

3rd QUARTER REPORT
JUNE 30, 2017 UN-AUDITED



HASEEB WAQAS
SUGAR MILLS LTD.



COMPANY INFORMATION

BOARD OF DIRECTORS

- | | |
|--------------------------------|--------------------------|
| 1. Mr. Raza Mustafa | Chairman |
| 2. Mian Haseeb Ilyas | Chief Executive/Director |
| 3. Mian Waqas Riaz | Director |
| 4. Mian Abdullah Ilyas | Director |
| 5. Mrs. Zainab Waqas | Director |
| 6. Mrs. Shahzadi Ilyas | Director |
| 7. Miss. Zakia Ilyas | Director |
| 8. Hafiz M. Irfan Hussain Butt | Director |

AUDIT COMMITTEE

1. Hafiz M. Irfan Hussain Butt (Chairman)
2. Ms. Zakia Ilyas (Member)
3. Mr. Raza Mustafa (Member)

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

COMPANY SECRETARY

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

REGISTERED OFFICE

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

CHIEF FINANCIAL OFFICER

Syed Mubashir Hussain Bukhari
Tel: 042-35917327
Email: mubashir_qadari@hwgc.com.pk

AUDITORS

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

REGISTRAR

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

LEGAL ADVISOR

Mian Aslam Shahzad
(Advocate)

MILLS

Mauza Jagmal, Tehsil Jattoi
District. Muzaffargarh

BANKERS

National Bank of Pakistan
Sindh Bank Limited
The Bank of Punjab



HASEEB WAQAS SUGAR MILLS LIMITED

DIRECTORS' REVIEW FOR THE NINE MONTHS ENDED 30 JUNE 2017

Dear Members

The Directors of your Company take this opportunity to present the interim accounts for the period of nine months ended on 30 June 2017.

FINANCIAL RESULTS

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

	For the Nine Months ended 30 June	
	2017	2016
	(Rupees in thousand)	
Net Sales	884,183	880,295
Gross Profit / (Loss)	(230,129)	(422,165)
Net Profit / (Loss) before tax	(375,126)	(581,346)
Net Profit / (Loss) after tax	(285,616)	(620,720)
Basic Earning	(8.82)	(19.16)

During the period under review the reason of loss is that company could not operate due to closure of mill by order of Honorable Lahore High Court, Lahore.

OPERATIONAL DATA

The crushing season started on 28 December 2016. The operating results for the period under review are as under:

		02 December 2016 To 11 February 2017	28 December 2015 To 16 March 2016
Crushing days	Days	72	80
Average recovery	%age	8.75	8.00
Cane crushed	M.T.	177,118.515	199,790.925
Sugar produced	M.T.	14,847.50	15,529.25

The mills were operated for 72 days with total crushing of 177,118.515 M. Tones as against 80 days with total crushing of 199,790.925 M. Tones.

FUTURE OUTLOOK

The mill has relocated to Southern Punjab where prospects of business are very good. However, as stated above, fate of operations of mills depends upon judgment of Lahore High Court on the subject issue which has been reserved and not announce yet.

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
31 July 2017

(MIAN HASEEB ILYAS)
Chief Executive



HASEEB WAQAS SUGAR MILLS LIMITED CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT JUNE 30, 2017

