

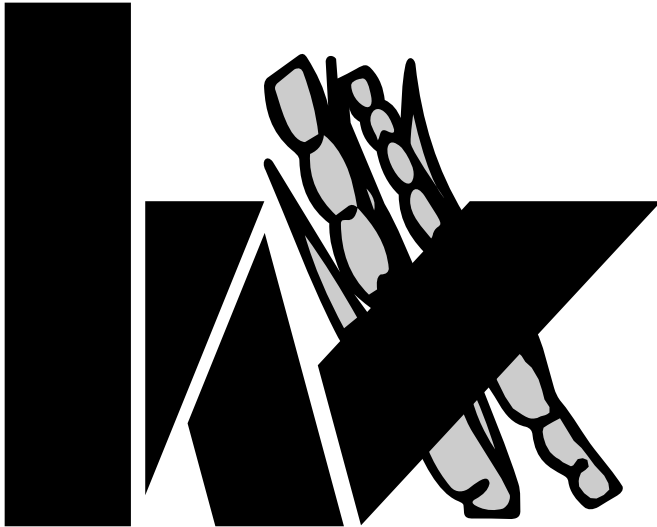
1st QUARTER REPORT
DECEMBER 31, 2013



HASEEB WAQAS

SUGAR MILLS LTD.





HASEEB WAQAS SUGAR MILLS LIMITED



HASEEB WAQAS SUGAR MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

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

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

REGISTRAR

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

MILLS

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

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

DIRECTOR'S REVIEW FOR THE 1st QUARTER ENDED DECEMBER 31, 2013

Dear Members

The directors of your Company take pleasure in presenting the un-audited accounts for the period ended December 31, 2013.

FINANCIAL RESULTS

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

	For the period ended December 31,	
	2013	2012
	(Rupees in thousands)	
Net Sales	561,894	590,502
Gross Profit /(Loss)	(192,953)	(43,966)
Net Profit / (Loss) before tax	(240,556)	(97,520)
Net Profit / (Loss) after tax	(234,899)	(91,909)
Basic Earning per share	(7.25)	(2.84)

The depression in the prices of sugar continues both in domestic and international market in anticipation of bumper crop all over the world including Pakistan. Sugar market prices continue to plunge below Rs. 46 per Kg. This has made sugar-manufacturing uneconomical. The losses incurred due to situation prevailing in sugar sector for the last 3 years.

OPERATIONAL DATA

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

		November 18, 2013 To January 28, 2014	December 03, 2012 To January 28, 2013
Crushing days	Days	72	57
Average recovery	%age	8.92	8.43
Cane crushed	M. Tones	282,006	260,341
Sugar produced	M. Tones	25,155	21,946

The mills were operated for 72 days with total crushing of 282,006 M. Tones as against 57 days with total crushing of 260,341 M. Tones. Average recovery has increased from 8.43% to 8.92%. Cane crushed & sugar produced is 282,006 M.T & 25,155 M.T as compared with 260,341 M.T & 21,946 M.T respectively of same period of last year.

FUTURE OUTLOOK

In the current year, we are expecting sugar production at its maximum & the continuing situation probably will prevail.

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
January 31, 2014.

(MIAN WAQAS RIAZ)
Chief Executive



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2013

	Note	<u>Dec 31, 2013</u>	<u>Sep 30, 2013</u>
		Rupees	
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized capital 35,000,000 (2013: 35,000,000) ordinary shares of Rs. 10 each		<u>350,000,000</u>	<u>350,000,000</u>
Issued, subscribed and paid up capital		324,000,000	324,000,000
Accumulated loss		<u>(739,226,566)</u>	<u>(519,385,044)</u>
		(415,226,566)	(195,385,044)
Surplus on Revaluation of Property, Plant and Equipment		1,191,278,620	1,206,336,950
Non Current Liabilities			
Long term financing - secured		205,419,754	236,995,324
Liabilities against assets subject to finance lease		41,991,461	49,243,806
Deferred gain		950,358	1,267,139
Deferred liabilities		21,070,599	20,511,705
Deferred taxation		<u>570,941,247</u>	<u>576,597,598</u>
		840,373,419	884,615,572
Current Liabilities			
Trade and other payables		490,328,364	328,081,597
Markup/ interest payables		26,325,937	64,083,209
Short term borrowings		1,775,193,797	1,604,792,162
Current portion of non current liabilities		159,917,396	161,242,669
Provision for taxation		<u>6,554,202</u>	<u>7,931,012</u>
		2,458,319,697	2,166,130,649
Contingencies and Commitments	4	-	-
		<u>4,074,745,170</u>	<u>4,061,698,127</u>
ASSETS			
Non Current Assets			
Property, plant and equipment	5	2,477,546,233	2,509,729,821
Long term deposits		<u>14,247,120</u>	<u>14,247,120</u>
		2,491,793,353	2,523,976,941
Current Assets			
Stores, spares and loose tools		61,020,119	64,876,629
Stock in trade		835,362,191	881,329,501
Loans and advance		3,450,000	3,450,000
Trade deposits and short term prepayments		642,249,078	568,744,749
Cash and bank balances		<u>40,870,429</u>	<u>19,320,307</u>
		1,582,951,817	1,537,721,186
		<u>4,074,745,170</u>	<u>4,061,698,127</u>

