

HASEEB WAQAS SUGAR MILLS LIMITED



Annual Report 2019

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Vision & Mission Statements

THE VISION

To be the leader in Sugar Industry by building the Company's image through quality improvement, customers' satisfaction and by maintaining a high level of Ethical and Professional Standards through the Optimum use of Resources.

THE MISSION

- Endeavoring to be the market leader by enhancing market share and to conduct business in the best possible manner by using high level of Ethical and Professional Standards.
- Seeking long term and good trading relations with customers and suppliers with fair, honest and mutually profitable dealings.
- Building an excellent reputation of our organization and to maintain high professional and ethical standards with eyes on the future.
- Offering high quality products according to the highest international standards.
- Continuous enhancement in shareholders' value through teamwork and constant improvement in performance in all operating areas in a competitive business environment.
- Providing congenial work environment, where employees are treated with respect and dignity and work as a team for common goals.
- Contributing to the national economy by uplifting and skills diversification of the people through fulfillment of our social responsibilities.



Company Information

Board of Directors

1. Mr. Raza Mustafa
2. Mian Haseeb Ilyas
3. Mian Waqas Riaz
4. Mrs. Yasmin Riaz
5. Ms. Zainab Waqas
6. Mrs. Shahzadi Ilyas
7. Ms. Zakia Ilyas
8. Miss. Aqsa Riaz

Audit Committee

1. Mr. Raza Mustafa (Chairman)
2. Ms. Zakia Ilyas (Member)
3. Mrs. Yasmin Riaz (Member)

Company Secretary

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

Auditors

M/s Qadeer & Company
Chartered Accountants
32-A, Lawrence Road, Lahore

Mills

Mouza Jagmal, Tehsil Jattoi
District. Muzaffargarh

Bankers

National Bank of Pakistan
Sindh Bank Limited
The Bank of Punjab

Chairman

Director/Chief Executive

Director

Director

Director

Director

Director

Director

Human Resource & Remuneration Committee

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

Chief Financial Officer

Syed Mubashar Hussain Bukhari
Tel: 042-35917313
Email: hwgc@hwgc.com.pk

Registrar

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

Registered Office

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

Legal Advisor

Muhammad Ahsan Khan
(Advocate)



HASEEB WAQAS SUGAR MILLS LIMITED NOTICE OF 28TH ANNUAL GENERAL MEETING

Notice is hereby given that the 28th Annual General Meeting of Haseeb Waqas Sugar Mills Limited will be held at its Registered Office, 06-F, Model Town, Lahore on Tuesday, 28 January 2020 at 09:00 a.m. to transact the following business:-

ORDINARY BUSINESS:

1. To confirm the minutes of the 27th Annual General Meeting held on 25 January 2019.
2. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended 30 September 2019 together with Directors' and Auditors' Report thereon.
3. To appoint Auditors of the Company for the year ending 30 September 2020 and to fix their remuneration. The retiring auditors M/S Qadeer & Company, Chartered Accountants, being eligible, have offered themselves for re- appointment.
4. To transact any other business with the permission of the Chair.

By Order of the Board

Place: Lahore

(ANSAR AHMED)

Dated: 07 January 2020

Company Secretary

Notes:

1. The Members Register will remain closed from 21 January 2020 to 28 January 2020 (both days inclusive). Transfers received at Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, Lahore, the Registrar and Shares Transfer Office of the Company, by the close of business on 20 January 2020 will be treated in time for the purpose of Annual General Meeting.
2. A member eligible to attend and vote at the meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time for holding the meeting.
3. In order to be valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the Registered Office of the Company, 06-F, Model Town, Lahore, not less than 48 hours before the time of the meeting.
Pursuant to Companies (Postal Ballot) Regulations, 2018 the right of vote through postal ballot may be provided to the members pursuant to the section 143 and 144 of the Companies Act, 2017.
4. a) individual beneficial owners of CDC entitled to attend and vote at the meeting must bring his/her participant ID and account/sub-account number along with original CNIC or passport to authenticate his/her identity. In case of Corporate entity, resolution of the Board of Directors/Power of Attorney with specimen signatures of nominees shall be produced (unless provided earlier) at the time of meeting.
b) For appointing of proxies, the individual beneficial owners of CDC shall submit the proxy form as per above requirement along with participant ID and account/sub account number together with attested copy of their CNIC or Passport. The proxy form shall be witnessed by two witnesses with their names, addresses and CNIC numbers. The proxy shall produce his/her original CNIC or Passport at the time of meeting. In case of Corporate entity, resolution of the Board of Director/Power of Attorney along with specimen signatures shall be submitted (unless submitted earlier) along with the proxy form.
5. In compliance with SECP notification no. 634/(1)/2014 dated 10 July 2014, the company has placed the Audited Annual Financial Statements for the year ended 30 September 2019 along with Auditors and Directors Reports thereon on its website: www.hwgc.com.pk.
6. In pursuance of SECP notification S.R.O. 787(1)2014 dated 08 September 2014, the companies have been allowed to circulate their Annual Balance Sheet and Profit and Loss Accounts, Auditors, Report and Directors Report (Annual Financial Statements) along with Notice of Annual General Meeting (notice) through E-mail to the members of the Company. Members desiring to avail this facility may provide the requisite information to the Company for which form may be downloaded from the Company's website: www.hwgc.com.pk.
7. In pursuance of SECP notification S.R.O. 470(1)2016 dated 31 May 2016, the company has sent information regarding Annual Audited Accounts of the company to the shareholders in soft form i.e. CD. However, the company will supply the hard copy of the Annual Audited Accounts to the shareholders on demand, at their registered addresses, free of cost, within one week of such demand. The company has placed on its website a standard request form, to communicate their need of hard copies instead of soft form.
8. Members are requested to notify any change in their registered address immediately.



حسیب وقاص شوگر ملز لمیٹڈ

نوٹس برائے 28 واں سالانہ اجلاس عام

اطلاع دی جاتی ہے کہ حسیب وقاص شوگر ملز لمیٹڈ کا 28 واں سالانہ اجلاس اس کے رجسٹرڈ آفس 6۔ ایف ماڈل ٹاؤن، لاہور میں، 28 جنوری 2020 صبح 09:00 بجے ہو گا جس کے دوران مندرجہ ذیل کارروائی ہوگی۔

عمومی کارروائی

- 1۔ گذشتہ سالانہ اجلاس عام منعقدہ 25 جنوری 2019 کی کارروائی کی تصدیق۔
- 2۔ 30 ستمبر 2019 کو ختم ہونے والے سال کے دوران کمپنی کے سالانہ آڈٹ اکاؤنٹس اور اس پر ڈائریکٹروں اور آڈیٹرز صاحبان کی رپورٹ کی وصولی، تجویز و منظوری اور منظوری۔
- 3۔ 30 ستمبر 2020 کو ختم ہونے والے سال کے لئے کمپنی کے آڈیٹرز صاحبان کا تقرر اور ان کے مشاہرہ کا تعین کرنا۔ ریٹائر ہونے والے آڈیٹرز سیزر ز قذیری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس اہل ہونے پر دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔
- 4۔ صاحب صدر کی اجازت سے کسی دیگر امر پر کارروائی۔

بحکم بورڈ
انصار احمد
کمپنی سیکرٹری

مقام: لاہور
تاریخ: 07-01-2020

نوٹات:

- 1۔ اراکین کے رجسٹر 21 جنوری 2020 تا 28 جنوری 2020 (شمول دونوں ایام) بند رہیں گے۔ 20 جنوری 2020 کو کاروباری اوقات کے اختتام تک جمید جمید الیوسی ایٹس (پرائیویٹ لمیٹڈ) ایچ۔ ایم۔ ہاؤس، 7۔ بنگ سکوائر، لاہور کمپنی کے رجسٹرار اور مشیر فرانسفرفٹس کو موصول مشکلیاں سالانہ اجلاس عام کے لئے بروقت مشکلیاں تصدیق کرائیں گی۔
- 2۔ اجلاس میں شرکت اور ووٹ کرنے کا اہل رکن اپنی جگہ شرکت اور ووٹ کرنے کے لئے کسی دوسرے رکن کو اپنا پراسی مقرر کر سکتا ہے۔ پراسی کو ووٹر کرنے کی غرض سے اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل پراسی کمپنی کے رجسٹرڈ آفس میں پہنچ جانی چاہئیں۔
- 3۔ توثیق کی غرض سے، پراسی کے دستاویز اور مختار نامہ یا دیگر اتھارٹی (اگر کوئی ہے) جس کے تحت اسے سٹے کیا گیا ہے، یا اس مختار نامہ کی نوٹری سے تصدیق شدہ نقل کمپنی کے رجسٹرڈ دفتر 6 ایف، ماڈل ٹاؤن، لاہور میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل جمع کر دینی چاہئے۔
- کمپنی تو اعداد 2018ء (پوسٹل بیٹ) کی قبل ایکٹ کے سیکشن 143 اور 144 پر پورا اترنے والے اراکین کو پوسٹل بیٹ کا اختیار دیا جائے گا۔
- 4۔ (a) اجلاس میں شرکت اور ووٹ کے اہل CDC کے انفرادی بنی فیشنل اوزر کو اپنی شناخت ثابت کرنے کے لئے اپنا شناخت آئی ڈی اور اکاؤنٹ/ذیلی اکاؤنٹ نمبر بعد اصلی شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔ کاروباری ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بعد Nominee کے نمونہ کے دستخط اجلاس کے موقع پر پیش کرنا ہوں گے۔ (اگر یہ پہلے پیش نہ کیا گیا ہو۔)
- (b) پراسی کے تقرر کے لئے، CDC انفرادی بنی فیشنل اوزر مذکورہ بالا معیار کے مطابق پراسی فارم جمع کرنا ہوگا اور شناخت آئی ڈی اور اکاؤنٹ/ذیلی اکاؤنٹ نمبر بعد CNIC یا پاسپورٹ کی تصدیق شدہ نقل اس کے ہمراہ ہونی چاہئے۔ پراسی فارم کی گواہی دو افراد دیں گے جن کے نام، سپتے اور CNIC نمبران اس پر موجود ہونے چاہئیں۔ اجلاس کے موقع پر پراسی کو اپنا حقیقی CNIC یا پاسپورٹ پیش کرنا ہوگا۔ کاروباری ادارہ کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بعد نمونہ کے دستخط پراسی فارم کے ہمراہ جمع کرنا ہوگا (اگر یہ قبل ازیں جمع نہ کرایا گیا ہو۔)
- 5۔ SECP کے مورخہ 10 جولائی 2014ء کے مراسلہ نمبر 2014/1(I) 634 کی پیروی میں کمپنی نے 30 جون 2018ء کو اختتام پذیر سال کے لئے پڑتال شدہ مالیاتی اسٹیٹمنٹس اور آڈیٹرز اور ڈائریکٹرز کی رپورٹ کمپنی کی ویب سائٹ www.hwgc.com.pk پر رکھ دی ہیں۔
- 6۔ SECP کے مورخہ 08 ستمبر 2014ء کے مراسلہ نمبر 2014/1(I) 787 SRO کی پیروی میں کمپنیوں کو اپنی سالانہ بیلنس شیٹ اور نفع و نقصان کے کھاتے، آڈیٹرز اور ڈائریکٹرز کی رپورٹ (سالانہ مالیاتی اسٹیٹمنٹس) بعد نوٹس برائے سالانہ اجلاس عام (نوٹس) بذریعہ ای میل کمپنی کے اراکین کو بھیجنے کی اجازت دی گئی ہے۔ اس سہولت کو حاصل کرنے کے خواہشمند اراکین کمپنی کو مطلوب معلومات فراہم کریں گے جس کے لئے فارم کمپنی کی ویب سائٹ www.hwgc.com.pk سے حاصل کیا جاسکتا ہے۔
- 7۔ SECP مورخہ 31 مئی 2016ء کے مراسلہ نمبر 2016/1(I) 470 SRO کی پیروی میں کمپنی نے اپنے سالانہ پڑتال شدہ کھاتوں سے متعلق اپنے حصص داران کو سافٹ فارم یعنی CD کی صورت میں معلومات فراہم کر دی ہیں۔ تاہم، کمپنی مطالبہ پر حصص داران کو سالانہ پڑتال شدہ کھاتوں کی کاغذات کی صورت میں ترسیل کی جاسکتی ہے۔ یہ معلومات درخواست کی وصولی کے ایک ہفتہ کے اندر بالکل مفت ان کے رجسٹرڈ پتے پر بھیجی جائیں گی۔ کمپنی نے اپنے ویب سائٹ پر معیاری درخواست فارم رکھ دیا ہے تاکہ وہ سافٹ فارم کی بجائے کاغذات کی صورت میں مطلوبہ معلومات حاصل کر سکیں۔
- 8۔ اراکین سے درخواست کی جاتی ہے کہ اپنے رجسٹرڈ پتے میں تبدیلی کی صورت میں فوراً کمپنی کو آگاہ کریں۔



HASEEB WAQAS SUGAR MILLS LIMITED Chairman's Review

A Review Report by the Chairman on Board's overall performance and effectiveness of role played by the Board in achieving the Company's objectives u/s 192 of the Companies Act 2017:

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors (the "Board") of Haseeb Waqas Sugar Mills Limited (the "Company") is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company. Areas where improvements are required are duly considered and action plans are framed

I am pleased to present the Annual Review for the year ended 30 September 2019,

- The Board of Directors ("the Board") of Haseeb Waqas Sugar Mills Limited, has performed their duties diligently in upholding the best interest of shareholders' of the Company and has managed the affairs of the Company in an effective and efficient manner.
- The Board of Haseeb Waqas Sugar Mills Limited is highly professional and experienced people. They bring a vast experience including the independent directors. All board members are well aware of their responsibilities and fulfilling these diligently.
- The Board has adequate representation of non-executive and independent directors on the Board and its committees as required under the Code and that members of the Board and its respective committees has adequate skill experience and knowledge to manage the affairs of the Company;
- The Board has ensured that the directors are provided with orientation courses to enable them to perform their duties in an effective manner. The Board has arranged Director's Training program for newly appointed Director Miss. Aqsa Riaz the remaining directors meet the qualification and experience criteria of the Code;
- The Board has formed an Audit and Human Resource and Remuneration Committee and has approved their respective terms of references and has assigned adequate resources so that the committees perform their responsibilities diligently;
- The Board has ensured that the meetings of the Board and that of its committee were held with the requisite quorum, all the decision making were taken through Board resolution and that the minutes of all the meetings (including committees) are appropriately recorded and maintained;
- The Board has actively participated in strategic planning process enterprise risk management system, policy development, and financial structure, monitoring and approval. All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process.
- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process and particularly all the



- related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee;
- The Board has ensured that the adequate system of internal control is in place and its regular assessment through self-assessment mechanism and /or internal audit activities;
- The Board has prepared and approved the director's report and has ensured that the director report is published with the quarterly and annual financial statement of the Company and the content of the directors report are in accordance with the requirement of applicable laws and regulation;
- The Board has exercised its powers in light of the power assigned to the Board in accordance with the relevant laws and regulation applicable on the Company and the Board has always prioritized the Compliance with all the applicable laws and regulation in terms of their conduct as directors and exercising their powers and decision making.
- The Board has ensured the hiring, evaluation and compensation of the Chief Executive and other key executives including Chief Financial Officer, Company Secretary, and Head of internal Audit;
- The Board has ensured that adequate information is shared among its members in a timely manner and the Board members are kept abreast of developments between meetings;

I would like to place on record with thanks and appreciation to my fellow directors, shareholders, management and staff for their continued support in very challenging operating conditions. I look forward for more future success for the Company.

