



**Quarterly Accounts
December 31, 2010**



Haseeb Waqas Sugar Mills Ltd.



HASEEB WAQAS SUGAR MILLS LIMITED

COMPANY PROFILE

Board of Directors

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

Audit Committee

Hafiz M. Irfan Hussain Butt	Chairman
Mr. Sohail Ahmed Butt	Member
Mr. Raza Mustafa	Member

Company Secretary & Chief Financial Officer

Mr. Ansar Ahmed

Registered Office

6-F, Model Town, Lahore.

Mills

Mehrajabad,
Teh. Nankana Sahib,
Distt. Sheikhpura.

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
NIB Bank Limited
Mybank Limited
MCB Bank Limited
The Bank of Punjab

Website

www.hwgc.com.pk



HASEEB WAQAS SUGAR MILLS LIMITED

DIRECTORS REVIEW FOR THE QUARTER ENDED DECEMBER 31, 2010

The directors of your Company take pleasure in presenting the un-audited accounts for the period ended December 31, 2010.

FINANCIAL RESULTS

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

	For the period ended December 31,	
	2010	2009
(Rupees in thousands)		
Net Sales	551,163	72,398
Gross Profit / (Loss)	10,190	16,834
Net Profit / (Loss) before tax	(24,576)	2,018
Net Profit / (Loss) after tax	(27,094)	31,261
Basic Earning / (Loss) per share (Rs.)	(0.84)	0.96

Sales of your company, during the quarter under review, improved as compared for the same quarter of the last year. Gross profit is reduced as compared to previous period due to higher raw material cost.

OPERATIONAL DATA

The crushing season started on December 01, 2010. Operating results for the period under review are as under:

		December 01, 2010 To January 30, 2011	December 03, 2009 To January 26, 2010
Crushing days	Days	61	55
Average recovery	%age	8.14	8.27
Cane crushed	M. Tones	266,040	137,433
Sugar produced	M. Tones	21,413	10,558

The current crushing season commenced on December 01, 2010. Your mills crushed 266,040 m. tonnes of sugarcane and produced 21,413 m. tonnes sugar with an average sucrose recovery of 8.14 in 61 days' operation as compared with 137,433 m. tonnes of sugarcane crushing and 10,558 m. tonnes of sugar production with 8.27 recovery in 55 days' operation in the corresponding quarter.

Current season is in progress and the company targeted maximum utilization of its resources. In this quarter crushing is doubled as compared to last year's same quarter. Recovery almost equal but it will improve in the remaining days of the season.

FUTURE OUTLOOK

The downward trend of the sugar market creates a fear in the sugar mills. Presently, sugar market is depressed. However, at the end of crushing season, we believe, that price of sugar will rise since there is a shortfall of about 0.5 (m. tonnes) in overall production of the country.

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, 2011.

(MIAN WAQAS RIAZ)
Chief Executive



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2010

	Note	Dec 31, 2010	Sep 30, 2010
		Rupees	
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized capital			
35,000,000 (2009: 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
(Accumulated loss)/unappropriated profit		(12,592,638)	10,983,762
		311,407,362	334,983,762
Surplus on Revaluation of Property, Plant and Equipment		237,634,701	241,153,229
Non Current Liabilities			
Loan from director		163,397,500	151,652,500
Long term finances - secured		150,000,000	-
Liabilities against assets subject to finance lease		102,801,195	54,516,131
Deferred liabilities		17,327,266	16,989,412
Long term payable		36,366,344	36,366,344
Deferred taxation		39,493,427	42,486,842
		509,385,732	302,011,229
Current Liabilities			
Trade and other payables		88,926,429	106,446,569
Markup/ interest payables		83,539,610	86,521,070
Short term bank borrowings		568,344,778	477,098,382
Current portion of non current liabilities		11,063,688	9,348,752
Unclaimed dividend		700,608	700,608
		752,575,112	680,115,380
Contingencies and Commitments	4	-	-
		1,811,002,907	1,558,263,600
ASSETS			
Non Current Assets			
Property, plant and equipment	5	967,006,264	979,474,310
Long term deposits		8,719,000	3,719,000
		975,725,264	983,193,310
Current Assets			
Stores, spares and loose tools		46,034,550	43,428,594
Stock in trade		421,167,251	235,474,121
Trade receivables		20,154,784	20,154,784
Advances, deposits, prepayments and other receivables		292,959,151	251,995,654
Current taxation		178,975	3,724,595
Cash and bank balances		54,782,933	20,292,542
		835,277,643	575,070,290
		1,811,002,907	1,558,263,600

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 FOR THE QUARTER ENDED DECEMBER 31, 2010

	Note	Un-audited	
		Dec 31, 2010	Dec 31, 2009
Rupees			
Sales - Net	6	551,163,473	72,397,956
Cost of goods sold	7	(540,972,907)	(55,563,527)
Gross Profit		10,190,566	16,834,429
Operating expenses:			
- Administrative and general expenses		6,770,513	5,609,000
		3,420,054	11,225,429
Other operating income		1,186,691	201,338
Profit from operation		4,606,744	11,426,767
Finance cost		29,183,453	9,408,479
Loss/profit before taxation		(24,576,708)	2,018,288
Taxation			
Current		5,511,635	386,096
Deferred		(2,993,415)	(29,242,632)
		2,518,220	(28,856,536)
(Loss)/Profit after taxation		(27,094,928)	30,874,824
Earning per share - basic		(0.84)	0.95

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



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED DECEMBER 31, 2010

	Note	Un-audited	
		Dec 31, 2010	Dec 31, 2009
		Rupees	
Profit after taxation		(27,094,928)	30,874,824
Other comprehensive income		-	-
Total comprehensive income for the period		<u>(27,094,928)</u>	<u>30,874,824</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 FOR THE QUARTER ENDED DECEMBER 31, 2010

