



HASEEB WAQAS SUGAR MILLS LIMITED

COMPANY PROFILE

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

COMPANY SECRETARY

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

CHIEF FINANCIAL OFFICER

Syed Mubashar Hussain Bukhari
Tel: 042 -35917327
Email: mubashir_qadari@hwgc.com.pk

REGISTRAR

Hameed Majeed Associates (Pvt.) Limited.
H.M. House, 7 -Bank Square, LHR.

MILLS

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

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

AUDITORS

M/s Qadeer & Company
Chartered Accountants
89-F, Jail Road, Lahore

LEGAL ADVISOR

Mian Aslam Shahzad
(Advocate)

BANKERS

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



HASEEB WAQAS SUGAR MILLS LIMITED

DIRECTORS' REVIEW

FOR THE NINE MONTHS ENDED JUNE 30, 2015

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, 2015.

FINANCIAL RESULTS

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

	For Nine Months ended June 30	
	2015	2014
	(Rupees in thousand)	
Net Sales	1,416,896	1,920,337
Gross Profit / (Loss)	(450,461)	(271,506)
Net Profit / (Loss) before tax	(587,818)	(433,891)
Net Profit / (Loss) after tax	(591,619)	(441,275)
Basic Earning	(18.26)	(13.62)

During the period under review reason of Gross loss is that there is gross mismatch in cane cost and sale prices of sugar. Taking the above factors into consideration the management of your company is in the process of shifting unit from its existing location to Tehsil Jatoi, District, Muzaffar Garh to reap the benefit of high recovery of sucrose and to make the unit viable.

OPERATIONAL DATA

The crushing season started on November 21, 2014. The operating results for the period under review are as under:

		November 21, 2014 To February 25, 2015	November 18, 2013 To March 02, 2014
Crushing days	Days	97	105
Average recovery	%age	8.66%	9.24%
Cane crushed	M.T.	219,382.640	420,096.125
Avg. Cane crushed (per day)	M.T.	2,261.67	4,000.92
Sugar produced	M.T.	18,940	38,762

The mills were operated for 97 days with total crushing of 219,382 M.Tones as against 105 days with total crushing of 420,096 M.Tones. Average recovery has decreased from 9.24% to 8.66%. Cane crushed & sugar produced is 2,261 M.T & 18,940 M.T as compared with 4,000 M.T & 38,762 M.T respectively of same period of last year.

FUTURE OUTLOOK

In the current year the sugar prices have recovered and next season will be profitable.

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 31, 2015.

(MIAN HASEEB ILYAS)
Chief Executive



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT JUNE 30, 2015

		Un-audited June 30, 2015	Audited Sep 30, 2014
	Note	Rupees	
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized capital			
35,000,000 (2014: 35,000,000) ordinary shares of Rs. 10 each		350,000,000	350,000,000
Issued, subscribed and paid up capital	6	324,000,000	324,000,000
Accumulated loss		(1,607,593,868)	(1,083,736,506)
		(1,283,593,868)	(759,736,506)
Surplus on Revaluation of Property, Plant and Equipment		1,791,391,579	1,859,153,693
Non Current Liabilities			
Long term financing	7	1,302,690,096	207,371,944
Liabilities against assets subject to finance lease		11,499,999	12,499,999
Deferred liabilities		27,217,163	22,792,246
Deferred taxation		880,252,987	876,451,750
		2,221,660,245	1,119,115,939
Current Liabilities			
Trade and other payables		426,215,329	681,685,228
Markup/ interest payables		58,213,647	72,077,786
Short term borrowings	8	911,493,884	1,610,578,931
Current portion of non current liabilities	9	251,612,061	135,988,011
Provision for taxation		-	-
		1,647,534,921	2,500,329,956
Contingencies and Commitments	10	-	-
		4,376,992,877	4,718,863,082
ASSETS			
Non Current Assets			
Property, plant and equipment	11	3,475,183,573	3,570,545,215
Long term deposits		13,251,620	14,247,120
		3,488,435,193	3,584,792,335
Current Assets			
Stores, spares and loose tools		33,314,716	59,862,296
Stock in trade	12	3,270,093	574,075,966
Loans and advances		5,914,758	5,914,758
Trade receivables		330,778,422	-
Trade deposits and short term prepayments		513,774,334	483,611,516
Cash and bank balances		1,505,361	10,606,211
		888,557,684	1,134,070,747
		4,376,992,877	4,718,863,082