		Un-audited June 30, 2017	Audited Sep 30, 2016
	Note	Rupees	
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized capital			
35,000,000 (Sep. 2016: 35,000,000) ordinary shares of Rs. 10 each		<u>350,000,000</u>	<u>350,000,000</u>
Issued, subscribed and paid up capital	6	324,000,000	324,000,000
Loan from Directors	7	775,063,909	615,211,264
Accumulated loss		<u>(2,600,949,673)</u>	<u>(2,373,421,472)</u>
		(1,501,885,764)	(1,434,210,208)
Surplus on Revaluation of Property, Plant and Equipment		1,625,448,235	1,683,536,288
Non Current Liabilities			
Long term financing	8	1,022,133,148	1,370,430,334
Deferred liabilities		33,507,335	34,397,335
Deferred taxation		689,207,811	778,717,623
		<u>1,744,848,294</u>	<u>2,183,545,292</u>
Current Liabilities			
Trade and other payables		496,181,963	664,207,763
Markup/ interest payables		283,957,561	261,949,861
Short term borrowings	9	471,291,028	312,262,432
Current portion of non current liabilities	10	641,554,494	540,740,258
		1,892,985,046	1,779,160,314
Contingencies and Commitments	11	-	-
		<u>3,761,395,811</u>	<u>4,212,031,686</u>
ASSETS			
Non Current Assets			
Property, plant and equipment	12	3,622,388,501	3,738,964,682
Long term deposits		<u>13,271,620</u>	<u>13,271,620</u>
		3,635,660,121	3,752,236,302
Current Assets			
Stores, spares and loose tools		29,356,992	23,704,046
Stock in trade	13	29,782,925	5,506,175
Advances ,deposits,prepayments and other recievables		62,998,208	422,667,745
Cash and bank balances		3,597,565	7,917,418
		<u>125,735,690</u>	<u>459,795,384</u>
		<u>3,761,395,811</u>	<u>4,212,031,686</u>

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

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE 3RD QUARTER ENDED JUNE 30, 2017

	Note	Nine Months ended		Quarter ended	
		June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
		Rupees		Rupees	
Sales - Net	14	884,183,551	880,295,741	593,260,051	5,266,185
Cost of goods sold	15	<u>(1,114,313,277)</u>	<u>(1,302,461,629)</u>	<u>(771,839,681)</u>	<u>(87,623,640)</u>
Gross (loss)		(230,129,726)	(422,165,888)	(178,579,630)	(82,357,455)
Operating expenses:					
- Administrative and general		<u>(50,707,492)</u>	<u>(35,828,843)</u>	<u>(41,223,805)</u>	<u>(8,226,638)</u>
		<u>(280,837,218)</u>	<u>(457,994,731)</u>	<u>(219,803,435)</u>	<u>(74,130,817)</u>
Other operating income		<u>38,000</u>	<u>-</u>	<u>38,000</u>	<u>-</u>
(Loss) from operation		(280,799,218)	(457,994,731)	(219,765,435)	(74,130,817)
Finance cost		<u>(94,326,844)</u>	<u>(123,352,058)</u>	<u>(54,553,630)</u>	<u>(37,772,042)</u>
(Loss) before taxation		(375,126,062)	(581,346,789)	(274,319,065)	(111,902,859)
Taxation					
Current		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred		<u>89,509,811</u>	<u>(39,373,864)</u>	<u>81,403,889</u>	<u>(19,053,001)</u>
		<u>89,509,811</u>	<u>(39,373,864)</u>	<u>81,403,889</u>	<u>(19,053,001)</u>
(Loss) after taxation		<u>(285,616,252)</u>	<u>(620,720,653)</u>	<u>(192,915,176)</u>	<u>(130,955,860)</u>
Loss per share - basic and diluted		<u>(8.82)</u>	<u>(19.16)</u>	<u>(5.95)</u>	<u>(4.04)</u>

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

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE 3RD QUARTER ENDED JUNE 30, 2017

	Nine Months ended		Quarter ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	Rupees		Rupees	
(Loss) after taxation	(285,616,252)	(620,720,653)	(192,915,176)	(130,955,860)
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) for the period	<u>(285,616,252)</u>	<u>(620,720,653)</u>	<u>(192,915,176)</u>	<u>(130,955,860)</u>

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

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE 3RD QUARTER ENDED JUNE 30, 2017

