



**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](mailto:cs@hwgc.com.pk)

### REGISTERED OFFICE

6-F, Model Town, Lahore  
Tel: 042-35917321-23  
Fax: 042-35917317  
Website: [www.hwgc.com.pk](http://www.hwgc.com.pk)

### CHIEF FINANCIAL OFFICER

Syed Mubashir Hussain Bukhari  
Tel: 042-35917327  
Email: [mubashir\\_qadari@hwgc.com.pk](mailto: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 HALF YEAR ENDED 31 MARCH 2017

### Dear Members

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 31 March	
	2017	2016
	(Rupees in thousand)	
Net Sales	884,515	875,029
Gross Profit / (Loss)	(127,588)	(339,809)
Net Profit / (Loss) before tax	(219,805)	(452,599)
Net Profit / (Loss) after tax	(142,073)	(432,269)
Basic Earning	(4.38)	(13.34)

During the period under review the reason of loss is that company could not operate due to closure of mill by order of honorable Supreme Court of Pakistan.

### 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 2017
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.

### AUDITOR'S REPORT

- Auditor's emphasis is the financial statements of the Company indicate that the Company incurred gross loss amounting to Rs. 127,588,114 and net loss from operations amounting to Rs. 160,655,186 during the period ended 31 March 2017 leading the negative equity of Rs. 1,426,238,067. Moreover, the current liabilities exceed current assets by Rs. 1,639,276,111.
- Auditor's emphasis is the financial statements of the Company indicate that the company is in process of negotiating with its banks for restructuring of long term loans because the Company's name has been included in the CIB report of State Bank of Pakistan due to overdue or repayment of long term loans; and



## HASEEB WAQAS SUGAR MILLS LIMITED

- iii) Auditor's emphasis is the financial statements of the Company which state that the Company's competitors, filed a writ petition in High Court, Lahore against the shifting of the Unit of the Company to Jattoi District, Muzaffargarh. However, 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.

In reply to Auditors' observations, your directors would like to submit that to mitigate the above issues your company has taken following steps:

- Restructuring of some current liabilities have already been done.
- BMR for energy saving done for compensation of losses in sugar production each year.
- Sponsors' have shown their commitment and given assurance for continuous support and make the project prosper.
- 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 August Supreme Court of Pakistan on 09 February 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.

### 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 orders of Lahore High Court on the subject issue.

### 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 May 2017**

**(MIAN HASEEB ILYAS)**  
Chief Executive



# HASEEB WAQAS SUGAR MILLS LIMITED

## REVIEW REPORT TO THE DIRECTORS

### Introduction

We have reviewed the accompanying condensed interim balance sheet of **HASEEB WAQAS SUGAR MILLS LIMITED** as at 31st March 2017 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity and selected notes to the accounts for the six-month period then ended (here-in-after referred to as the "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 of the condensed interim profit and loss account and condensed interim statement of comprehensive income for quarters ended March 31, 2017 and 2016 have not been reviewed, as we are required to review only the cumulative figures for the half year ended March 31, 2017.

### Scope of Review

We conducted our review in accordance with 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 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### Emphasis of Matter

Without qualifying our opinion, we draw attention to:

- i) Note # 5 in the interim financial information which indicate that the Company incurred gross loss amounting to Rs. 127,588,114/- and net loss from operations amounting to Rs. 160,655,186/- during the period ended March 31, 2017 leading to negative equity of Rs.1,426,238,067/-. Moreover, the current liabilities exceed current assets by Rs. 1,639,276,111/-. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern;
- ii) Note # 11.01 to the interim financial information which indicate that the Company is in process of negotiating with its banks for restructuring of long term loans because the Company's name has been included in CIB report of State Bank of Pakistan due to overdue of repayment of long-term loans; and
- iii) Note # 11.02 to the financial statements which state that the Company's competitors, filed a writ petition in High Court, Lahore against the shifting of the Unit of the Company to Jattoi District, Muzaffargarh. However, the case is yet pending before Lahore High Court & fate of operations of mill at the current location largely depends upon order of Honorable Lahore High Court on the subject issue.