Lahore
07 January 2020

Raza Mustafa
Chairman



حسیب وقاص شوگر ملز لمیٹڈ

چیئرمین کا جائزہ

چیئرمین کی طرف سے بورڈ کی مجموعی کارکردگی اور کمپنی ایکٹ 2017 کے کمپنی کے مقاصد کے u/s192 حصول میں بورڈ

کے حقیقت پسندی کے بارے میں ایک جائزہ رپورٹ:

جیسا کہ کارپوریٹ گورننس کے کوڈ کے تحت درکار ہے، حسیب وقاص شوگر مل لمیٹڈ ("کمپنی") کے بورڈ آف ڈائریکٹرز ("بورڈ") کی سالانہ جانچ پڑتال کی جاتی ہے۔ اس تشخیص کا مقصد یہ یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور ماحولیاتی صلاحیت کو کمپنی کے لئے طے شدہ مقاصد کے تناظر میں توقعات کے خلاف پیمائش اور معیار بنایا جائے۔ جن علاقوں میں بہتری کی ضرورت ہوتی ہے ان پر مناسب طور پر غور کیا جاتا ہے اور عملی منصوبے تیار کیے جاتے ہیں مجھے 30 ستمبر 2019 کو ختم ہونے والے سال کے لئے سالانہ جائزہ پیش کرنے پر خوشی ہے،

حسیب وقاص شوگر ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز ("بورڈ") نے کمپنی کے حصص یافتگان کے بہترین مفاد کو برقرار رکھنے کے لئے پوری تندی کے ساتھ اپنے فرائض سرانجام دیئے ہیں اور کمپنی کے ایئر اور ماحولیاتی انداز میں نظم و نسق کا انتظام کیا ہے۔

حسیب وقاص شوگر ملز لمیٹڈ کا بورڈ انتہائی پیشہ ور اور تجربہ کار افراد ہے۔ وہ آزاد ڈائریکٹرز سمیت ایک وسیع تجربہ لاتے ہیں۔ بورڈ کے تمام ممبران اپنی ذمہ داریوں سے بخوبی واقف ہیں اور ان کو پوری تندی سے پوری کر رہے ہیں۔

ضابطہ اخلاق کے تحت بورڈ کے پاس بورڈ اور اس کی کمیٹیوں میں غیر ایگزیکٹو اور آزاد ڈائریکٹرز کی مناسب نمائندگی ہے اور بورڈ کے ممبران اور اس کی متعلقہ کمیٹیوں کے پاس کمپنی کے انتظامات کو منظم کرنے کے لئے مناسب مہارت اور تجربہ ہے۔

بورڈ نے اس بات کو یقینی بنایا ہے کہ ہدایت کاروں کو مستحکم کورسز مہیا کیے جائیں تاکہ وہ اپنے ماحول میں اپنے فرائض کی انجام دہی کے قابل بن سکیں۔ بورڈ نے نئے مقرر کردہ ڈائریکٹرز مس اقصیٰ ریاض کے لئے ڈائریکٹر کے تربیتی پروگرام کا اہتمام کیا ہے اور بقیہ ڈائریکٹرز کوڈ کے معیار اور تجربے کے معیار پر پورا اترتے ہیں۔

بورڈ نے آڈٹ اور انسانی وسائل اور معاوضہ کمیٹی تشکیل دی ہے اور ان کے متعلقہ حوالوں کی شرائط کی منظوری دے دی ہے اور مناسب وسائل تفویض کیے ہیں تاکہ کمیٹیاں اپنی ذمہ داریوں کو تندی سے ادا کریں۔



بورڈ نے اس بات کو یقینی بنایا ہے کہ بورڈ اور اس کی کمیٹی کی میٹنگیں لازمی کورم کے ساتھ منعقد کی گئیں ، تمام فیصلہ سازی بورڈ کی قرارداد کے ذریعہ کی گئی تھی اور یہ کہ تمام میٹنگوں (جس میں کمیٹیوں سمیت) کے منٹس کو مناسب طور پر ریکارڈ اور برقرار رکھا جائے۔

مالی ڈھانچہ ، نگرانی بورڈ نے اسٹریٹجک منصوبہ بندی کے عمل انٹرپرائز رسک مینجمنٹ سسٹم ، پالیسی ڈویلپمنٹ ، اور منظوری میں فعال طور پر حصہ لیا ہے۔ کارپوریٹ فیصلہ سازی کے عمل کو مستحکم اور باقاعدہ بنانے کے لئے بورڈ یا اس کی کمیٹیوں کے سامنے سال بھر کے تمام دستخطی معاملات پیش کیے گئے۔

کارپوریٹ فیصلہ سازی کے عمل کو مستحکم اور باقاعدہ بنانے کے لئے بورڈ یا اس کی کمیٹیوں کے سامنے سال بھر کے تمام دستخطی معاملات پیش کیے گئے اور خاص طور پر تمام

آڈٹ کمیٹی کی سفارش پر کمپنی کے ذریعہ متعلقہ پارٹی لین دین کو بورڈ نے منظور کیا تھا۔

بورڈ نے اس بات کو یقینی بنایا ہے کہ داخلی کنٹرول کا مناسب نظام موجود ہے اور اس کا باقاعدہ جائزہ از خود تشخیص کے طریقہ کار اور / یا داخلی آڈٹ سرگرمیوں کے ذریعہ ہے۔

بورڈ نے ڈائریکٹر کی رپورٹ تیار اور منظوری دے دی ہے اور اس بات کو یقینی بنایا ہے کہ ڈائریکٹر کی رپورٹ کمپنی کے سہ مالی بیان کے ساتھ شائع کی جائے اور ڈائریکٹرز کی رپورٹ کا مواد قابل اطلاق قوانین اور ضابطے کی fi ماہی اور سالانہ ضرورت کے مطابق ہو۔

بورڈ نے اپنے اختیارات کا استعمال بورڈ کو تفویض کردہ اختیار کی روشنی میں کمپنی پر لاگو متعلقہ قوانین اور ضابطے کے مطابق کیا ہے اور بورڈ نے ہمیشہ اپنے اطلاق کے لحاظ سے تمام لاگو قوانین اور ضابطے کی تعمیل کو ترجیح دی ہے بطور ڈائریکٹر اور ان کے اختیارات اور فیصلہ سازی کا استعمال

بورڈ نے چیف ایگزیکٹو اور دیگر اہم عہدیداروں کی خدمات ، تشخیص اور معاوضے کو یقینی بنایا ہے جس میں چیف فنانشل او سی آر ، کمپنی سیکریٹری ، اور داخلی آڈٹ کے سربراہ شامل ہیں۔

بورڈ نے اس بات کو یقینی بنایا ہے کہ بروقت اپنے ممبروں کے درمیان مناسب معلومات کا تبادلہ کیا جائے اور بورڈ ممبران کو میٹنگوں کے مابین پیش آنے والے واقعات کو پیش نظر رکھا جائے۔

میں اپنے ساتھی ڈائریکٹرز ، شیئر ہولڈرز ، مینجمنٹ اور اسٹی اے کا شکریہ اور تعریف کے ساتھ ریکارڈ کرنا چاہتا ہوں۔ میں کمپنی کے لئے مزید مستقبل کی کامیابی کے منتظر ہوں۔

رضا مصطفیٰ
چیئرمین

لاہور
جنوری 07 2020



DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

The Directors of your Company take pleasure in presenting the Company's 28th Annual Report and Audited Financial Statements for the year ended 30 September 2019 together with the Auditors' Report thereon.

OPERATIONAL PERFORMANCE

The operating results for period under review are as under :

		2019	26 February 2018 To 01 April 2018
Crushing days	Days	-	38
Average recovery	%age	-	8.50
Cane crushed	M.T	-	76,819,660
Sugar produced	M. T	-	5,808

Since review petition dismissed by August Supreme Court of Pakistan, we could not operate mills hence incurred losses.

FINANCIAL INDICATORS

The financial results of your company for the year ended 30 September 2019 are summarized as follows:

	(Rupees in Thousand)	
	2019	2018
Net Sales	-	250,772
Gross Profit/ (Loss)	(187,476)	(340,215)
Net Profit / (Loss) before tax	(427,308)	(542,425)
Net Profit (Loss) after tax	(336,997)	(488,901)
Basic Earning	(10.40)	(15.09)

The Company moved an application to Ministry of Industries, under Section 3 of the Punjab Industries (Control on Establishment and Enlargement) Ordinance, 1963. The application has been turned down by Ministry of Industries. The Company is also moving petition against the same in Lahore High Court, Lahore.

However, if management opt to restore and restitute the position by dismantling & removing the said mills from the present location than cost may be borne by the Company.

The financial statements of the Company indicate that the During the year, the Company incurred loss amounting to Rs. 336.997 million (2018: Rs.488.902 million) and accumulated losses raised to Rs. 3,543.694 million (2018: Rs. 3,278.5 million) at the year end. In addition, the Company's current liabilities exceeded its current assets by Rs. 3,174.982 million (2018: Rs. 2,795.291 million) at the year end.



AUDITORS' REPORT

Regarding auditors' report, we would like to submit as under:

1. Since shifting of sugar mill from Nankana to Muzaffargarh, challenged by Southern Punjab sugar mills therefore we could not run the mill at its present location due to order by the Supreme Court of Pakistan to shift the mill back to Nankana Sahib, which resulted huge losses and severe financial crunch. Further; we are in default of bank loans and facing recovery suits filed by the financial institutions for the same.
2. Due to the current financial position and closure of the mill the auditors expressed no opinion in their audit report on the accompanying financial statements.

OPERATIONAL MEASURES

In view of above issues Company has taken following mitigating steps:

- Shifting of mill to Alipur Jatoi, Muzaffargarh has been completed where sugar cane availability and sugar recovery are better.
- Restructuring of loan from Silk Bank Limited amounting to Rs. 390 million during the year.
- BMR has been done in the year 2016 and 2017 and we will see impact of this BMR in the financials of coming seasons.

The management foresees positive cash flow from future operations in expectation of better availability of sugar cane and sugar prices in coming seasons, since sugar dynamics are good and rising.

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

	2020	Projected 2021	2022
Sugar Cane crushing M.T	780,000	800,000	800,000
Sugar Cane rate	180	185	190
Sugar Price per kg	60	62	64

However, it is believed that considering the mitigating factors set out in the preceding paragraphs, the going concern assumption is appropriate and has, as such, prepared these financial statements on a going concern basis.

CHANGES ON THE BOARD OF DIRECTORS

Since the last Annual General Meeting Mian Abdullah Ilyas and Mr. Yousaf Ilyas resigned from the post of Directorship. Mrs. Yasmin Riaz and Miss. Aqsa Riaz have been appointed respectively as director of the Company to fill the casual vacancy.



FUTURE OUTLOOK

The Division Bench of Honorable Lahore High Court, Lahore in its judgment dated 11 September 2017 has ordered the relocation of Haseeb Waqas Sugar Mills Limited from Nankana to Muzaffargarh. Furthermore, Lahore High Court, Lahore directed the mills to restore and reconstitute the position by dismantling & removing the said mills from the present location.

The company's management has moved the review petition in August Supreme Court of Pakistan to review the order dated 11 September 2017. The August Supreme Court of Pakistan issued an order dated 13 September 2018, prohibiting the company from conducting any business in relation to or functioning as a sugar mill after the period of two months 11 November 2018 and further ordered to remove its plant and machinery from its existing place relocate it to its original site i.e. Nankana Sahib.

The Company moved an application to Ministry of Industries, under Section 3 of the Punjab Industries (Control on Establishment and Enlargement) Ordinance, 1963. The application has been turned down by Ministry of Industries. The Company also moving an writ petition against the same in Lahore High Court, Lahore.

DIVIDEND:

As the Company is in the phase of heavy losses, therefore, no dividend is being declared.

AUDITORS:

The present Auditors M/s Qadeer & Co., Chartered Accountants, are retiring and being eligible, have offered themselves for re-appointment for the ensuing year. The Audit Committee has recommended the re-appointment of M/s Qadeer & Co., Chartered Accountants, as auditors of the Company for year ending 30 September 2020.

CODE OF CORPORATE GOVERNANCE:

During the financial year 2019 "Listed Companies (Code of Corporate Governance) Regulations" has been implemented which requires certain changes in the composition of the Board and its Committee.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

The following statements are a manifestation of its commitment towards compliance with best practices of Code of Corporate Governance:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts have been maintained.



- Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and departure there from, if any, has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented by the management and monitored by internal and external Auditors as well as Audit Committee. The Board reviews the effectiveness of established internal control through Audit Committee and further improvement in the internal control systems, wherever required.
- There are no doubts upon the Company's ability to continue as a going concern. The Company has adequate resources to continue in operation for the foreseeable future.
- There has been no material departure from the best practices of the Corporate Governance as detailed in the Listing Regulations.
- Key operating and financial data of last six years, in summarized form, is annexed.
- Information about outstanding taxes and other government levies are given in related note(s) to the accounts.
- The company strictly complies with the standard of safety rules & regulations. It also follows environment friendly policies.
- During the year under review, four (04) meetings of the Board of Directors were held. The attendance by each Director is as follows:

<i>Sr. No.</i>	<i>Name of Directors</i>	<i>Attendance</i>
1.	Mr. Raza Mustafa	4
2.	Mian Haseeb Ilyas (CEO)	4
3.	Mian Waqas Riaz	4
4.	Mrs. Zainab Waqas	4
5.	Mrs. Shahzadi Ilyas	4
6.	Ms. Zakia Ilyas	4
7.	Mrs. Yasmin Riaz	2
8.	Miss. Aqsa Riaz	2

Leave of absence was granted to the directors by the Board who could not attend the Meeting.

- The Statement of Code of Ethics and Business Practices has been developed and duly signed by the directors and employees of the Company in acknowledgement thereof.
- The Board has constituted an Audit Committee in compliance with the Code of Corporate Governance. It comprises of the following three (3) members who are Non-Executive Directors;



<i>Sr. No.</i>		<i>Designation</i>
1.	Mr. Raza Mustafa	Chairman
2.	Ms. Zakia Ilyas	Member
3.	Miss. Aqsa Riaz	Member

- A statement of the pattern of shareholdings and additional information as at 30 September 2019 is annexed.
- No trading of shares by the Directors, Chief Executive, and Chief Financial Officer, Company Secretary and their spouses & minor children has been carried out during the year.
- All the major decisions relating to investment or disinvestment of funds, changes in significant policies and overall corporate strategies, appointment, remuneration and terms & conditions of appointment of Chief Executive Officer and Executive Directors are taken over by the Board of Directors.