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 HALF YEAR AND 3RD QUARTER ENDED JUNE 30, 2015

	Note	Nine Months ended		Quarter ended	
		June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
		Rupees		Rupees	
Sales - Net	13	1,416,896,969	1,920,337,068	68,672,525	270,875,176
Cost of goods sold	14	(1,867,358,141)	(2,191,843,586)	(131,855,809)	(276,565,965)
Gross profit / (Loss)		(450,461,172)	(271,506,518)	(63,183,284)	(5,690,789)
Operating expenses:					
- Administrative and general		27,757,593	26,794,302	10,409,974	8,093,357
		(478,218,765)	(298,300,820)	(73,593,258)	(13,784,146)
Other operating income		252	1,283,389	(0)	316,781
Profit from operation		(478,218,513)	(297,017,431)	(73,593,258)	(13,467,365)
Finance cost		109,599,726	136,874,134	31,394,977	48,539,478
Profit/(loss) before taxation		(587,818,239)	(433,891,565)	(104,988,235)	(62,006,843)
Taxation					
Current		-	-	-	-
Deferred		3,801,237	(7,384,361)	6,802,382	2,667,307
		3,801,237	(7,384,361)	6,802,382	2,667,307
Profit/(loss) after taxation		(591,619,476)	(441,275,925)	(111,790,617)	(64,674,150)
Earning per share - basic		(18.26)	(13.62)	(3.45)	(2.00)

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 COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND 3RD QUARTER ENDED JUNE, 2015

	Nine Months ended		Quarter ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
	Rupees		Rupees	
(Loss)/profit after taxation	(591,619,476)	(441,275,925)	(111,790,616)	(64,674,150)
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss)/ income for the period	<u>(591,619,476)</u>	<u>(441,275,925)</u>	<u>(111,790,616)</u>	<u>(64,674,150)</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 HALF YEAR AND 3RD QUARTER ENDED JUNE 30, 2015

	June 30, 2015	June 30, 2014
	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(587,818,239)	(433,891,565)
Adjustments for:		
- Depreciation	135,086,217	97,993,225
- Provision for employees retirement benefits	4,547,406	1,787,262
- Amortization of deferred income	-	(332,994)
- Gain on disposal of property plant equipment	-	(950,395)
- Finance cost	109,599,726	136,874,134
	<u>249,233,349</u>	<u>235,371,232</u>
Operating profit before working capital changes	(338,584,890)	(198,520,333)
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	26,547,580	11,344,028
- Stock in trade	570,805,873	14,854,964
- Loans and advances	-	(2,464,758)
- Trade receivables	(330,778,422)	-
- Trade deposits and short term prepayments	(30,162,818)	56,239,942
Increase / (decrease) in current liabilities:	-	-
- Trade and other payables	(255,336,546)	92,750,318
	<u>(18,924,333)</u>	<u>172,724,494</u>
Cash used in/generated from operations	(357,509,223)	(25,795,839)
Income tax paid / deducted	-	(6,660,951)
Gratuity paid	(255,841)	(345,301)
Finance cost paid	(123,463,865)	(78,067,651)
Net cash generated from/used in operating activities	(481,228,929)	(110,869,742)
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(39,724,575)	(60,762,837)
Proceeds from sale of property, plant and equipment	995,500	-
Net cash used in investing activities	(38,729,075)	(60,762,837)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) from long term loans - Net	1,230,942,202	(29,823,380)
Proceeds / (Repayment) from Lease Finance - Net	(21,000,000)	(35,221,923)
Proceeds / (Repayment) from short term borrowings - Net	(699,085,047)	220,204,053
Net cash generated from financing activities	<u>510,857,155</u>	<u>155,158,750</u>
Net increase/decrease in cash and cash equivalents	(9,100,849)	(16,473,829)
Cash and cash equivalents at the beginning of the period	10,606,211	19,320,307
Cash and cash equivalents at the end of the period	<u><u>1,505,362</u></u>	<u><u>2,846,478</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 HALF YEAR AND 3RD QUARTER ENDED JUNE 30, 2015