Lahore  
Dated: May 31, 2017

**QADEER AND COMPANY**  
CHARTERED ACCOUNTANTS  
Nawaz Khan, FCA



# HASEEB WAQAS SUGAR MILLS LIMITED

## HASEEB WAQAS SUGAR MILLS LIMITED

### CONDENSED INTERIM BALANCE SHEET

AS AT MARCH 31, 2017

		Un-audited March 31, 2017	Audited Sep 30, 2016
		Rupees	
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized capital			
35,000,000 (Sep. 2016: 35,000,000) ordinary shares of Rs. 10 each		350,000,000	350,000,000
Issued, subscribed and paid up capital	6	324,000,000	324,000,000
Loan from Directors	7	725,008,670	615,211,264
Accumulated loss		(2,475,246,737)	(2,373,421,472)
		(1,426,238,067)	(1,434,210,208)
Surplus on Revaluation of Property, Plant and Equipment			
		1,643,287,867	1,683,536,288
Non Current Liabilities			
Long term financing	8	1,079,556,894	1,370,430,334
Deferred liabilities		33,672,335	34,397,335
Deferred taxation		700,985,992	778,717,623
		1,814,215,221	2,183,545,292
Current Liabilities			
Trade and other payables		515,878,612	664,207,763
Markup/ interest payables		248,787,436	261,949,861
Short term borrowings	9	469,069,319	312,262,432
Current portion of non current liabilities	10	584,130,748	540,740,258
		1,817,866,114	1,779,160,314
Contingencies and Commitments			
	11	-	-
		3,849,131,135	4,212,031,686
ASSETS			
Non Current Assets			
Property, plant and equipment	12	3,657,269,512	3,738,964,682
Long term deposits		13,271,620	13,271,620
		3,670,541,132	3,752,236,302
Current Assets			
Stores, spares and loose tools		30,358,404	23,704,046
Stock in trade	13	29,782,925	5,506,175
Advances ,deposits,prepayments and other recievables		115,730,811	422,667,745
Cash and bank balances		2,717,863	7,917,418
		178,590,003	459,795,384
		3,849,131,135	4,212,031,686

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 PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR AND 2ND QUARTER ENDED MARCH 31, 2017

	Note	Half year ended		Quarter ended	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
		Rupees		Rupees	
Sales - Net	14	884,515,492	875,029,556	593,678,932	875,029,556
Cost of goods sold	15	(1,012,103,606)	(1,214,837,989)	(670,821,925)	(1,123,620,612)
<b>Gross (loss)</b>		(127,588,114)	(339,808,433)	(77,142,993)	(248,591,056)
Operating expenses:					
- Administrative and general		(33,105,072)	(27,602,205)	(23,621,385)	(19,671,831)
		(160,693,186)	(367,410,638)	(100,764,378)	(268,262,887)
Other operating income		38,000	401,158	38,000	401,158
<b>(Loss) from operation</b>		(160,655,186)	(367,009,480)	(100,726,378)	(267,861,729)
Finance cost		(59,150,128)	(85,580,016)	(19,376,914)	(52,256,608)
<b>(Loss) before taxation</b>		(219,805,314)	(452,589,496)	(120,103,292)	(320,118,337)
Taxation					
Current		-	-	-	-
Deferred		77,731,630	20,320,863	81,403,889	33,993,122
		77,731,630	20,320,863	81,403,889	33,993,122
<b>(Loss) after taxation</b>		(142,073,684)	(432,268,633)	(38,699,403)	(286,125,215)
<b>Loss per share - basic and diluted</b>		(4.38)	(13.34)	(1.19)	(8.83)

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 COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE HALF YEAR AND 2ND QUARTER ENDED MARCH 31, 2017

	Half year ended		Quarter ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	Rupees		Rupees	
(Loss) after taxation	(142,073,684)	(432,268,633)	(38,699,403)	(286,125,215)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive (loss) for the period</b>	<b>(142,073,684)</b>	<b>(432,268,633)</b>	<b>(38,699,403)</b>	<b>(286,125,215)</b>

*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 CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2017