The Board expresses sincere appreciation to sugarcane growers, valuable customers, regulatory departments of the Government, financial institution and acknowledges the continued interest and support of esteemed shareholders and extremely grateful for their trust and confidence.

The directors deeply appreciate devotion, loyalty hard work and the laudable services rendered by the executives, all the employees and workers of the Company at its various divisions which enable us to pursue our corporate objectives with the renewed vigor.

On behalf of the Board

Chief Executive

Director

Lahore
07 January 2020



HASEEB WAQAS SUGAR MILLS LIMITED

ڈائریکٹرز کی رپورٹ

سال ختم ہونے والے 30 ستمبر 2019 کے لئے

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2019 کو ختم ہونے والے سال کے لئے کمپنی کی 28 ویں سالانہ رپورٹ اور آڈٹ شدہ مالیاتی بیانات پیش کرنے میں خوش ہوں گے اور اس کے ساتھ آڈیٹرز کی رپورٹ بھی پیش کریں گے۔

آپریشنل کارکردگی

زیر جائزہ مدت کے آپریٹنگ نتائج درج ذیل ہیں

2018 فروری 26 سے 2008 اپریل 01	2019		
38	-	دن	کرشنگ ایام
8.50	-	%	اوسط بحالی
76,819,660	-	ایم ٹی	شوگر کین کرشنگ
5,808	-	ایم ٹی	شوگر تیار کی گئی

چونکہ اگست کی سپریم کورٹ آف پاکستان نے نظر ثانی کی درخواست خارج کر دی تھی ، ہم ملوں کو چلانے میں کامیاب نہیں ہوسکے اس لئے نقصان اٹھانا پڑا۔

مالی اشارے

30 ستمبر 2019 کو ختم ہونے والے سال کے آپ کی کمپنی کے مالی نتائج کا خلاصہ اس طرح کیا گیا ہے:

(ہزار میں روپیہ)		
2018	2019	
250,772 (340,215) (542,425)	- (187,476) (427,308)	خالص فروخت (نقصان) / مجموعی منافع / ٹیکس سے پہلے خالص منافع (نقصان)
(488,901)	(336,997)	(نقصان) ٹیکس کے بعد خالص منافع
(15.09)	(10.40)	بنیادی کمائی



اس کمپنی نے پنجاب انڈسٹریز (اسٹیبلشمنٹ اور توسیع پر کنٹرول) آرڈیننس ، 1963 کے سیکشن 3 کے تحت وزارت صنعت کو درخواست دی۔ وزارت صنعت کے ذریعہ اس درخواست کو مسترد کر دیا گیا ہے۔ کمپنی اس کے خلاف لاہور ہائیکورٹ ، لاہور میں درخواست بھی چلا رہی ہے۔

تاہم ، اگر انتظامیہ موجودہ ملکیشن سے لاگت کے مقابلے میں موجودہ ملز کو ختم کر کے اور اس کو ختم کر کے پوزیشن کو بحال اور بحال کرنا چاہتی ہے تو کمپنی برداشت کر سکتی ہے۔

کمپنی کے مالی بیانات اس بات کی نشاندہی کرتے ہیں کہ سال کے دوران کمپنی کو ایک ارب روپے کے حساب سے نقصان ہوا۔ سال کے اختتام پر 3,543.694 ملین (2018: 336.997 Rs. ملین (2018: 488.902 ملین روپے) اور جمع شدہ نقصان بڑھ کر روپے سے بھی تجاوز کیا۔ سال 3,278.5 ملین روپے)۔ اس کے علاوہ ، کمپنی کی موجودہ واجبات نے اس کے موجودہ اثاثوں کو کے اختتام پر 3,174.982 ملین (2018: 2,795.291 ملین)

آڈیٹرز کی رپورٹ

آڈیٹرز کی رپورٹ کے بارے میں ، ہم ذیل میں پیش کرنا چاہیں گے:

چونکہ شوگر مل کو ننکانہ سے مظفر گڑھ منتقل کیا گیا تھا ، جنوبی پنجاب شوگر ملوں نے اسے چیلنج کیا تھا لہذا ہم سپریم کورٹ آف پاکستان کی طرف سے مل کو ننکانہ صاحب میں واپس منتقل کرنے کے حکم کی وجہ سے مل اس کے موجودہ مقام پر نہیں چلا سکتے جس کے نتیجے میں زبردست نتیجہ برآمد ہوا۔ نقصانات اور شدید مالی بحران۔ مزید؛ ہم بینک قرضوں میں طے شدہ ہیں اور اس کے لئے مالیاتی اداروں نے دائر کردہ ریکوری سوٹ کا سامنا کرنا پڑا ہے۔

مال کی موجودہ مالی حیثیت اور مل کی بندش کی وجہ سے آڈیٹرز نے ساتھ آنے والے مالی بیانات پر اپنی آڈٹ رپورٹ میں کوئی رائے ظاہر نہیں کی۔

آپریشنل اقدامات

مذکورہ مسائل کے پیش نظر کمپنی نے مندرجہ ذیل تخفیف اقدامات اٹھائے ہیں:

مل پور کو علی پور جتوئی ، مظفر گڑھ منتقل کرنا مکمل ہو گیا ہے جہاں گنے کی دستیابی اور شوگر کی بازیابی بہتر ہے۔

سلک بینک لمیٹڈ سے قرض کی تنظیم نو۔ سال کے دوران 390 ملین۔

بی ایم آر سال 2016 اور 2017 میں کیا گیا ہے اور ہم آنے والے سیزن کی مالی حالت میں اس بی ایم آر کا اثر دیکھیں گے۔



HASEEB WAQAS SUGAR MILLS LIMITED

انتظامیہ آنے والے موسموں میں گنے اور چینی کی قیمتوں کی بہتر فراہمی کی توقع میں آئندہ کی کارروائیوں سے مثبت نقد بہاؤ ہے اور بڑھتی ہے۔ کی پیش گوئی کرتی ہے ،

انتظامیہ کی جانب سے تشویش کی تشخیص کی حمایت کرنے کے لئے تیار کردہ مالی اعانت درج ذیل مفروضوں پر مبنی ہے

پیش کردہ			
2022	2021	2020	
800,000	800,000	780,000	MT شوگر کین کرشنگ
190	185	180	شوگر کین کا ریٹ
64	62	60	شوگر کی قیمت فی کلو

تاہم ، یہ خیال کیا جاتا ہے کہ پچھلے پیراگراف میں بیان کردہ تخفیف عوامل پر غور کرتے ہوئے ، تشویشناک قیاس موزوں ہے اور ، جیسے ، ان مالی بیانات کو تشویش کی بنیاد پر تیار کیا ہے۔

ڈائریکٹرز کے بورڈ پر تبدیلیاں

آخری سالانہ عمومی اجلاس کے بعد سے میاں عبداللہ الیاس اور جناب یوسف الیاس نے ڈائریکٹرشپ کے عہدے سے استعفیٰ دے دیا۔ مسز یاسمین ریاض اور مس اقصیٰ ریاض کو بالترتیب کمپنی کی ڈائریکٹر کے عہدے پر مقرر کیا گیا ہے۔

مستقبل آؤٹ لک

معزز لاہور ہائی کورٹ ، لاہور کے ڈویژن بینچ نے 11 ستمبر 2017 کو اپنے فیصلے میں حسیب وقاص شوگر مل لمیٹڈ کو ننکانہ سے مظفر گڑھ منتقل کرنے کا حکم دیا ہے۔ مزید برآں ، لاہور ہائیکورٹ ، لاہور نے ملوں کو ہدایت کی کہ وہ مذکورہ ملوں کو موجودہ جگہ سے ختم اور ہٹاکر مل پوزیشن کو بحال اور بحال کرے۔

کمپنی کی انتظامیہ نے اگست کی سپریم کورٹ آف پاکستان میں نظرثانی کی درخواست کو 11 ستمبر 2017 کے اس آرڈر کا جائزہ لینے کے لئے منتقل کر دیا ہے۔ اگست کی سپریم کورٹ آف پاکستان نے 13 ستمبر 2018 کو ایک حکم جاری کیا تھا ، جس میں کمپنی کو اس سلسلے میں کوئی کاروبار کرنے سے منع کیا گیا تھا یا اس کے طور پر کام کرنا تھا۔ شوگر مل نے دو ماہ 11 نومبر 2018 کی مدت کے بعد اور اس کے پودوں اور مشینری کو اپنے موجودہ جگہ سے ہٹانے کا حکم دیا اور اسے اپنی اصلی جگہ یعنی ننکانہ صاحب میں منتقل کر دیا۔

اس کمپنی نے پنجاب انڈسٹریز (اسٹیبلشمنٹ اور توسیع پر کنٹرول) آرڈیننس ، 1963 کے سیکشن 3 کے تحت وزارت صنعت کو درخواست دی۔ وزارت صنعت کے ذریعہ اس درخواست کو مسترد کر دیا گیا ہے۔ کمپنی نے لاہور ہائیکورٹ ، لاہور میں بھی اس کے خلاف رٹ پٹیشن منتقل کر دی۔



تقسیم:

چونکہ کمپنی بھاری نقصانات کے مرحلے میں ہے ، لہذا ، کوئی منافع کا اعلان نہیں کیا جا رہا ہے۔

مصنفین:

موجودہ آڈیٹرز میسرز قدیر اینڈ کمپنی ، چارٹرڈ اکاؤنٹنٹس ، ریٹائر ہو رہے ہیں اور اہل ہونے کے ناطے ، انہوں نے اپنے آپ کو آئندہ سال کے لئے دوبارہ تقرری کے لئے پیش کیا ہے۔ آڈٹ کمیٹی نے میسرز قدیر اینڈ کمپنی ، چارٹرڈ اکاؤنٹنٹس کو 30 ستمبر 2020 کو ختم ہونے والے سال کے لئے کمپنی کے آڈیٹر کی حیثیت سے دوبارہ تقرری کی سفارش کی ہے۔

کارپوریٹ حکومت کا ضابطہ

مالی سال 2019 کے دوران "درج کمپنیوں (کوڈ کارپوریٹ گورننس) ریگولیشنز" کو نافذ کیا گیا ہے جس کے لئے بورڈ اور اس کی کمیٹی کی تشکیل میں کچھ خاص تبدیلیوں کی ضرورت ہے۔

کارپوریٹ اور مالی رپورٹنگ فریم ورک پر بیان

مندرجہ ذیل بیانات کوڈ آف کارپوریٹ گورننس کے بہترین طریقہ کار کی تعمیل کے لئے اپنی وابستگی کا مظہر ہیں۔

کمپنی کے انتظام کے ذریعہ تیار کردہ مالی بیانات ، اس کی امور کی منصفانہ حیثیت ، اس کے کاروائیوں کے نتائج ، نقد بہاؤ اور ایکویٹی میں بدلاؤ پیش کرتے ہیں۔

اکاؤنٹس کی مناسب کتابیں برقرار رکھی گئی ہیں۔

مالی بیانات کی تیاری کے لئے مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو کی گئیں۔ اکاؤنٹنگ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہوتا ہے۔

بین الاقوامی اکاؤنٹنگ معیارات ، جیسا کہ پاکستان میں قابل اطلاق ہیں ، مالی بیانات کی تیاری کے سلسلے میں عمل کیا گیا ہے اور وہاں سے روانگی ، اگر کوئی ہے تو ، کا کافی انکشاف کیا گیا ہے۔

اندرونی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور انتظامیہ کے ذریعہ مؤثر طریقے سے نافذ کیا گیا ہے اور اندرونی اور بیرونی آڈیٹرز کے ساتھ ساتھ آڈٹ کمیٹی بھی اس کی نگرانی کرتی ہے۔ بورڈ آڈٹ کمیٹی کے ذریعہ قائم کردہ اندرونی کنٹرول کی تاثیر اور داخلی کنٹرول سسٹم میں مزید بہتری کا جائزہ لیتا ہے ، جہاں جہاں ضرورت ہوتی ہے۔

کمپنی کی جاری تشویش کے طور پر جاری رکھنے کی صلاحیت پر کوئی شک نہیں ہے۔ کمپنی کے پاس مستقبل قریب میں کام جاری رکھنے کے لئے کافی وسائل موجود ہیں۔

کارپوریٹ گورننس کے بہترین طریقہ کار سے کسی قسم کا مراعات نہیں ہوا ہے جیسا کہ فہرست سازی کے ضوابط میں تفصیل ہے۔

خلاصہ شکل میں گذشتہ چھ سالوں کے اہم آپریٹنگ اور مالی اعداد و شمار کو الحاق کیا گیا ہے۔



HASEEB WAQAS SUGAR MILLS LIMITED

بقایا ٹیکسوں اور دیگر سرکاری محصولات کے بارے میں معلومات اکاؤنٹس کو متعلقہ نوٹ (زبانیں) میں دی جاتی ہیں۔

کمپنی حفاظتی اصولوں اور ضوابط کے معیار کے ساتھ سختی سے عمل کرتی ہے۔ یہ ماحول دوست پالیسیوں کی بھی پیروی کرتا ہے۔

زیر غور سال کے دوران ، بورڈ آف ڈائریکٹرز کے چار (04) اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری مندرجہ ذیل ہے۔

سینئر ڈائریکٹرز کی حاضری کا نام		
جناب رضا مصطفیٰ	۱	4
(سی ای او) میاں حسیب الیاس	۲	4
میاں وقاص ریاض	۳	4
مسز زینب وقاص	۳	4
مسز شہزادی الیاس	۵	4
محترمہ ذکیہ الیاس	۶	4
مسز یاسمین ریاض	۷	2
مس اقصیٰ ریاض	۸	2

بورڈ کے ذریعہ ہدایت کاروں کو غیر حاضری کی چھٹی دے دی گئی جو اجلاس میں شرکت نہیں کر سکے ضابطہ اخلاق اور کاروباری طریقوں کے بیان کو کمپنی کے ڈائریکٹرز اور ملازمین نے تسلیم کرتے ہوئے تیار کیا ہے اور اس پر دستخط کیے ہیں۔

بورڈ نے کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل کے لئے آڈٹ کمیٹی تشکیل دی ہے۔ اس میں درج ذیل تین (3) ممبران شامل ہیں جو غیر ایگزیکٹو ڈائریکٹر ہیں۔

1	جناب رضا مصطفیٰ	چیئرمین
2	محترمہ ذکیہ الیاس	رکن
3	مس اقصیٰ ریاض	رکن

30 ستمبر 2019 کو حصص یافتگی کے انداز اور اضافی معلومات کے بیان کو الحاق کیا گیا ہے۔

ایک سال کے دوران ڈائریکٹرز ، چیف ایگزیکٹو ، اور چیف فنانشل آفیسر ، کمپنی سکریٹری اور ان کے شریک حیات اور نابالغ بچوں کے شیئروں کا کوئی کاروبار نہیں ہوا ہے۔

سرمایہ کاری یا فنڈز کی عدم سرمایہ کاری ، اہم پالیسیوں اور مجموعی کارپوریٹ حکمت عملیوں میں تبدیلی ، تقرری ، معاوضہ اور چیف ایگزیکٹو آفیسر اور ایگزیکٹو ڈائریکٹرز کی تقرری کی شرائط و ضوابط سے متعلق تمام اہم فیصلے بورڈ آف ڈائریکٹرز کے زیر اقتدار ہیں۔



