



HASEEB WAQAS SUGAR MILLS LIMITED

COMPANY INFORMATION

Board of Directors

Mian M. Ilyas Mehraj	Chairman
Mian Waqas Riaz	Chief Executive
Mian Haseeb Ilyas	Director
Mrs. Zainab Waqas	Director
Mrs. Shahzadi Ilyas	Director
Hafiz M. Irfan Hussain Butt	Director
Ms. Zakia Ilyas	Director
Mr. Raza Mustafa	Director

Audit Committee

Hafiz M. Irfan Hussain Butt	Chairman
Ms. Zakia Ilyas	Member
Mr. Raza Mustafa	Member

Company Secretary & Chief Financial Officer

Mr. Ansar Ahmed

Registered Office

6-F, Model Town, Lahore.

Mills

Mehrajabad,
Distt. Nankana Sahib.

Auditors

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

Legal Advisor

Mian Aslam Shahzad

Registrar

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

Bankers

National Bank of Pakistan
SINDH Bank Limited
The Bank of Punjab
Silk Bank Limited
Summit Bank Limited

Website

www.hwqc.com.pk



HASEEB WAQAS SUGAR MILLS LIMITED

DIRECTORS' REVIEW FOR THE FIRST QUARTER ENDED DECEMBER 31, 2011

The directors of your Company take pleasure in presenting the un-audited accounts for the period ended December 31, 2011.

FINANCIAL RESULTS

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

	For the period ended December 31,	
	2011	2010
	(Rupees in thousands)	
Net Sales	400,937	551,163
Gross Profit	35,908	10,190
Net Profit / (Loss) before tax	2,897	(24,576)
Net Profit / (Loss) after tax	2,218	(27,094)
Basic Earning per share	0.07	(0.84)

Crushing has increased as compared to previous year & profitability will gradually increase as crushing season progress.

OPERATIONAL DATA

The crushing season started on November 19, 2011. Operating results for the period under review are as under:

		November 19, 2011 To January 30, 2012	December 01, 2010 To January 30, 2011
Crushing days	Days	73	61
Average recovery	%age	8.60	8.14
Cane crushed	M. Tones	430,057	266,040
Sugar produced	M. Tones	36,335	21,413

The Season commenced earlier this year & showed great promise with regards to crushing & recovery. Investment in cane development has finally started to pay off with recovery & crushing increasing sufficiently in 1st Quarter.

FUTURE OUTLOOK

Sugar & sugar cane prices are expected to remain on the lower side due to bumper crop this season. Further production is expected to increase with increase in cane area & improved recovery. Since there is approximately 20% increase in under cultivation area of sugarcane surrounding the mills.

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, 2012.

(MIAN WAQAS RIAZ).
Chief Executive



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2011

	Note	Dec 31, 2011	Sep 30, 2011
		Rupees	
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized capital			
35,000,000 (2010: 35,000,000) ordinary shares of Rs. 10 each		350,000,000	350,000,000
Issued, subscribed and paid up capital		324,000,000	324,000,000
Unappropriated profit		28,896,877	9,779,482
Surplus on Revaluation of Property, Plant and Equipment		352,896,877	333,779,482
		1,321,815,349	1,338,714,556
Non Current Liabilities			
Loan from director		159,281,234	236,355,234
Long term financing - secured		250,000,000	118,746,305
Liabilities against assets subject to finance lease		51,596,628	74,187,746
Deferred liabilities		31,587,132	33,065,146
Deferred taxation		587,619,377	590,949,608
		1,080,084,371	1,053,304,039
Current Liabilities			
Trade and other payables		182,519,603	214,286,616
Markup/ interest payables		76,778,229	89,892,334
Short term bank borrowings		712,877,981	292,303,490
Current portion of non current liabilities		165,200,969	157,429,601
Provision for taxation		18,853,321	16,320,498
Unclaimed dividend		1,444,872	1,444,872
		1,157,674,975	771,677,411
Contingencies and Commitments	4	-	-
		3,912,471,572	3,497,475,488
ASSETS			
Non Current Assets			
Property, plant and equipment	5	2,591,264,303	2,625,329,991
Long term deposits		12,530,502	8,719,000
		2,603,794,805	2,634,048,991
Current Assets			
Stores, spares and loose tools		43,638,814	42,034,476
Stock in trade		643,507,479	257,071,500
Trade receivables		67,419,260	4,299,096
Advances, deposits, prepayments and other receivables		466,407,967	548,396,171
Cash and bank balances		87,703,247	11,625,254
		1,308,676,767	863,426,497
		3,912,471,572	3,497,475,488

