



HASEEB WAQAS SUGAR MILLS LIMITED



COMPANY INFORMATION

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)

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Mr. Ansar Ahmed FCA
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

CHIEF FINANCIAL OFFICER

Syed Mubashir Hussain Bukhari
Tel: 042-35917327
Email: mubashir_qadari@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, Lahore

LEGAL ADVISOR

Mian Aslam Shahzad
(Advocate)

MILLS

Mauza Jagmal, Tehsil Jattoi
District. Muzaffargarh

BANKERS

National Bank of Pakistan
Sindh Bank Limited
The Bank of Punjab



HASEEB WAQAS SUGAR MILLS LIMITED

DIRECTORS' REVIEW FOR THE HALF YEAR ENDED 31 MARCH 2016

Dear Members

On behalf of the Board of Directors, it is my privilege to present you the Half Yearly condensed financial statements duly reviewed by the statutory auditors and their report is attached to the financial statements.

FINANCIAL RESULTS

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

	For the half year ended 31 March	
	2016	2015
	(Rupees in thousand)	
Net Sales	875,029	1,348,224
Gross Profit / (Loss)	(339,809)	(387,277)
Net Profit / (Loss) before tax	(452,599)	(482,830)
Net Profit / (Loss) after tax	(432,269)	(479,828)
Basic Earning	(13.34)	(14.81)

During the period under review the reason of loss is that your company shifted entire plants/machinery to new location and in its trial phase it requires balancing of plant before came into fully operational. Your management tried its level best to streamline the operation however due to technical problem it could not run properly hence the losses occurred.

OPERATIONAL DATA

The crushing season started on 28 December 2015. The operating results for the period under review are as under:

		28 December 2015 To 16 March 2016	November 21, 2014 To February 25, 2015
Crushing days	Days	80	97
Average recovery	%age	8.00	8.66%
Cane crushed	M.T.	199,790.925	219,382.640
Avg. Cane crushed (per day)	M.T.	2,497.38	2,261.67
Sugar produced	M.T.	15,529.25	18,940

The mills were operated for 80 days with total crushing of 199,790.925 M. Tones as against 97 days with total crushing of 219,382.640 M. Tones. Average recovery has decreased from 8.66% to 8.00%. Cane crushed & sugar produced is 2,497.38 M.T & 15,529.25 M.T as compared with 2,261.67 M.T & 18,940 M.T respectively of same period of last year.



AUDITOR'S REPORT

Auditor's emphasis is the financial statements of the Company indicate that the Company incurred gross loss amounting to Rs. 339,808,433 (Mar 2015: 387,277,888) and net loss from operations amounting to Rs. 432,268,633 (Mar 2015: 479,828,860) and accumulated losses of Rs. 2,162,922,475 (Sep 2015: 1,773,287,801) which leads to negative equity of Rs. 1,838,922,475 (Sep 2015: 1,449,287,801). Moreover, the current liabilities exceed current assets by Rs. 819,803,645 (Sep 2015: 903,281,430).

In reply to auditors' observations, your directors would like to submit that to mitigate the above issues your company has taken following steps:

- Restructuring of current liabilities have already been done.
- BMR for energy saving done for compensation of losses in sugar production each year.
- The project shifted to new location for better recovery and production and hope to be in profits in coming years.

FUTURE OUTLOOK

The mill has relocated to Southern Punjab where prospects of business are very good. Moreover, sugar prices have also started recovery both in national and international market.

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
31 May 2016

(MIAN HASEEB ILYAS)
Chief Executive



HASEEB WAQAS SUGAR MILLS LIMITED

AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

INTRODUCTION

We have reviewed the accompanying condensed interim balance sheet of **HASEEB WAQAS SUGAR MILLS LIMITED** as at March 31, 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the interim financial information for the six months period then ended (here-in-after referred to as "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for quarters ended March 31, 2016 and 2015 have not been reviewed, as we are required to review only the cumulative figures for the half year ended March 31, 2016.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended March 31, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

EMPHASIS OF MATTER

Without qualifying our conclusion, we draw attention to Note. 5 in the condensed interim financial information which indicates that the Company incurred gross loss amounting to Rs. 339,808,433 and loss after taxation amounting to Rs. 432,268,633 during the half year ended March 31, 2016 leading to negative equity of Rs. 1,838,922,474. Moreover, the current liabilities exceed current assets by Rs 819,803,646. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

