



**Half yearly Report
March 31, 2011**



Haseeb Waqas Sugar Mills Ltd.



HASEEB WAQAS SUGAR MILLS LIMITED

COMPANY PROFILE

Board of Directors

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

Audit Committee

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

Company Secretary & Chief Financial Officer

Mr. Ansar Ahmed

Registered Office

6-F, Model Town, Lahore.

Mills

Mehrajabad,
Teh. Nankana Sahib,
Distt. Sheikhupura.

Auditors

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

Legal Advisor

Mian Aslam Shahzad

Registrar

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

Bankers

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

Website

www.hwgc.com.pk



HASEEB WAQAS SUGAR MILLS LIMITED

DIRECTOR'S REVIEW FOR THE HALF YEAR ENDED MARCH 31, 2011

Dear Members –Assalam-o-Alekum

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

FINANCIAL RESULTS

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

	For the half year ended March 31,	
	2011	2010
	(Rupees in thousand)	
Net Sales	2,528,075	1,020,269
Gross Profit / (Loss)	74,323	6,257
Net Profit / (Loss) before tax	(14,130)	(58,004)
Net Profit / (Loss) after tax	(16,717)	(34,407)
Basic Earning / (Loss) per share (Rs.)	(0.52)	(1.06)

Sales of your company during the period under review has improved considerably but the sale price remains depressed there is marginal increase in our gross profit. However, overall margin was low due to high cost of sugarcane as compared to price fixed by Govt.

OPERATIONAL DATA

The crushing season started on 01-12-2010. The operating results for the period under review are as under:

		December 01, 2010	December 03, 2009
		To March 22, 2011	To March 04, 2010
Crushing days	Days	109	91
Average recovery	%age	8.46	8.387
Cane crushed	M.T.	513,707	329,879
Avg. Cane crushed (per day)	M.T.	4,713	3,625
Sugar produced	M.T.	43,515.50	27,590

Your mill has crushed 513,707 tons of sugar cane and produced 43,515.5 tons of sugar with average sucrose recovery of 8.46 in 109 days' operation as compared with corresponding period during which 329,879 tons of sugar cane was crushed and 27,590 ton sugar was produced with 8.37 recovery in 91 days operation

The crushing and recovery has increased during this period however due to less availability of sugarcane in this period we could not attain maximum capacity utilization.

FUTURE OUTLOOK

The downward trend of sugar market creates a fear in the sugar mills. Presently, sugar market is depressed. However, as the crushing season has already ended and we believe that price of sugar will rise which will contribute towards the profitability of the company positively.

ACKNOWLEDGEMENT

The Board of directors deeply expresses its appreciation and pay its 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
May 31, 2011.

(MIAN WAQAS RIAZ)
Chief Executive



HASEEB WAQAS SUGAR MILLS LIMITED

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

Introduction

We have reviewed the accompanying condensed interim balance sheet of **HASEEB WAQAS SUGAR MILLS LIMITED** as at March 31, 2011 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the interim financial information for the six months period then ended (here-in-after referred to as "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures included in the condensed interim profit and loss account for quarters ended March 31, 2011 and 2010 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended March 31, 2011.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the six months period ended March 31, 2011 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

LAHORE
May 31, 2011

QADEER & COMPANY
CHARTERED ACCOUNTANTS
NAWAZ KHAN, FCA



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2011

	Note	(UN-AUDITED) 31 March 2011	(AUDITED) 30 September 2010
<i>Rupees</i>			
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital	5	324,000,000	324,000,000
Unappropriated Profit/Accumulated (loss)		(31,096,624)	10,983,762
		292,903,376	334,983,762
Surplus on revaluation of property, plant and equipment		234,116,177	241,153,229
Non-current liabilities			
Loan from directors - Unsecured	6	150,343,500	151,652,500
Liabilities against assets subject to finance lease	7	68,790,187	54,516,131
Long term finances - Secured	8	181,208,389	-
Deferred Liabilities	9	17,433,348	16,989,412
Long term payables	10	36,366,344	36,366,344
Deferred taxation	11	19,793,182	42,486,842
		473,934,950	302,011,228
Current liabilities			
Trade and other payables		177,324,306	106,446,569
Markup accrued on borrowings		89,341,482	86,521,070
Short term borrowings		749,972,015	477,098,382
Current portion of non-current liabilities		140,579,028	9,348,752
Provision for taxation		12,044,724	-
Unclaimed dividend		2,431,514	700,608
		1,171,693,068	680,115,381
Contingencies and commitments	12	-	-
		<u>2,172,647,571</u>	<u>1,558,263,600</u>
ASSETS			
Non-current assets			
Property, plant and equipment	13	953,742,937	979,474,310
Long term deposits		8,719,000	3,719,000
		962,461,937	983,193,310
Current assets			
Stores and spares		54,074,988	43,428,594
Stock in trade	14	613,257,870	235,474,121
Trade receivables		20,154,784	20,154,784
Advances, deposits, prepayments and other receivables		487,254,782	251,995,654
Advance tax		-	3,724,595
Cash and bank balances		35,443,211	20,292,542
		1,210,185,635	575,070,290
		<u>2,172,647,571</u>	<u>1,558,263,600</u>