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

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE 1st QUARTER ENDED DECEMBER 31, 2013.

		<u>Dec 31, 2013</u>	<u>Dec 31, 2012</u>
	Note	Rupees	
Sales - Net	6	561,894,452	590,502,059
Cost of goods sold	7	<u>754,848,236</u>	<u>634,468,075</u>
Gross (loss)		(192,953,784)	(43,966,016)
Operating expenses:			
- Administrative and general expenses		<u>7,068,264</u>	<u>7,172,365</u>
		(200,022,048)	(51,138,381)
Other operating income		<u>316,833</u>	<u>327,330</u>
(Loss) from operation		(199,705,215)	(50,811,051)
Finance cost		40,850,988	46,709,014
(Loss) before taxation		<u>(240,556,203)</u>	<u>(97,520,064)</u>
Taxation			
Current		<u>-</u>	<u>(2,952,510)</u>
Deferred		<u>5,656,351</u>	<u>8,563,019</u>
		5,656,351	5,610,508
(Loss)/ profit after taxation		<u>(234,899,852)</u>	<u>(91,909,556)</u>
Earning per share - basic		<u>(7.25)</u>	<u>(2.84)</u>

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

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE 1st QUARTER ENDED DECEMBER 31, 2013

	<u>Dec 31, 2013</u>	<u>Dec 31, 2012</u>
	Rupees	
(Loss) after taxation	(234,899,852)	(91,909,556)
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive (loss) for the period	<u>(234,899,852)</u>	<u>(91,909,556)</u>

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

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE 1st QUARTER ENDED DECEMBER 31, 2013.

	Dec 31, 2013	Dec 31, 2012
	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(240,556,203)	(97,520,064)
Adjustments for:		
- Depreciation	32,183,588	33,253,500
- Provision for employees retirement benefits	580,344	580,344
- Amortization of deferred income	(316,781)	(316,781)
- Finance cost	40,850,988	46,709,014
	<u>73,298,139</u>	<u>80,226,077</u>
Operating (loss)/ profit before working capital changes	(167,258,064)	(17,293,988)
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	3,856,510	(3,807,187)
- Stock in trade	45,967,310	(211,105,186)
- Trade deposits and short term prepayments	(73,504,329)	14,204,435
Increase / (decrease) in current liabilities:		
- Trade and other payables	163,794,440	558,641,989
	<u>140,113,931</u>	<u>357,934,051</u>
Cash used in operations	(27,144,133)	340,640,063
Income tax paid / deducted	(2,924,482)	(1,226,359)
Gratuity paid	(21,450)	(92,255)
Finance cost paid	<u>(78,608,260)</u>	<u>(85,845,981)</u>
Net cash generated/ used in operating activities	(108,698,325)	253,475,469
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	-	(2,285,000)
Long term deposits	-	(198,121)
Net cash used in investing activities	-	(2,483,121)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) from long term loans - Net	(31,575,570)	(31,250,000)
Proceeds / (Repayment) from Lease Finance - Net	(8,577,618)	(13,451,042)
Proceeds / (Repayment) from directors' loan - Net	-	(1,785,760)
Proceeds / (Repayment) from short term borrowings - Net	170,401,635	(126,582,566)
Net cash generated from/ used in financing activities	<u>130,248,447</u>	<u>(173,069,368)</u>
Net increase in cash and cash equivalents	21,550,122	77,922,979
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>40,870,429</u>	<u>84,521,478</u>

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

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE 1st QUARTER ENDED DECEMBER 31, 2013