LAHORE

Dated: May 31, 2016

QADEER & COMPANY

CHARTERED ACCOUNTANTS

NAWAZ KHAN, FCA



HASEEB WAQAS SUGAR MILLS LIMITED

HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2016

		Un-audited March 31, 2016	Audited Sep 30, 2015
	Note	Rupees	
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized capital			
35,000,000 (Sep. 2015: 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		(2,162,922,474)	(1,773,287,801)
		(1,838,922,474)	(1,449,287,801)
Surplus on Revaluation of Property, Plant and Equipment		1,726,170,246	1,768,804,207
Non Current Liabilities			
Long term financing	7	2,118,824,930	1,562,185,935
Liabilities against assets subject to finance lease		21,645,491	27,184,728
Deferred liabilities		30,025,931	30,035,431
Deferred taxation		846,239,792	866,560,654
		3,016,736,144	2,485,966,748
Current Liabilities			
Trade and other payables		604,966,648	438,829,004
Markup/ interest payables		153,432,064	89,681,083
Short term borrowings	8	319,245,366	710,820,105
Current portion of non current liabilities	9	319,736,384	187,405,692
		1,397,380,462	1,426,735,884
Contingencies and Commitments	10	-	-
		4,301,364,378	4,232,219,038
ASSETS			
Non Current Assets			
Property, plant and equipment	11	3,710,535,942	3,695,512,964
Long term deposits		13,251,620	13,251,620
		3,723,787,562	3,708,764,584
Current Assets			
Stores, spares and loose tools		46,306,005	23,153,554
Stock in trade	12	12,232,518	3,867,211
Advances ,deposits,prepayments and other recievables		508,482,763	490,776,049
Cash and bank balances		10,555,530	5,657,640
		577,576,816	523,454,454
		4,301,364,378	4,232,219,038

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



HASEEB WAQAS SUGAR MILLS LIMITED

HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR AND 2ND QUARTER ENDED MARCH 31, 2016

Note	Half year ended		Quarter ended		
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	
	Rupees		Rupees		
Sales - Net	13	875,029,556	1,348,224,444	875,029,556	445,790,423
Cost of goods sold	14	(1,214,837,989)	(1,735,502,332)	(1,123,620,612)	(589,922,222)
Gross (loss)		(339,808,433)	(387,277,888)	(248,591,056)	(144,131,799)
Operating expenses:					
- Administrative and general		(27,602,205)	(17,347,619)	(19,671,831)	(8,936,313)
		(367,410,638)	(404,625,507)	(268,262,887)	(153,068,112)
Other operating income		401,158	252	401,158	252
(Loss) from operation		(367,009,480)	(404,625,255)	(267,861,729)	(153,067,860)
Finance cost		(85,580,016)	(78,204,749)	(52,256,608)	(43,323,746)
(Loss) before taxation		(452,589,496)	(482,830,004)	(320,118,337)	(196,391,606)
Taxation					
Current		-	-	-	-
Deferred		20,320,863	3,001,145	33,993,122	21,218,787
		20,320,863	3,001,145	33,993,122	21,218,787
(Loss) after taxation		(432,268,633)	(479,828,860)	(286,125,215)	(175,172,819)
Loss per share - basic and diluted		(13.34)	(14.81)	(8.83)	(5.41)

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



HASEEB WAQAS SUGAR MILLS LIMITED

HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE HALF YEAR AND 2ND QUARTER ENDED MARCH 31, 2016

	Half year ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Rupees		Rupees	
(Loss) after taxation	(432,268,633)	(479,828,860)	(286,125,215)	(175,172,819)
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) for the period	<u>(432,268,633)</u>	<u>(479,828,860)</u>	<u>(286,125,215)</u>	<u>(175,172,819)</u>

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



HASEEB WAQAS SUGAR MILLS LIMITED

HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR AND 2ND QUARTER ENDED MARCH 31, 2016