	March 31, 2017	March 31, 2016
	Rupees	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss)/profit before taxation	(219,805,314)	(452,589,496)
Adjustments for:		
- Depreciation	95,483,090	87,686,129
- Finance cost	59,150,128	85,580,016
	<u>154,633,218</u>	<u>173,266,145</u>
<b>Operating profit before working capital changes</b>	(65,172,096)	(279,323,351)
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	(6,654,358)	(23,152,451)
- Stock in trade	(24,276,750)	(8,365,307)
- Advances ,deposits,prepayments and other recievables	306,936,934	(17,706,714)
Increase / (decrease) in current liabilities:		
- Trade and other payables	(148,329,151)	166,137,644
	<u>127,676,674</u>	<u>116,913,172</u>
<b>Cash generated /(used in) from operations</b>	62,504,578	(162,410,179)
Income tax paid / deducted	-	-
Gratuity paid	-	(9,500)
Finance cost paid	<u>(72,312,553)</u>	<u>(21,829,035)</u>
<b>Net cash generated from/(used in) operating activities</b>	(9,807,975)	(184,248,714)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment purchased	(13,787,920)	(1,678,642)
Capital work in process	-	(101,161,465)
Proceeds from sale of property, plant and equipment	-	131,000
<b>Net cash (used in) investing activities</b>	(13,787,920)	(102,709,107)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds / (Repayment) from long term loans - Net	(223,850,003)	600,000,000
Proceeds / (Repayment) from Directors/Sponsors- Net	85,439,456	83,430,450
Proceeds / (Repayment) from short term borrowings - Net	<u>156,806,887</u>	<u>(391,574,739)</u>
<b>Net cash generated from financing activities</b>	<u>18,396,340</u>	<u>291,855,711</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(5,199,555)	4,897,890
Cash and cash equivalents at the beginning of the period	7,917,418	5,657,640
<b>Cash and cash equivalents at the end of the period</b>	<u><u>2,717,863</u></u>	<u><u>10,555,530</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 HALF YEAR ENDED MARCH 31, 2017

	Issued, subscribed and paid-up	Loan from Directors	Accumulated loss / Unappropriated profit Rupees	Total
<b>Balance as at September 30, 2015</b>	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	-	-	(432,268,633)	(432,268,633)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	(432,268,633)	(432,268,633)
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation	-	-	42,633,960	42,633,960
<b>Balance as at March 31, 2016</b>	324,000,000	412,280,184	(2,162,922,474)	(1,426,642,290)
Total comprehensive loss for the period				
Net (loss) for the period	-		(253,021,452)	(253,021,452)
Other comprehensive income	-		(111,506)	(111,506)
Total comprehensive income / (loss) for the period	-		(253,132,958)	(253,132,958)
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	-		42,633,959	42,633,959
<b>Balance as at September 30, 2016</b>	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	-		(142,073,684)	(142,073,684)
Other comprehensive income	-		-	-
Total comprehensive income / (loss) for the period	-		(142,073,684)	(142,073,684)
Increase in director's loan during the year	-	109,797,406	-	109,797,406
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation	-		40,248,420	40,248,420
<b>Balance as at March 31, 2017</b>	324,000,000	725,008,670	(2,475,246,737)	(1,426,238,067)

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

### SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED MARCH 31, 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 6F 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 six months period ended March 31, 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 March 31, 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 March 31, 2016 which is not subject to a review.
- 2.03 The comparative condensed balance sheet, presented in this condensed interim financial report, as at March 31, 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 six months period ended March 31, 2017 were subjected to review but not audited. The comparative condensed profit and loss account for the quarter ended March 31, 2016 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.

#### 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. 127.6 million as compared to last year's Rs. 339.8 million. Further, the Company's gross profit ratio and net profit ratio is negative 14% and 16% 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 72 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 # 11.02.

Further, in addition to above factors, current liabilities exceed current assets by Rs. 1,639 million as compared to six months before of Rs. 1,319 million; and equity stands negative at Rs. 1,426 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.