	Share Capital	Accumulated loss / Unappropriated profit Rupees	Total
Balance as at September 30, 2012	324,000,000	(123,690,168)	200,309,832
Loss for the period	-	(91,909,556)	(91,909,556)
Other comprehensive income	-	-	-
Total comprehensive income/ (loss) for the period	-	(91,909,556)	(91,909,556)
Transfer from surplus on revaluation of fixed assets in respect of incremental depreciation - net of deferred tax	-	15,949,812	15,949,812
Balance as at December 31, 2012	324,000,000	(199,649,912)	124,350,088
Loss for the period	-	(368,566,094)	(368,566,094)
Other comprehensive income	-	-	-
Total comprehensive income/ (loss) for the period	-	(368,566,094)	(368,566,094)
Transfer from surplus on revaluation of fixed assets in respect of incremental depreciation - net of deferred tax	-	48,830,962	48,830,962
	-	-	-
Balance as at September 30, 2013	324,000,000	(519,385,044)	(195,385,044)
Loss for the period	-	(234,899,852)	(234,899,852)
Other comprehensive income	-	-	-
Total comprehensive income/ (loss) for the period	-	(234,899,852)	(234,899,852)
Transfer from surplus on revaluation of fixed assets in respect of incremental depreciation - net of deferred tax	-	15,058,330	15,058,330
Balance as at December 31, 2013	324,000,000	(739,226,566)	(415,226,566)

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION. FOR THE 1ST QUARTER ENDED DECEMBER 31, 2013.

1 REPORTING ENTITY.

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 BASIS OF PREPARATION

These financial statements 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

3 ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computations adopted for the preparation of these financial statements are the same as applied in the preparation of the preceding annual published financial statements of the Company for the year ended September 30, 2013.

4 CONTINGENCIES AND COMMITMENTS

4.1 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

	Unaudited Dec 31, 2013	Audited Sep 30, 2013
	Rupees	
5 PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	2,509,729,821	2,577,208,943
Addition during the period/year		
- Plant and machinery	-	66,177,773
- Vehicles	-	455,000
	-	66,632,773
	2,509,729,821	2,643,841,716
Book value of assets disposed off during period	-	-
	2,509,729,821	2,643,841,716
Depreciation for the period / year	(32,183,588)	(134,111,895)
	<u>2,477,546,233</u>	<u>2,509,729,821</u>
	Unaudited Dec 31, 2013	Dec 31, 2012
	Rupees	
6 SALES - NET		
- Sugar	606,186,078	448,106,792
- Molasses	-	201,840,000
- Mud	1,135,000	1,842,500
	607,321,078	651,789,292
Less: Sales tax and federal excise duty	(45,426,626)	(61,287,233)
	<u>561,894,452</u>	<u>590,502,059</u>



HASEEB WAQAS SUGAR MILLS LIMITED

	Unaudited	
	Dec 31, 2013	Dec 31, 2012
Rupees		
7 COST OF GOODS SOLD		
Raw materials consumed	598,575,956	744,455,414
Stores and spares consumed	25,798,340	17,658,704
Salaries, wages and other benefits	21,484,870	18,628,958
Insurance	1,447,295	1,916,883
Repair and maintenance	29,636,445	29,826,482
Depreciation	31,267,894	32,273,429
Others	670,126	813,391
	<u>708,880,926</u>	<u>845,573,261</u>
Opening work in process	2,312,037	3,938,357
Closing work in process	(31,010,591)	(40,626,654)
	<u>(28,698,554)</u>	<u>(36,688,297)</u>
Cost of goods manufactured	<u>680,182,372</u>	<u>808,884,964</u>
Opening finished goods	879,017,464	1,273,238,517
Closing finished goods	(804,351,600)	(1,447,655,406)
	<u>74,665,864</u>	<u>(174,416,889)</u>
	<u><u>754,848,236</u></u>	<u><u>634,468,075</u></u>

8 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:

8.1 Balances with related parties	Unaudited	Audited
	Dec 31, 2013	Sep 30, 2013
Rupees		
Due to:		
Abdullah Sugar Mills Limited	771,914,881	400,838,911
Haseeb Waqas Trading (Private) Limited	2,204,064	2,135,064
Oriental Fruits (Private) Limited	2,493,500	2,493,500
Long term loan from directors	205,419,754	205,744,374
Due by:		
Haseeb Waqas Dairy (Private) Limited	3,450,000	3,450,000

Due to related parties represents balances resulting from related party transactions entered into in ordinary course of business.

9 AUTHORIZATION FOR ISSUE

These condensed interim financial statements have authorized for issue by the Board of Directors of the Company on January 31, 2014.

10 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.**

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Lahore-Pakistan.

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