	March 31, 2016	March 31, 2015
	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(452,589,496)	(482,830,005)
Adjustments for:		
- Depreciation	87,686,129	90,366,535
- Provision for employees retirement benefits	-	3,031,604
- Finance cost	85,580,016	78,204,749
	<u>173,266,145</u>	<u>171,602,888</u>
Operating profit before working capital changes	(279,323,351)	(311,227,117)
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	(23,152,451)	28,534,348
- Stock in trade	(8,365,307)	502,536,356
- Advances ,deposits,prepayments and other receivables	(17,706,714)	-
- Trade receivables	-	(303,913,752)
- Trade deposits and short term prepayments	-	(6,058,798)
Increase / (decrease) in current liabilities:		
- Trade and other payables	166,137,644	(220,430,948)
	<u>116,913,172</u>	<u>667,206</u>
Cash used in/generated from operations	(162,410,179)	(310,559,911)
Income tax paid / deducted	-	(5,683,470)
Gratuity paid	(9,500)	(28,628)
Finance cost paid	<u>(21,829,035)</u>	<u>(74,763,169)</u>
Net cash generated from/used in operating activities	(184,248,714)	(391,035,178)
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(1,678,642)	(24,724,575)
Capital work in process	(101,161,465)	-
Proceeds from sale of property, plant and equipment	131,000	-
Net cash used in investing activities	(102,709,107)	(24,724,575)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) from long term loans - Net	683,430,450	702,902,038
Proceeds / (Repayment) from short term borrowings - Net	(391,574,739)	(293,773,753)
Net cash generated from financing activities	<u>291,855,711</u>	<u>409,128,285</u>
Net increase/decrease in cash and cash equivalents	4,897,890	(6,631,468)
Cash and cash equivalents at the beginning of the period	5,657,640	10,606,211
Cash and cash equivalents at the end of the period	<u>10,555,530</u>	<u>3,974,743</u>

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

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR AND 2ND QUARTER ENDED MARCH 31, 2016

	Issued, subscribed and paid-up	Accumulated loss / Unappropriated profit	Total
R u p e e s			
Balance as at September 30, 2014	324,000,000	(1,083,736,505)	(759,736,505)
Total comprehensive loss for the period			
Net (loss) for the period	-	(479,828,860)	(479,828,860)
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the period	-	(479,828,860)	(479,828,860)
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation	-	45,174,743	45,174,743
Balance as at March 31, 2015	<u>324,000,000</u>	<u>(1,518,390,622)</u>	<u>(1,194,390,622)</u>
Total comprehensive loss for the period			
Net (loss) for the period	-	(300,071,922)	(300,071,922)
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the period	-	(300,071,922)	(300,071,922)
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation	-	45,174,743	45,174,743
Balance as at September 30, 2015	<u>324,000,000</u>	<u>(1,773,287,801)</u>	<u>(1,449,287,801)</u>
Total comprehensive loss for the period			
Net loss for the period	-	(432,268,633)	(432,268,633)
Other comprehensive income	-	-	-
Total comprehensive income / (loss) for the period	-	(432,268,633)	(432,268,633)
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation	-	42,633,960	42,633,960
Balance as at March 31, 2016	<u>324,000,000</u>	<u>(2,162,922,474)</u>	<u>(1,838,922,474)</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 HALF YEAR ENDED MARCH 31, 2016

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 March 31, 2016 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 March 31, 2016 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 March 31, 2016 which is not subject to a review.
- 2.03 The comparative condensed balance sheet, presented in this condensed interim financial report, as at March 31, 2016 has been extracted from the annual audited financial statements of the company for the year ended September 30, 2015 whereas the comparative condensed interim profit and loss account, condensed interim statement of changes in equity and condensed interim cash flow statement for the six months period ended March 31, 2015 were subjected to review but not audited. The comparative condensed profit and loss account for the quarter ended March 31, 2015 included in this condensed interim financial report was not subject to a review.

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, 2015.

5 GOING CONCERN ASSUMPTION

The financial statements of the Company indicate that the Company incurred gross loss amounting to Rs. 339,808,433 (Mar 2015 : 387,277,888) and loss after taxation amounting to Rs. 432,268,633 (Mar 2015: 479,828,860) and accumulated losses of Rs. 2,162,922,474 (Sep 2015: 1,773,287,801) which leads to negative equity of Rs. 1,838,922,474 (Sep 2015: 1,449,287,801). Moreover, the current liabilities exceed current assets by Rs. 819,803,646 (Sep 2015: 903,281,430).

Operational measures

In view of above issues Company has taken following steps:

- Restructuring of current liabilities have already been done.
- BMR for energy saving done for compensation of losses in sugar production each year.
- The Project shifted to new location for better recovery and production.