	Issued, subscribed and paid-up	Accumulated loss / Unappropriated profit	Total
R u p e e s			
Balance as at September 30, 2013	324,000,000	(517,191,254)	(193,191,254)
Comprehensive income for the period			
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	324,000,000	(913,333,336)	(589,333,336)
Comprehensive income for the period			
Net (loss) for the period	-	(200,492,399)	(200,492,399)
Other comprehensive income	-	-	-
Total comprehensive income/(loss) for the period	-	(200,492,399)	(200,492,399)
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation	-	30,089,229	30,089,229
Balance as at September 30, 2014	324,000,000	(1,083,736,506)	(759,736,506)
Comprehensive income for the period			
Net loss for the period	-	(591,619,476)	(591,619,476)
Other comprehensive income	-	-	-
Total comprehensive income/(loss) for the period	-	(591,619,476)	(591,619,476)
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation	-	67,762,114	67,762,114
Balance as at June 30, 2015	324,000,000	(1,607,593,868)	(1,283,593,868)

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

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2015

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 6F 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

- 2.01 This condensed interim financial report of the company for the six months period ended June 30, 2015 has been prepared in accordance with the requirements of the International Accounting Standard 34-Interim Financial Reporting and Provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed.
- 2.02 This condensed interim financial report comprises of the condensed interim balance sheet as at June 30, 2015 and the condensed interim profit and loss account, condensed interim statement of changes in equity and the condensed interim cash flow statement for the six months period then ended which have been subjected to a review but not audited. This condensed interim financial report also includes the condensed interim profit and loss account for the quarter ended June 30, 2015 which is not subject to a review.
- 2.03 The comparative condensed balance sheet, presented in this condensed interim financial report, as at June 30, 2015 has been extracted from the annual audited financial statements of the company for the year ended September 30, 2014 whereas the comparative condensed interim profit and loss account, condensed interim statement of changes in equity and condensed interim cash flow statement for the nine months period ended June 30, 2015 is unaudited. The comparative condensed profit and loss account for the quarter ended June 30, 2014 included in this condensed interim financial report was also unaudited.

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.

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, 2014.

5 GOING CONCERN ASSUMPTION

The financial statements of the Company indicate that the Company incurred gross loss amounting to Rs. 450,461,172 (June 2014 : 271,506,518) and net loss from operations amounting to Rs. 587,818,239 (June 2014: 433,891,565) and accumulated losses of Rs. 1,607,593,868 (Sep 2014: 1,083,736,506) which leads to negative equity of Rs. 1,1283,593,868 (Sep 2014: 759,736,506). Moreover, the current liabilities exceed current assets by Rs. 758,977,237 (Sep 2014: 1,366,259,209).

In view of the historic fall in sugar prices and upward revision of cane prices by the government, the industry suffered devastatingly. As the sugar prices were at lowest ever level for the last three years in national and international markets resulting in heavy losses. Sugar Prices have recovered now and next year will be profitable.

Operational measures

In view of above issues Company has taken following steps:

- Restructuring of current liabilities out of which liabilities amounting to Rs 1250 Million have been restructured.
- BMR for energy saving for Rs 174,993,606 done for compensation of losses in sugar production each year. •Shifting of mill to southern Punjab to make operations viable.