	June 30, 2017	June 30, 2016
	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(375,126,062)	(581,346,789)
Adjustments for:		
- Depreciation	143,299,905	135,883,185
- Finance cost	94,326,844	123,352,058
	<u>237,626,749</u>	<u>259,235,243</u>
Operating profit before working capital changes	(137,499,313)	(322,111,546)
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	(5,652,946)	(2,031,406)
- Stock in trade	(24,276,750)	(5,364,907)
- Advances ,deposits,prepayments and other recievables	359,669,533	32,122,634
Increase / (decrease) in current liabilities:		
- Trade and other payables	(168,025,800)	53,299,885
	<u>161,714,037</u>	<u>78,026,206</u>
Cash generated /(used in) from operations	24,214,724	(244,085,340)
Income tax paid / deducted	-	-
Gratuity paid	(890,000)	(240,127)
Finance cost paid	<u>(72,319,144)</u>	<u>(21,683,452)</u>
Net cash generated from/(used in) operating activities	(48,994,421)	(266,008,919)
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(26,723,723)	(28,422,446)
Capital work in process	-	-
Proceeds from sale of property, plant and equipment	-	-
Net cash (used in) investing activities	(26,723,723)	(28,422,446)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) from long term loans - Net	(247,482,950)	683,430,450
Proceeds / (Repayment) from Directors/Sponsors- Net	159,852,645	-
Proceeds / (Repayment) from short term borrowings - Net	159,028,596	(391,574,739)
Net cash generated from financing activities	<u>71,398,291</u>	<u>291,855,711</u>
Net increase/(decrease) in cash and cash equivalents	(4,319,853)	(2,575,654)
Cash and cash equivalents at the beginning of the period	7,917,418	5,657,640
Cash and cash equivalents at the end of the period	<u><u>3,597,565</u></u>	<u><u>3,081,986</u></u>

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

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED

HASEEB WAQAS SUGAR MILLS LIMITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE 3RD QUARTER ENDED JUNE 30, 2017

	Issued, subscribed and paid-up	Loan from Directors	Accumulated loss / Unappropriated profit	Total
R u p e e s				
Balance as at September 30, 2015	324,000,000	412,280,184	(1,773,287,801)	(1,037,007,617)
Total comprehensive loss for the period		-		
Net (loss) for the period	-	-	(620,720,653)	(620,720,653)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	(620,720,653)	(620,720,653)
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation	-	-	63,950,940	63,950,940
Balance as at June 30, 2016	324,000,000	412,280,184	(2,330,057,514)	(1,593,777,330)
Total comprehensive loss for the period				
Net (loss) for the period	-		(64,569,432)	(64,569,432)
Other comprehensive income	-		(111,506)	(111,506)
Total comprehensive income / (loss) for the period	-		(64,680,938)	(64,680,938)
Increase in director's loan during the year		202,931,080	-	202,931,080
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation	-		21,316,979	21,316,979
Balance as at September 30, 2016	324,000,000	615,211,264	(2,373,421,473)	(1,434,210,209)
Total comprehensive loss for the period				
Net loss for the period	-		(285,616,252)	(285,616,252)
Other comprehensive income	-		-	-
Total comprehensive income / (loss) for the period	-		(285,616,252)	(285,616,252)
Increase in director's loan during the period		159,852,645	-	159,852,645
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation	-		58,088,052	58,088,052
Balance as at June 30, 2017	324,000,000	775,063,909	(2,600,949,673)	(1,501,885,764)

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

CHIEF EXECUTIVE

DIRECTOR



HASEEB WAQAS SUGAR MILLS LIMITED SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE 3RD QUARTER ENDED JUNE 30, 2017

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 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 STATEMENT OF COMPLIANCE

- 2.01 This condensed interim financial report of the company for the nine months period ended June 30, 2017 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.
- 2.02 This condensed interim financial report comprises of the condensed interim balance sheet as at June 30, 2017 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 June 30, 2016 were not audited.
- 2.03 The comparative condensed balance sheet, presented in this condensed interim financial report, as at June 30, 2017 has been extracted from the annual audited financial statements of the Company for the year ended September 30, 2016 whereas the comparative condensed interim profit and loss account, condensed interim statement of changes in equity and condensed interim cash flow statement for the nine months period ended June 30, 2017 were not audited..

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, 2016.