بورڈ نے گنے کے کاشتکاروں ، قیمتی صارفین ، حکومت کے انضباطی محکموں ، مالیاتی ادارے سے دلی تحسین کا اظہار کیا اور معزز حصص یافتگان کی مستقل دلچسپی اور مدد کو قبول کیا اور ان کے اعتماد اور انتہائی مشکور ہوں۔

ڈائریکٹرز عقیدت ، وفاداری کی سخت محنت اور کمپنی کے اس کے مختلف ڈویژنوں میں ایگزیکٹوز ، تمام ملازمین اور کارکنوں کی جانب سے پیش کی جانے والی قابل ستائش خدمات کی دل کی گہرائیوں سے قدر کرتے ہیں جو ہمیں اپنے تجارتی مقاصد کی تجدید کے لئے نئے سرے سے متحرک کرتے ہیں۔

چیف ایگزیکٹو

بورڈ کی جانب سے

ڈائریکٹر

لاہور

جنوری 07 2020



SIX YEARS AT A GALANCE

	2019	2018	2017	2016	2015	2014
	Operating Results	Rupees in Thousand				
Sales – Net	-	250,773	847,275	879,366	1,380,222	2,173,225
Gross profit/ (loss)	(187,476)	(340,215)	(395,609)	(565,887)	(606,776)	(408,909)
Operating profit/(loss)	(210,609)	(396,701)	(455,762)	(609,482)	(645,571)	(441,530)
Profit/(loss) before tax	(427,307)	(542,426)	(578,351)	(773,801)	(789,678)	(629,231)
Profit/((loss) after tax	(336,997)	(488,902)	(572,708)	(685,290)	(779,824)	(625,106)

FINANCIAL POSITION

Fixed assets – net	3,304,259	3,483,247	3,674,162	3,738,965	3,568,279	3,570,545
Paid up capital	324,000	324,000	324,000	324,000	324,000	324,000
Shareholder’s equity	(922,841)	(597,829)	(1,737,303)	(1,434,210)	(1,449,288)	(759,736)
Long term liabilities	1,052,118	1,286,275	1,862,979	2,183,545	2,073,687	1,119,116
Current assets	142,836	189,585	476,748	459,795	523,454	1,134,071
Current liabilities	3,317,819	2,984,876	2,434,184	1,779,160	1,426,736	2,500,330
Breakup value per share (Rs.)	(10.40)	(15.09)	(17.68)	(21.15)	(24.07)	(19.29)

STATISTICS

No. of employees	54	229	292	336	320	310
Sugar produced (M. Tons)	0	5,808	15,242.70	15,529.25	18,940	38,762
Crushing period (days)	0	35	72	80	97	105



HASEEB WAQAS SUGAR MILLS LIMITED

CATEGORIES OF SHAREHOLDERS AS AT 30 SEPTEMBER 2019

	Shares held	%
Directors, CEO and their spouse and Minor Children		
1 Mian Waqas Riaz	768,250	2.371
2 Mian Haseeb Ilyas	2,213,500	6.832
3 Miss. Aqsa Riaz	500	0.002
4 Mrs. Zainab Waqas	333,500	1.029
5 Mrs. Yasmin Riaz	1,305,750	4.030
6 Mr. Raza Mustafa	500	0.002
7 Mrs. Shahzadi Ilyas	2,404,100	7.420
8 Ms. Zakia Ilyas	<u>10,382</u>	<u>0.032</u>
	7,036,482	21.718
Public Sector Companies and Corporation		
Joint Stock Companies		
1 Maple Leaf Capital Limited	1	0.000
2 S.H. Bukhari Securities (Pvt.) Limited	400	0.001
3 Sarfaraz Mahmood (Pvt.) Limited	500	0.034
4 Y.S. Securities (Pvt.) Limited	500	0.002
5 Telesys Tech (Pvt) Limited	1,000	0.003
6 Mileage (Pvt.) Limited	3,121	0.010
7 Zafar Securities (Pvt) Limited	7,500	0.023
8 Apex Financial Services (Pvt.) Limited	10,000	0.031
9 Muhammad Bashir Kasmani Securities (Pvt.) Limited	15,000	0.046
10 High Land Securities (Pvt.) Limited	20,000	0.062
11 Kohinoor Power Company Limited	22,500	0.069
12 MRA Securities (Pvt) Limited	76,500	0.236
13 Ali Hussain Rajabali Limited	124,500	0.384
14 Abdullah Sugar Mills Limited	592,500	1.829
	2,900,500	8.952
	3,774,022	11.681
Banks, Developments Finance Instiutions,		
Non Banking Finance Instiutions		
1 Bank Alfalah Limited Lahore Stock Exchange Branch		
2 The Bank of Punjab	800	0.002
3 Trust Leasing Corporation	6,700	0.021
	9,700	0.030
	17,200	2.926
Insurance Companies		
1 Shaheen Insurance Company Limited		
2 State Life Insurance Corp.	119	0.000
3 State Life Insurance Corp. of Pakistan	200	0.001
	617,600	1.906
	617,919	1.907
Modaraba Companies		
1 Trust Modaraba		
2 Trust Modaraba	100	0.000
3 First Punjab Modaraba	5,600	0.017
4 First Punjab Modaraba	1,400	0.004
	600	0.002
	7,700	0.024
Others		
1 James Capel & Co		
2 Morgan Stanly Trust & Company	22,800	0.070
3 Deutsche Bank Securities Corp.	14,900	0.046
4 Hong Kong Bank International	600	0.002
	200	0.001
	38,500	0.119
Foreign / Non Resident Investors		
	6,500	0.020
	6,500	0.020
Shares held by General Public		
	20,901,677	64.511
	20,901,677	64.511
Shareholders holding 05% or more voting intrerst in the Company		
1 Mian Muhammad Ilyas Miraj	4,566,500	14.09
2 Abdullah Sugar Mills Limited	2,900,500	8.95
3 Mrs. Shahzadi Ilyas	2,404,100	7.42
4 Mian Abdullah Ilyas	2,986,500	8.79
5 Mian Haseeb Ilyas	2,213,500	6.83
	15,071,100	46.09



HASEEB WAQAS SUGAR MILLS LIMITED

Pattern of Shareholding for Haseeb Waqas Sugar Mills Limited

Page 1 of 2

As on:- 30-Sep-2019

(Complete)

Number of ShareHolders	Shareholdings From	To	Total Number of Share Held	Percentage of Total Capital
186	1 -	100	8,127	0.03
425	101 -	500	198,373	0.61
262	501 -	1000	256,782	0.79
394	1001 -	5000	1,124,440	3.47
115	5001 -	10000	966,100	2.98
44	10001 -	15000	575,782	1.78
34	15001 -	20000	633,896	1.96
18	20001 -	25000	416,300	1.28
10	25001 -	30000	275,000	0.85
8	30001 -	35000	264,500	0.82
6	35001 -	40000	236,000	0.73
2	40001 -	45000	85,500	0.26
8	45001 -	50000	393,000	1.21
2	50001 -	55000	108,500	0.33
4	55001 -	60000	238,000	0.73
1	65001 -	70000	70,000	0.22
3	70001 -	75000	224,000	0.69
4	75001 -	80000	313,500	0.97
2	80001 -	85000	164,786	0.51
4	85001 -	90000	355,500	1.10
6	95001 -	100000	598,500	1.85
1	115001 -	120000	115,500	0.36
2	120001 -	125000	249,500	0.77
1	125001 -	130000	130,000	0.40
1	140001 -	145000	142,000	0.44
2	145001 -	150000	300,000	0.93
1	155001 -	160000	160,000	0.49
1	190001 -	195000	194,500	0.60
1	195001 -	200000	200,000	0.62
2	205001 -	210000	416,500	1.29
1	255001 -	260000	255,714	0.79
1	270001 -	275000	274,000	0.85
1	280001 -	285000	283,000	0.87
1	295001 -	300000	300,000	0.93
1	330001 -	335000	333,500	1.03



HASEEB WAQAS SUGAR MILLS LIMITED

Pattern of Shareholding for Haseeb Waqas Sugar Mills Limited

Page 2 of 2

As on:- 30-Sep-2019

(Complete)

Number of ShareHolders	Shareholdings From	To	Total Number of Share Held	Percentage of Total Capital
1	415001 -	420000	419,000	1.29
1	590001 -	595000	592,500	1.83
1	615001 -	620000	617,600	1.91
1	765001 -	770000	768,250	2.37
1	915001 -	920000	917,500	2.83
1	1005001 -	1010000	1,010,000	3.12
1	1020001 -	1025000	1,022,750	3.16
1	1260001 -	1265000	1,262,500	3.90
1	2210001 -	2215000	2,213,500	6.83
1	2400001 -	2405000	2,404,100	7.42
1	2840001 -	2845000	2,844,500	8.78
1	2900001 -	2905000	2,900,500	8.95
1	4565001 -	4570000	4,566,500	14.09
1,568			32,400,000	100.00

Haseeb Waqas Sugar Mills Limited

Page #:1 of 1

Categories of Share Holders

As on: September 30, 2019

P Date:06-Jan-2020

S Type:Complete

Ser #	Code	Category	No. of Shareholder	Shares Held	Percentage of Total Capital
1	2	Financial Institutions	3	17,200	0.0531
2	4	Joint Stock Companies	14	3,774,022	11.6482
3	5	Insurance Companies	3	617,919	1.9072
4	6	Modarabas	4	7,700	0.0238
5	22	General Public (Local)	1,536	27,938,159	86.2289
6	23	General Public (Foreign)	4	6,500	0.0201
7	24	Others	4	38,500	0.1188

TOTAL: 1,568 32,400,000 100.0000



HASEEB WAQAS SUGAR MILLS LIMITED

Haseeb Waqas Sugar Mills Limited

Categories Detail

As on: September 30, 2019.

P Date: 06/01/2020

Page #: 1 of 2

S Type: Complete

Sr. #	Folio Number	Name	Shares Held	Per % Total Capital
Catagory				
Financial Institutions				
1	CDC-362	BANK ALFALAH LIMITED - LAHORE STOCK EXCHANGE BRANC	800	0.0025
2	802	THE BANK OF PUNJAB	6,700	0.0207
3	805	TRUST LEASING CORPORATION	9,700	0.0299
Running Total Financial Institutions			17,200	0.0531
Joint Stock Companies				
1	CDC-430	MAPLE LEAF CAPITAL LIMITED	1	0.0000
2	CDC-361	S.H. BUKHARI SECURITIES (PVT) LIMITED	400	0.0012
3	CDC-411	SARFRAZ MAHMOOD (PRIVATE) LTD	500	0.0015
4	CDC-227	Y.S. SECURITIES & SERVICES (PVT) LTD.	1,000	0.0031
5	CDC-170	TELE SYS TECH (PRIVATE) LIMITED	3,121	0.0096
6	CDC-417	MILEAGE (PVT) LTD	7,500	0.0231
7	CDC-242	ZAFAR SECURITIES (PVT) LTD.	10,000	0.0309
8	CDC-216	APEX FINANCIAL SERVICES (PVT.) LIMITED	15,000	0.0463
9	CDC-941	MUHAMMAD BASHIR KASMANI (PRIVATE) LIMITED	20,000	0.0617
10	CDC-1154	HIGH LAND SECURITIES (PVT) LIMITED	22,500	0.0694
11	CDC-1124	KOHINOOR POWER COMPANY LIMITED	76,500	0.2361
12	CDC-1188	MRA SECURITIES LIMITED - MF	124,500	0.3843
13	CDC-199	ALI HUSAIN RAJABALI LIMITED	592,500	1.8287
14	CDC-401	ABDULLAH SUGAR MILLS LIMITED	2,900,500	8.9522
Running Total Joint Stock Companies			3,774,022	11.6482
Insurance Companies				
1	CDC-149	SHAHEEN INSURANCE COMPANY LIMITED	119	0.0004
2	5920	STATE LIFE INSURANCE CORP.	200	0.0006
3	CDC-220	STATE LIFE INSURANCE CORP. OF PAKISTAN	617,600	1.9062
Running Total Insurance Companies			617,919	1.9072
Modarabas				
1	806	TRUST MODARABA	100	0.0003
2	803	FIRST PUNJAB MODARABA	600	0.0019
3	812	FIRST PUNJAB MODARABA	1,400	0.0043
4	804	TRUST MODARABA	5,600	0.0173
Running Total Modarabas			7,700	0.0238
General Public (Local)				
Running Total General Public (Local)			27,938,159	86.2289



HASEEB WAQAS SUGAR MILLS LIMITED

Haseeb Waqas Sugar Mills Limited

Categories Detail

As on: September 30, 2019.

P Date: 06/01/2020

Page #: 2 of 2

S Type: Complete

Sr. #	Folio Number	Name	Shares Held	Per % Total Capital	
General Public (Foreign)					
		Running Total	General Public (Foreign)	6,500	0.0201
Others					
1	5261	HONG KONG BANK INTERNATIONAL	200	0.0006	
2	5246	DEUTSCHE BANK SECURITIES CORP.	600	0.0019	
3	5279	MORGAN STANLY TRUST COMPANY	14,900	0.0460	
4	5176	JAMES CAPEL & CO.	22,800	0.0704	
		Running Total	Others	38,500	0.1188
		Grand Total:	32,400,000	100.0000	



HASEEB WAQAS SUGAR MILLS LIMITED

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

HASEEB WAQAS SUGAR MILLS LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2019

The Company has complied with the requirements of the Regulations in the following manner:

1	The total number of Directors are eight as per the following:	
a.	Male	03
b.	Female	05
2.	The composition of Board is as follows:	
a.	Independent Director	Mr. Raza Mustafa
b.	Executive Director	Mr. Mian Haseeb Ilyas
c.	Non-Executive Directors	Mrs. Yasmeen Riaz Mr. Mian Waqas Riaz Mrs. Aqsa Riaz Mrs. Shahzadi Ilyas Ms. Zainab Waqas Ms. Zakia Ilyas
d.	The Company has not complied with the requirement of clause 1 of regulation 6 of these regulations, regarding appointment of independent directors. The Company is in process of appointing Independent Directors to comply with the aforesaid requirement of these Regulations.	
3.	The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company.	
4.	The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.	
5.	The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.	
6.	All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the Act and these Regulations.	
7.	The meetings of the Board were presided over by the Chairman and, in his absence, by	



	a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.	
8.	The Board of Directors has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.	
9.	The Board did not arrange any Director's program during the year. On overall basis, our directors taken as a whole are compliant as of 30 September 2019 with the requirements of the Director's Training Program contained in the regulations. The Board has arranged Director's Training program for newly appointed Director Miss. Aqsa Riaz.	
10.	The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.	
11.	CFO and CEO duly endorsed the financial statements before approval of the Board.	
12.	The Board has formed committee comprising of members given below:	
a.	Audit Committee	Mr. Raza Mustafa (Chairman) Ms. Zakia Ilyas (Member) Mrs. Yasmin Riaz (Member)
b.	HR and Remuneration Committee	Mr. Raza Mustafa (Chairman) Mrs. Zainab Waqas (Member) Ms. Zakia Ilyas (Member)
c.	The Chairman of the Board and the Chairman of the Audit Committee is the same person which is in non-compliance with the requirements of sub-regulation 1(ii) of Regulation 27.	
13.	The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.	
14.	The frequency of meetings (quarterly/half yearly/yearly) of the committee were as following:	
a.	Audit Committee	04
b.	HR and Remuneration Committee	01
c.	Nomination Committee	Not Applicable
d.	Risk Management Committee	Not Applicable
15.	The Board has set up an effective internal audit function.	
16.	The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that	



	the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit or not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
17.	The Statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18.	We confirm that all other requirements of the Regulations have been complied with.

