



COMPANY PROFILE

Board of Directors

Brig (R) Muhammad Akram	Chairman
Mian Waqas Riaz	Chief Executive
Mian Haseeb Ilyas	Director
Mrs. Zainab Waqas	Director
Mrs. Shahzadi Ilyas	Director
Hafiz M. Irfan Hussain Butt	Director
Miss. Zakia Ilyas	Director
Mr. Raza Mustafa	Director

Audit Committee

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

Human Resource & Remuneration Committee

Mian Waqas Riaz	Member
Hafiz M. Irfan Hussain Butt	Member
Mr. Raza Mustafa	Member

Company Secretary & Chief Financial Officer

Mr. Ansar Ahmed

Registered Office

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

Mills

Mehrajabad,
The. Nankana Sahib, Distt. Sheikhpura.
Tel: 056-2724010-4
Fax: 056-2874367

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
Summit Bank Limited
The Bank of Punjab



HASEEB WAQAS SUGAR MILLS LIMITED

DIRECTORS' REVIEW FOR THE NINE MONTHS ENDED JUNE 30, 2013

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, 2013.

FINANCIAL RESULTS

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

	For Nine Months ended June 30,	
	2013	2012
	(Rupees in thousand)	
Net Sales	2,036,088	1,713,393
Gross Profit / (Loss)	(167,328)	183,604
Net Profit / (Loss) before tax	(340,443)	1,346
Net Profit / (Loss) after tax	(336,636)	(7,222)
Basic Earning	(10.39)	(0.22)

Despite increase in sales compared to the corresponding period, company witnessed losses. The main reasons of losses are the bumper crop of sugar cane result in unprecedented large production of sugar. Sugarcane price increased from Rs. 150 to 170/40 Kg, however, sugar prices remained depressed both domestic & internationally throughout the year due to surplus production & large stock in the country. The average sugar prices witnessed a steep fall of almost 30% compared to last year prices which has seriously affected the profitability of mills especially situated in center & north part of country resultantly mills suffered losses.

OPERATIONAL DATA

The crushing season started on December 03, 2012. The operating results for the period under review are as under:

		December 03, 2012 To March 21, 2013	November 19, 2011 To March 14, 2012
Crushing days	Days	109	117
Average recovery	% age	9.26%	9%
Cane crushed	M.T.	470,972.126	648,976.122
Avg. Cane crushed (per day)	M.T.	4,321	5,547
Sugar produced	M.T.	43,565	58,340

FUTURE OUTLOOK

Owing to surplus Sugar stocks both in international and national markets prices are expected to remain depressed for the rest of the period.

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 30, 2013.

(MIAN WAQAS RIAZ)
Chief Executive



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT JUNE 30, 2013

	Note	Un-audited June 30, 2013	Audited Sep 30, 2012
Rupees			
SHARE CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized capital			
35,000,000 (2012: 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	5	324,000,000	324,000,000
(Accumulated loss)		<u>(412,477,175)</u>	<u>(123,690,168)</u>
		(88,477,175)	200,309,832
Surplus on Revaluation of Property, Plant and Equipment		1,223,268,288	1,271,117,724
Non Current Liabilities			
Loan from director	6	200,393,614	204,614,594
Long term finances - secured	7	62,500,000	156,250,000
Liabilities against assets subject to finance lease	8	62,347,141	88,802,637
Deferred liabilities		18,934,620	18,424,221
Deferred taxation		577,291,776	591,279,061
		921,467,151	1,059,370,513
Current Liabilities			
Trade and other payables		1,059,347,488	413,956,644
Markup/ interest payables		98,192,201	107,731,123
Short term bank borrowings		1,299,324,688	1,210,614,433
Current portion of non current liabilities	9	159,916,446	162,301,244
Provision for taxation		5,645,616	6,554,202
Unclaimed dividend		1,443,972	1,443,972
		2,623,870,410	1,902,601,618
Contingencies and Commitments	10	-	-
Total Equity and Liabilities		<u>4,680,128,675</u>	<u>4,433,399,687</u>
ASSETS			
Non Current Assets			
Property, plant and equipment	11	2,510,189,913	2,577,208,943
Long term deposits		14,247,120	20,020,502
		<u>2,524,437,033</u>	<u>2,597,229,445</u>
Current Assets			
Stores, spares and loose tools		63,317,753	49,420,979
Stock in trade	12	1,419,957,692	1,277,176,874
Advances, deposits, prepayments and other receivables		665,509,338	502,973,890
Cash and bank balances		6,906,859	6,598,499
		2,155,691,642	1,836,170,242
Total Assets		<u>4,680,128,675</u>	<u>4,433,399,687</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, 2013

