



HASEEB WAQAS SUGAR MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

1. Mr. Raza Mustafa
2. Mian Haseeb Ilyas
3. Mian Waqas Riaz
4. Mian Abdullah Ilyas
5. Mrs. Zainab Waqas
6. Mrs. Shahzadi Ilyas
7. Miss. Zakia Ilyas
8. Mr. Yousaf Ilyas

Chairman
Chief Executive/Director
Director
Director
Director
Director
Director
Director

AUDIT COMMITTEE

1. Mr. Raza Mustafa (Chairman)
2. Ms. Zakia Ilyas (Member)
3. Mr. Yousaf Ilyas (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 Mubashar Hussain Bukhari
Tel: 042-35917321-3
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

Muhammad Ahsan Khan
(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 2018

Dear Members

The Directors of your Company take pleasure in presenting the un-audited accounts for the period ended 31 December 2018.

FINANCIAL RESULTS

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

	For the period ended 31 December	
	2018	2017
	(Rupees)	
Net Sales	-	198,202
Gross (Loss)	(49,659,007)	(71,741,622)
Net (Loss) before tax	(98,942,304)	(118,648,603)
Net (Loss) after tax	(76,069,774)	(108,327,648)
Basic Earning per share	(2.35)	(3.34)

The management could not done repair and maintenance of mills due to sealing by court, however at the almost end of season August Supreme Court of Pakistan allowed to operate the mills hence we incurred losses due to technical problem.

OPERATIONAL DATA

		-	26 February 2018 To 01 April 2018
Crushing days	Days	-	38
Average recovery	%age	-	8.50
Cane crushed	M. Tones	-	76,819.660
Sugar produced	M. Tones	-	5,808

FUTURE OUTLOOK

The August Supreme Court of Pakistan vide short order even dated 13 September 2018 dismissed the Company's appeal and prohibited the Company from conducting any business in relation to or functioning as a sugar mill after the period of two months i.e. 12 November 2018. Further, the appellants are directed to remove within the said period from Muzaffar Garh (current factory location) to Nankana (previous factory location).

However, the Company has filled review petition dated 06 November 2018 to review the above order and accept the appeal filed by the petitioners, which is still pending on part of the August Supreme Court.

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
29 January 2019**

**(Mian Haseeb Ilyas)
Chief Executive**

HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2018

	Note	Dec 31, 2018 Rupees	Sep 30, 2018 Rupees	Sep 30, 2017 Rupees
CAPITAL AND LIABILITIES				
Share Capital and Reserves				
Authorized capital				
35,000,000 (2016: 35,000,000) ordinary shares of Rs. 10 each		350,000,000	350,000,000	350,000,000
Issued, subscribed and paid up capital		324,000,000	324,000,000	324,000,000
Loan from Directors		839,194,202	829,647,072	804,314,867
Capital Reserves				
Surplus on Revaluation of Property		1,506,900,159	1,527,024,369	1,603,039,450
Revenue Reserves				
Accumulated (loss) / Profit		(3,334,446,110)	(3,278,500,546)	(2,865,617,598)
		(664,351,749)	(597,829,105)	(134,263,281)
Non Current Liabilities				
Long term financing		496,102,697	549,373,562	1,050,739,048
Liability against assets subject to finance lease		-	-	-
Deferred liabilities		17,343,374	17,343,374	39,158,944
Deferred taxation		696,686,018	719,558,548	773,081,208
		1,210,132,089	1,286,275,484	1,862,979,200
Current Liabilities				
Trade and other payables		778,386,764	814,472,632	961,586,682
Markup on Loans and other Payables		471,150,077	396,565,989	283,670,346
Short term borrowings		669,152,765	669,579,535	574,535,180
Unclaimed dividend		1,443,972	1,443,972	1,443,972
Current portion of non current liabilities		1,156,084,945	1,102,814,080	612,948,594
		3,076,218,523	2,984,876,208	2,434,184,774
Contingencies and Commitments				
	4	-	-	-
		3,621,998,863	3,673,322,587	4,162,900,693
ASSETS				
Non Current Assets				
Property, plant and equipment	5	3,438,387,221	3,483,247,293	3,674,162,329
Long term deposits		490,000	490,000	11,990,000
		3,438,877,221	3,483,737,293	3,686,152,329
Current Assets				
Stores, spares and loose tools		55,892,796	55,684,867	44,319,829
Stock in Trade				
Advances, Deposits, Prepayments and other Receivables		125,371,254	131,797,120	429,770,666
Cash and bank balances		1,857,592	2,103,307	2,657,869
		183,121,642	189,585,294	476,748,364
		3,621,998,863	3,673,322,587	4,162,900,693

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

CHIEF EXECUTIVE.