5 GOING CONCERN ASSUMPTION

During the period under review, the Company posted gross loss of Rs. 230.6 million as compared to last year's Rs. 422 million. Further, the Company's gross Loss ratio and net Loss ratio is negative 28% and 32% respectively which is far better than corresponding period's gross profit and net profit ratios which were negative 39% and 49% respectively.

However, the above results were achieved after running the mill during last season on 70 days instead of estimated 120 days. The mill could not be run for the remaining estimated period because of closure of mill mentioned in Note # 10.02.

Further, in addition to above factors, current liabilities exceed current assets by Rs. 1,710 million as compared to nine months before of Rs. 1,319 million; and equity stands negative at Rs. 1,502 million as compared to Rs. 1,434 million in September 30,2016. These factors indicate the existence of material uncertainty which may cast significant doubt about the entity's ability to continue as a going concern.

However, these condensed interim financial information have been prepared on going concern basis because of the following;

- a) The following measures have already been taken by the Company;
 1. Restructuring of some current liabilities have already been done.
 2. BMR for energy saving done for compensation of losses in sugar production each year.
 3. The Project shifted to new location for better recovery and production.
- b) Company is in the process of restructuring of its current liabilities;
- c) Sponsors' have shown their commitment and given assurance for continuous support and make the project prosper; and
- d) Actively defending our stance in Lahore High Court for shifting of mill.



HASEEB WAQAS SUGAR MILLS LIMITED

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

	PROJECTED		
	2018	2019	2020
Sugar cane crushing M.T	700,000	715,000	730,000
Sugar cane rate	180	185	190
Sugar price per Kg	60	62	64

Note	June 30, 2017	Sept. 30, 2016
------	---------------	----------------

Rupees

6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

27,000,000 (Sept. 2016: 27,000,000) shares issued for cash.	270,000,000	270,000,000
5,400,000 (Sept. 2016: 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.

7 LOAN FROM DIRECTORS

	<u>775,063,909</u>	<u>615,211,264</u>
--	--------------------	--------------------

This loan has been obtained from Sponsors 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, this 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.

8 LONG TERM FINANCING

Loan from banking companies and other financial institutions-secured

8.1	1,022,133,148	1,346,072,384
8.2	-	24,357,950
	<u>1,022,133,148</u>	<u>1,370,430,334</u>

Loan from Sponsors - unsecured

National Bank of Pakistan		
- Demand Finance I	8.1.1	220,000,000
- Demand Finance II	8.1.2	160,000,000
The Bank of Punjab		
- Demand Finance	8.1.3	285,000,000
Sindh Bank Ltd		
- Demand Finance	8.1.4	500,000,000
Silk Bank Ltd		
- Demand Finance	8.1.5	390,000,000
PAIR Investment Company Limited		
- Demand Finance	8.1.6	70,000,000
		<u>1,625,000,000</u>
		<u>1,848,125,000</u>

Less: current portion shown under current liabilities

- NBP - Demand Finance - I	(80,000,000)	(60,000,000)
- NBP - Demand Finance - II	(146,666,663)	(106,666,664)
- BOP - Demand Finance	(99,750,000)	(70,125,000)
- Sindh Bank - Demand Finance	(206,450,189)	(120,260,952)
- Silk Bank Ltd	-	(75,000,000)
- Demand Finance - PAIR	(70,000,000)	(70,000,000)
	<u>(602,866,852)</u>	<u>(502,052,616)</u>
	<u>1,022,133,148</u>	<u>1,346,072,384</u>



HASEEB WAQAS SUGAR MILLS LIMITED

	Note	June 30, 2017	Sept. 30, 2016
Rupees			
8.1.1 Demand Finance I - NBP			
Opening balance		220,000,000	220,000,000
Loan obtained during the period / year		-	-
		<u>220,000,000</u>	<u>220,000,000</u>
Less: payment made during the period / year		-	-
		<u>220,000,000</u>	<u>220,000,000</u>

This finance has been obtained from National Bank of Pakistan 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.