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

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Unaudited) FOR THE HALF YEAR ENDED MARCH 31, 2011

	Notes	Half year ended		Quarter ended	
		31 March 2011	31 March 2010	31 March 2011	31 March 2010
		Rupees		Rupees	
Sales - Net	15	2,528,075,096	1,020,269,480	1,976,911,623	947,871,524
Cost of sales	16	2,453,751,697	1,014,012,851	1,912,778,790	958,449,324
Gross profit / (loss)		74,323,399	6,256,629	64,132,833	(10,577,800)
Administrative and general expenses		15,430,445	16,626,960	8,659,932	11,017,960
		58,892,955	(10,370,331)	55,472,902	(21,595,760)
Other operating income		1,624,529	213,461	437,838	12,123
Profit from operations		60,517,483	(10,156,870)	55,910,739	(21,583,637)
Finance cost		74,647,830	47,846,775	45,464,377	38,438,296
(Loss)/Profit before taxation		(14,130,347)	(58,003,645)	10,446,362	(60,021,933)
Taxation					
- Current-for the period		(25,280,751)	(5,364,564)	(19,769,116)	(5,750,660)
- Deferred		22,693,660	28,961,096	19,700,245	490,655
		(2,587,091)	23,596,532	(68,871)	(5,260,005)
(Loss)/Profit after taxation		(16,717,438)	(34,407,113)	10,377,491	(65,281,938)
(Loss)/Earnings per share - Basic		(0.52)	(1.06)	0.32	(2.01)

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

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited) FOR THE HALF YEAR ENDED MARCH 31, 2011

	Half year ended		Quarter ended	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
	Rupees		Rupees	
(Loss)/Profit after taxation for the period	(16,717,438)	(34,407,113)	10,377,491	(65,281,938)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>(16,717,438)</u>	<u>(34,407,113)</u>	<u>10,377,491</u>	<u>(65,281,938)</u>

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

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Unaudited) FOR THE HALF YEAR ENDED MARCH 31, 2011

	31 March 2011	31 March 2010
	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(14,130,347)	(58,003,646)
Adjustments for non cash items		
- Depreciation	26,891,373	27,660,103
- Gain/(loss) on disposal of property, plant and equipment	-	7,037
- Provision for employees retirement benefits	1,181,955	1,707,448
- Amortization of deferred income	(633,561)	-
- Finance cost	74,647,830	47,846,776
	<u>102,087,598</u>	<u>77,221,364</u>
Operating cash flows before changes in working capital	87,957,251	19,217,718
Changes in working capital		
(Increase)/decrease in current assets		
- Stores, spares and loose tools	(10,646,394)	(15,852,040)
- Stock in trade	(377,783,749)	(841,832,764)
- Advances, deposits, prepayments and other receivables	(235,259,128)	8,609,068
(Increase)/decrease in current liabilities		
- Trade and other payables	70,877,737	55,590,139
	<u>(552,811,534)</u>	<u>(793,485,597)</u>
Cash generated from / (used in) operations	(464,854,283)	(774,267,879)
Income tax paid / deducted	(9,511,431)	(4,380,976)
Gratuity paid	(104,458)	(232,476)
Finance cost paid	(71,827,418)	(58,081,732)
	<u>(546,297,590)</u>	<u>(836,963,063)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(1,160,000)	-
Long term deposits	(5,000,000)	-
Net cash used in investing activities	(6,160,000)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) from long term loans - Net	181,208,389	(8,400,000)
Proceeds / (Repayment) from Lease Finance - Net	145,504,332	-
Proceeds / (Repayment) from directors' loan - Net	(1,309,000)	(62,347,500)
Proceeds / (Repayment) from short term borrowings - Net	272,873,633	803,131,350
Dividend paid	(30,669,095)	-
Net cash (used in)/generated from financing activities	567,608,260	732,383,850
	<u>15,150,669</u>	<u>(104,579,213)</u>
Net decrease in cash and cash equivalents	15,150,669	(104,579,213)
Cash and cash equivalents at the beginning of the period	20,292,542	146,120,373
Cash and cash equivalents at the end of the period	<u>35,443,211</u>	<u>41,541,160</u>