HASEEB WAQAS SUGAR MILLS LIMITED

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

	PROJECTED		
	2017	2018	2019
Sugar cane crushing M.T	651,000	672,000	700,000
Sugar cane rate	215	230	240
Sugar price per Kg	60	62	64

	Note	Mar. 31, 2016	Sept. 30, 2015
	Rupees		
6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
27,000,000 (Sept. 2015: 27,000,000) shares issued for cash.		270,000,000	270,000,000
5,400,000 (Sept. 2015: 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	1,545,430,767	1,072,222,222
Loan from directors - unsecured	7.2	573,394,163	489,963,713
		<u>2,118,824,930</u>	<u>1,562,185,935</u>

7.1 Loan from banking companies and other financial institutions-secured

National Bank of Pakistan			
- Demand Finance I	7.1.1	220,000,000	220,000,000
- Demand Finance II	7.1.2	160,000,000	160,000,000
The Bank of Punjab			
- Demand Finance	7.1.3	298,125,000	298,125,000
Sindh Bank Ltd			
- Demand Finance	7.1.4	500,000,000	500,000,000
Silk Bank Ltd			
- Demand Finance	7.1.5	600,000,000	-
PAIR			
- Demand Finance	7.1.6	70,000,000	70,000,000
		<u>1,848,125,000</u>	<u>1,248,125,000</u>

Less: current portion shown under current liabilities

- NBP - Demand Finance - I	(40,000,000)	(25,000,000)
- NBP - Demand Finance - II	(80,000,000)	(53,333,332)
- Sindh Bank - Demand Finance	(69,194,233)	(41,666,667)
- BOP - Demand Finance	(43,500,000)	(13,125,000)
- Demand Finance - PAIR	(70,000,000)	(42,777,779)
	<u>(302,694,233)</u>	<u>(175,902,778)</u>
	<u>1,545,430,767</u>	<u>1,072,222,222</u>



HASEEB WAQAS SUGAR MILLS LIMITED

Note	Mar. 31, 2016	Sept. 30, 2015
	Rupees	
7.1.1 Demand Finance I - NBP		
Opening balance	220,000,000	-
Loan obtained during the period	-	220,000,000
	220,000,000	220,000,000
Less: payment made during the year	-	-
	220,000,000	220,000,000

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.

7.1.2 Demand Finance II - NBP		
Opening balance	160,000,000	-
Loan obtained during the period	-	160,000,000
	160,000,000	160,000,000
Less: payment made during the year	-	-
	160,000,000	160,000,000

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.

7.1.3 Demand Finance - BOP		
Opening balance	300,000,000	-
Loan obtained during the period	-	300,000,000
	300,000,000	300,000,000
Less: payment made during the year	-	-
	300,000,000	300,000,000

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.

7.1.4 Demand Finance - Sindh Bank		
Opening balance	500,000,000	-
Loan obtained during the period	-	500,000,000
	500,000,000	500,000,000
Less: payment made during the year	-	-
	500,000,000	50,000,000

This finance has been obtained from Sindh Bank Limited under demand finance arrangement. 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 +5% per annum. This loan is payable in twelve quarterly instalments.

7.1.5 Demand Finance - Silk Bank Ltd		
Opening balance	-	-
Loan obtained during the period	600,000,000	-
	600,000,000	-
Less: payment made during the year	-	-
	600,000,000	-

This finance has been obtained from Silk Bank Limited under demand finance arrangement. The finance is secured by Pari passu charge over all present and future fixed assets of the Company and corporate guarantee of Abdullah Sugar Mills Ltd and personal guarantees of directors of the Company. It carries markup 6 months KIBOR + 2% per annum. This loan is payable in twelve quarterly instalments.