The management foresees positive cash flow from future operations in expectation of better availability of sugar cane in the following seasons and better sugar prices to arrange and meet its working capital finance for the next season through advances against sugar and other sources according to the requirements of production.

The projected financial statement prepared by the management to support its going concern assessment is based on following assumptions.

	PROJECTED		
	2016	2017	2018
Sugar cane crushing M.T	630,000	651,000	672,000
Sugar cane rate	200	215	230
Sugar price per Kg	58	60	62



HASEEB WAQAS SUGAR MILLS LIMITED

6	SHARE CAPITAL	Note	June 30, 2015	Sep 30, 2014
			Rupees	
	Authorized capital			
	35,000,000 (2014: 35,000,000) ordinary shares of Rs. 10/- each.		350,000,000	350,000,000
	Issued, subscribed and paid-up capital:			
	27,000,000 (2014: 27,000,000) shares issued for cash.		270,000,000	270,000,000
	5,400,000 (2014: 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.			
7	LONG TERM FINANCING			
	Loan from banking companies and other financial institutions-secured	7.1	1,025,000,000	-
	Loan from directors - unsecured	7.2	277,690,096	207,371,944
			<u>1,302,690,096</u>	<u>207,371,944</u>
7.1	Loan from banking companies and other financial institutions-secured			
	National Bank of Pakistan			
	- Demand Finance	7.11	-	12,500,950
	- Demand Finance I	7.12	220,000,000	-
	- Demand Finance II	7.13	160,000,000	-
	The Bank of Punjab			
	- Demand Finance	7.14	298,125,000	-
	PAIR			
	- Demand Finance	7.15	70,000,000	75,000,000
	Sindh Bank			
	- Demand Finance	7.16	500,000,000	-
			<u>1,248,125,000</u>	<u>87,500,950</u>
	Less: current portion shown under current liabilities			
	- NBP - Demand Finance		10,000,000	(12,500,950)
	- NBP - Demand Finance - I		40,000,000	-
	- NBP - Demand Finance - II		9,375,000	-
	- BOP - Demand Finance		93,750,000	-
	- SINDH BANK - Demand Finance		70,000,000	(75,000,000)
	- Demand Finance - PAIR		<u>223,125,000</u>	<u>(87,500,950)</u>
			<u>1,025,000,000</u>	<u>-</u>
7.11	Demand Finance - NBP			
	Opening balance		12,500,950	62,500,950
	Less: payment made during the year		<u>(12,500,950)</u>	<u>(50,000,000)</u>
			<u>-</u>	<u>12,500,950</u>
	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. During the period loan has been fully paid.			
7.12	Demand Finance I - NBP	Note	June 30, 2015	Sep 30, 2014
			Rupees	
	Opening balance		220,000,000	-
	Loan obtained during the period		-	-
			<u>220,000,000</u>	<u>-</u>
	Less: payment made during the year		-	-
			<u>220,000,000</u>	<u>-</u>
	Transferred to Current Portion		10,000,000	-
			<u>210,000,000</u>	<u>-</u>
	This finance has been obtained from National Bank of Pakistan The finance is secured by 1st PP charge of Rs. 293.334 million on fixed assets of the Company and personal guarantees of sponsoring directors of the Company. It carries markup 3 months KIBOR +2.5% per annum. This loan is payable in ten bi-annual instalments.			



HASEEB WAQAS SUGAR MILLS LIMITED

7.13 Demand Finance II - NBP

Opening balance	160,000,000	-
Loan obtained during the period	-	-
	<u>160,000,000</u>	<u>-</u>
Less: payment made during the year	-	-
	<u>160,000,000</u>	<u>-</u>
Less: Transferred to Current Portion	40,000,000	-
	<u>120,000,000</u>	<u>-</u>

This finance has been obtained from National Bank of Pakistan. The finance is secured by 1st PP charge of Rs. 213.334 million on fixed assets of the Company and personal guarantees of sponsoring directors of the Company. It carries markup 3 months KIBOR +2.5% per annum. This loan is payable in twelve equal quarterly instalments.