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

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited) FOR THE HALF YEAR ENDED MARCH 31, 2011

	Issued, subscribed and paid-up	Accumulated loss	Total
R U P E E S			
Balance as at September 30, 2009	324,000,000	(76,207,312)	247,792,688
Comprehensive income for the period			
- Net loss for the half year ended 31 March 2010	-	(34,407,114)	(34,407,114)
- Other comprehensive income	-	-	-
Total comprehensive income for the period	-	(34,407,114)	(34,407,114)
Incremental depreciation-net of deferred tax	-	4,042,006	4,042,006
Balance as at March 31, 2010	324,000,000	(106,572,420)	217,427,580
Comprehensive income for the period			
- Profit for the half year ended 30 September 2010	-	79,960,372	79,960,372
- Other comprehensive income	-	-	-
Total comprehensive income for the period	-	79,960,372	79,960,372
Incremental depreciation-net of deferred tax	-	37,595,810	37,595,810
Balance as at September 30, 2010	324,000,000	10,983,762	334,983,762
Comprehensive income for the period			
- Net loss for the half year ended 31 March 2011	-	(16,717,438)	(16,717,438)
- Other comprehensive income	-	-	-
Total comprehensive income for the period	-	(16,717,438)	(16,717,438)
Incremental depreciation-net of deferred tax	-	7,037,052	7,037,052
Transaction with owners			
Final dividend @ Rs. 1 per share for year 2010	-	(32,400,000)	(32,400,000)
Balance as at March 31, 2011	324,000,000	(31,096,624)	292,903,376

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

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Unaudited) FOR THE HALF YEAR ENDED MARCH 31, 2011

1 STATUS AND ACTIVITIES.

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

2 STATEMENT OF COMPLIANCE

- 2.1 This condensed interim financial report to the company for the six months period ended March 31, 2011 has been prepared in accordance with the requirements of the International Accounting Standard 34-Interim Financial Reporting and Provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed.
- 2.2 This condensed interim financial report comprises of the condensed interim balance sheet as at March 31, 2011 and the condensed interim profit and loss account, condensed interim statement of changes in equity and the condensed interim cash flow statement for the six months period then ended which have been subjected to a review but not audited. This condensed interim financial report also includes the condensed interim profit and loss account for the quarter ended March 31, 2011 which is not subject to a review.
- 2.3 The comparative condensed balance sheet, presented in this condensed interim financial report, as at September 30, 2010 has been extracted from the annual audited financial statements of the company for the year ended September 30, 2010 whereas the comparative condensed interim profit and loss account, condensed interim statement of changes in equity and condensed interim cash flow statement for the six months period ended March 31, 2010 were subjected to review but not audited. The comparative condensed profit and loss account for the quarter ended March 31, 2010 included in this condensed interim financial report was not subject to a review.

3 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention modified by adjustment of revaluation of certain assets. In this condensed interim financial information, except for the cash flow statement, all the transactions have been accounted for on accrual basis.

The crushing season 2010-2011 of the Company commenced on December 01, 2010 and ended on March 22, 2011.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods for computation adopted for the preparation of this condensed interim financial information is the same as those applied in preparation of the financial statements for the year ended September 30, 2010.

5 SHARE CAPITAL

5.1 Authorized capital

35,000,000 (Sep 30, 2010: 35,000,000) ordinary shares of Rs. 10/- each.

31 March 2011 30 September 2010
Rupees

350,000,000 350,000,000

5.2 Issued, subscribed and paid-up capital:

27,000,000 (Sep 30 2010: 27,000,000) shares issued for cash.

270,000,000 270,000,000

5,400,000 (Sep 30 2010: 5,400,000) shares issued as fully paid bonus shares.

