



HASEEB WAQAS SUGAR MILLS LIMITED



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



DIRECTORS' REVIEW FOR THE FIRST QUARTER ENDED 31 DECEMBER 2016

Dear Members

The Directors of your Company take pleasure in presenting the un-audited accounts for the period ended 31 December 2016.

FINANCIAL RESULTS

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

	For the period ended 31 December	
	2016	2015
	(Rupees in thousands)	
Net Sales	290,836	-
Gross (Loss)	(50,445)	(91,217)
Net (Loss) before tax	(99,702)	(132,471)
Net (Loss) after tax	(82,921)	(146,143)
Basic Earning per share	(2.56)	(4.51)

During the period under review the reason of loss is that your company shifted entire plants/machinery to new location and still is in trial phase, it requires balancing of plant before came into fully operational and hope to do the same in next quarter.

OPERATIONAL DATA

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

		<u>02 December 2016</u> <u>To</u> <u>27 January 2017</u>	<u>December 28, 2015</u> <u>To</u> <u>January 28, 2016</u>
Crushing days	Days	57	32
Average recovery	%age	8.39	6.10
Cane crushed	M. Tones	122,442	56,227
Sugar produced	M. Tones	10,560	2,015

The mills were operated for 57 days with total crushing of 122,442 M. Tones as against 32 days with total crushing of 56,227 M. Tones.

FUTURE OUTLOOK

The mill has relocated to Southern Punjab where prospects of business are very good. Moreover sugar prices are better both in national and international market.

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 January 2017

(Mian Haseeb Ilyas)
Chief Executive



CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2016

	Note	Dec 31, 2016	Sep 30, 2016
		Rupees	
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized capital			
35,000,000 (2014: 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		(2,436,219,126)	(2,373,421,472)
		(2,112,219,126)	(2,049,421,472)
Surplus on Revaluation of Property, Plant and Equipment		1,663,387,393	1,683,536,288
Non Current Liabilities			
Long term financing - secured		1,882,282,105	1,985,641,598
Deferred liabilities		34,397,335	34,397,335
Deferred taxation		761,937,464	778,717,623
		2,678,616,904	2,798,756,556
Current Liabilities			
Trade and other payables		602,313,070	664,207,763
Markup/ interest payables		301,710,320	261,949,861
Short term borrowings		422,990,390	312,262,432
Current portion of non current liabilities		670,794,736	540,740,258
Provision for taxation		-	-
		1,997,808,516	1,779,160,314
Contingencies and Commitments	4	-	-
		4,227,593,687	4,212,031,686
ASSETS			
Non Current Assets			
Property, plant and equipment	5	3,689,889,350	3,738,964,682
Long term deposits		13,251,620	13,271,620
		3,703,140,970	3,752,236,302
Current Assets			
Stores, spares and loose tools		35,701,888	23,704,046
Stock in trade		75,469,551	5,506,175
Trade deposits and short term prepayments		390,224,735	422,667,745
Cash and bank balances		23,056,543	7,917,418
		524,452,717	459,795,384
		4,227,593,687	4,212,031,686

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

CHIEF EXECUTIVE

DIRECTOR



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Unaudited) FOR THE QUARTER ENDED DECEMBER 31, 2016

	Note	Un-audited	
		Dec 31, 2016	Dec 31, 2015
		Rupees	
Sales - Net	6	290,836,560	-
Cost of goods sold	7	<u>341,281,681</u>	<u>91,217,377</u>
Gross (loss)		(50,445,121)	(91,217,377)
Operating expenses:			
- Administrative and general expenses		<u>9,483,687</u>	<u>7,930,374</u>
		(59,928,808)	(99,147,751)
Other operating income		<u>-</u>	<u>-</u>
(Loss) from operation		(59,928,808)	(99,147,751)
Finance cost		<u>39,773,214</u>	<u>33,323,408</u>
(Loss) before taxation		(99,702,022)	(132,471,159)
Taxation			
Deferred		<u>(16,780,159)</u>	<u>(13,672,259)</u>
		(16,780,159)	(13,672,259)
(Loss)/ profit after taxation		<u>(82,921,863)</u>	<u>(146,143,418)</u>
Earning per share - basic		<u>(2.56)</u>	<u>(4.51)</u>

CHIEF EXECUTIVE

DIRECTOR



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited) FOR THE QUARTER ENDED DECEMBER 31, 2016

	Dec 31, 2016	Un-audited Dec 31, 2015
	Rupees	
(Loss) after taxation	(82,921,863)	(146,143,418)
Other comprehensive income	-	-
Total comprehensive (loss) for the period	<u>(82,921,863)</u>	<u>(146,143,418)</u>

