



HASEEB WAQAS SUGAR MILLS LIMITED



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COMPANY PROFILE

Board of Directors

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

Audit Committee

Siddique Akbar Butt	Chairman
Hafiz M. Irfan Hussain Butt	Member
Mr. Raza Mustafa	Member

Company Secretary & Chief Financial Officer

Mr. Ansar Ahmed

Registered Office

6-F, Model Town, Lahore.
Tel: 042-35917321-23
Fax: 042-35917317

Mills

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

Auditors

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

Legal Advisor

Mian Aslam Shahzad

Registrar

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

Bankers

National Bank of Pakistan
Sindh Bank Limited
Summit Bank Limited
The Bank of Punjab

Website

www.hwgc.com.pk



HASEEB WAQAS SUGAR MILLS LIMITED

DIRECTOR'S REVIEW FOR THE 1st QUARTER ENDED DECEMBER 31, 2012

Dear Members

The directors of your Company take pleasure in presenting the un-audited accounts for the period ended December 31, 2012.

FINANCIAL RESULTS

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

	For the period ended December 31,	
	2012	2011
	(Rupees in thousands)	
Net Sales	590,502	400,937
Gross Profit /(Loss)	(43,966)	35,908
Net Profit / (Loss) before tax	(97,520)	2,897
Net Profit / (Loss) after tax	(91,909)	2,218
Basic Earning per share	(2.84)	0.07

Overall profitability of sugar sector, remained poor due to depressed sugar prices in national and international markets for the last couple of years. Despite declining trend in national and international market & surplus stocks the Government has again increased cane prices by Rs. 20/maund which has adversely effected results.

OPERATIONAL DATA

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

		December 03, 2012 To January 28, 2013	November 19, 2011 To January 30, 2012
Crushing days	Days	52	73
Average recovery	%age	8.43	8.60
Cane crushed	M. Tones	260,341	430,057
Sugar produced	M. Tones	21,946	36,335

Crushing has been on lower side this quarter on account of late start of crushing season by mills due to lower sugar prices & recovery this year.

FUTURE OUTLOOK

Price looks on lower side this year as well. However, Government has allocated subsidy of Rs. 8 billion to sugar sector as a whole, which may contribute positively in the near future

ACKNOWLEDGEMENT:

The Board of directors deeply express their appreciation and pay their gratitude to sugarcane growers, valuable customers, shareholders, banks and Government departments for their continued support, trust, persistent co-operation and patronage which gives strength to pursue our corporate objectives with renewed vigor. The Board also acknowledges the valuable teamwork, devotion and dedication by the executives, employees and workers of the Company.

On behalf of the Board

**Lahore
January 31, 2013.**

**(MIAN WAQAS RIAZ)
Chief Executive**



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2012

	Note	Dec 31, 2012	Sep 30, 2012
Rupees			
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized capital			
35,000,000 (2012: 35,000,000) ordinary shares of Rs. 10 each		350,000,000	350,000,000
Issued, subscribed and paid up capital		324,000,000	324,000,000
Accumulated loss		(199,649,912)	(123,690,168)
		124,350,088	200,309,832
Surplus on Revaluation of Property, Plant and Equipment		1,255,167,912	1,271,117,724
Non Current Liabilities			
Loan from director		202,828,834	204,614,594
Long term financing - secured		125,000,000	156,250,000
Liabilities against assets subject to finance lease		82,391,339	88,802,637
Deferred liabilities		18,595,529	18,424,221
Deferred taxation		582,716,042	591,279,061
		1,011,531,744	1,059,370,513
Current Liabilities			
Trade and other payables		972,598,634	413,956,644
Markup/ interest payables		68,594,156	107,731,123
Short term bank borrowings		1,084,031,867	1,210,614,433
Current portion of non current liabilities		155,261,500	162,301,244
Provision for taxation		8,280,354	6,554,202
Unclaimed dividend		1,443,972	1,443,972
		2,290,210,482	1,902,601,618
Contingencies and Commitments	4	-	-
		4,681,260,226	4,433,399,687
ASSETS			
Non Current Assets			
Property, plant and equipment	5	2,546,240,443	2,577,208,943
Long term deposits		20,218,622	20,020,501
		2,566,459,065	2,597,229,444
Current Assets			
Stores, spares and loose tools		53,228,167	49,420,980
Stock in trade		1,488,282,060	1,277,176,874
Advances, deposits, prepayments and other receivables		488,769,455	502,973,890
Cash and bank balances		84,521,478	6,598,499
		2,114,801,160	1,836,170,243
		4,681,260,226	4,433,399,687