54,000,000 54,000,000

324,000,000 324,000,000

6 LOAN FROM DIRECTORS - UNSECURED

This loan has been obtained from Directors of the Company, and is interest free. There is no fixed tenor or schedule for repayment of this loan. According to the loan agreement, the lenders shall not demand repayment and the same is entirely at the Company's option. The Company may repay the loan in cash or may issue shares in lieu of the outstanding amount in form of right shares or otherwise subject to approval as required under the Companies Ordinance, 1984.

7 LIABILITIES AGAINST ASSET SUBJECT TO FINANCE LEASE

Opening balance
Add: Obtained during the year

31 March 2011 30 September 2010
Rupees

63,864,883 -

50,000,000 66,000,000

113,864,883 66,000,000

Less: Payment made during the year

(4,495,668) (2,135,117)

Current portion shown under current liabilities

(40,579,028) (9,348,752)

68,790,187 54,516,131

The company has been entered into sale and lease back agreement with first Punjab Modaraba for plant and machinery. Lease rental are payable on quarterly basis. It carries markup at the rate of six months average KIBOR+450 bps.



HASEEB WAQAS SUGAR MILLS LIMITED

		31 March 2011	30 September 2010
	Note	Rupees	
8 LONG TERM FINANCE			
Loan from banking companies-Secured			
National Bank of Pakistan			
- Demand finance	8.1	150,000,000	-
The Bank of Punjab			
- Term Finance	8.2	131,208,389	-
		281,208,389	-
Less: Current portion shown under current liabilities			
- Demand finance		(25,000,000)	-
- Term Finance		(75,000,000)	-
		(100,000,000)	-
		181,208,389	-

8.1 This finance has been obtained from National Bank of Pakistan. This finance is secured by first charge of Rs.250 millions on all present and future fixed assets, comprising land, building, plant and machinery, of the company and personal guarantees of director of the company. It carries markup 3 months KIBOR+2.5% per annum. This loan is payable in twelve equal quarterly installments.

8.2 This finance has been obtained from The Bank of Punjab under a swap agreement whereby the balance outstanding against a short term credit facility has been converted into a long term finance. This finance is secured by ranking charge over current asset of the company with 25% margin i.e. for Rs 200 million registered with SECP and personal guarantee of directors of the company. It carries markup 3 months average KIBOR rate+300 bps. This facility is payable in twenty four equal monthly installment.

		31 March 2011	30 September 2010
		Rupees	
9 DEFERRED LIABILITIES			
Employees retirement benefits		12,998,419	11,920,922
Deferred Income		4,434,929	5,068,490
		17,433,348	16,989,412

10 LONG TERM PAYABLES

This pertains to further sales tax for the years 1999-2000 to 2000-2001 which the management of the Company proposes to adjust against the sales tax liability for the year 2001-2002 on favorable decision of the Honorable Lahore High Court. However, the sales tax department has filed an appeal before Honorable Supreme Court against the decision. Since the matter is subjudice, the same has been treated as long term liability.

		31 March 2011	30 September 2010
		Rupees	
11 DEFERRED TAXATION			
Deferred tax liability on taxable temporary differences			
Accelerated tax depreciation		126,969,344	114,731,277
Surplus on revaluation of property, plant and equipment		122,950,626	122,950,626
		249,919,970	237,681,903
Deferred tax asset on deductible temporary differences			
Employees retirement benefits		(4,549,447)	(4,172,323)
Finance Lease		-	(1,604,181)
Unused tax losses		(225,577,341)	(189,418,557)
		(230,126,788)	(195,195,061)
		19,793,182	42,486,842

11.1 Deferred tax has been calculated at 35% (2010: 35%) of the temporary differences.

12 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

- (i) There is no material change in the status of the contingencies reported in the annual financial statements for the year ended September 30, 2010.

COMMITMENTS

- (ii) Guarantees issued by banks on behalf of the company as at 30 September 2010 amounted to Rs. 10.8 million



HASEEB WAQAS SUGAR MILLS LIMITED

	Note	31 March 2011	30 September 2010
Rupees			
13 PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		979,474,310	1,006,147,667
Addition during the period / year			
Plant and Machinery		1,160,000	25,000,000
Building -Factory		-	192,122
		<u>1,160,000</u>	<u>25,192,122</u>
		980,634,310	1,031,339,789
Book value of assets disposed off during the period / year	13.1	-	(1,080,854)
		980,634,310	1,030,258,935
Depreciation for the period / year		(26,891,373)	(56,416,281)
Accumulated depreciation on assets leased back		(26,891,373)	(50,784,625)
		<u>953,742,937</u>	<u>979,474,310</u>
Net book value as at the end of the period			
13.1 Book value of assets disposed off during the year		-	(1,080,854)
		-	<u>(1,080,854)</u>

