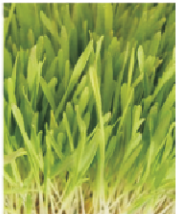
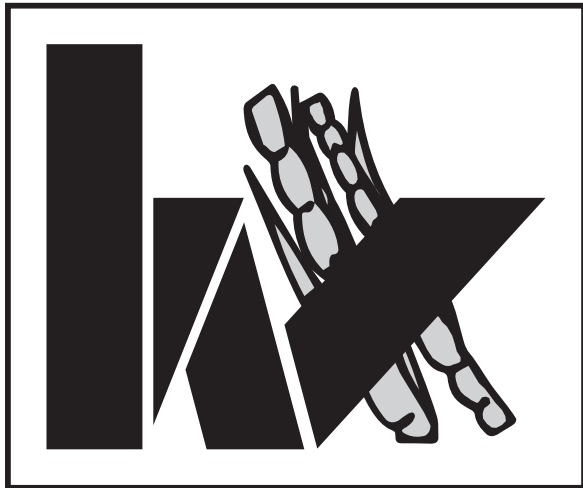




**Condensed Interim Financial Information**  
for the nine months ended 30 June 2011 (Un-audited)



**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. Sheikhpura.

### Auditors

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

### Legal Advisor

Mian Aslam Shahzad

### Registrar

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

### Bankers

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

### Website

[www.hwgc.com.pk](http://www.hwgc.com.pk)



# HASEEB WAQAS SUGAR MILLS LIMITED

## DIRECTORS' REVIEW FOR THE PERIOD ENDED JUNE 30, 2011

**Dear Members**  
**Assalam-o-Alekum**

The Board of Directors of your company take the opportunity to present the condensed interim financial information for the period of nine months ended on June 30, 2011.

### FINANCIAL RESULTS

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

	For the period ended June 30,	
	2011	2010
(Rupees in thousand)		
Net Sales	2,587,825	1,351,186
Gross Profit	49,476	3,584
Net Profit / (Loss) before tax	(54,314)	(103,171)
Net Profit / (Loss) after tax	(91,708)	(79,117)
Basic Earning / (Loss) per share (Rs.)	(2.83)	(2.44)

During the period under review, the sales of your company have almost doubled as compared to previous corresponding period but the sale price could not commensurate with the cost of sugar cane which resulted a marginal increase in our profit ratio.

### 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 during the current season with 329,879 tons of sugar cane crushing and 27,590 ton sugar production with 8.37% recovery in 91 days' operation in the corresponding period.

Although, the crushing has increased during this period but due to less availability of sugarcane in this period we could not attain maximum capacity utilization.

### FUTURE OUTLOOK

Sugar market remained stagnant and prices remained depressed during this quarter. However, we believe that from ramazan, due to increase in demand, price will rise which will effect the profitability of the company in the coming months.

### ACKNOWLEDGEMENT

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

Presently the Chief Executive of the Company is out of country, due to the reason these financial statements have been signed by two directors of the Company under Section 241(2) of the Companies Ordinance, 1984.

*On behalf of the Board*

Lahore  
July 30, 2011.

(MIAN HASEEB ILYAS).  
Director



# HASEEB WAQAS SUGAR MILLS LIMITED

## CONDENSED INTERIM BALANCE SHEET AS AT JUNE 30, 2011

		Un-audited June 30, 2011	Audited Sep 30, 2010
	Note	Rupees	
<b>SHARE CAPITAL AND LIABILITIES</b>			
Share Capital and Reserves			
Authorized capital			
35,000,000 (2010: 35,000,000) ordinary shares of Rs. 10 each			
		350,000,000	350,000,000
Issued, subscribed and paid up capital	5	324,000,000	324,000,000
(Accumulated loss)/unappropriated profit		(103,470,802)	10,983,762
		220,529,198	334,983,762
Surplus on Revaluation of Property, Plant and Equipment		231,499,744	241,153,229
<b>Non Current Liabilities</b>			
Loan from director	6	165,894,880	151,652,500
Long term finances - secured	7	149,996,305	-
Liabilities against assets subject to finance lease	8	78,857,422	54,516,131
Deferred liabilities	9	17,266,453	16,989,412
Long term payable		-	36,366,344
Deferred taxation		54,002,936	42,486,842
		466,017,996	302,011,229
<b>Current Liabilities</b>			
Trade and other payables		206,195,283	106,446,569
Markup/ interest payables		91,041,904	86,521,070
Short term bank borrowings		677,746,377	477,098,382
Current portion of non current liabilities		137,462,264	9,348,752
Provision for taxation		12,233,317	-
Unclaimed dividend		1,446,997	700,608
		1,126,126,142	680,115,380
Contingencies and Commitments	10	-	-
<b>Total Equity and Liabilities</b>		<b>2,044,173,080</b>	<b>1,558,263,600</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	11	940,810,495	979,474,310
Long term deposits		8,719,000	3,719,000
		949,529,495	983,193,310
<b>Current Assets</b>			
Stores, spares and loose tools		47,390,501	43,428,594
Stock in trade	12	574,620,868	235,474,121
Trade receivables		7,412,858	20,154,784
Advances, deposits, prepayments and other receivables		441,999,898	251,995,654
Current taxation		-	3,724,595
Cash and bank balances		23,219,460	20,292,542
		1,094,643,585	575,070,290
<b>Total Assets</b>		<b>2,044,173,080</b>	<b>1,558,263,600</b>