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

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE 1st QUARTER ENDED DECEMBER 31, 2012

	Note	<u>Dec 31, 2012</u>	<u>Dec 31, 2011</u>
		Rupees	
Sales - Net	6	590,502,059	400,936,547
Cost of goods sold	7	<u>634,468,075</u>	<u>365,029,006</u>
Gross (loss)/ profit		(43,966,016)	35,907,541
Operating expenses:			
- Administrative and general expenses		<u>7,172,365</u>	<u>7,412,179</u>
		(51,138,381)	28,495,362
Other operating income		<u>327,330</u>	<u>2,147,916</u>
(Loss)/ profit from operation		(50,811,051)	30,643,278
Finance cost		46,709,014	27,745,956
(Loss)/ profit before taxation		<u>(97,520,064)</u>	<u>2,897,322</u>
Taxation			
Current		<u>(2,952,510)</u>	<u>(4,009,365)</u>
Deferred		<u>8,563,019</u>	<u>3,330,230</u>
		5,610,508	(679,135)
(Loss)/ profit after taxation		<u>(91,909,556)</u>	<u>2,218,187</u>
Earning per share - basic		<u>(2.84)</u>	<u>0.07</u>

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

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE 1st QUARTER ENDED DECEMBER 31, 2012

	<u>Dec 31, 2012</u>	<u>Dec 31, 2011</u>
	Rupees	
(Loss)/ profit after taxation	(91,909,556)	2,218,187
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive (loss)/ income for the period	<u>(91,909,556)</u>	<u>2,218,187</u>

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

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE 1st QUARTER ENDED DECEMBER 31, 2012

	<u>Dec 31, 2012</u>	<u>Dec 31, 2011</u>
	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/ profit before taxation	(97,520,064)	2,897,322
Adjustments for:		
- Depreciation	33,253,500	34,065,688
- Provision for employees retirement benefits	580,344	573,972
- Amortization of deferred income	(316,781)	(2,051,986)
- Finance cost	46,709,014	27,745,956
	<u>80,226,076</u>	<u>60,333,630</u>
Operating (loss)/ profit before working capital changes	(17,293,988)	63,230,952
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	(3,807,187)	(1,604,338)
- Stock in trade	(211,105,186)	(386,435,979)
- Trade receivables	-	(63,120,164)
- Advances, deposits, prepayments and other receivables	14,204,435	81,988,204
Increase / (decrease) in current liabilities:		
- Trade and other payables	558,641,989	(31,767,013)
	<u>357,934,051</u>	<u>(400,939,290)</u>
Cash used in operations	340,640,063	(337,708,338)
Income tax paid / deducted	(1,226,359)	(1,476,542)
Gratuity paid	(92,255)	-
Finance cost paid	(85,845,981)	(40,860,061)
Net cash generated/ used in operating activities	253,475,469	(380,044,941)
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(2,285,000)	-
Long term deposits	(198,121)	(3,811,502)
Net cash used in investing activities	(2,483,121)	(3,811,502)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) from long term loans - Net	(31,250,000)	131,253,695
Proceeds / (Repayment) from Lease Finance - Net	(13,451,042)	(14,819,750)
Proceeds / (Repayment) from directors' loan - Net	(1,785,760)	(77,074,000)
Proceeds / (Repayment) from short term borrowings - Net	(126,582,566)	420,574,491
Net cash generated from/ used in financing activities	<u>(173,069,368)</u>	<u>459,934,436</u>
Net increase in cash and cash equivalents	77,922,979	76,077,993
Cash and cash equivalents at the beginning of the period	6,598,499	11,625,254
Cash and cash equivalents at the end of the period	<u>84,521,478</u>	<u>87,703,247</u>

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

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE 1st QUARTER ENDED DECEMBER 31, 2012

	Share Capital	Accumulated loss / Unappropriated profit Rupees	Total
Balance as at September 30, 2011	324,000,000	9,779,482	333,779,482
Profit for the period	-	2,218,187	2,218,187
Other comprehensive income	-	-	-
Total comprehensive income/ (loss) for the period	-	2,218,187	2,218,187
Transfer from surplus on revaluation of fixed assets in respect of incremental depreciation - net of deferred tax	-	16,899,208	16,899,208
Balance as at December 31, 2011	324,000,000	28,896,877	352,896,877
Loss for the period	-	(203,284,669)	(203,284,669)
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	(203,284,669)	(203,284,669)
Transfer from surplus on revaluation of fixed assets in respect of incremental depreciation - net of deferred tax	-	50,697,624	50,697,624
	-	-	-
Balance as at September 30, 2012	324,000,000	(123,690,168)	200,309,832
Loss for the period	-	(91,909,556)	(91,909,556)
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	(91,909,556)	(91,909,556)
Transfer from surplus on revaluation of fixed assets in respect of incremental depreciation - net of deferred tax	-	15,949,812	15,949,812
Balance as at December 31, 2012	324,000,000	(199,649,912)	124,350,088