14 STOCK IN TRADE			
Work in process			
Sugar		5,134,800	6,156,000
Molasses		495,197	210,121
Finished goods		5,629,997	6,366,121
Sugar	14.1	423,442,800	216,732,000
Molasses	14.2	184,185,073	12,376,000
		607,627,873	229,108,000
		<u>613,257,870</u>	<u>235,474,121</u>

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

14.2 The entire stock of molasses is stated at net realizable value.

	Half year ended		Quarter ended	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
	Rupees		Rupees	
15 SALES - NET				
Sugar	2,627,652,757	1,050,116,880	2,053,193,590	973,169,680
Molasses	17,499,650	22,500,000	17,499,650	22,500,000
Mud	1,195,000	296,000	181,000	24,000
	2,646,347,407	1,072,912,880	2,070,874,240	995,693,680
Sales tax	(118,272,311)	(52,643,400)	(93,962,617)	(47,822,156)
	<u>2,528,075,096</u>	<u>1,020,269,480</u>	<u>1,976,911,623</u>	<u>947,871,524</u>
16 COST OF SALES				
Raw material consumed	2,725,069,852	1,749,940,968	2,047,656,785	1,358,616,827
Salaries, wages and benefits	40,494,124	34,116,869	25,096,056	20,541,289
Stores, spares and loose tools consumed	20,786,011	18,054,623	11,738,950	14,236,199
Insurance	2,655,910	2,742,186	1,824,055	1,737,854
Repair and maintenance	17,032,535	23,912,052	5,994,386	8,879,648
Depreciation	24,813,014	25,194,835	12,224,147	12,597,417
Others	684,000	1,884,082	335,030	903,005
	2,831,535,446	1,855,845,615	2,104,869,409	1,417,512,239
Opening Work in Progress	6,366,121	2,996,223	89,935,751	36,093,808
Closing Work in Progress	(5,629,997)	(8,507,075)	(5,629,997)	(8,507,075)
	736,124	(5,510,852)	84,305,754	27,586,733
Cost of Goods Manufactured	2,832,271,570	1,850,334,763	2,189,175,163	1,445,098,972
Opening Finished Goods	229,108,000	32,244,188	331,231,500	381,916,452
Closing Finished Goods	(607,627,873)	(868,566,100)	(607,627,873)	(868,566,100)
	(378,519,873)	(836,321,912)	(276,396,373)	(486,649,648)
Cost of sales	<u>2,453,751,697</u>	<u>1,014,012,851</u>	<u>1,912,778,790</u>	<u>958,449,324</u>



HASEEB WAQAS SUGAR MILLS LIMITED

17 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:

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

Name of Related Party	Nature of relationship
Abdullah Sugar Mills Limited	Associate (common management)
Haseeb Waqas Trading (Private) Limited	Associate (common management)
Key Management Personnel	Employer - Employee

17.1 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:

	31 March 2011	30 September 2010
	Rupees	
17.1.1 Transactions with Associates		
Sale of molasses	50,000,000	99,934,560
Sale of stores and spares	-	3,766,229
Purchase of stores and spares	193,200	-
Purchase of machinery and components	178,775	-

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

17.1.3 As per common practice in the sugar industry in Pakistan, the Company also purchased sugar cane from persons associated, directly and indirectly, with management personnel of the Company. These purchases were made in accordance with the cane procurement practice in the sugar industry. It is not practicable to determine the related amounts.

17.2 Details of related party balances are as follows:

17.2.1 Balances with Associates	31 March 2011	30 September 2010
	Rupees	
Payable to:		
Haseeb Waqas Trading (Private) Limited	2,204,064	2,204,064
Abdullah Sugar Mills Limited	11,821,380	4,864,984
Long term loan from directors	150,343,500	151,652,500

18 DATE OF AUTHORIZATION FOR ISSUE

The Condensed interim financial information was authorized for issue on May 31, 2011 by the board of directors of the company.

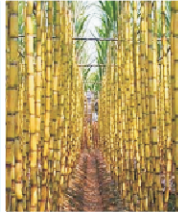
19 GENERAL

Figures have been rounded off to the nearest rupee.

Corresponding figures have been re-arranged, wherever necessary to the facilitation of comparison.

CHIEF EXECUTIVE

DIRECTOR



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