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

CHIEF EXECUTIVE

DIRECTOR



CONDENSED INTERIM STATEMENT OF CASH FLOWS (Unaudited) FOR THE QUARTER ENDED DECEMBER 31, 2016

	Un-audited	
	Dec 31, 2016	Dec 31, 2015
	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(99,702,022)	(132,471,159)
Adjustments for:		
- Depreciation	49,075,332	42,725,807
- Finance cost	39,773,214	33,323,408
	88,848,546	76,049,215
Operating (loss)/ profit before working capital changes	(10,853,476)	(56,421,944)
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	(11,997,842)	(20,661,749)
- Stock in trade	(69,963,376)	(20,293,194)
- Trade deposits and short term prepayments	32,443,010	70,551,315
Increase / (decrease) in current liabilities:		
- Trade and other payables	218,648,202	4,637,150
	169,129,994	34,233,522
Cash used in operations	158,276,518	(22,188,422)
Income tax paid / deducted	-	(1,028,268)
Gratuity paid	-	(349,168)
Finance cost paid	24,012,208	8,881,159
Net cash generated/ used in operating activities	182,288,726	(14,684,699)
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	-	(254,190,978)
Long term deposits	-	-
Net cash used in investing activities	-	(254,190,978)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) from long term loans - Net	-	346,875,439
Proceeds / (Repayment) from Lease Finance - Net	-	(3,244,944)
Proceeds / (Repayment) from directors' loan - Net	120,775,694	(97,890,318)
Proceeds / (Repayment) from short term borrowings - Net	(287,925,295)	23,513,041
Net cash generated from/ used in financing activities	(167,149,601)	269,253,218
Net increase in cash and cash equivalents	15,139,125	377,541
Cash and cash equivalents at the beginning of the period	7,917,418	6,496,332
Cash and cash equivalents at the end of the period	23,056,543	6,873,873

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

CHIEF EXECUTIVE

DIRECTOR



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited) FOR THE QUARTER ENDED DECEMBER 31, 2016

	Share Capital	Accumulated loss / Unappropriated profit Rupees	Total
Balance as at September 30, 2015	324,000,000	(1,773,287,801)	(1,449,287,801)
Loss for the period	-	(146,143,418)	(146,143,418)
Other comprehensive income	-	-	-
Total comprehensive income/ (loss) for the period	-	(146,143,418)	(146,143,418)
Transfer from surplus on revaluation of fixed assets in respect of incremental depreciation - net of deferred tax	-	21,687,419	21,687,419
Balance as at December 31, 2015	324,000,000	(1,897,743,800)	(1,573,743,800)
Loss for the period	-	(539,146,667)	(539,146,667)
Other comprehensive income	-	(111,506)	(111,506)
Total comprehensive income/ (loss) for the period	-	(539,258,173)	(539,258,173)
Transfer from surplus on revaluation of fixed assets in respect of incremental depreciation - net of deferred tax	-	63,580,500	63,580,500
	-	-	-
Balance as at September 30, 2016	324,000,000	(2,373,421,473)	(2,049,421,473)
Loss for the period	-	(82,921,863)	(82,921,863)
Other comprehensive income	-	-	-
Total comprehensive income/ (loss) for the period	-	(82,921,863)	(82,921,863)
Transfer from surplus on revaluation of fixed assets in respect of incremental depreciation - net of deferred tax	-	20,124,210	20,124,210
Balance as at December 31, 2016	324,000,000	(2,436,219,126)	(2,112,219,126)

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

CHIEF EXECUTIVE

DIRECTOR



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS. FOR THE QUARTER ENDED DECEMBER 31, 2016

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 Mouza Jagmal Tehsil Jattoi District Muzafargarh. 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, 2016

The crushing season 2016-2017 of the Company commenced on December 02, 2016

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, 2016.

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, 2016.

Unaudited	Audited
Dec 31, 2016	Sep 30, 2016
Rupees	

5 PROPERTY, PLANT AND EQUIPMENT

Opening written down value	3,738,964,682	3,568,279,390
Addition during the period/year		
- Land	-	4,628,714
- Building		231,331,489
- Plant and machinery		127,192,787
- Other Assets	-	387,428
	-	363,540,418
	3,738,964,682	3,931,819,808
Depreciation for the period / year	(49,075,332)	(192,855,126)
	<u>3,689,889,350</u>	<u>3,738,964,682</u>



HASEEB WAQAS SUGAR MILLS LIMITED

6 SALES - NET

	Unaudited	
	Dec 31, 2016	Dec 31, 2015
	Rupees	
- Sugar	244,310,400	-
- Molasses	20,678,160	-
	264,988,560	-
Less: Sales tax and federal excise duty	25,848,000	-
	290,836,560	-

7 COST OF GOODS SOLD

Raw materials consumed	333,674,648	34,553,812
Stores and spares consumed	1,909,123	1,859,793
Salaries, wages and other benefits	27,313,440	33,274,854
Repair and maintenance	1,143,703	401,953
Depreciation	47,444,143	41,420,159
Others	-	-
	411,485,057	111,510,571
Opening work in process	5,506,175	3,867,211
Closing work in process	(75,709,551)	(24,160,405)
	(70,203,376)	(20,293,194)
Cost of goods manufactured	341,281,681	91,217,377
Opening finished goods	-	-
Closing finished goods	-	-
	-	-
	341,281,681	91,217,377

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, 2016	Sep 30, 2016
	Rupees	
Due to:		
Abdullah Sugar Mills Limited	420,786,326	708,711,621
Haseeb Waqas Trading (Private) Limited	2,204,064	2,204,064
Oriental Fruits (Private) Limited	-	23,417,461
Long term loan from directors	700,590,316	584,176,154

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, 2017.

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.