On behalf of the Board

Chief Executive

Director

Lahore
07 January 2020



REVIEW REPORT TO THE MEMBERS

On the Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Haseeb Waqas Sugar Mills Limited (the Company) for the year ended September 30, 2019 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended September 30, 2019.

Further, we highlight below instances of non-compliance with the requirement of the Regulations as reflected in paragraph 2d. and 12c. of the Statement of Compliance:

Reference to the Annexed Statement	Description
Paragraph 2d.	The Company has not complied with the requirement of clause 1 of regulation 6 of these regulations, regarding appointment of independent directors.
Paragraph 12c.	The Chairman of the Board and the Chairman of the Audit Committee is the same person which is in non-compliance



with the requirements of sub-regulation 1(ii) of Regulation 27.

Lahore,
Dated: January 07, 2020

QADEER & COMPANY
CHARTERED ACCOUNTANTS
ENGAGEMENT PARTNER
ABDUL RAHMAN



INDEPENDENT AUDITOR'S REPORT

To the members of Haseeb Waqas Sugar Mills Limited

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the annexed financial statements of **Haseeb Waqas Sugar Mills Limited** (“the Company”), which comprise the statement of financial position as at September 30, 2019, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying financial statements of the Company. Because of significance of matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

- a) As stated in Note # 2.4 to the financial statements, the Company could not start operations during the crushing season 2018-19 and is directed by order of the Supreme Court of Pakistan, to shift the mill location to Nankana Sahib. The management have no sufficient and comprehensive plan and projections to start operations at either of the locations in the foreseeable future and overcome the existing financial and legal crisis. Therefore, we do not concur with the management regarding the sufficiency of the operational measures (stated in Note # 2.4) to remain going concern. Thus, these financial statements should have been prepared on other than going concern basis.
- b) Note # 14.2 to the financial statements states that the sales tax status of the Company has been blacklisted by the Federal Board of Revenue due to non-payment of outstanding liability of Rs.208.764 million as mentioned in Note # 10 to the financial statements.
- c) We did not receive direct confirmations from banks and financial institutions with respect to long-term loans amounting to Rs.1,625 million and markup outstanding amounting to Rs.613.3 million. We remain unable to verify these balances by applying other alternate audit procedures. Consequently, we were unable to determine whether any adjustments to these amounts were necessary;



- d)** All the trade creditors, accrued liabilities and other payables as mentioned in Note # 10 to the financial statements were remain unpaid and overdue, due to suspended operations and non-availability of funds.
- e)** The Company has not carried out Actuarial Valuation from actuarial expert and we were unable to verify the Employee Retirement Benefit outstanding as at the year-end amounting to Rs.18 million and provision for the year amounting to Rs.0.771 million. We remain unable to verify these balances by applying other alternate audit procedures. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.
- f)** The Company has failed to comply with the requirements of Section 244 of the Companies Act, 2017 with respect to unclaimed dividend amounting to Rs.1.44 million as disclosed in Note # 14.5 to the financial statements.
- g)** We did not receive direct confirmations from Company's tax advisors with respect to the outstanding tax cases and their status. We were unable to verify the completeness and adequacy of the reported contingencies in the financial statements. We remain unable to verify these balances and disclosures by applying other alternate audit procedures. Consequently, we were unable to determine whether any adjustments to tax provisions and refundable due from government were necessary or needed to be disclosed.
- h)** We did not receive direct confirmations from Company's legal advisors with respect to the outstanding cases and their status. Consequently, we remain unable to verify the completeness, accuracy and adequacy of the reported contingencies and commitments in the financial statements.
- i)** The Company has not carried out impairment testing as required under the International Accounting Standard-36. Even after the revaluation of land, building and plant & machinery in January 2019, we consider it necessary to be carried out as at the year end because the Company could not start production during the year under audit and in subsequent year up to the date of our audit report.
- j)** We were unable to physically verify the existence and condition of property, plant and equipment stated in financial statements at written down value of Rs.3,303.8 million due to closure of factory because of the above mentioned court decision.
- k)** As stated in Note # 15.4 to the financial statements; revaluation of land, building and plant & machinery has not been incorporated in the financial statements as required under the International Accounting Standard-16.
- l)** We were unable to physically verify the existence and condition of store and spares stated at an amount of Rs.55.9 million in the financial statements as at the year end, due to closure of factory because of the above mentioned court decision. Further, compulsory cut off procedures could not be performed as at the year ended September 30, 2019.
- m)** We were unable to obtain direct confirmations with respect to bank balances amounting to Rs.1.491 million. We remain unable to verify these balances by applying other alternate audit procedures as the information was not available to us. Consequently, we were unable to determine whether any adjustments to these amounts were necessary;



Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with International Standards on Auditing as applicable in Pakistan and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Report on Other Legal and Regulatory Requirements

Because of significance of the matters described in Basis of Disclaimer of Opinion section of our report, we express **no** opinion whether:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together




with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Abdul Rahman**.

Lahore,
Dated: January 07, 2020


Qadeer and Company,
Chartered Accountants



HASEEB WAQAS SUGAR MILLS LIMITED

HASEEB WAQAS SUGAR MILLS LIMITED STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2019

CAPITAL AND LIABILITIES		September 30,	September 30,
Share Capital and Reserves		2019	2018
	Note	Rupees	Rupees
Authorized capital 35,000,000 (2018: 35,000,000) ordinary shares of Rs. 10 each		350,000,000	350,000,000
Issued, subscribed and paid up capital	4	324,000,000	324,000,000
Loan from directors and sponsors	5	841,631,639	829,647,072
Capital Reserves			
Surplus on Revaluation of Property, Plant and Equipment	6	1,455,221,265	1,527,024,369
Revenue Reserves			
Accumulated (loss) / profit		(3,543,694,142)	(3,278,500,546)
		(922,841,238)	(597,829,105)
Non Current Liabilities			
Long term financing	7	408,000,000	549,373,562
Deferred liabilities	8	18,004,720	17,343,374
Deferred taxation	9	626,113,327	719,558,548
		1,052,118,047	1,286,275,484
Current Liabilities			
Trade and other payables	10	801,392,947	814,472,632
Markup on loans and other payables	11	613,252,631	396,565,989
Short term borrowings	12	657,541,547	669,579,535
Unclaimed dividend		1,443,972	1,443,972
Current portion of non current liabilities	13	1,244,187,642	1,102,814,080
		3,317,818,739	2,984,876,208
Contingencies and Commitments			
	14	-	-
		3,447,095,547	3,673,322,587
ASSETS			
Non Current Assets			
Property, plant and equipment	15	3,303,769,176	3,483,247,293
Long term deposits	16	490,000	490,000
		3,304,259,176	3,483,737,293
Current Assets			
Stores, spares and loose tools	17	55,892,796	55,684,867
Stock in trade	18	-	-
Advances, deposits, prepayments and other receivables	19	85,198,837	131,797,120
Cash and bank balances	20	1,744,738	2,103,307
		142,836,371	189,585,294
		3,447,095,547	3,673,322,587

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



HASEEB WAQAS SUGAR MILLS LIMITED

HASEEB WAQAS SUGAR MILLS LIMITED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED SEPTEMBER 30, 2019

		<u>2019</u>	<u>2018</u>
	Note	Rupees	
Sales - Net	21	-	250,772,728
Cost of goods sold	22	(187,476,137)	(590,988,226)
Gross (loss)		(187,476,137)	(340,215,498)
Operating expenses:			
- Administrative and general expenses	23	(23,161,002)	(56,940,434)
- Other operating charges	24	(625,000)	(625,000)
- Other income	25	652,713	1,080,002
Loss from operation		(210,609,426)	(396,700,930)
Finance cost	26	(216,697,836)	(145,725,031)
Loss before taxation		(427,307,262)	(542,425,961)
Taxation	27	90,310,562	53,524,189
Loss after taxation		(336,996,700)	(488,901,772)
Earning per share - basic	28	(10.40)	(15.09)

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



HASEEB WAQAS SUGAR MILLS LIMITED

HASEEB WAQAS SUGAR MILLS LIMITED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Note	2019	2018
(Loss) after taxation		(336,996,700)	(488,901,772)
Other comprehensive income			
Remeasurements of defined benefit obligation		-	5,273
Impact of deferred tax		-	(1,529)
		-	3,744
Total comprehensive income for the year		(336,996,700)	(488,898,028)

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



HASEEB WAQAS SUGAR MILLS LIMITED

HASEEB WAQAS SUGAR MILLS LIMITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED SEPTEMBER 30, 2019

CASH FLOW FROM OPERATING ACTIVITIES	NOTE	2019	2018
		Rupees	
(Loss) before taxation		(427,307,262)	(542,425,961)
Adjustments for:			
- Depreciation		179,430,829	191,045,328
- Provision for employees retirement benefits		770,936	1,459,131
- Gain on disposal of property plant and equipment		(652,713)	(189,242)
- Finance cost		216,697,836	145,725,031
		<u>396,246,888</u>	<u>338,040,248</u>
Operating profit before working capital changes		(31,060,374)	(204,385,713)
(Increase) / decrease in current assets:			
- Stores, spares and loose tools		(207,929)	(11,365,039)
- Stock in trade		-	-
- Loans and advances		-	-
- Advances, deposits, prepayments and other receivables		43,833,834	299,497,636
Increase / (decrease) in current liabilities:			
- Trade and other payables		(13,079,685)	(170,096,522)
		<u>30,546,220</u>	<u>118,036,075</u>
Cash generated from operations		(514,154)	(86,349,638)
Income tax paid / deducted		(370,210)	(1,524,089)
Gratuity paid		(109,590)	(286,957)
Finance cost paid		(11,194)	(32,829,388)
Net cash generated from/used in operating activities		(1,005,148)	(120,990,072)
CASH FLOW FROM INVESTING ACTIVITIES			
Property, plant and equipment purchased		-	(161,050)
Proceed from sale of vehicle		700,000	220,000
Long term deposits		-	11,500,000
Net cash used in investing activities		700,000	11,558,950
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds / (Repayment) from long term loans - Net		-	(11,500,000)
Proceeds / (Repayment) from directors'/ sponsor loan - Net		11,984,567	25,332,205
Proceeds / (Repayment) of related parties		(12,037,988)	95,044,355
Net cash used in financing activities		(53,421)	108,876,560
Net decrease in cash and cash equivalents		(358,569)	(554,562)
Cash and cash equivalents at the beginning of the year		2,103,307	2,657,869
Cash and cash equivalents at the end of the year	20	<u><u>1,744,738</u></u>	<u><u>2,103,307</u></u>

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



HASEEB WAQAS SUGAR MILLS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Issued, subscribed and paid up capital	Loan from directors	Surplus on Revaluation of Property, Plant & equipment	Accumulated (loss) / profit	Total
R u p e e s					
Balance as at October 01, 2017	324,000,000	804,314,867	1,603,039,450	(2,865,617,599)	(134,263,282)
Net (loss) for the year ended September 30, 2018	-	-	-	(488,901,772)	(488,901,772)
Other comprehensive income / (loss) for the year ended September 30, 2018	-	-	-	3,744	3,744
	-	-	-	(488,898,028)	(488,898,028)
Total comprehensive income/(loss) for the year ended September 30, 2018	324,000,000	804,314,867	1,603,039,450	(3,354,515,627)	(623,161,310)
Transaction with owners:					
Increase in directors' loan during the year	-	25,332,205	-	-	25,332,205
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation - net of tax	-	-	(76,015,081)	76,015,081	-
Balance as at October 01, 2018	324,000,000	829,647,072	1,527,024,369	(3,278,500,546)	(597,829,105)
Net (loss) for the year ended September 30, 2019	-	-	-	(336,996,700)	(336,996,700)
Other comprehensive income / (loss) for the year ended September 30, 2019	-	-	-	-	-
Total comprehensive income/(loss) for the year ended September 30, 2019	-	-	-	(336,996,700)	(336,996,700)
Transaction with owners:					
Increase in sponsors and directors' loan during the year	-	11,984,567	-	-	11,984,567
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation - net of tax	-	-	(71,803,104)	71,803,104	-
Balance as at September 30, 2019	324,000,000	841,631,639	1,455,221,265	(3,543,694,142)	(922,841,238)

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



HASEEB WAQAS SUGAR MILLS LIMITED

HASEEB WAQAS SUGAR MILLS LIMITED. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2019

1 Corporate and General Operation

1.1 Legal Status and operations

Haseeb Waqas Sugar Mills Limited ("the Company") was incorporated on 13 January 1992 as a Public Limited Company under the repealed Companies Ordinance, 1984 (now the Companies Act 2017). The Company's registered office is situated at 6-F Model Town, Lahore. The mill is situated at Tehsil Jattoi Distt. Muzafargarh. The Company is listed on Pakistan Stock Exchange. The principal activity of the Company is manufacture and sale of refined sugar and its by-products.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017 and provisions of and directives issued under the Companies Act 2017. Where provisions of and directives issued under the Companies Act 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act 2017 have been followed.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain financial instruments at fair value and certain items of property, plant and equipment that are stated at revalued amounts. In these financial statements, except for the amounts reflected in the cash flow statement, all transactions have been accounted for on accrual basis.

2.3 New standards, amendments to the accounting and reporting standards as applicable in Pakistan

Standards and amendments to approved accounting and reporting standards which became effective during the year ended

Share-based Payment (Amendments); Clarification on the classification and measurement of share-based payment transactions.	IFRS 2
Insurance contracts (Amendments); the interaction of IFRS 4 and IFRS 9.	IFRS 4
Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment - by investment choice.	IAS 28
Investment property (Amendments); Amendments on transfers of property to or from investment property.	IAS 40
Revenue from Contracts with Customers; This standard superseded IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31.	IFRS 15
Foreign Currency Transactions and Advance Consideration; Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	IFRIC 22

The adoption of the above amendments to accounting standards did not have any significant impact on the financial statements.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company as at September 30, 2019.