7.14 Demand Finance - BOP

Opening balance	300,000,000	-
Loan obtained during the period	-	-
	<u>300,000,000</u>	<u>-</u>
Less: payment made during the year	1,875,000	-
	<u>298,125,000</u>	<u>-</u>
Less: Transferred to Current Portion	9,375,000	-
	<u>288,750,000</u>	<u>-</u>

This finance has been obtained from The Bank of Punjab through restructuring of existing cash finance facility. The finance is secured by ranking charge over all present and future fixed assets of the Company and personal guarantees of directors of the Company. It carries markup 3 months KIBOR +1.25% per annum. This loan is payable in twenty eight quarterly instalments.

7.15 Demand Finance - PAIR

Opening balance	75,000,000	93,750,000
Less: payment made during the year	(5,000,000)	(18,750,000)
	<u>70,000,000</u>	<u>-</u>
Less: Transferred to Current Portion	70,000,000	-
	<u>-</u>	<u>75,000,000</u>

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 eighteen equal monthly instalments.

7.16 Demand Finance - Sindh Bank

Opening balance	-	-
Loan obtained during the period	500,000,000	-
	<u>500,000,000</u>	<u>-</u>
Less: payment made during the year	-	-
	<u>500,000,000</u>	<u>-</u>
Less: Transferred to Current Portion	93,750,000	-
	<u>406,250,000</u>	<u>-</u>

This finance has been obtained from Sindh Bank Ltd through restructuring of existing cash finance facility. The finance is secured by Pari Passu charge over all present and future fixed assets of the Company and personal guarantees of directors of the Company. It carries markup 3 months KIBOR +1.25% per annum. This loan is payable in five annual instalments.

7.2 LOAN FROM DIRECTORS

Loan from directors - unsecured - interest free	<u>277,690,096</u>	<u>207,371,944</u>
---	--------------------	--------------------

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.

These are subordinated to National Bank of Pakistan, The Bank of Punjab and Sindh Bank Limited.

This includes loan of Rs. 73,679,774/- from Mr. Muhammad Ilyas Mehrhaj, a shareholder and former director of the company.

8 SHORT TERM BORROWINGS

From banking companies and other financial institutions - secured	Limit Rs (Million)	Note	
	500	8.01	-
Loan from related parties			900,000,000
			<u>710,578,931</u>
			<u>911,493,884</u>
			<u>1,610,578,931</u>



HASEEB WAQAS SUGAR MILLS LIMITED

8.01 This facility has been obtained from Sindh Bank Limited for working capital requirements and are secured by pledge of stock of sugar, ranking hypothecation charge over fixed assets, comprising land, building, plant and machinery of the Company and personal guarantees of the directors of the Company. It carries mark up at rate 14% per annum (2014: 14% per annum.)

9 CURRENT PORTION OF NON CURRENT LIABILITIES

Long term finances	223,125,000	87,500,950
Liabilities against assets subject to finance lease	28,487,061	48,487,061
	<u>251,612,061</u>	<u>135,988,011</u>

10 CONTINGENCIES AND COMMITMENTS

10.01 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, 2014

11 PROPERTY, PLANT AND EQUIPMENT

Opening written down value	3,570,545,215	2,509,729,821
Addition during the period/year		
Plant and machinery	39,724,575	174,993,606
Revaluation surplus arised during the year	-	1,017,550,204
	<u>3,610,269,790</u>	<u>3,702,273,631</u>
Book value of assets disposed off during the period	-	(27,006)
	<u>3,610,269,790</u>	<u>3,702,246,625</u>
Depreciation for the period / year	135,086,217	(131,701,411)
	<u>3,475,183,573</u>	<u>3,570,545,215</u>

12 STOCK IN TRADE

Work in process			
Sugar		3,131,361	3,587,500
By products stock		138,732	184,920
		<u>3,270,093</u>	<u>3,772,420</u>
Finished goods			
Sugar	12.01	-	570,303,546
By products stock	12.02	-	-
		-	570,303,546
		<u>3,270,093</u>	<u>574,075,966</u>