	Un-audited	
	Dec 31, 2010	Dec 31, 2009
	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(24,576,708)	2,018,288
Adjustments for:		
- Depreciation	13,628,046	13,830,405
- Gain/(loss) on disposal of property, plant and equipment	-	(159,963)
- Provision for employees retirement benefits	590,979	837,919
- Amortization of deferred income	(253,125)	-
- Finance cost	29,183,453	9,408,479
	<u>43,149,353</u>	<u>23,916,840</u>
Operating profit before working capital changes	18,572,645	25,935,128
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	(2,605,956)	(2,017,254)
- Stock in trade	(185,693,130)	(382,769,849)
- Advances, deposits, prepayments and other receivables	(40,963,497)	(58,542,210)
Increase / (decrease) in current liabilities:		
- Trade and other payables	(17,520,139)	(14,859,406)
	<u>(246,782,722)</u>	<u>(458,188,719)</u>
Cash generated from operations / (Used)	(228,210,077)	(432,253,591)
Income tax paid / deducted	(1,966,014)	(2,083,479)
Gratuity paid	-	(116,300)
Finance cost paid	(32,164,913)	(17,491,465)
Net cash generated from/used in operating activities	(262,341,004)	(451,944,835)
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(1,160,000)	-
Long term deposits	(5,000,000)	-
Net cash used in investing activities	(6,160,000)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) from long term loans - Net	150,000,000	(4,032,997)
Proceeds / (Repayment) from Lease Finance - Net	50,000,000	-
Proceeds / (Repayment) from directors' loan - Net	11,745,000	(66,488,500)
Proceeds / (Repayment) from short term borrowings - Net	91,246,396	452,271,468
Net cash used in financing activities	<u>302,991,396</u>	<u>381,749,971</u>
Net decrease in cash and cash equivalents	34,490,391	(70,194,864)
Cash and cash equivalents at the beginning of the period	20,292,542	146,120,373
Cash and cash equivalents at the end of the period	<u>54,782,933</u>	<u>75,925,509</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 FOR THE QUARTER ENDED DECEMBER 31, 2010

	Share Capital	Accumulated (loss) Unappropriated profit	Total
	Rupees		
Balance as at September 30, 2009	324,000,000	(76,207,312)	247,792,688
Total comprehensive income for the period			
Profit for the period	-	30,874,824	30,874,824
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	30,874,824	30,874,824
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation (net of deferred tax) charged during the period	-	2,021,004	2,021,004
Balance as at December 31, 2009	324,000,000	(43,311,484)	280,688,516
Total comprehensive income for the period			
Profit for the period	-	14,678,434	14,678,434
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	14,678,434	14,678,434
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation (net of deferred tax) charged during the period	-	39,616,812	39,616,812
Balance as at September 30, 2010	324,000,000	10,983,762	334,983,762
Total comprehensive income for the period			
Loss for the period	-	(27,094,928)	(27,094,928)
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	(27,094,928)	(27,094,928)
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation (net of deferred tax) charged during the period	-	3,518,528	3,518,528
Balance as at December 31, 2010	324,000,000	(12,592,638)	311,407,362

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

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED DECEMBER 31, 2010

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, 2010

The crushing season 2010-2011 of the Company commenced on December 01, 2010

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, 2010.

4 CONTINGENCIES AND COMMITMENTS

4.01 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, 2010

	Unaudited Dec 31, 2010	Audited Sep 30, 2010
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Rupees

5 PROPERTY, PLANT AND EQUIPMENT

Opening written down value	979,474,310	1,006,147,667
Addition during the period/year		
Plant and machinery	1,160,000	25,000,000
Building - factory	-	192,122
	1,160,000	25,192,122
	980,634,310	1,031,339,789
Book value of assets disposed off during period	-	(1,080,854)
	980,634,310	1,030,258,935
Depreciation for the period / year	(13,628,046)	(56,416,281)
Accumulated depreciation on assets leased back	-	5,631,656
	(13,628,046)	(50,784,625)
	967,006,264	979,474,310
Book value of assets disposed off during the period		
- Vehicles	-	(1,080,854)
	-	(1,080,854)



HASEEB WAQAS SUGAR MILLS LIMITED

	Unaudited	
	Dec 31, 2010	Dec 31, 2009
Rupees		
6 SALES - NET		
- Sugar	574,459,167	76,947,200
- Molasses	-	-
- Mud	1,014,000	272,000
	575,473,167	77,219,200
Less: Sales tax	(24,309,694)	(4,821,244)
	551,163,473	72,397,956

7 COST OF GOODS SOLD

Raw materials consumed	677,413,067	391,324,141
Stores and spares consumed	9,047,061	3,818,424
Salaries, wages and other benefits	15,398,068	13,575,580
Insurance	831,855	1,004,332
Repair and maintenance	11,038,149	15,032,404
Depreciation	12,588,867	12,597,418
Others	348,970	981,077
	726,666,037	438,333,376
Opening work in process	6,366,121	2,996,223
Closing work in process	(89,935,751)	(36,093,808)
	(83,569,630)	(33,097,585)
Cost of goods manufactured	643,096,407	405,235,791
Opening finished goods	229,108,000	32,244,188
Closing finished goods	(331,231,500)	(381,916,452)
	(102,123,500)	(349,672,264)
	540,972,907	55,563,527

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:

8.01 Balances with related parties

	Unaudited	Audited
	Dec 31, 2010	Sep 30, 2010
Rupees		
Due to:		
Abdullah Sugar Mills Limited	4,893,369	4,864,984
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, 2011.

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



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