	Effective / Adoption date (annual reporting periods beginning on or after)
IAS 19 Employee benefits (Amendments)	1-Jan-19
IAS 28 Investment in Associates and Joint Ventures (Amendments)	1-Jan-19
IFRS 9 Financial Instruments	1-Jul-19
IFRS 16 Leases	1-Jan-19
IFRIC 23 Uncertainty Over Income Tax	1-Jan-19
IFRS 3 Business Combinations (Amendments); Amendments regarding previously held	1-Jan-19
IFRS 3 Business Combinations (Amendments); Clarify the definition of business.	1-Jan-19
IFRS 11 Joint Arrangements (Amendments); Re-measurement of previously held Interests in a joint operation	1-Jan-19
IAS 12 Income Taxes (Amendments); Amendments regarding income tax consequences of payments on financial instruments classified as equity.	1-Jan-19
IAS 23 Borrowing Costs (Amendments); Borrowing costs eligible for capitalisation	1-Jan-20
IAS 1 Presentation of Financial Statements (Amendments); Amendments regarding the definition of concept of material	1-Jan-20
Accounting Policies, Changes in Accounting Estimates and Errors (Amendments); Amendments regarding the definition of concept of material	

It is anticipated that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than the impact on presentation/disclosures.



Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB),

- IFRS 1** First-time Adoption of International Financial Reporting Standards
- IFRS 14** Regulatory Deferral Accounts
- IFRS 17** Insurance Contracts
- IFRIC 4** Determining whether an arrangement contains lease
- IFRIC 12** Service concession arrangements

2.4 Going concern assumption

The financial statements of the Company indicate that the Company incurred gross loss amounting to Rs: 187,476,137 (2018: 340,215,498) and net loss from operations amounting to Rs. 210,609,426 (2018: 396,700,930) and accumulated losses Rs. 3,543,694,142 (2018: 3,278,500,546). Moreover, the current liabilities exceed current assets by Rs. 3,174,982,368 (2018: 2,795,290,914).

Further as stated in note # 15.4 to the financial statements, the Supreme Court on 26th February 2019 dismissed the appeal of the Company regarding location of factory. As a result the Company could not start operation during the crushing season 2018-19 and is directed to shift the mill location to Nankana Sahib.

Operational measures

In view of above issues Company has already taken following mitigating steps:

Restructuring of loan from Silk Bank Limited amounting to Rs. 390 million during the year.

Shifting of mill to Alipur Jatoi, Muzaffargarh has been completed where sugar cane availability and sugar recovery are better.

BMR has been done in the year 2016 and 2017 and we will see impact of this BMR in the financials of coming seasons.

Further the company has moved an application to Ministry of Industries under section 3 of the Punjab Industries (Control on Establishment and Enlargement) Ordinance 1963 but the application has been turned down by Ministry of Industries and the management moving a petition against the same.

The management foresees positive cash flow from future operations in expectation of better availability of sugar cane and sugar prices in coming season, since sugar dynamics are good and rising.

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

	Projected		
	2020	2021	2022
Sugar Cane Crushing M.T	780,000	800,000	800,000
Sugar cane rate	180	185	190
Sugar price per Kg	70	75	80

However, it is believed that considering the mitigating factors set out in the preceding paragraphs, the going concern assumption is appropriate and has, as such, prepared these financial statements on a going concern basis. Further, the management is fully committed to make the project going concern.

2.5 Judgment, estimates and assumptions

The preparation of financial statements in conformity with IASs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made and in any future periods affected.

Significant management estimates in these financial statements relate to the useful life of property, plant and equipment, provisions for doubtful receivables, slow moving inventory and taxation. However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in the financial statements.

Judgment made by management in the application of accounting and reporting standards that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent year are as follows;

2.5.1 Depreciation method, rates and useful lives of property, plant and equipment

The management of the Company reassesses useful lives, depreciation method and rates for each item of property, plant and equipment annually by considering expected pattern of economic benefits that the Company expects to derive from that item.

2.5.2 Recoverable amount of assets/ cash generating units

The management of the Company reviews carrying amounts of its assets and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication.



2.5.3 Fair value of financial instruments having no active market

Fair value of financial instruments having no active market is determined using discount cash flow analysis after incorporating all factors that market participants would consider in setting a price and using inputs that reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument.

2.5.4 Taxation

The Company takes into account income tax law and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by tax department at the assessment stage and where the Company considers that its view of items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

2.5.5 Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

2.5.6 Revaluation of property, plant and equipment

Revaluation of property, plant and equipment is carried out by independent professional valuer. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values.

2.6 Functional currency

These financial statements are prepared in Pak Rupees which is the Company's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

3.1 Ordinary share capital

Ordinary share capital is recognized as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as deduction from equity.

3.2 Surplus / deficit arising on revaluation of property, plant and equipment

Surplus arising on revaluation of property, plant and equipment is recognized, in other comprehensive income and accumulated in reserves in shareholders' equity and is shown in equity. Revaluation is carried out with sufficient regularity to ensure that the carrying amounts of the assets does not differ materially from the fair value. Accumulated depreciation at the date of revaluation is eliminated against the cost of the asset and net amount is restated to the revalued amount of the asset.

The surplus on revaluation of property, plant and equipment to the extent of incremental depreciation charged on the related property, plant and equipment during the year is part of statement of changes in equity.

3.3 Employee benefits

Short-term employee benefits

The Company recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit or loss unless it is included in the cost of inventories or property, plant and equipment as permitted or required by the approved accounting standards. If the amount paid exceeds the discounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash refund.

The Company provides for compensated absences of its employees on unavailed balance of leaves in the period in which the leaves are earned.

Defined benefit plan

The Company operates an unfunded gratuity scheme covering its permanent employees. Employees are eligible for benefits under this scheme after the completion of a prescribed qualifying period of service. The latest actuarial valuation was carried out as at September 30, 2018. Charge for the current year is based on management estimates.

	<u>2019</u>	<u>2018</u>
Discount rate	7.75%	7.75%
Expected rate of salary increase in future years	6.75%	6.75%
Average expected remaining working life time of employees	9 years	9 years

3.4 Borrowings

These are recognized initially at fair value less attributable transaction cost. Subsequent to initial recognition, these are stated at amortized cost with any difference between cost and redemption value being recognized in the profit and loss over the period of the borrowings on an effective interest basis.

3.5 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.



3.6 Taxation

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on the taxable income at current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

Deferred

Deferred tax is accounted for using the balance sheet liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the requirement of "Technical Release - 27" of the Institute of Chartered Accountants of Pakistan. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is not recognized for timing differences that are not expected to reverse and for the temporary differences arising from the initial recognition of goodwill and initial recognition of assets and liabilities in a transaction that is not a business combination and that at the time of transaction affects neither the accounting nor the taxable profit.

3.7 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

3.8 Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost less impairment loss, if any.

3.9 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation except freehold land that is stated at revalued amount. Buildings, plant and machinery and grid station and generators are stated at revalued amounts less accumulated depreciation. Cost of property, plant and equipment consists of historical cost, revalued amount, borrowing costs pertaining to the erection / construction period and other directly attributable costs incurred to bring the assets to their working condition.

The management reviews the market value of revalued assets at each balance sheet date to ascertain whether the fair value of revalued assets have differed materially from the carrying value of such assets, thus necessitating further revaluation.

Depreciation on property, plant and equipment has been provided for using the reducing balance method at the rates specified in respective note. Depreciation on additions is charged from the month in which the asset was available for use up to the month in which the asset was disposed off.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized. Gain or loss on disposal of property, plant and equipment, if any, is shown in the profit and loss account.

3.10 Impairment

Carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and impairment loss is recognized in the profit and loss account.

3.11 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and cash with banks in current and saving accounts.

3.12 Stores, spares and loose tools

These are generally held for internal use and are valued at lower of cost and net realizable value. Cost is determined on the basis of moving average except for items in transit, which are valued at invoice price plus related expenses incurred up to the reporting date. For items identified as slow moving, a provision is made for excess of carrying amount over estimated net realizable value which signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated cost necessary to make the sale.



3.13 Stock in trade

These are valued at lower of cost and net realizable value. Cost is determined using the following basis:

Work in process	Average manufacturing cost
Finished goods	Average manufacturing cost
By-products	Net realizable value, where costs are not ascertainable.

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labor and a proportion of appropriate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

3.14 Financial instruments

Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. It ceases to recognize financial assets when it loses control of contractual rights and in case of financial liability when the liability is extinguished. Any gain or loss on subsequent remeasurement / derecognition is charged to income.

A financial asset and financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.15 Related party transactions

All transactions with related parties are carried out by the company at arms' length price with the exception of loan taken from related parties which is interest / mark up free. Prices for these transactions are determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the seller.

Components purchased by the Company from related party are priced at cost plus margin.

3.16 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of returns allowances, trade discounts and rebates, and represents amounts received or receivable for goods and services provided and other operating income earned in the normal course of business. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company, and the amount of revenue and the associated costs incurred or to be incurred can be measured reliably.

Revenue from different sources is recognized as follows:

Revenue from sale of goods is recognized when risk and rewards incidental to the ownership of goods are transferred.

Interest on saving accounts is recognized as and when accrued on time proportion basis.

3.17 Borrowing costs

Borrowing costs are charged to income as and when incurred except to the extent of costs directly attributable to the acquisition, construction or production of qualifying assets that are capitalized as part of the cost of asset.

3.18 Dividends

Dividend is recognized as a liability in the period in which it is declared.

3.19 Finance Leases

Leases where the company has substantially all the risks and rewards of ownership are classified as finance leases. Asset subject to finance lease are initially recognized at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets. Subsequently these assets are stated at cost less accumulated depreciation and any identified impairment loss.

The related rental obligations, net of finance charges, are included in liabilities against assets subject to finance lease. The liabilities are classified as current and long term depending upon the timing of the payment.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to profit over the lease term.

Assets acquired under a finance lease are depreciated over the useful life of the asset on a reducing balance method at the rates given respective note. Depreciation of leased assets is charged to income statement.

When a sale and lease transaction results in a finance lease, any excess of sales proceeds over the carrying amount are not be immediately recognized as income in the profit and loss account, instead it is recognized as deferred income and amortized over the lease term.

3.20 Earning per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.



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4 ISSUED, SUBSCRIBED AND PAID UP CAPITAL	2019	2018
	Rupees	
Ordinary shares of Rs. 10 each:		
27,000,000 (2018: 27,000,000) shares issued for cash.	270,000,000	270,000,000
5,400,000 (2018: 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>

All ordinary shareholders have same rights regarding voting, board selection, right of first refusal and block voting.

5 LOAN FROM DIRECTORS AND SPONSORS	2019	2018
Loan from directors and sponsors	841,631,639	829,647,072
	<u>841,631,639</u>	<u>829,647,072</u>

These loan has been obtained from Sponsors and Members 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. Further, directors' loan is subordinated to National Bank of Pakistan, The Bank of Punjab, Sindh Bank Limited and Silk Bank Ltd.

These loans are accounted for under Technical Release - 32 "Accounting Directors' Loan" issued by the Institute of Chartered Accountants of Pakistan effective for the financial statements for the period beginning on or after January 01, 2016 with earlier application permitted.

6 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	2019	2018
As at beginning of the year	1,527,024,369	1,603,039,450
Revaluation surplus transferred to unappropriated profit on account of incremental depreciation (net of tax)	(71,803,104)	(76,015,081)
	<u>1,455,221,265</u>	<u>1,527,024,369</u>

6.1 The revaluation surplus on property, plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

7 LONG TERM FINANCING		2019	2018
Loan from Banking Companies - secured	7.1	408,000,000	549,373,562
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	285,000,000	285,000,000
Sindh Bank Limited			
- Demand Finance	7.1.4	500,000,000	500,000,000
PAIR			
- Demand Finance	7.1.5	70,000,000	70,000,000
Silk Bank Ltd	7.1.6	390,000,000	390,000,000
		<u>1,625,000,000</u>	<u>1,625,000,000</u>
Less: current portion shown under current liabilities			
- NBP - Demand Finance - I		(220,000,000)	(180,000,000)
- NBP - Demand Finance - II		(160,000,000)	(160,000,000)
- BOP - Demand Finance		(228,000,000)	(171,000,000)
- Sindh Bank - Demand		(500,000,000)	(377,626,438)
- Demand Finance - PAIR		(70,000,000)	(70,000,000)
- Demand Finance - Silk Bank Ltd		(39,000,000)	(117,000,000)
		<u>(1,217,000,000)</u>	<u>(1,075,626,438)</u>
		<u>408,000,000</u>	<u>549,373,562</u>

7.1.1 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 ending on 21 March 2020, within a period of 5 years excluding 1 year grace period.

7.1.2 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 ending on 30 September 2018, within a period of 3 years excluding 1 year grace period.



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- 7.1.3** 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 ending on 30 September 2021.
- 7.1.4** 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 ending on 09 June 2020.
- 7.1.5** 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 rescheduled and payable in eighteen monthly installments.
- 7.1.6** 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 Limited and personal guarantees of directors of the Company. It carries markup 1 Year KIBOR + 2% per annum (2018: 6 Months KIBOR + 2% per annum) . This loan is payable in twenty Bi-annually installments ending on 21 February 2025.

8 DEFERRED LIABILITIES

		2019	2018
		Rupees	
Employee retirement benefits	8.1	18,004,720	17,343,374

8.1 EMPLOYEES RETIREMENT BENEFITS

The amounts recognized in the the Statement of Financial Position are as follows

Present value of defined benefit obligation	18,004,720	17,343,374
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the Statement of Financial Position liability

Opening balance	17,343,374	39,158,944
Amount recognized during the year	770,936	1,459,131
Remeasurements	-	(5,273)
	18,114,310	40,612,802
Payable to outgoing employees	-	(22,982,471)
Benefits paid during the year	(109,590)	(286,957)
Closing balance	18,004,720	17,343,374

Charge for the defined benefit plan

Service cost	770,936	966,312
Interest cost	-	492,819
	770,936	1,459,131

- 8.1.1** The scheme provides for terminal benefits for all its permanent employees who attain the minimum qualifying period at varying percentages of last drawn basic salary. The percentage depends on the number of service years with the Company. Annual charge is based on management valuation carried out as at September 30, 2019.

8.1.2 Comparison for five years	YEAR	2019	2018
		Rupees	
		Present Value	Experience Adjustment
	2015	30,035,431	113,427
	2016	34,397,335	163,979
	2017	39,158,944	21,327
	2018	17,343,374	5,273
	2019	18,004,720	-

9 DEFERRED TAXATION

Deferred tax liability on taxable temporary differences

Property, plant and equipment	764,663,385	858,141,916
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Deferred tax asset on deductible temporary differences

Employees retirement benefits	(11,662,714)	(11,696,024)
Finance lease	(7,884,416)	(7,884,416)
Unused tax losses	(119,002,928)	(119,002,928)
	(138,550,058)	(138,583,368)
	626,113,327	719,558,548

Deferred tax assets of Rs. 975 million (2018: 722 million) on deductible temporary differences have not been recognized due to unpredictability of adjustable in future periods.