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 (Unaudited) FOR THE QUARTER ENDED DECEMBER 31, 2011

	Note	Un-audited	
		Dec 31, 2011	Dec 31, 2010
		Rupees	
Sales - Net	6	400,936,547	551,163,473
Cost of goods sold	7	(365,029,006)	(540,972,907)
Gross profit		35,907,541	10,190,566
Operating expenses:			
- Administrative and general expenses		7,412,179	6,770,512
		28,495,362	3,420,054
Other operating income		2,147,916	1,186,691
Profit from operation		30,643,278	4,606,745
Finance cost		27,745,956	29,183,453
Profit/ (loss) before taxation		2,897,321	(24,576,708)
Taxation			
Current		(4,009,365)	(5,511,635)
Deferred		3,330,231	2,993,415
		(679,134)	(2,518,220)
Profit/ (loss) after taxation		2,218,187	(27,094,928)
Earning per share - basic		0.07	(0.84)

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



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited) FOR THE QUARTER ENDED DECEMBER 31, 2011

	Un-audited	
	Dec 31, 2011	Dec 31, 2010
	Rupees	
Profit/ (loss) after taxation	2,218,187	(27,094,928)
Other comprehensive income	-	-
Total comprehensive income/ (loss) for the period	<u>2,218,187</u>	<u>(27,094,928)</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 (Unaudited) FOR THE QUARTER ENDED DECEMBER 31, 2011

	Un-audited	
	Dec 31, 2011	Dec 31, 2010
Rupees		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) before taxation	2,897,321	(24,576,708)
Adjustments for:		
- Depreciation	34,065,688	13,628,046
- Provision for employees retirement benefits	573,972	590,979
- Amortization of deferred income	(2,051,986)	(253,125)
- Finance cost	27,745,956	29,183,453
	<u>60,333,630</u>	<u>43,149,353</u>
Operating profit before working capital changes	63,230,952	18,572,645
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	(1,604,338)	(2,605,956)
- Stock in trade	(386,435,979)	(185,693,130)
- Trade receivables	(63,120,164)	-
- Advances, deposits, prepayments and other receivables	81,988,205	(40,963,497)
Increase / (decrease) in current liabilities:		
- Trade and other payables	(31,767,013)	(17,520,140)
	<u>(400,939,289)</u>	<u>(246,782,723)</u>
Cash used in operations	(337,708,337)	(228,210,078)
Income tax paid / deducted	(1,476,542)	(1,966,014)
Finance cost paid	(40,860,061)	(32,164,913)
Net cash used in operating activities	(380,044,941)	(262,341,005)
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	-	(1,160,000)
Long term deposits	(3,811,502)	(5,000,000)
Net cash used in investing activities	(3,811,502)	(6,160,000)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) from long term loans - Net	131,253,695	150,000,000
Proceeds / (Repayment) from Lease Finance - Net	(14,819,750)	50,000,000
Proceeds / (Repayment) from directors' loan - Net	(77,074,000)	11,745,000
Proceeds / (Repayment) from short term borrowings - Net	420,574,491	91,246,396
Net cash generated from financing activities	<u>459,934,436</u>	<u>302,991,396</u>
Net increase in cash and cash equivalents	76,077,993	34,490,391
Cash and cash equivalents at the beginning of the period	11,625,254	20,292,542
Cash and cash equivalents at the end of the period	<u><u>87,703,247</u></u>	<u><u>54,782,933</u></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 (Unaudited) FOR THE QUARTER ENDED DECEMBER 31, 2011