DIRECTOR.

CHIEF FINANCIAL OFFICER

HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Unaudited) FOR THE QUARTER ENDED DECEMBER 31, 2018

	Note	Un-audited	
		Dec 31, 2018	Dec 31, 2017
		Rupees	
Sales - Net	6	-	198,202
Cost of goods sold	7	49,659,007	71,939,824
Gross (loss)		(49,659,007)	(71,741,622)
Operating expenses:			
- Administrative and general expenses		5,262,026	12,124,988
		(54,921,033)	(83,866,610)
Other operating income		-	890,760
(Loss) from operation		(54,921,033)	(82,975,850)
Finance cost		44,021,271	35,672,753
(Loss) before taxation		(98,942,304)	(118,648,603)
Deferred Tax		22,872,530	10,320,955
(Loss)/ profit after taxation		(76,069,774)	(108,327,648)
Earning per share - basic		(2.35)	(3.34)

Mian Haseeb Ilyas
CHIEF EXECUTIVE.

Mian Abdullah Ilyas
DIRECTOR.

Syed Mubashir Hussain Bukhari
CHIEF FINANCIAL OFFICER

HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited) FOR THE QUARTER ENDED DECEMBER 31, 2018

	Un-audited	
	Dec 31, 2018	Dec 31, 2017
	Rupees	
(Loss) after taxation	(76,069,774)	(108,327,648)
Other comprehensive income	-	-
Total comprehensive (loss) for the period	<u>(76,069,774)</u>	<u>(108,327,648)</u>

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

Mian Haseeb Ilyas
CHIEF EXECUTIVE.

Mian Abdullah Ilyas
DIRECTOR.

Syed Mubashir Hussain Bukhari
CHIEF FINANCIAL OFFICER

HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Unaudited) FOR THE QUARTER ENDED DECEMBER 31, 2018

	Un-audited	
	Dec 31, 2018	Dec 31, 2017
	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(98,942,304)	(118,648,603)
Adjustments for:		
- Depreciation	44,860,072	47,762,870
- Finance cost	44,021,271	35,672,753
	88,881,343	83,435,623
Operating (loss)/ profit before working capital changes	(10,060,961)	(35,212,980)
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	(207,929)	750,939
- Stock in trade	-	-
- Trade deposits and short term prepayments	6,425,866	67,878,841
Increase / (decrease) in current liabilities:		
- Trade and other payables	(36,085,868)	(36,983,931)
	(29,867,930)	31,645,849
Cash used in operations	(39,928,891)	(3,567,131)
Gratuity paid	-	(2,461,988)
Finance cost paid	30,562,817	30,556,350
Net cash generated/ used in operating activities	(9,366,074)	24,527,231
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	-	(109,000)
Net cash used in investing activities	(9,366,074)	24,418,231
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) from long term loans - Net	-	-
Proceeds / (Repayment) from Lease Finance - Net	-	-
Proceeds / (Repayment) from directors' loan - Net	9,547,130	(13,027,342)
Proceeds / (Repayment) from short term borrowings - Net	(426,770)	(847,713)
Net cash generated from/ used in financing activities	9,120,360	(13,875,055)
Net increase in cash and cash equivalents	(245,715)	10,543,176
Cash and cash equivalents at the beginning of the period	2,103,307	2,657,869
Cash and cash equivalents at the end of the period	1,857,592	13,201,045

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

Mian Haseeb Ilyas
CHIEF EXECUTIVE.

Mian Abdullah Ilyas
DIRECTOR.

