1	-	31,250,950
Loan from directors - unsecured	6.2	<u>207,171,944</u>	<u>205,744,374</u>
		<u>207,171,944</u>	<u>236,995,324</u>
6.1 Loan from banking companies and other financial institutions-secured			
National Bank of Pakistan			
- Demand Finance		37,500,950	62,500,950
PAIR			
- Demand Finance		75,000,000	93,750,000
		<u>112,500,950</u>	<u>156,250,950</u>
Less: current portion shown under current			
- Demand Finance - NBP		<u>(37,500,950)</u>	<u>(50,000,000)</u>
- Demand Finance - PAIR		<u>(75,000,000)</u>	<u>(75,000,000)</u>
		<u>(112,500,950)</u>	<u>(125,000,000)</u>
		<u>-</u>	<u>31,250,950</u>
Demand Finance - NBP			
Opening balance		62,500,950	112,500,000
Less: payment made during the year		<u>(25,000,000)</u>	<u>(49,999,050)</u>
		<u>37,500,950</u>	<u>62,500,950</u>
<p>This finance has been obtained from National Bank of Pakistan. The finance is secured by first charge of Rs. 250 million on fixed assets of the Company and personal guarantees of directors of the Company. It carries markup 3 months KIBOR +2.5% per annum. This loan is payable in twelve equal quarterly installments.</p>			
Demand Finance - PAIR			
Opening balance		93,750,000	150,000,000
Less: payment made during the year		<u>(18,750,000)</u>	<u>(56,250,000)</u>
		<u>75,000,000</u>	<u>93,750,000</u>
<p>This finance has been obtained from PAIR Investment Company Limited. The finance is secured by pari passu charges over the present and future fixed assets of the Company, with a margin of 33% above the financing amount. Pari passu charge by way of creation of mortgage over the land and building of the Company and personal guarantees of directors of the Company. It carries markup 3 months KIBOR +350 bps per annum. This loan is payable in eight equal quarterly installments.</p>			
6.2 LOAN FROM DIRECTORS			
Loan from directors - unsecured - interest free		<u>207,171,944</u>	<u>205,744,374</u>
<p>This loan has been obtained from directors of the Company, and is interest free. There is no fixed tenor or schedule for repayment of this loan. According to the loan agreement, the lenders shall not demand repayment and the same is entirely at the Company's option.</p> <p>These are subordinated to National Bank of Pakistan, The Bank of Punjab and Sindh Bank Limited.</p>			
7 CURRENT PORTION OF NON CURRENT LIABILITIES			
Long term finances		112,500,950	125,000,000
Liabilities against assets subject to finance lease		34,916,446	36,242,669
		<u>147,417,396</u>	<u>161,242,669</u>
8 CONTINGENCIES AND COMMITMENTS			
<p>There is no material change in the status of the contingencies and commitments reported in the annual financial statements for the year ended September 30, 2013</p>			