	Note	Nine months ended		Quarter ended	
		June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
		Rupees		Rupees	
Sales - Net	13	2,036,088,589	1,713,393,653	413,072,271	504,781,871
Cost of goods sold	14	<u>(2,203,417,308)</u>	<u>(1,529,788,688)</u>	<u>(609,790,308)</u>	<u>(454,778,595)</u>
Gross profit/(loss)		(167,328,719)	183,604,965	(196,718,037)	50,003,276
Operating expenses:					
- Administrative and general		<u>24,767,157</u>	<u>23,969,118</u>	<u>8,347,829</u>	<u>7,645,257</u>
		(192,095,876)	159,635,847	(205,065,866)	42,358,019
Other operating income		<u>961,192</u>	<u>16,713,620</u>	<u>316,940</u>	<u>12,463,598</u>
Profit/ (loss) from operation		(191,134,685)	176,349,467	(204,748,927)	54,821,617
Finance cost		149,308,600	175,002,799	52,705,172	67,867,862
Profit/ (loss) before taxation		<u>(340,443,284)</u>	<u>1,346,669</u>	<u>(257,454,098)</u>	<u>(13,046,245)</u>
Taxation:					
Current		(10,180,443)	(17,133,937)	(2,065,361)	(5,047,819)
Deferred		13,987,285	8,564,641	12,537,242	(4,442,868)
		3,806,842	(8,569,296)	10,471,881	(9,490,687)
(Loss) after taxation		<u>(336,636,443)</u>	<u>(7,222,627)</u>	<u>(246,982,218)</u>	<u>(22,536,932)</u>
Earning/ (loss) per share - basic		<u>(10.39)</u>	<u>(0.22)</u>	<u>(7.62)</u>	<u>(0.70)</u>

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, 2013

	Nine months ended		Quarter ended	
	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>
	Rupees		Rupees	
(Loss) after taxation	(336,636,443)	(7,222,627)	(246,982,217)	(22,536,932)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income/(loss) for the period	<u>(336,636,443)</u>	<u>(7,222,627)</u>	<u>(246,982,217)</u>	<u>(22,536,932)</u>

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



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS ENDED JUNE 30, 2013

	June 30, 2013	June 30, 2012
	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/ profit before taxation	(340,443,284)	1,346,669
Adjustments for:		
- Depreciation	100,159,546	100,437,807
- Provision for employees retirement benefits	1,752,032	1,721,916
- Amortization of deferred income	(950,323)	(16,567,187)
- Finance cost	149,308,600	175,002,799
	<u>250,269,855</u>	<u>260,595,335</u>
Operating profit before working capital changes	(90,173,429)	261,942,004
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	(13,896,774)	(6,537,400)
- Stock in trade	(142,780,818)	(1,243,110,865)
- Advances, deposits prepayments and other receivables	(162,535,448)	15,777,024
Increase / (decrease) in current liabilities:		
- Trade and other payables	645,390,844	81,610,098
	<u>326,177,804</u>	<u>(1,152,261,143)</u>
Cash used in/generated from operations	236,004,375	(890,319,139)
Income tax paid / deducted	(11,089,029)	(4,468,683)
Gratuity paid	(291,310)	(28,464)
Finance cost paid	(158,847,522)	(153,782,376)
Net cash generated from/used in operating activities	65,776,514	(1,048,598,662)
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(33,140,516)	(10,528,005)
Long term deposits	5,773,382	198,498
Net cash used in investing activities	(27,367,134)	(10,329,507)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) from long term loans - Net	(93,750,000)	37,503,695
Proceeds / (Repayment) from Lease Finance - Net	(28,840,294)	(22,763,466)
Proceeds / (Repayment) from directors' loan - Net	(4,220,980)	(31,792,020)
Proceeds / (Repayment) from short term borrowings - Net	88,710,255	1,072,695,942
Dividend paid	-	(900)
Net cash used in/ generated from financing activities	<u>(38,101,019)</u>	<u>1,055,643,250</u>
Net increase/ (decrease) in cash and cash equivalents	308,360	(3,284,919)
Cash and cash equivalents at the beginning of the period	6,598,499	11,625,254
Cash and cash equivalents at the end of the period	<u><u>6,906,859</u></u>	<u><u>8,340,335</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, 2013