8.1.2 Demand Finance II - NBP			
Opening balance		160,000,000	160,000,000
Loan obtained during the period / year		-	-
		<u>160,000,000</u>	<u>160,000,000</u>
Less: payment made during the period / year		-	-
		<u>160,000,000</u>	<u>160,000,000</u>

This finance has been obtained from National Bank of Pakistan 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.

8.1.3 Demand Finance - BOP			
Opening balance		298,125,000	298,125,000
Loan obtained during the period / year		-	-
		<u>298,125,000</u>	<u>298,125,000</u>
Less: payment made during the period / year		<u>(13,125,000)</u>	-
		<u>285,000,000</u>	<u>298,125,000</u>

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.

2

8.1.4 Demand Finance - Sindh Bank			
Opening balance		500,000,000	500,000,000
Loan obtained during the period / year		-	-
		<u>500,000,000</u>	<u>500,000,000</u>
Less: payment made during the period / year		-	-
		<u>500,000,000</u>	<u>50,000,000</u>

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.

8.1.5 Demand Finance - Silk Bank Ltd			
Opening balance		600,000,000	600,000,000
Loan obtained during the period / year		-	-
		<u>600,000,000</u>	<u>600,000,000</u>
Less: payment made during the period / year		<u>(210,000,000)</u>	-
		<u>390,000,000</u>	<u>600,000,000</u>

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 LTD and personal guarantees of directors of the Company. It carries markup 6 months KIBOR + 2% per annum. This loan is payable in twelve quarterly instalments.



HASEEB WAQAS SUGAR MILLS LIMITED

	Note	June 30, 2017	Sept. 30, 2016
Rupees			
8.1.6	Demand Finance - PAIR		
	Opening balance	70,000,000	70,000,000
	Less: payment made during the period / year	-	-
		<u>70,000,000</u>	<u>70,000,000</u>

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 payable in eighteen equal monthly installments.

8.2 LOAN FROM SPONSORS

Loan from sponsors - unsecured	-	<u>24,357,950</u>
--------------------------------	---	-------------------

This loan has been obtained from Sponsor of the Company, Mr. Mian Muhammad Ilyas Mehraj; and is interest free. There is no fixed tenor or schedule for repayment of this loan. According to the loan agreement, the lender shall not demand repayment and the same is entirely at the Company's option.

Further, this loan is subordinated to National Bank of Pakistan, The Bank of Punjab, Sindh Bank Ltd and Silk Bank Ltd

9 SHORT TERM BORROWINGS

Loan from related parties	469,069,319	312,262,432
	<u>469,069,319</u>	<u>312,262,432</u>

10 CURRENT PORTION OF NON CURRENT LIABILITIES

Long term finances	602,866,852	502,052,616
Liabilities against assets subject to finance lease	38,687,642	38,687,642
	<u>641,554,494</u>	<u>540,740,258</u>

11 CONTINGENCIES AND COMMITMENTS

10.01 Company has made defaults in repayment of installments of long term loans from financial institutions and banks. As a result, Company's name has been included in CIB report of State Bank of Pakistan. However, the Company is in process of restructuring the overdue loans with these financial institutions and banks.

10.02 The shifting of Haseeb Waqas Sugar Mills Limited has been challenged in Lahore High Court by some Southern Punjab Sugar Mills however Division Bench of Lahore High Court gave interim relief to Haseeb Waqas Sugar Mills Limited & allowed to operate the mills during the season 2016-17.

However the operations of the project suspended by the Supreme Court of Pakistan in CPLA Number dated February 09, 2017 and matter referred back to Lahore High Court for regular hearing of case by Division Bench of Lahore High Court preferably headed by Chief Justice. The case is yet pending before Lahore High Court & fate of operations of mills depends upon order of Lahore High Court on the subject issue.

10.03 There is no material change in the status of the remaining contingencies and commitments reported in the annual financial statements for the year ended September 30, 2016.