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

Presently the Chief Executive of the Company is out of country, due to the reason these financial statements have been signed by two directors of the Company under Section 241(2) of the Companies Ordinance, 1984.

DIRECTOR

DIRECTOR



# HASEEB WAQAS SUGAR MILLS LIMITED

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Unaudited) FOR THE 3rd QUARTER AND NINE MONTHS ENDED JUNE 30, 2011

	Note	Nine months ended		Quarter ended	
		June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
		Rupees		Rupees	
Sales - Net	13	2,587,825,684	1,351,185,822	59,750,588	330,916,342
Cost of goods sold	14	(2,538,349,776)	(1,347,602,007)	(84,598,079)	(333,589,156)
<b>Gross profit/(loss)</b>		<u>49,475,908</u>	<u>3,583,815</u>	<u>(24,847,491)</u>	<u>(2,672,814)</u>
Operating expenses:					
- Administrative and general		<u>22,055,873</u>	<u>24,393,148</u>	<u>6,625,428</u>	<u>7,766,188</u>
		<u>27,420,035</u>	<u>(20,809,333)</u>	<u>(31,472,920)</u>	<u>(10,439,002)</u>
Other operating income		<u>38,320,804</u>	<u>5,845,149</u>	<u>36,696,275</u>	<u>5,631,688</u>
<b>Profit/(loss) from operation</b>		<u>65,740,839</u>	<u>(14,964,184)</u>	<u>5,223,356</u>	<u>(4,807,314)</u>
Finance cost		<u>120,054,537</u>	<u>88,206,766</u>	<u>45,406,707</u>	<u>40,359,991</u>
<b>(Loss) before taxation</b>		<u>(54,313,698)</u>	<u>(103,170,950)</u>	<u>(40,183,351)</u>	<u>(45,167,305)</u>
Taxation:					
Current		<u>(25,878,257)</u>	<u>(6,885,539)</u>	<u>(597,506)</u>	<u>(1,520,975)</u>
Deferred		<u>(11,516,094)</u>	<u>30,939,948</u>	<u>(34,209,754)</u>	<u>1,978,853</u>
		<u>(37,394,351)</u>	<u>24,054,409</u>	<u>(34,807,260)</u>	<u>457,878</u>
<b>(Loss) after taxation</b>		<u>(91,708,049)</u>	<u>(79,116,541)</u>	<u>(74,990,611)</u>	<u>(44,709,427)</u>
<b>Earning per share - basic</b>		<u>(2.83)</u>	<u>(2.44)</u>	<u>(2.31)</u>	<u>(1.38)</u>

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

Presently the Chief Executive of the Company is out of country, due to the reason these financial statements have been signed by two directors of the Company under Section 241(2) of the Companies Ordinance, 1984.