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION. FOR THE 1st QUARTER ENDED DECEMBER 31, 2012

1 REPORTING ENTITY.

Haseeb Waqas Sugar Mills Limited ("the Company") was incorporated on 13 January 1992 as a Public Limited Company under the Companies Ordinance, 1984. The Company's registered office is situated at 6-F Model Town, Lahore. The mill is situated at Merajabad, Nankana Sahib, District Nankana Sahib. The Company is listed on Lahore and Karachi Stock Exchanges. The principal activity of the Company is manufacture and sale of refined sugar and its by-products.

2 BASIS OF PREPARATION

These financial statements are unaudited and are being submitted to share holders as required u/s 245 of Companies Ordinance, 1984. These have been prepared in accordance with the International Accounting Standard No. 34 "Interim Financial Reporting" as applicable in Pakistan and notified by Securities and Exchanges Commission of Pakistan (SECP) and shall be read in conjunction with the published audited financial statements for the year ended September 30, 2012

The crushing season 2012-2013 of the Company commenced on December 3, 2012

3 ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computations adopted for the preparation of these financial statements are the same as applied in the preparation of the preceding annual published financial statements of the Company for the year ended September 30, 2012.

4 CONTINGENCIES AND COMMITMENTS

4.1 There is no material change in the status of the contingencies and commitments reported in the annual financial statements for the year ended September 30, 2012

5 PROPERTY, PLANT AND EQUIPMENT

	Unaudited Dec 31, 2012	Audited Sep 30, 2012
	Rupees	
Opening written down value	2,577,208,943	2,625,329,991
Addition during the period/year		
- Plant and machinery	2,285,000	211,606,579
- Vehicles	-	528,005
	2,285,000	212,134,584
	2,579,493,943	2,837,464,575
Book value of assets disposed off during period	-	(123,500,000)
	2,579,493,943	2,713,964,575
Depreciation for the period / year	(33,253,500)	(136,755,632)
	2,546,240,443	2,577,208,943

6 SALES - NET

	Unaudited Dec 31, 2012	Unaudited Dec 31, 2011
	Rupees	
- Sugar	448,106,792	432,207,990
- Molasses	201,840,000	-
- Mud	1,842,500	863,000
	651,789,292	433,070,990
Less: Sales tax and federal excise duty	(61,287,233)	(32,134,443)
	590,502,059	400,936,547



HASEEB WAQAS SUGAR MILLS LIMITED

	Unaudited	
	Dec 31, 2012	Dec 31, 2011
Rupees		
7 COST OF GOODS SOLD		
Raw materials consumed	744,455,414	668,972,446
Stores and spares consumed	17,658,704	17,194,816
Salaries, wages and other benefits	18,628,958	18,309,640
Insurance	1,916,883	1,919,081
Repair and maintenance	29,826,482	11,233,395
Depreciation	32,273,429	33,016,703
Others	813,391	818,904
	<u>845,573,261</u>	<u>751,464,985</u>
Opening work in process	3,938,357	6,815,500
Closing work in process	(40,626,654)	(54,520,221)
	<u>808,884,964</u>	<u>703,760,264</u>
Cost of goods manufactured		
Opening finished goods	1,273,238,517	250,256,000
Closing finished goods	(1,447,655,406)	(588,987,258)
	<u>(174,416,889)</u>	<u>(338,731,258)</u>
	<u>634,468,075</u>	<u>365,029,006</u>

8 RELATED PARTY TRANSACTIONS

Related parties comprise holding company, subsidiaries and associated undertakings, other related group companies, key management personnel including Chief executive, Directors and Executives and Post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Details of related party transactions and balances are as follows:

8.1 Balances with related parties	Unaudited		Audited	
	Dec 31, 2012		Sep 30, 2012	
Rupees				
Due to:				
Abdullah Sugar Mills Limited	191,168,426		191,168,426	
Haseeb Waqas Trading (Private) Limited	2,204,064		2,204,064	
Due to related parties represents balances resulting from related party transactions entered into in ordinary course of business.				

9 AUTHORIZATION FOR ISSUE

These condensed interim financial statements have authorized for issue by the Board of Directors of the Company on January 31, 2013.

10 GENERAL

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

CHIEF EXECUTIVE

DIRECTOR