	Issued, subscribed and paid-up	Accumulated loss / Unappropriated profit	Total
R u p e e s			
Balance as at September 30, 2011	324,000,000	9,779,482	333,779,482
Comprehensive income for the period			
Net (loss) for the period	-	(7,222,627)	(7,222,627)
Other comprehensive income	-	-	-
Total comprehensive income/(loss) for the period	-	(7,222,627)	(7,222,627)
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation	-	50,697,624	50,697,624
Balance as at June 30, 2012	<u>324,000,000</u>	<u>53,254,479</u>	<u>377,254,479</u>
Comprehensive income for the period			
Net profit for the period	-	(193,843,855)	(193,843,855)
Other comprehensive income	-	-	-
Total comprehensive income/(loss) for the period	-	(193,843,855)	(193,843,855)
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation	-	16,899,208	16,899,208
Balance as at September 30, 2012	<u>324,000,000</u>	<u>(123,690,168)</u>	<u>200,309,832</u>
Comprehensive income for the period			
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	<u>324,000,000</u>	<u>(412,477,175)</u>	<u>(88,477,175)</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 (UN-AUDITED) FOR THE 3rd QUARTER AND NINE MONTHS ENDED JUNE 30, 2013.

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, 2012

The crushing season 2012-2013 of the Company commenced on December 03, 2012 and ended on March 21, 2013.

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, 2012.

5 SHARE CAPITAL

5.1 Authorized capital

35,000,000 (Sep 30, 2012: 35,000,000) ordinary shares
of Rs. 10/- each.

	<u>June 30, 2013</u>	<u>Sep 30, 2012</u>
		Rupees
	<u>350,000,000</u>	<u>350,000,000</u>

5.2 Issued, subscribed and paid-up capital:

27,000,000 (2012: 27,000,000) shares issued for cash.
5,400,000 (2012: 5,400,000) shares issued as fully paid bonus shares.

27,000,000	270,000,000	270,000,000
5,400,000	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.

6 LOAN FROM DIRECTORS - unsecured

Loan from directors- interest free

200,393,614	204,614,594
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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.



HASEEB WAQAS SUGAR MILLS LIMITED

	Note	June 30, 2013	Sep 30, 2012
		Rupees	
7 LONG TERM FINANCES - secured			
National Bank of Pakistan			
- Demand finance	7.1	75,000,000	112,500,000
The Bank of Punjab			
- Term Finance	7.2	-	24,996,305
PAIR			
- Term Finance	7.3	112,500,000	150,000,000
		<u>187,500,000</u>	<u>287,496,305</u>
Less: Current portion shown under current liabilities			
- Demand finance - NBP		(50,000,000)	(50,000,000)
- Term Finance - BOP		-	(24,996,305)
- Term Finance - PAIR		(75,000,000)	(56,250,000)
		<u>(125,000,000)</u>	<u>(131,246,305)</u>
		<u>62,500,000</u>	<u>156,250,000</u>

7.1 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.

7.2 This finance has been obtained from The Bank of Punjab. The finance is secured by ranking charge over current assets of Company with 25% margin i.e. for Rs 200 million registered with SECP and personal guarantee of directors of the Company. This facility has been fully paid.

7.3 This finance has been obtained from PAIR investment Company Limited . The finance is secured by Parri Passu charge over present and future fixed assets of the Company with 33% margin above the financing amount. Parri Passu charge by way of creation of mortgage over the land and building of the company and personal guarantee of the directors. It carries markup 3 months average KIBOR rate+350 bps. This facility is payable in eight equal quarterly installments.

	June 30, 2013	Sep 30, 2012	
		Rupees	
8 LIABILITIES AGAINST ASSET SUBJECT TO FINANCE LEASE			
Opening balance	119,857,576	100,367,347	
Add: Obtained during the year	-	73,500,000	
	119,857,576	173,867,347	
Less: Payment made during the year	(22,593,989)	(54,009,771)	
	97,263,587	119,857,576	
Less: Current portion shown under current liabilities	(34,916,446)	(31,054,939)	
	<u>62,347,141</u>	<u>88,802,637</u>	
9 CURRENT PORTION OF NON CURRENT LIABILITIES			
Long term finances	125,000,000	131,246,305	
Liabilities against assets subject to finance lease	34,916,446	31,054,939	
	<u>159,916,446</u>	<u>162,301,244</u>	