HASEEB WAQAS SUGAR MILLS LIMITED

Note	Mar. 31, 2016	Sept. 30, 2015
	Rupees	
7.1.6 Demand Finance - PAIR		
Opening balance	75,000,000	93,750,000
Less: payment made during the year	<u>(5,000,000)</u>	<u>(18,750,000)</u>
	<u>70,000,000</u>	<u>75,000,000</u>
<p>This finance has been obtained from PAIR Investment Company Limited. The finance is secured by parri passu charges over the present and future fixed assets of the Company, with a margin of 33% above the financing amount. Parri 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 installments.</p>		
7.2 LOAN FROM DIRECTORS		
Loan from directors - unsecured - interest free	<u>573,394,163</u>	<u>489,963,713</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> <p>This includes loan of Rs. 47,631,529/- from Mr. Muhammad Ilyas Mehraj, a shareholder and former director of the company.</p>		
8 SHORT TERM BORROWINGS		
Loan from related parties	<u>319,245,366</u>	<u>710,820,105</u>
	<u>319,245,366</u>	<u>710,820,105</u>
9 CURRENT PORTION OF NON CURRENT LIABILITIES		
Long term finances	302,694,233	175,902,778
Liabilities against assets subject to finance lease	<u>17,042,151</u>	<u>11,502,914</u>
	<u>319,736,384</u>	<u>187,405,692</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, 2015		
11 PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	3,568,279,390	3,570,545,215
Addition during the period/year		
Plant and machinery	1,678,642	179,516,283
Revaluation surplus arised during the year	-	-
	<u>3,569,958,032</u>	<u>3,750,061,498</u>
Book value of assets disposed off during the period	<u>(131,000)</u>	<u>-</u>
	3,569,827,032	3,750,061,498
Depreciation for the period / year	<u>(87,686,129)</u>	<u>(181,782,108)</u>
	<u>3,482,140,903</u>	<u>3,568,279,390</u>
12 STOCK IN TRADE		
Work in process		
Sugar	8,431,387	3,693,796
By products stock	67,451	173,415
	8,498,838	3,867,211
Finished goods		
Sugar	184,000	-
By products stock	3,549,680	-
12.01	3,733,680	-
	<u>12,232,518</u>	<u>3,867,211</u>

12.01 The entire stock of molasses as at 31 March 2016 is stated at net realizable value.



HASEEB WAQAS SUGAR MILLS LIMITED

	Half year ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Rupees		Rupees	
13 SALES - NET				
- Sugar	868,284,935	1,455,993,332	868,284,935	482,129,741
- Molasses	71,370,025	-	71,370,025	-
- Mud	-	980,500	-	144,500
	939,654,960	1,456,973,832	939,654,960	482,274,241
Less: Sales tax and excise duty	(64,625,404)	(108,749,388)	(64,625,404)	(36,483,818)
	875,029,556	1,348,224,444	875,029,556	445,790,423
14 COST OF GOODS SOLD				
Raw materials consumed	1,001,321,797	1,021,502,603	966,767,985	472,520,383
Stores and spares consumed	49,531,224	35,397,151	47,671,431	16,349,700
Salaries, wages and other benefits	79,067,421	55,465,936	45,792,567	30,472,367
Dismantling expenses	2,908,294		2,908,294	
Insurance	626,017	2,179,658	626,017	1,238,492
Repair and maintenance	3,269,116	29,275,239	2,867,163	11,008,567
Depreciation	85,654,001	88,204,747	44,233,842	44,256,902
Others	825,426	940,642	825,426	453,755
	1,223,203,296	1,232,965,976	1,111,692,725	576,300,166
Opening work in process	3,867,211	3,772,420	24,160,405	38,786,333
Closing work in process	(8,498,838)	(3,270,093)	(8,498,838)	(3,270,093)
	(4,631,627)	502,327	15,661,567	35,516,240
Cost of goods manufactured	1,218,571,669	1,233,468,303	1,127,354,292	611,816,406
Opening finished goods	-	570,303,546	-	46,375,333
Closing finished goods	(3,733,680)	(68,269,517)	(3,733,680)	(68,269,517)
	(3,733,680)	502,034,029	(3,733,680)	(21,894,184)
	1,214,837,989	1,735,502,332	1,123,620,612	589,922,222

15 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:

	March 31, 2016	Sep 30, 2015
	Rupees	
15.1.1 Transactions with Associates		
Sale of molasses	-	79,859,520
Payment of Expenses	1,197,557	-
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.	



HASEEB WAQAS SUGAR MILLS LIMITED

March 31, 2016 Sep 30, 2015

Rupees

15.2 Details of related party balances are as follows:

Due to:

Abdullah Sugar Mills Limited	289,389,083	708,409,041
Haseeb Waqas Trading (Pvt.) Limited	2,204,064	2,204,064
Oriental Fruits (Pvt.) Limited	27,652,219	276,000
Long term loan from sponsors	573,394,163	489,963,713
Short term loan from sponsors	319,245,366	710,820,105

16 AUTHORIZATION FOR ISSUE

These condensed interim financial statements have authorized for issue by the Board of Directors of the Company on May 31, 2016.

17 GENERAL

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