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		2019	2018
10 TRADE AND OTHER PAYABLES			Rupees
Trade creditors		185,711,844	196,191,331
Advances from Customers -Unsecured		262,253,957	262,253,957
Accrued liabilities		70,649,913	70,784,103
Sales tax payable		208,763,617	209,381,949
Other payables	10.1	74,013,617	75,861,293
		<u>801,392,947</u>	<u>814,472,632</u>
10.1	Other payables include an amount of Rs. 30,564,611 of penalty imposed by Trading Corporation of Pakistan (TCP). The Company is defending a suit filed by TCP for recovery before Honorable Sindh High Courts, and the case still pending.		
11 MARKUP ON LOANS AND OTHER PAYABLES			
Long term financing		541,629,587	360,735,863
Finance lease		954,816	954,816
Short term borrowings		50,805,418	15,012,500
Others	11.1	19,862,810	19,862,810
		<u>613,252,631</u>	<u>396,565,989</u>
11.1	This represents markup accrued penalty as disclosed in note 11.1		
12 SHORT TERM BORROWINGS			
Loan from related parties			
Abdullah Sugar Mills Limited		655,337,483	667,375,471
Haseeb Waqas Trading (Private) Limited		2,204,064	2,204,064
		<u>657,541,547</u>	<u>669,579,535</u>
These are unsecured, interest free and payable on demand of the related parties and for the purpose of working capital of the Company; and be adjusted against sale of goods etc.			
13 CURRENT PORTION OF NON CURRENT LIABILITIES			
Long term financing	7.1	1,217,000,000	1,075,626,438
Finance lease		27,187,642	27,187,642
		<u>1,244,187,642</u>	<u>1,102,814,080</u>

14 CONTINGENCIES AND COMMITMENTS

- 14.1** The collector of Sales Tax And Central Excise (Adjudication) Lahore has issued a show cause notice to the Company for the further tax amounting to Rs. 47 million upto the tax period September 2002 on the grounds that it charged sales tax at the rate of 15 % on its sales to persons liable to be registered.
- 14.2** The Federal Board of Revenue has blacklisted the Sales Tax status of the Company on 8th March 2018 due to non compliance of the Sales Tax Act, 1990 and the rules made thereunder including not discharging of sales tax liability as outstanding in note # 11. However, the Company will further proceed to restate the sales tax status after starting of crushing season.
- 14.3** Company has made defaults in repayment of installment of long term loans from financial institutions and bank. As a result, company's name has been included in CIB report of State Bank of Pakistan. The detail of the cases are as:

Sr. #	Name of the Court	Date Instituted	Principal parties	Description of the factual basis of the proceedings	Relief sought
1	Lahore High Court	3-May-17	Sindh Bank Limited	Default in repayment of principal amount of long term loans along with markup	rescheduling of loan
2	Lahore High Court	12-Dec-19	The Bank of Punjab	Default in repayment of principal amount of long term loans along with markup.	rescheduling of loan
3	Lahore High Court	22-Sep-16	National Bank of Pakistan	Default in repayment of principal amount of long term loans along with markup.	rescheduling of loan
4	Lahore High Court	20-Nov-19	First National Bank Modarba	Default in repayment of principal amount of long term loans along with markup	rescheduling of loan
5	Banking Courts	20-Apr-18	PAIR Investment Company Limited	Default in repayment of principal amount of long term loans along with markup	rescheduling of loan

- 14.4** The Division Bench of Honorable Lahore High Court Lahore in its judgment dated September 11, 2017 ordered the relocation of Haseeb Waqas Sugar Mills Limited from Muzaffar Garh to Nankana. Furthermore, Lahore High Court directed the mills to restore and reconstitute the position by dismantling & removing the said mills from the present location. The Supreme Court of Pakistan vide short order even dated September 13, 2018 dismissed the Company's appeal and prohibited the Company from conducting any business in relation to or functioning as a sugar mill after the period of two months i.e. 12 November 2018. Further, the appellants are directed to remove within the said period from Muzaffar Garh (current factory location) to Nankana (previous factory location). However, the Company filed review petition dated 6th November 2018 to review the above order and the appeal filed by the petitioners was accepted; but the Supreme Court on 26th February 2019 upheld the previous order to remove the sugar mill from Muzaffar Garh to Nankana Sahab. Further the company has moved an application to Ministry of Industries under section 3 of the Punjab Industries (Control on Establishment and Enlargement) Ordinance 1963 but the application has been turned down by Ministry of Industries and the management moving a petition against the same. Principal parties for respondents are Govt. of the Punjab, JDW Sugar Mills Limited, Ashraf Sugar Mills Limited, Indus Sugar Mills Limited RYK Mills Limited etc.

- 14.5** The Company has not complied with the requirements of Section 244 of the Companies Act 2017 with respect to unclaimed dividend but is not expected to have any legal consequences as the requirement is expected to withdraw.

Commitments

No major commitments were outstanding as at 30 September 2019.



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15 PROPERTY, PLANT AND EQUIPMENT - Tangible

R U P E E S

Particulars	Cost / Revalued Amount				Rate %	Depreciation				Book Value as at September 30, 2019
	As at October 01, 2018	Additions/ (Deletions)	Revaluations	As at September 30, 2019		As at October 01, 2018	Adjustment	For the Year	As at September 30, 2019	
Owned										
Land - freehold	261,313,059	-	-	261,313,059	-	-	-	-	-	261,313,059
Buildings on freehold land										
- Factory	375,575,435	-	-	375,575,435	10%	112,447,152	-	26,312,828	138,759,980	236,815,455
- Non-factory	115,367,554	-	-	115,367,554	5%	18,609,778	-	4,837,889	23,447,667	91,919,887
Plant and machinery	3,360,693,365	-	-	3,360,693,365	5%	600,986,933	-	137,985,322	738,972,255	2,621,721,110
Electric equipment	624,971	-	-	624,971	10%	126,824	-	49,815	176,639	448,332
Furniture and fixtures	57,469,483	-	-	57,469,483	10%	42,931,773	-	1,453,771	44,385,544	13,083,939
Vehicles	26,177,921	(1,192,805)	-	24,985,116	20%	25,477,178	(1,145,518)	130,691	24,462,351	522,765
	4,197,221,788	(1,192,805)	-	4,196,028,983		800,579,638	(1,145,518)	170,770,315	970,204,436	3,225,824,547
Leased										
Plant and machinery	139,500,000	-	-	139,500,000	10%	52,894,857	-	8,660,514	61,555,371	77,944,629
	139,500,000	-	-	139,500,000		52,894,857	-	8,660,514	61,555,371	77,944,629
Total 2019	4,336,721,788	(1,192,805)	-	4,335,528,983		853,474,495	(1,145,518)	179,430,830	1,031,759,807	3,303,769,176

R U P E E S

Particulars	Cost / Revalued Amount				Rate %	Depreciation				Book Value as at September 30, 2018
	As at October 01, 2017	Additions/ (Deletions)	Revaluations	As at September 30, 2018		As at October 01, 2017	Adjustment	For the Year	As at September 30, 2018	
Owned										
Land - freehold	261,152,009	161,050	-	261,313,059	0%	-	-	-	-	261,313,059
Buildings on freehold land										
- Factory	375,575,435	-	-	375,575,435	10%	83,210,676	-	29,236,476	112,447,152	263,128,283
- Non-factory	115,367,554	-	-	115,367,554	5%	13,517,263	-	5,092,515	18,609,778	96,757,776
Plant and machinery	3,360,693,365	-	-	3,360,693,365	5%	455,739,226	-	145,247,707	600,986,933	2,759,706,432
Electric equipment	624,971	-	-	624,971	10%	71,474	-	55,350	126,824	498,147
Furniture and fixtures	57,469,483	-	-	57,469,483	10%	41,316,472	-	1,615,301	42,931,773	14,537,710
Vehicles	26,522,921	(345,000)	-	26,177,921	20%	25,616,234	(314,242)	175,186	25,477,178	700,743
	4,197,405,738	(183,950)	-	4,197,221,788		619,471,346	(314,242)	181,422,535	800,579,638	3,396,642,150
Leased										
Plant and machinery	139,500,000	-	-	139,500,000	10%	43,272,063	-	9,622,794	52,894,857	86,605,143
	139,500,000	-	-	139,500,000		43,272,063	-	9,622,794	52,894,857	86,605,143
Total 2018	4,336,905,738	(183,950)	-	4,336,721,788		662,743,409	(314,242)	191,045,329	853,474,495	3,483,247,293



HASEEB WAQAS SUGAR MILLS LIMITED

16 LONG TERM DEPOSITS

These mainly comprise of security deposits with Central Depository Company and Sui Northern Gas Pipeline Limited and other security receivables at factory location.

17 STORES, SPARES AND LOOSE TOOLS

	2019	2018
Stores	55,729,399	55,521,470
Spares	163,397	163,397
	<u>55,892,796</u>	<u>55,684,867</u>

17.1 No identifiable store and spare are held for specific capitalization.

18 STOCK IN TRADE

Work in process		
Sugar	-	-
Molasses	-	-
Finished goods		
Sugar	-	-
	<u>-</u>	<u>-</u>

19 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES - considered good

Advances to employees:			
- against purchases		699,794	785,818
- against salaries - secured	19.1	915,975	992,334
Advances to growers - unsecured	19.2	42,192,264	85,863,715
Advance income tax		32,678,083	35,442,532
Deposits	19.3	8,712,721	8,712,721
		<u>85,198,837</u>	<u>131,797,120</u>

19.1 These are interest free amounts advanced to staff against future salaries and retirement benefits and are in accordance with the Company policy.

19.2 These represent interest free unsecured advances given to sugarcane growers against future procurement of sugarcane and are in consonance with other sugar manufacturers securing future supplies of sugarcane.

19.3 These represent interest free unsecured deposit with TCP and will likely be set off against the liability as mentioned in note # 11.1.

20 CASH AND BANK BALANCES

Cash in hand	35,317	338,382
Cash with banks - in current accounts	1,709,421	1,764,925
	<u>1,744,738</u>	<u>2,103,307</u>

21 SALES - NET

- Sugar - Local	-	266,173,800
- Molasses	-	22,428,900
- Mud	-	817,444
		<u>289,420,144</u>
Less: Sales tax and federal excise duty		<u>(38,647,416)</u>
		<u>250,772,728</u>

22 COST OF GOODS SOLD

Raw materials consumed		-	304,047,313
Stores and spares consumed		3,725	21,318,053
Salaries, wages and other benefits	22.1	10,155,888	55,780,651
Insurance		-	-
Repair and maintenance		3,448,189	25,512,928
Depreciation	15.3	172,958,664	184,106,977
Others		909,671	222,304
		<u>187,476,137</u>	<u>590,988,226</u>

Opening work in process	-	-
Closing work in process	-	-

Cost of goods manufactured	187,476,137	590,988,226
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Opening finished goods	-	-
Closing finished goods	-	-

	<u>187,476,137</u>	<u>590,988,226</u>
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22.1 Salaries and benefits include Rs. 0.369 million (2018: Rs. 2.013 million) on account of employee retirement benefits.



HASEEB WAQAS SUGAR MILLS LIMITED

		2019	2018
23 ADMINISTRATIVE AND GENERAL EXPENSES			
Director's remuneration		-	7,200,000
Salaries, wages and other benefits	23.1	7,580,304	17,595,713
Utilities		-	733,806
Traveling and conveyance		253,944	971,320
Rent, rates and taxes		2,400,000	2,400,000
Repairs and maintenance		43,316	5,560,727
Fees and subscription		493,082	2,207,382
Vehicle running and maintenance		588,299	4,109,336
Printing and stationery		268,445	432,398
Telephone and postage		83,989	1,163,361
Advertisement		124,833	2,175
Entertainment		569,506	1,093,274
Legal and professional charges		3,271,444	3,761,745
Depreciation	15.3	<u>6,472,166</u>	<u>6,938,351</u>
Miscellaneous		<u>1,011,675</u>	<u>2,770,845</u>
		<u>23,161,002</u>	<u>56,940,434</u>
23.1	Salaries and benefits include Rs. 0.402 million (2018: Rs. 1.781 million) on account of employees retirement benefits.		
24 OTHER OPERATING CHARGES			
Auditors' remuneration			
- Statutory audit		500,000	500,000
- Half year review		60,000	60,000
- Review and certifications		40,000	40,000
- Out of pocket		25,000	25,000
		<u>625,000</u>	<u>625,000</u>
25 OTHER OPERATING INCOME			
Scrap Sale		-	890,760
Gain on sale of fixed assets		652,713	189,242
		<u>652,713</u>	<u>1,080,002</u>
26 FINANCE COST			
Interest / mark up on:			
Long term financing		216,686,642	145,675,065
Bank charges and commission		11,194	49,966
		<u>216,697,836</u>	<u>145,725,031</u>
27 TAXATION			
Current tax			
For the year		-	-
Prior years		3,134,659	-
Deferred tax		<u>(93,445,221)</u>	<u>(53,524,189)</u>
		<u>(90,310,562)</u>	<u>(53,524,189)</u>
27.1	No tax reconciliation between applicable tax rate and average tax rate is shown because the company is not liable to tax under normal tax regime.		
27.2	Major components of current tax are as follows:		
Minimum turnover tax		-	10,590,936
Tax credits availed		-	(10,590,936)
28 EARNING PER SHARE - Basic			
(Loss) after taxation for the year	Rupees	(336,996,700)	(488,901,772)
Outstanding weighted average ordinary shares	No. of shares	32,400,000	32,400,000
Earnings per share - Basic and diluted	Rupees	<u>(10.40)</u>	<u>(15.09)</u>
28.1 Diluted earnings per share			
	There is no dilution effect on the basic earnings per share of the Company as the Company has no such commitments.		



29 PLANT CAPACITY AND PRODUCTION

Processed cane

Installed capacity (tones)	576,000	576,000
Installed capacity (days)	72	72
Actual crushing (tones)	-	76,820
Actual crushing (days)	-	38
Actual production (percentage of actual capacity in tones)	0.00%	13.34%

Sugar

Installed capacity (tones)	48,987	48,987
Installed capacity (days)	-	38
Actual production (tones)	-	5,808
Actual production (days)	-	38
Actual production (percentage of actual capacity in tones)	0.00%	11.86%
Cane sugar recovery	0.00%	8.50%

The reason for closure of production is disclosed in note # 14.4 to the financial statements.

30 FINANCIAL INSTRUMENTS BY CATEGORY

-As at Statement of Financial Position at amortized cost:

	2019	2018
	Rupees	
Financial assets		
Long term deposits	490,000	490,000
Advances, deposits and other receivables	85,198,837	131,797,120
Cash and bank balances	1,744,738	2,103,307
	<u>87,433,575</u>	<u>134,390,427</u>
Financial liabilities		
Trade and other payables	801,392,947	814,472,632
Loan from directors and sponsors	841,631,639	829,647,072
Loan from financial institutions	1,652,187,642	1,652,187,642
Accrued interest/mark-up	613,252,631	396,565,989
Short term borrowings	657,541,547	669,579,535
	<u>4,566,006,406</u>	<u>4,362,452,870</u>

31 FINANCIAL INSTRUMENTS

31.1 Fair value and risk management

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3)



HASEEB WAQAS SUGAR MILLS LIMITED

31.2 The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. However, fair values are not disclosed as carrying values are reasonable approximation of their net fair value.