HASEEB WAQAS SUGAR MILLS LIMITED

	Note	June 30, 2014		Sep 30, 2013	
		Rupees			
9 PROPERTY, PLANT AND EQUIPMENT					
Opening written down value		2,509,729,821		2,577,208,943	
Addition during the period/year		60,762,837		66,177,773	
Plant and machinery		-		455,000	
Vehicles		60,762,837		66,632,773	
		2,570,492,658		2,643,841,716	
Book value of assets disposed off during period		(27,006)		-	
		2,570,465,652		2,643,841,716	
Amortization of deferred gain		-		(1,267,104)	
Depreciation for the period / year		(97,993,225)		(132,844,791)	
		(97,993,225)		(134,111,895)	
		<u>2,472,472,427</u>		<u>2,509,729,821</u>	
10 STOCK IN TRADE					
Work in process					
Sugar		3,468,750		2,312,037	
By Product		184,920		-	
		3,653,670		2,312,037	
Finished goods					
Sugar	10.1	746,170,867		879,017,464	
By Product	10.2	116,650,000		-	
		862,820,867		879,017,464	
		<u>866,474,537</u>		<u>881,329,501</u>	
10.1		The entire stock of sugar is pledged as security with banks.			
10.2		The entire stock of molasses as at 30 June 2014 is stated at net realizable value.			
		Nine months ended		Quarter ended	
		June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
11 SALES - NET		Rupees		Rupees	
Export					
- Sugar		-	47,808,751	-	47,808,751
Local					
- Sugar		1,946,956,434	1,957,871,079	290,337,085	391,454,191
- Molasses		111,150,000	201,840,000	-	-
- Baggas		22,500,000	-	-	-
- Mud		5,241,000	4,462,500	2,560,500	1,630,000
		2,085,847,434	2,211,982,330	292,897,585	440,892,942
Sales tax and excise duty		(165,510,366)	(173,946,475)	(22,022,409)	(25,873,405)
Commission and EDS			(1,947,266)	-	(1,947,266)
		(165,510,366)	(175,893,741)	(22,022,409)	(27,820,671)
		<u>1,920,337,068</u>	<u>2,036,088,589</u>	<u>270,875,176</u>	<u>413,072,271</u>
12 COST OF GOODS SOLD					
Raw materials consumed		1,881,953,737	2,048,900,812	-	-
Stores and spares consumed		67,623,976	59,928,747	3,516,453	5,273,425
Salaries, wages and other benefits		71,070,849	69,935,936	16,126,738	14,571,756
Insurance		6,128,794	7,242,898	2,370,021	2,876,484
Repair and maintenance		52,889,893	60,916,863	14,088,902	31,143,518
Depreciation		95,246,143	97,219,334	31,955,710	32,662,956
Others		2,075,230	2,053,536	486,836	371,875
		2,176,988,622	2,346,198,126	68,544,660	86,900,014
Opening work in process		2,312,037	3,938,357	3,320,194	3,743,616
Closing work in process		(3,653,670)	(3,387,329)	(3,653,670)	(3,387,329)
		(1,341,633)	551,028	(333,476)	356,287
Cost of goods manufactured		2,175,646,989	2,346,749,154	68,211,184	87,256,301
Opening finished goods		879,017,464	1,273,238,517	1,071,175,648	1,939,104,370
Closing finished goods		(862,820,867)	(1,416,570,363)	(862,820,867)	(1,416,570,363)
		16,196,597	(143,331,846)	208,354,781	522,534,007
		<u>2,191,843,586</u>	<u>2,203,417,308</u>	<u>276,565,965</u>	<u>609,790,308</u>



HASEEB WAQAS SUGAR MILLS LIMITED

13 RELATED PARTY TRANSACTIONS

Related parties comprise holding company, subsidiaries and associated undertakings, other related group companies, key management personnel including Chief executive, Directors and Executives and Post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Details of related party transactions and balances are as follows:

13.1 Details of related party transactions other than those with key management personnel

The Company during the year entered into following transactions with related parties other than key management personnel:

	<u>June 30, 2014</u>	<u>Sep 30, 2013</u>
	Rupees	
13.1.1 Transactions with Associates		
Sale of molasses	111,150,000	528,854,415
Sale of stores and spares	-	275,532
Sale of baggas	22,500,000	32,760,000

13.1.2 Payments against balances due to related parties were made partially in cash and partially by paying for expenses on behalf of related parties and vice versa.

13.1.3 As per common practice in the sugar industry in Pakistan, the Company also purchased sugar cane from persons associated, directly and indirectly, with management personnel of the Company. These purchases were made in accordance with the cane procurement practice in the sugar industry. It is not practicable to determine the related amounts.

	<u>June 30, 2014</u>	<u>Sep 30, 2013</u>
	Rupees	
13.2 Details of related party balances are as follows:		
Due to:		
Abdullah Sugar Mills Limited	633,048,651	400,838,911
Haseeb Waqas Trading (Pvt.) Limited	2,204,064	2,135,064
Oriental Fruits (Pvt.) Limited	2,493,500	2,493,500
Long term loan from directors	207,171,944	205,744,374
Due by:		
Haseeb Waqas Dairy (Pvt.) Limited	5,914,758	3,450,000
HW Foods (Pvt) Limited	1,600,000	-
The maximum aggregate amount due from associates at the end of any month during the year amounts to Rs. 14,985,624 (2013: Rs.23,820,976)		

14 AUTHORIZATION FOR ISSUE

These condensed interim financial statements have authorized for issue by the Board of Directors of the Company on July 24, 2014.

15 GENERAL

- Comparative figures have been rearranged / reclassified, wherever necessary, to facilitate comparison.
- Figures have been rounded off to the nearest of rupees.



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