Syed Mubashir Hussain Bukhari
CHIEF FINANCIAL OFFICER

HASEEB WAQAS SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited)
FOR THE QUARTER ENDED DECEMBER 31, 2018

	Issued Subscribed and Paid up Capital	Loan from Directors	Surplus on Revaluation of Property, Plant & Equipmenys	Accumulated Loss/ Profit	Total
	Rupees				
Balance as at September 30, 2017	324,000,000	804,314,867	1,603,039,450	(2,865,617,599)	(134,263,282)
Loss for the period	-			(108,327,648)	(108,327,648)
Other comprehensive income	-			-	-
Total comprehensive income/ (loss) for the period	-			(108,327,648)	(108,327,648)
Increase / (Cecrease in Directors Loan		(13,027,342)			(13,027,342)
Transfer from surplus on revaluation of fixed assets in respect of incremental depreciation - net of deferred tax			(19,003,770)	19,003,770	-
Balance as at December 31, 2017	324,000,000	791,287,525	1,584,035,680	(2,954,941,477)	(255,618,272)
Loss for the period	-			(380,574,124)	(380,574,124)
Other comprehensive income	-			3,744	3,744
Total comprehensive income/ (loss) for the period	-			(380,570,380)	(380,570,380)
Increase in Directors Loan		38,359,547			38,359,547
Transfer from surplus on revaluation of fixed assets in respect of incremental depreciation - net of deferred	-		(57,011,311)	57,011,311	-
	-				-
Balance as at September 30, 2018	324,000,000	829,647,072	1,527,024,369	(3,278,500,546)	(597,829,105)
Loss for the period	-			(76,069,774)	(76,069,774)
Other comprehensive income	-			-	-
Total comprehensive income/ (loss) for the period	324,000,000	829,647,072	1,527,024,369	(3,354,570,320)	(673,898,879)
Increase / (Decrease) in Directors Loan		9,547,130			9,547,130
Transfer from surplus on revaluation of fixed assets in respect of incremental depreciation - net of deferred	-		(20,124,210)	20,124,210	-
Balance as at December 31, 2018	324,000,000	839,194,202	1,506,900,159	(3,334,446,110)	(664,351,749)

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

Mian Haseeb Ilyas
CHIEF EXECUTIVE

Mian Abdullah Ilyaa
DIRECTOR

Syed Mubashir Hussain Bukhari
CHIEF FINANCIAL OFFICER

HASEEB WAQAS SUGAR MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS. FOR THE QUARTER ENDED DECEMBER 31, 2018

1 REPORTING ENTITY.

Haseeb Waqas Sugar Mills Limited ("the Company") was incorporated on 13 January 1992 as a Public Limited Company under the repealed 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 Pakistan Stock Exchange. 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, 2018.

The crushing season 2018-19 of the Company could not be commenced due to orders of H ' Superem Courtr.

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, 2018.

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, 2018.

5 PROPERTY, PLANT AND EQUIPMENT

	Unaudited Dec 31, 2018	Audited Sep 30, 2018
	Rupees	
Opening written down value	3,483,247,293	3,674,476,571
Additions / (Deletions) during the period		
- Land	-	161,050
- Building		-
- Plant and machinery		-
- Other Assets	-	(345,000)
	-	(183,950)
	3,483,247,293	3,674,292,621
Depreciation for the period / year	(44,860,072)	(191,045,328)
	<u>3,438,387,221</u>	<u>3,483,247,293</u>

		Unaudited	
		Dec 31, 2018	Dec 31, 2017
		Rupees	
6 SALES - NET			
- Sugar	-	-	-
- Molasses	-	-	-
- Mud	-	-	-
	-	-	-
Less: Sales tax and federal excise duty	-	-	-
	-	-	-
7 COST OF GOODS SOLD			
Raw materials consumed	-	-	-
Stores and spares consumed	265,106	544,676	
Salaries, wages and other benefits	5,092,508	15,389,882	
Repair and maintenance	854,419	8,868,353	
Depreciation	43,239,666	46,026,744	
Others	207,308	1,110,169	
	49,659,007	71,939,824	
Opening work in process	-	-	
Closing work in process	-	-	
	-	-	
Cost of goods manufactured	49,659,007	71,939,824	
Opening finished goods	-	-	
Closing finished goods	-	-	
	-	-	
	49,659,007	71,939,824	

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, 2018	Sep 30, 2018
	Rupees	
Due to:		
Abdullah Sugar Mills Limited	666,948,701	667,375,471
Haseeb Waqas Trading (Private) Limited	2,204,064	2,204,064
Long term loan from directors	839,194,202	804,314,867

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 are being authorized for issue by the Board of Directors of the Company on January 29, 2019.

10 GENERAL

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

Mian Haseeb Ilyas
CHIEF EXECUTIVE.

Mian Abdullah Ilyaa
DIRECTOR.

Syed Mubashir Hussain Bukhari
CHIEF FINANCIAL OFFICER