10 CONTINGENCIES AND COMMITMENTS

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, 2012



HASEEB WAQAS SUGAR MILLS LIMITED

	Note	June 30, 2013	Sep 30, 2012
		Rupees	
11 PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		2,577,208,943	2,625,329,991
Addition during the period/year			
Plant and machinery		32,685,516	88,106,580
Vehicles		455,000	528,005
		<u>33,140,516</u>	<u>88,634,585</u>
		2,610,349,459	2,713,964,576
Depreciation for the period / year		<u>(100,159,546)</u>	<u>(136,755,633)</u>
		<u>2,510,189,913</u>	<u>2,577,208,943</u>
12 STOCK IN TRADE			
Work in process			
Sugar		3,187,556	3,680,913
By Product		199,773	257,444
		3,387,329	3,938,357
Finished goods			
Sugar	12.1	1,109,070,863	1,077,914,817
By Product	12.2	307,499,500	195,323,700
		1,416,570,363	1,273,238,517
		<u>1,419,957,692</u>	<u>1,277,176,874</u>

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

12.2 The entire stock of molasses as at 30 June 2013 is stated at net realizable value.

	Nine months ended		Quarter ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
	Rupees		Rupees	
13 SALES - NET				
Export				
- Sugar	47,808,751	-	47,808,751	-
Local				
- Sugar	1,957,871,079	1,773,662,717	391,454,191	469,731,133
- Molasses	201,840,000	80,736,000	-	80,736,000
- Mud	4,462,500	1,755,500	1,630,000	282,500
	<u>2,211,982,330</u>	<u>1,856,154,217</u>	<u>440,892,942</u>	<u>550,749,633</u>
Sales tax and excise duty	(173,946,475)	(142,760,564)	(25,873,405)	(45,967,762)
Commission and EDS	(1,947,266)	-	(1,947,266)	-
	<u>(175,893,741)</u>	<u>(142,760,564)</u>	<u>(27,820,671)</u>	<u>(45,967,762)</u>
	<u>2,036,088,589</u>	<u>1,713,393,653</u>	<u>413,072,271</u>	<u>504,781,871</u>



HASEEB WAQAS SUGAR MILLS LIMITED

	Nine months ended		Quarter ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
	Rupees		Rupees	
14 COST OF GOODS SOLD				
Raw materials consumed	2,048,900,812	2,518,950,641	-	-
Stores and spares consumed	59,928,747	54,798,991	5,273,425	1,412,482
Salaries, wages and other benefits	69,935,936	59,502,917	14,571,756	12,661,524
Insurance	7,242,898	6,651,589	2,876,484	2,398,407
Repair and maintenance	60,916,863	33,261,566	31,143,518	6,540,640
Depreciation	97,219,334	97,245,420	32,662,956	31,212,015
Others	2,053,536	2,488,429	371,875	1,641,529
	<u>2,346,198,126</u>	<u>2,772,899,553</u>	<u>86,900,014</u>	<u>55,866,597</u>
Opening work in process	3,938,357	6,815,500	3,743,616	3,336,411
Closing work in process	(3,387,329)	(3,639,240)	(3,387,329)	(3,639,240)
	<u>551,028</u>	<u>3,176,260</u>	<u>356,287</u>	<u>(302,829)</u>
Cost of goods manufactured	<u>2,346,749,154</u>	<u>2,776,075,813</u>	<u>87,256,301</u>	<u>55,563,768</u>
Opening finished goods	1,273,238,517	250,256,000	1,939,104,370	1,895,757,952
Closing finished goods	(1,416,570,363)	(1,496,543,125)	(1,416,570,363)	(1,496,543,125)
	<u>(143,331,846)</u>	<u>(1,246,287,125)</u>	<u>522,534,007</u>	<u>399,214,827</u>
	<u><u>2,203,417,308</u></u>	<u><u>1,529,788,688</u></u>	<u><u>609,790,308</u></u>	<u><u>454,778,595</u></u>

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:

	June 30, 2013	Sep 30, 2012
15.1.1 Transactions with Associates	Rupees	
Sale of molasses	201,840,000	100,920,000
Sale of stores and spares	205,464	955,545

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.

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

15.2 Details of related party balances are as follows:

	<u>June 30, 2013</u>	<u>Sep 30, 2012</u>
	Rupees	
Payable to:		
Haseeb Waqas Trading (Private) Limited	2,204,064	2,204,064
Abdullah Sugar Mills Limited	705,685,789	191,168,426
Long term loan from directors	200,393,614	204,614,594

The maximum aggregate amount due from associates at the end of any month during the period amounts to Rs.27,283,477 (2012: Rs. 23,820,976)

16 AUTHORIZATION FOR ISSUE

These condensed interim financial statements have authorized for issue by the Board of Directors of the Company on July 30, 2013.

17 GENERAL

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