DIRECTOR

DIRECTOR



# HASEEB WAQAS SUGAR MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited) FOR THE 3rd QUARTER AND NINE MONTHS ENDED JUNE 30, 2011

	Nine months ended		Quarter ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
	Rupees		Rupees	
(Loss) after taxation	(91,708,049)	(79,116,541)	(74,990,611)	(44,709,427)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income/(loss) for the period	<u>(91,708,049)</u>	<u>(79,116,541)</u>	<u>(74,990,611)</u>	<u>(44,709,427)</u>

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

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DIRECTOR

DIRECTOR



# HASEEB WAQAS SUGAR MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (Unaudited) FOR THE 3rd QUARTER AND NINE MONTHS ENDED JUNE 30, 2011

	June 30, 2011	June 30, 2010
	Rupees	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) before taxation	(54,313,698)	(103,170,950)
Adjustments for:		
- Depreciation	39,823,815	40,015,989
- Gain/(loss) on disposal of property, plant and equipment	-	(5,624,619)
- Provision for employees retirement benefits	1,772,929	2,535,367
- Amortization of deferred income	(950,342)	-
- Finance cost	120,054,537	88,206,766
	<u>160,700,939</u>	<u>125,133,503</u>
<b>Operating profit before working capital changes</b>	106,387,241	21,962,553
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	(3,961,907)	(14,386,862)
- Stock in trade	(339,146,747)	(532,907,029)
- Advances, deposits prepayments and other receivables	(177,262,318)	(220,700,058)
Increase / (decrease) in current liabilities:		
- Trade and other payables	63,382,371	1,011,897
	<u>(456,988,601)</u>	<u>(766,982,052)</u>
<b>Cash used in/generated from operations</b>	(350,601,361)	(745,019,499)
Income tax paid / deducted	(9,920,345)	(3,931,571)
Gratuity paid	(545,546)	(232,476)
Finance cost paid	<u>(115,533,703)</u>	<u>(63,929,021)</u>
<b>Net cash generated from/used in operating activities</b>	(476,600,954)	(813,112,567)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment purchased	(1,160,000)	(601,034)
Long term deposits	(5,000,000)	-
<b>Net cash used in investing activities</b>	(6,160,000)	(601,034)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds / (Repayment) from long term loans - Net	149,996,305	(12,600,000)
Proceeds / (Repayment) from Lease Finance - Net	152,454,803	66,000,000
Proceeds / (Repayment) from directors' loan - Net	14,242,380	(95,347,500)
Proceeds / (Repayment) from short term borrowings - Net	200,647,995	738,136,236
Dividend paid	(31,653,611)	-
<b>Net cash generated from financing activities</b>	<u>485,687,872</u>	<u>696,188,736</u>
<b>Net increase/decrease in cash and cash equivalents</b>	2,926,918	(117,524,865)
Cash and cash equivalents at the beginning of the period	20,292,542	146,120,373
<b>Cash and cash equivalents at the end of the period</b>	<u>23,219,460</u>	<u>28,595,508</u>

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

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DIRECTOR

DIRECTOR



# HASEEB WAQAS SUGAR MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited) FOR THE 3rd QUARTER AND NINE MONTHS ENDED JUNE 30, 2011

	Issued, subscribed and paid-up	Accumulated loss / Unappropriated profit	Total
R u p e e s			
<b>Balance as at September 30, 2009</b>	324,000,000	(76,207,312)	247,792,688
Comprehensive income for the period			
Net (loss) for the period	-	(79,116,541)	(79,116,541)
Other comprehensive income	-	-	-
Total comprehensive income/(loss) for the period	-	(79,116,541)	(79,116,541)
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation	-	6,063,013	6,063,013
<b>Balance as at June 30, 2010</b>	324,000,000	(149,260,840)	174,739,160
Comprehensive income for the period			
Net profit for the period	-	124,669,799	124,669,799
Other comprehensive income	-	-	-
Total comprehensive income/(loss) for the period	-	124,669,799	124,669,799
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation	-	35,574,803	35,574,803
<b>Balance as at September 30, 2010</b>	324,000,000	10,983,762	334,983,762
Comprehensive income for the period			
Net (loss) for the period	-	(91,708,049)	(91,708,049)
Other comprehensive income	-	-	-
Total comprehensive income/(loss) for the period	-	(91,708,049)	(91,708,049)
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation	-	9,653,485	9,653,485
Transaction with owners			
Final dividend @ Rs. 1 per share for year 2010	-	(32,400,000)	(32,400,000)
<b>Balance as at June 30, 2011</b>	324,000,000	(103,470,802)	220,529,198

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

Presently the Chief Executive of the Company is out of country, due to the reason these financial statements have been signed by two directors of the Company under Section 241(2) of the Companies Ordinance, 1984.