12 PROPERTY, PLANT AND EQUIPMENT

Opening written down value	3,738,964,682	3,568,279,390
Addition during the period	26,723,723	363,540,418
	3,765,688,405	3,931,819,808
Depreciation for the period / year	(143,299,905)	(192,855,126)
	<u>3,622,388,500</u>	<u>3,738,964,682</u>

13 STOCK IN TRADE

Work in process		
Sugar	29,590,925	5,314,815
By products stock	192,000	191,360
	<u>29,782,925</u>	<u>5,506,175</u>



HASEEB WAQAS SUGAR MILLS LIMITED

	Nine Months ended		Quarter ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	Rupees		Rupees	
14 SALES - NET				
- Sugar	875,158,015	868,284,935	630,847,615	-
- Molasses	102,187,677	74,475,995	81,509,517	3,105,970
- Mud	86,940	2,570,655	-	2,570,655
	<u>977,432,632</u>	<u>945,331,585</u>	<u>712,357,132</u>	<u>5,676,625</u>
Less: Sales tax and excise duty	<u>(93,249,081)</u>	<u>(65,035,844)</u>	<u>(119,097,081)</u>	<u>(410,440)</u>
	<u>884,183,551</u>	<u>880,295,741</u>	<u>593,260,051</u>	<u>5,266,185</u>
15 COST OF GOODS SOLD				
Raw materials consumed	840,964,144	1,003,493,939	507,289,496	2,172,142
Stores and spares consumed	20,183,386	53,245,496	18,274,263	3,714,272
Salaries, wages and other benefits	74,963,969	108,440,301	47,650,529	29,372,880
Insurance	2,353,098	626,017	2,353,098	-
Repair and maintenance	60,078,289	7,738,398	58,934,586	4,469,282
Depreciation	138,322,934	132,701,524	90,878,791	47,047,523
Others	1,724,207	1,580,861	532,292	755,435
	<u>1,138,590,027</u>	<u>1,307,826,536</u>	<u>725,913,055</u>	<u>87,531,534</u>
Opening work in process	5,506,175	173,415	75,709,551	-
Closing work in process	(29,782,925)	(9,160,308)	(29,782,925)	(661,470)
	<u>(24,276,750)</u>	<u>(8,986,893)</u>	<u>45,926,626</u>	<u>(661,470)</u>
Cost of goods manufactured	<u>1,114,313,277</u>	<u>1,298,839,643</u>	<u>771,839,681</u>	<u>86,870,064</u>
Opening finished goods	-	3,693,796	-	-
Closing finished goods	-	(71,810)	-	(3,661,870)
	<u>-</u>	<u>3,621,986</u>	<u>-</u>	<u>(3,661,870)</u>
	<u>1,114,313,277</u>	<u>1,302,461,629</u>	<u>771,839,681</u>	<u>83,208,194</u>

16 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:

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

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

	June 30, 2017	Sep 30, 2016
	Rupees	
16.1.1 Transactions with Associates		
Sale of molasses	-	-
Repayment / Obtain of Laon to/from		
Abdullah Sugar Mills Ltd	110,551,418	(398,281,673)
Oriental Fruits (Pvt) Ltd	46,255,469	(2,760,000)
Sponsors and Directors	85,439,456	149,005,501

16.1.2 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.

16.1.3 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.

	June 30, 2017	Sep 30, 2016
	Rupees	
16.2 Details of related party balances are as follows:		
Due to:		
Abdullah Sugar Mills Limited	420,609,786	310,058,368
Haseeb Waqas Trading (Pvt.) Limited	2,204,064	2,204,064
Oriental Fruits (Pvt.) Limited	46,255,469	-
Loan from Directors and Sponsors	725,008,670	639,569,214

17 AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue by the Board of Directors of the Company on July 31, 2017.

18 GENERAL

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

CHIEF EXECUTIVE

DIRECTOR



**HASEEB WAQAS
SUGAR MILLS LTD.**

06-F, Model Town,
Lahore-pakistan.

Tel: (92-42) 35917321-3

Fax: (92-42) 35917317

Web: www.hwgc.com.pk