	Share Capital	Accumulated loss / Unappropriated profit	Total Rupees
Balance as at September 30, 2010	324,000,000	10,983,762	334,983,762
Loss for the period	-	(27,094,928)	(27,094,928)
Other comprehensive income	-	-	-
Total comprehensive income/ (loss) for the period	-	(27,094,928)	(27,094,928)
Transfer from surplus on revaluation of fixed assets in respect of incremental depreciation - net of deferred tax	-	3,518,528	3,518,528
Balance as at December 31, 2010	324,000,000	(12,592,638)	311,407,362
Profit for the period	-	45,419,335	45,419,335
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	45,419,335	45,419,335
Transfer from surplus on revaluation of fixed assets in respect of incremental depreciation - net of deferred tax	-	9,352,785	9,352,785
Transaction with owners Final dividend @ Rs 1 per share for the year 2010	-	(32,400,000)	(32,400,000)
Balance as at September 30, 2011	324,000,000	9,779,482	333,779,482
Profit for the period	-	2,218,187	2,218,187
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	2,218,187	2,218,187
Transfer from surplus on revaluation of fixed assets in respect of incremental depreciation - net of deferred tax	-	16,899,208	16,899,208
Balance as at December 31, 2011	324,000,000	28,896,877	352,896,877

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



HASEEB WAQAS SUGAR MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS. FOR THE QUARTER ENDED DECEMBER 31, 2011

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 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 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, 2011

The crushing season 2011-2012 of the Company commenced on November 19, 2011

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, 2011.

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, 2011

5 PROPERTY, PLANT AND EQUIPMENT

	Unaudited Dec 31, 2011	Audited Sep 30, 2011
Rupees		
Opening written down value	2,625,329,991	979,474,310
Addition during the period/year		
Plant and machinery	-	1,160,000
Revaluation adjustment	-	1,677,390,985
	-	1,678,550,985
	2,625,329,991	2,658,025,295
Book value of assets disposed off during period	-	(24,060,400)
	2,625,329,991	2,633,964,895
Depreciation for the period / year	(34,065,688)	(53,517,764)
Accumulated depreciation on assets leased back	-	44,882,860
	(34,065,688)	(8,634,904)
	2,591,264,303	2,625,329,991
	Unaudited	
	Dec 31, 2011	Dec 31, 2010
	Rupees	
6 SALES - NET		
- Sugar	432,207,990	574,459,167
- Mud	863,000	1,014,000
	433,070,990	575,473,167
Less: Sales tax and federal excise duty	(32,134,443)	(24,309,694)
	400,936,547	551,163,473



HASEEB WAQAS SUGAR MILLS LIMITED

	Unaudited	
	Dec 31, 2011	Dec 31, 2010
Rupees		
7 COST OF GOODS SOLD		
Raw materials consumed	668,972,446	677,413,067
Stores and spares consumed	17,194,816	9,047,061
Salaries, wages and other benefits	18,309,640	15,398,068
Insurance	1,919,081	831,855
Repair and maintenance	11,233,395	11,038,149
Depreciation	33,016,703	12,588,867
Others	818,904	348,970
	<u>751,464,985</u>	<u>726,666,037</u>
Opening work in process	6,815,500	6,366,121
Closing work in process	(54,520,221)	(89,935,751)
	<u>(47,704,721)</u>	<u>(83,569,630)</u>
Cost of goods manufactured	<u>703,760,264</u>	<u>643,096,407</u>
Opening finished goods	250,256,000	229,108,000
Closing finished goods	(588,987,258)	(331,231,500)
	<u>(338,731,258)</u>	<u>(102,123,500)</u>
	<u><u>365,029,006</u></u>	<u><u>540,972,907</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, 2011	Sep 30, 2011
Rupees		
Due to:		
Abdullah Sugar Mills Limited	4,285,951	4,893,369
Haseeb Waqas Trading (Private) Limited	2,204,064	2,204,064

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, 2012.

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