DIRECTOR

DIRECTOR



# HASEEB WAQAS SUGAR MILLS LIMITED

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION. (Unaudited) FOR THE 3rd QUARTER AND NINE MONTHS ENDED JUNE 30, 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

These condensed interim financial information are unaudited and are being submitted to share holders as required u/s 245 of Companies Ordinance, 1984. These have been prepared in accordance with the International Accounting Standard No. 34 "Interim Financial Reporting" as applicable in Pakistan and notified by Securities and Exchanges Commission of Pakistan (SECP) and shall be read in conjunction with the published audited financial statements for the year ended September 30, 2010

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

### 3 BASIS OF MEASUREMENT

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

### 4 SIGNIFICANT ACCOUNTING POLICIES

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

	<u>June 30, 2011</u>	<u>Sep 30, 2010</u>
	Rupees	
<b>5 SHARE CAPITAL</b>		
5.01 Authorized capital		
35,000,000 (Sep 30, 2010: 35,000,000) ordinary shares of Rs. 10/- each.	<u>350,000,000</u>	<u>350,000,000</u>
5.02 Issued, subscribed and paid-up capital:		
27,000,000 (2010: 27,000,000) shares issued for cash.	270,000,000	270,000,000
5,400,000 (2010: 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>
There is no movement in ordinary share capital of the Company during period.		
<b>6 LOAN FROM DIRECTORS - unsecured</b>		
Loan from directors- interest free	<u>165,894,880</u>	<u>151,652,500</u>

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.



# HASEEB WAQAS SUGAR MILLS LIMITED

		June 30, 2011	Sep 30, 2010
		Rupees	
<b>7 LONG TERM FINANCES - Secured</b>	Note		
National Bank of Pakistan			
- Demand finance	7.1	150,000,000	-
The Bank of Punjab			
- Term Finance	7.2	112,496,305	-
		262,496,305	-
Less: Current portion shown under current liabilities			
- Demand finance		(37,500,000)	-
- Term Finance		(75,000,000)	-
		(112,500,000)	-
		149,996,305	-

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

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

		June 30, 2011	Sep 30, 2010
		Rupees	
<b>8 LIABILITIES AGAINST ASSET SUBJECT TO FINANCE LEASE</b>			
Opening balance		63,864,883	-
Add: Obtained during the year		50,000,000	66,000,000
		113,864,883	66,000,000
Less: Payment made during the year		(10,045,197)	(2,135,117)
		103,819,686	63,864,883
Less: Current portion shown under current liabilities		(24,962,264)	(9,348,752)
		78,857,422	54,516,131
<b>9 DEFERRED LIABILITIES</b>			
Employees retirement benefits		13,148,305	11,920,922
Deferred Income		4,118,148	5,068,490
		17,266,453	16,989,412

## 10 CONTINGENCIES AND COMMITMENTS

### CONTINGENCIES

10.1 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

10.2 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

## 15 RELATED PARTY TRANSACTIONS

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

### 15.1 Details of related party transactions other than those with key management personnel

The Company during the year entered into following transactions with related parties other than key management personnel:

	<u>June 30, 2011</u>	<u>Sep 30, 2010</u>
15.1.1 Transactions with Associates	<b>Rupees</b>	
Sale of molasses	141,083,900	99,934,560
Sale of stores and spares	-	3,766,229
Purchase of stores and spares	193,200	-
Purchase of machinery/components	178,775	-

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

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

	<u>June 30, 2011</u>	<u>Sep 30, 2010</u>
15.2 Details of related party balances are as follows:	<b>Rupees</b>	
Payable to:		
Haseeb Waqas Trading (Private) Limited	2,204,064	2,204,064
Abdullah Sugar Mills Limited	6,856,716	4,864,984
Long term loan from directors	165,894,880	151,652,500

The maximum aggregate amount due from associates at the end of any month during the period amounts to Rs.37,388,850 (2010: Rs.22,500,000)

## 16 AUTHORIZATION FOR ISSUE

These condensed interim financial information have authorized for issue by the Board of Directors of the Company on July 30, 2011.

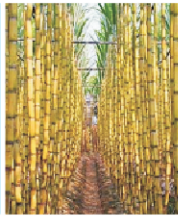
## 17 GENERAL

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

Presently the Chief Executive of the Company is out of country, due to the reason these financial statements have been signed by two directors of the Company under Section 241 (2) of the Companies Ordinance, 1984.

DIRECTOR

DIRECTOR



**06-F Block, Model Town, Lahore - Pakistan.  
Tel: +92-42-35917321-3 Fax: +92-42-35917317**