12.01 The entire stock of sugar is pledged as security with banks.

12.02 The entire stock of molasses as at 30th June 2015 is stated at net realizable value.

	Quarter ended		Quarter ended	
	June 30, 2015	June, 2014	June 30, 2015	June 30, 2014
	Rupees		Rupees	
SALES - NET				
- Sugar	1,455,993,332	1,656,619,349	-	290,337,085
- Molasses	79,859,520	111,150,000	-	-
- Bagasses	-	22,500,000	-	-
- Mud	1,472,000	2,680,500	491,500	2,560,500
	<u>1,537,324,852</u>	<u>1,792,949,849</u>	<u>491,500</u>	<u>292,897,585</u>
Less: Sales tax and excise duty	(120,427,883)	(143,487,957)	(11,678,495)	(22,022,409)
	<u>1,416,896,969</u>	<u>1,649,461,892</u>	<u>(11,186,995)</u>	<u>270,875,176</u>
COST OF GOODS SOLD				
Raw materials consumed	1,029,272,823	1,881,953,737	7,770,220	-
Stores and spares consumed	39,934,037	67,623,976	4,536,886	3,516,453
Salaries, wages and other benefits	58,716,212	71,070,849	3,250,276	16,126,738
Insurance	3,418,154	6,128,794	1,238,496	2,370,021
Repair and maintenance	32,133,774	52,889,893	2,858,535	14,088,902
Depreciation	131,843,535	95,246,143	43,638,788	31,955,710
Others	1,233,733	2,075,230	293,091	486,836
	<u>1,296,552,268</u>	<u>2,176,988,622</u>	<u>63,586,292</u>	<u>68,544,660</u>
Opening work in process	3,772,420	2,312,037	-	3,320,194
Closing work in process	(3,270,093)	(3,653,670)	-	(3,653,670)
	<u>502,327</u>	<u>(1,341,633)</u>	-	<u>(333,476)</u>
Cost of goods manufactured	1,297,054,595	2,175,646,989	63,586,292	68,211,184
Opening finished goods	570,303,546	879,017,464	-	1,071,175,648
Closing finished goods	-	(862,820,867)	68,269,517	(862,820,867)
	<u>570,303,546</u>	<u>16,196,597</u>	<u>68,269,517</u>	<u>208,354,781</u>
	<u>1,867,358,141</u>	<u>2,191,843,586</u>	<u>131,855,809</u>	<u>276,565,965</u>



HASEEB WAQAS SUGAR MILLS LIMITED

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:

15.1 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:

	June 30, 2015	June 30, 2014
15.1.1 Transactions with Associates	Rupees	
Sale of molasses	-	111,150,000
Sale of stores and spares	333,370	-
Sale of baggasse	-	22,500,000
15.1.2	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.	
15.1.3	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.	

	June 30, 2015	June 30, 2014
15.2 Details of related party balances are as follows:	Rupees	
Due to:		
Abdullah Sugar Mills Limited	969,322,009	633,048,651
Haseeb Waqas Trading (Pvt.) Limited	2,204,064	2,204,064
Oriental Fruits (Pvt.) Limited	2,176,000	2,493,500
Long term loan from directors	277,690,096	207,371,944
Due by:		
Haseeb Waqas Dairies (Pvt.) Limited	5,914,758	5,914,758

The maximum aggregate amount due from associates at the end of any month during the period amounts to Rs. 5,914,758 (2014: Rs.23,765,174).

AUTHORIZATION FOR ISSUE

These condensed interim financial statements have authorized for issue by the Board of Directors of the Company on July 31, 2015.

GENERAL

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

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS

SUGAR MILLS LTD.

06-F Model Town,

Lahore-Pakistan.

Tel: (92-42)35917321-3

Fax: (92-42)35917317

Web: www.hwgc.com.pk