On-balance sheet financial instruments	Carrying amount			Fair Value				
	Fair Value through Profit or Loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
30 September, 2019								
Financial Assets not measured at fair value								
Advances, deposits, prepayments and other receivables	-	52,520,754	-	52,520,754	-	-	-	-
Long Term Deposits	-	490,000	-	490,000	-	-	-	-
Cash and bank balances	-	1,744,738	-	1,744,738	-	-	-	-
	-	54,755,492	-	54,755,492	-	-	-	-
Financial Liabilities not measured at fair value								
Loan from banking companies	-	-	1,652,187,642	1,652,187,642	-	-	-	-
Trade and other payables	-	-	330,375,374	330,375,374	-	-	-	-
Accrued Markup	-	-	613,252,631	613,252,631	-	-	-	-
Unclaimed Dividend	-	-	1,443,972	1,443,972	-	-	-	-
Loan from related parties	-	-	657,541,547	657,541,547	-	-	-	-
	-	-	3,254,801,165	3,254,801,165	-	-	-	-
30 September, 2018								
Financial Assets not measured at fair value								
Advances, deposits, prepayments	-	96,354,588	-	96,354,588	-	-	-	-
Long Term Deposits	-	490,000	-	490,000	-	-	-	-
Cash and bank balances	-	2,103,307	-	2,103,307	-	-	-	-
	-	98,947,895	-	98,947,895	-	-	-	-
Financial Liabilities not measured at fair value								
Loan from banking companies	-	-	1,652,187,642	1,625,000,000	-	-	-	-
Trade and other payables	-	-	342,836,727	196,191,331	-	-	-	-
Accrued Markup	-	-	396,565,989	396,565,989	-	-	-	-
Unclaimed Dividend	-	-	1,443,972	1,443,972	-	-	-	-
Loan from related parties	-	-	669,579,535	669,579,535	-	-	-	-
	-	-	3,062,613,865	2,888,780,827	-	-	-	-

31.3 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. There were no changes to Company's approach to capital management during the year. The Company is not subject to any externally imposed Capital requirements.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue right shares or negotiate with banks for new financing or restructure existing financing.

The gearing ratios were as follows:

		2019	2018
Long term financing	Rupees	1,652,187,642	1,652,187,642
Short term financing	Rupees	657,541,547	669,579,535
Total debt	Rupees	2,309,731,208	2,321,769,195
Total Equity	Rupees	(922,841,238)	(597,829,105)
Capital employed	Rupees	1,386,889,970	1,723,940,090
Gearing ratio	%	-67%	-35%

31.4 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors.



(a) **Market risk**

(i) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company has no significant interest-bearing assets, the Company's income and resultant operating cash inflows are substantially independent of changes in market interest rates. At the reporting date, the interest rate profile of the company's significant interest bearing financial instruments was as follows:

Financial liabilities

	2019		2018	
	Percentage		Rupees	
Long term financing	9.04 to 17.97	7.40 to 11.93	1,625,000,000	1,625,000,000
Total yield / markup rate risk sensitivity gap			<u>1,625,000,000</u>	<u>1,625,000,000</u>

Fair value sensitivity analysis for fixed rate instruments:

The company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments:

	Effect on Profit and Loss 1% rate	
	Increase	Decrease
As at September 30, 2019		
Cash flow sensitivity - variable rate financial liabilities	<u>15,550,000</u>	<u>(15,550,000)</u>
As at September 30, 2018		
Cash flow sensitivity - variable rate financial liabilities	<u>16,250,000</u>	<u>(16,250,000)</u>

(ii) **Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity securities price risk as there is no investment in listed securities.

(iii) **Foreign currency risk**

The Company does not have any commitment or balance in foreign currency as at financial position date which result in foreign currency risk.



(b) **Credit risk**

Credit risk represents the risk of financial loss being caused if counter parties fail to discharge an obligation.

Credit risk arises from deposits with banks, trade debts, loans and advances, deposits and other receivables. The company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. Where considered necessary, advance payments are obtained from certain parties. The maximum exposure to credit risk is equal to the carrying amount of financial assets. Out of the total financial assets of Rs. 87,433,575 (2018: Rs. 134,390,429) the financial assets exposed to credit risk amount to Rs. 54,720,175 (2018: Rs. 98,609,515).

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which have not impaired are as under:

	2019	2018
	Rupees	
Long term deposits	490,000	490,000
Advances, deposits, prepayments and other receivables	85,198,837	131,797,120
Cash and bank balances	1,744,738	2,103,307
	87,433,575	134,390,427

The credit quality of receivables can be assessed with reference to their historical performance with no or some defaults in recent history, however, no losses. The credit quality of Company's bank balances can be assessed with reference to external credit.

Bank	Rating agency	Short Term Borrowings	Long Term Loans
United Bank Limited	JCR-VIS	A-1+	AAA
The Bank of Punjab	PACRA	A-1+	AA
Sindh Bank Limited	JCR-VIS	A-1	A+
MCB Bank Limited	PACRA	A-1+	AAA
National Bank of Pakistan	JCR-VIS / PACRA	A-1+	AAA

Geographically, there is no concentration of credit risk.



(c) **Liquidity risk**

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate committed credit facilities and directors and sponsor of the Company.

The table shows analyses how management monitors net liquidity based on details of the remaining contractual maturities of financial assets and liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

2019				
	Carrying Amount	Contractual cash flows	Upto twelve months	Two to five years
Financial Liabilities				
Loan from banking companies	1,652,187,642	1,652,187,642	1,244,187,642	408,000,000
Trade and other payables	330,375,374	330,375,374	330,375,374	-
Accrued Markup	613,252,631	613,252,631	613,252,631	-
Unclaimed Dividend	1,443,972	1,443,972	-	1,443,972
Loan from related parties	657,541,547	657,541,547	657,541,547	-
	3,254,801,165	3,254,801,165	2,845,357,193	409,443,972
Financial Assets				
Advances, deposits, prepayments and other receivables	52,520,754	52,520,754	52,520,754	-
Long Term Deposits	490,000	490,000	-	490,000
Cash and bank balances	1,744,738	1,744,738	1,744,738	-
	54,755,492	54,755,492	54,265,492	490,000
	(3,200,045,673)	(3,200,045,673)	(2,791,091,701)	(408,953,972)
2018				
	Carrying Amount	Contractual cash flows	Upto twelve months	Two to five years
Financial Liabilities				
Loan from banking companies	1,652,187,642	1,652,187,642	1,102,814,080	549,373,562
Trade and other payables	342,836,727	342,836,727	342,836,727	-
Accrued Markup	396,565,989	396,565,989	396,565,989	-
Unclaimed Dividend	1,443,972	1,443,972	-	1,443,972
Loan from related parties	669,579,535	669,579,535	669,579,535	-
	3,062,613,865	3,062,613,865	2,511,796,331	550,817,534
Financial Assets				
Advances, deposits, prepayments and other receivables	96,354,588	96,354,588	96,354,588	-
Long Term Deposits	490,000	490,000	-	490,000
Cash and bank balances	2,103,307	2,103,307	2,103,307	-
	98,947,895	98,947,895	98,457,895	490,000
	(2,963,665,970)	(2,963,665,970)	(2,413,338,436)	(550,327,534)



32 RELATED PARTY TRANSACTIONS AND BALANCES

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:

The Company during the year entered into transactions with the following related parties:

Name of Related Party	Nature of relationship	% of Shareholding
Abdullah Sugar Mills Limited	Associate (common management/directorship)	8.952
Haseeb Waqas Trading (Private) Limited	Associate (common management/directorship)	-
Mian Waqas Riaz	Director	2.370
Mrs. Shehzadi Ilyas	Director	7.420
Mrs. Zainab Waqas	Director	1.029
Mian Haseeb Ilyas	Chief Executive / Director	6.832
Mian Abdullah Ilyas	Director	9.218
Key Management Personnel	Employer - Employee	

32.1 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:

32.1.1 Transactions with related parties	2019	2018
	Rupees	
Sale of molasses		
Abdullah Sugar Mills Limited	-	22,428,900
(Repayment) / Obtain loan (to) / from - net:		
Abdullah Sugar Mills Limited	(12,037,988)	117,473,255
Mrs. Shehzadi Ilyas	7,973,557	21,243,981
Mian Abdullah Ilyas	-	4,088,224
Mian Haseeb Ilyas	25,500	-
Mian Abdullah Ilyas	3,985,510	-

32.1.2 Payments against balances due to related parties were made partially in cash/bank and partially by paying for expenses on behalf of related parties and vice versa.

32.2 Details of related party balances are as follows:

32.2.1 Balances payable to related parties	2019	2018
	Rupees	
Haseeb Waqas Trading (Private) Limited	2,204,064	2,204,064
Abdullah Sugar Mills Limited	655,337,483	667,375,471
Mian Waqas Riaz	15,597,680	15,597,680
Mrs. Shehzadi Ilyas	408,082,756	400,109,199
Mrs. Zainab Waqas	117,500,100	117,500,100
Mian Haseeb Ilyas	252,257,150	252,231,650
Mian Abdullah Ilyas	48,193,953	44,208,443

32.3 Compensation of directors, chief executive and executives

	Year ended 30 September 2019		
	Chief Executive	Directors	Executives
Short-term employee benefits			
Remuneration	-	-	3,000,000
Post employment benefits			
Retirement benefits paid	-	-	-
	-	-	3,000,000
No. of persons	0	0	1



	Year ended 30 September 2018		
	Chief Executive	Directors	Executives
<i>Short-term employee benefits</i>			
Remuneration	2,700,000	4,500,000	8,220,000
<i>Post employment benefits</i>			
Retirement benefits paid	-	-	-
	<u>2,700,000</u>	<u>4,500,000</u>	<u>8,220,000</u>
No. of persons	<u>1</u>	<u>2</u>	<u>3</u>

Due to the negative cash flows, the Chief Executive and all the Directors of the Company have waived their right to receive Directors' remuneration and meeting fee. Additionally, Chief Executive and one Director are provided with free use of cellular phones and Company maintained cars.

33 ENTITY WIDE INFORMATION

The Company constitutes of a single reportable segment, the principal product is refined white sugar.

Information about geographical areas

The Company does not hold non-current assets in any foreign country. Revenues from customers attributed to foreign countries is nil during the current year.

Information about major customers

The Company does not have transactions with any external customer which amount to 10 percent or more of its revenues.

34 NUMBER OF EMPLOYEES

	Number of employees	
Average number of employees during the year	<u>54</u>	<u>428</u>
Number of employees as at September 30	<u>26</u>	<u>235</u>

35 AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements have been authorized for issue by the Board of Directors of the Company on January 07, 2020.

36 GENERAL

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



15.1 The aggregate written down value of assets disposed off during the year is less than Rs. 500,000.

15.2 Particulars of immovable property (i.e. land and building on land) are as follows:

Location / address	Usage of immovable property	Total area (Acres)	Approx. covered area (Acres)
Moza Jagmal, Ali Pur Jottoi Road, Tehsil Jattoi, Distt. Muzargarh	Curent Production Unit	72.05	55%
4 km, Nankana Bouchekei Road, Nankana Sahib	Land Area	72.81	0%

15.3 The depreciation charged for the year has been allocated as under:

	Note	2019 Rupees	2018 Rupees
Cost of sales	22	172,958,664	184,106,977
Administrative expenses	23	6,472,166	6,938,352
		<u>179,430,830</u>	<u>191,045,329</u>

15.4 Revalued land, building and plant and machinery:

The fair value of the Company's land, buildings and plant and machinery were determined by an independent professionally qualified valuer M/s Empire Enterprises on September 30, 2014. The valuation is based on an open market value.

During the year, evaluation was carried out by an independent valuer Arif Evaluators on 22nd January 2019. However, the Company decided not to incorporate the revalued amounts during the year. The fair value of land, building and plant and machinery as per evaluation report is 4,021.408 millions.

The activity in the property markets in which these assets are located provides observable market data on which reliable fair value estimates can be derived. In determining the valuation, the valuer refers to current market conditions and recent sales transactions of similar properties for land; class and type of construction, quality of material used, standard of workmanship and finish for building; and contacted to supplier and different sugar plan manufacturing consultants in the Country or abroad for plant and machinery. In estimating the fair value of the property, the highest and best use of the property is their current use.

The carrying values of the land, buildings and plant and machinery would have been Rs. 96 million, Rs. 183 million and Rs. 803 million under the cost model.

The forced sale value of the revalued of land, buildings and plant and machinery was assessed at the discount of 20 % of the value of revaluation at the date of revaluation.



FORM OF PROXY

The Company Secretary
Haseeb Waqas Sugar Mills Limited
06-F, Model Town,
Lahore.

I / We _____
of _____ being member(s) of Haseeb Waqas Sugar Mills Limited
holding _____ ordinary Shares as per Share Register Folio No./CDC Participant I.D. No.
_____ hereby appoints Mr/Mrs/Miss _____ of _____ who is also a
member of the Company, Folio No./CDC Participant I.D. No. _____ or failing
him/her _____ of _____ Folio No./ CDC Participant I.D. No.
another member of the Company as my / our Proxy in my / our absence to attend and vote for me/us
and on my/our behalf at the 28th Annual General Meeting of the Company to be held on 28 January
2020 at 09:00 a.m. at the Registered Office of the Company.

Signed this _____ day of _____ 2020

Please affix Five
Rupees Revenue
Stamp

Signature of Member
(The Signature should agree with the
specimen registered with the Company.)

Witness:
Signature: _____
Name: _____
Address: _____
NIC No: _____

Witness:
Signature: _____
Name: _____
Address: _____
NIC No: _____

Notes

1. This proxy form, duly completed and signed, must be received at the Registered Office of the Company, 6-F, Model Town, Lahore, not less than 48 hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the company, all such instruments of proxy shall be rendered invalid.
3. No person can act as proxy unless he / she is member of the Company, except that a corporation may appoint a person who is not a member.

For CDC Account Holders / Corporate Entities.

In addition to the above, the following requirements have to be met.

- i. The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.
- ii. Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be provided with the proxy form.
- iii. The proxy shall produce his **original CNIC or Passport** at the time of attending the meeting.
- iv. In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.



Notes

1. A member eligible to attend and vote at the meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time of holding the meeting.
2. In order to be valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting. Pursuant to SECP Companies (E-Voting) Regulations, 2016. Members can also exercise their right to vote through e-voting by giving their consent in writing at least 10 days before the date of the meeting to the company on the appointment of execution officer by the intermediary as proxy.
 - a) Individual beneficial owners of CDC entitled to attend and vote at the meeting must bring his/her participant ID and account/sub-account number along with original CNIC or passport to authenticate his/her identity. In case of Corporate entity, resolutions of the Board of Directors/Power of attorney with specimen of nominee shall be produced (unless provided earlier) at the time of meeting.
 - b) For appointing of proxies, the individual beneficial owners of CDC shall submit the proxy form as per above requirement along with participant ID account/sub-account number together with attested copy of their CNIC or Passport. The proxy form shall be witnessed by two witnesses with their names, addresses and CNIC numbers. The proxy shall produce his/her original CNIC or Passport at the time of meeting. In case of Corporate entity, resolution of the Board of Directors/Power of attorney along with specimen signatures shall be submitted (unless submitted earlier) along with the proxy form.