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

	<b>Note</b>	<b>Mar. 31, 2017</b>	<b>Sept. 30, 2016</b>
		<b>Rupees</b>	
<b>6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>			
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.

<b>7 LOAN FROM DIRECTORS</b>		<u>725,008,670</u>	<u>615,211,264</u>
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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. 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.

<b>8 LONG TERM FINANCING</b>			
<b>Loan from banking companies and other financial institutions-secured</b>	8.1	1,079,556,894	1,346,072,384
<b>Loan from Sponsors - unsecured</b>	8.2	-	24,357,950
		<u>1,079,556,894</u>	<u>1,370,430,334</u>
National Bank of Pakistan			
- Demand Finance I	8.1.1	220,000,000	220,000,000
- Demand Finance II	8.1.2	160,000,000	160,000,000
The Bank of Punjab			
- Demand Finance	8.1.3	285,000,000	298,125,000
Sindh Bank Ltd			
- Demand Finance	8.1.4	500,000,000	500,000,000
Silk Bank Ltd			
- Demand Finance	8.1.5	390,000,000	600,000,000
PAIR Investment Company Limited			
- Demand Finance	8.1.6	70,000,000	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		(133,333,330)	(106,666,664)
- BOP - Demand Finance		(85,500,000)	(70,125,000)
- Sindh Bank - Demand Finance		(176,609,776)	(120,260,952)
- Silk Bank Ltd		-	(75,000,000)
- Demand Finance - PAIR		(70,000,000)	(70,000,000)
		<u>(545,443,106)</u>	<u>(502,052,616)</u>
		<u>1,079,556,894</u>	<u>1,346,072,384</u>



# HASEEB WAQAS SUGAR MILLS LIMITED

	Note	Mar. 31, 2017	Sept. 30, 2016
		Rupees	
8.1.1 <b>Demand Finance I - NBP</b>			
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 <b>Demand Finance II - NBP</b>			
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 <b>Demand Finance - BOP</b>			
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		(13,125,000)	-
		<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.

8.1.4 <b>Demand Finance - Sindh Bank</b>			
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>500,000,000</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 <b>Demand Finance - Silk Bank Ltd</b>			
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		(210,000,000)	-
		<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	Mar. 31, 2017	Sept. 30, 2016
		Rupees	
<b>8.1.6 Demand Finance - PAIR</b>			
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>
<p>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.</p>			
<b>8.2 LOAN FROM SPONSORS</b>			
Loan from sponsors - unsecured		-	<u>24,357,950</u>
<p>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.</p> <p>Further, this loan is subordinated to National Bank of Pakistan, The Bank of Punjab, Sindh Bank Ltd and Silk Bank Ltd</p>			
<b>9 SHORT TERM BORROWINGS</b>			
Loan from related parties		<u>469,069,319</u>	<u>312,262,432</u>
		<u>469,069,319</u>	<u>312,262,432</u>
<b>10 CURRENT PORTION OF NON CURRENT LIABILITIES</b>			
Long term finances		545,443,106	502,052,616
Liabilities against assets subject to finance lease		<u>38,687,642</u>	<u>38,687,642</u>
		<u>584,130,748</u>	<u>540,740,258</u>
<b>11 CONTINGENCIES AND COMMITMENTS</b>			
11.01	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.		
11.02	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 the mill at the current location largely depends upon order of Honorable Lahore High Court on the subject issue.		
11.03	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.		
<b>12 PROPERTY, PLANT AND EQUIPMENT</b>			
Opening written down value		3,738,964,682	3,568,279,390
Additions/ during the period/year		<u>13,787,920</u>	<u>364,732,702</u>
		<u>3,752,752,602</u>	<u>3,933,012,092</u>
Depreciation for the period / year		<u>(95,483,090)</u>	<u>(194,047,410)</u>
		<u>3,657,269,512</u>	<u>3,738,964,682</u>
<b>13 STOCK IN TRADE</b>			
Work in process			
Sugar		29,590,925	5,314,815
By products stock		<u>192,000</u>	<u>191,360</u>
		<u>29,782,925</u>	<u>5,506,175</u>



# HASEEB WAQAS SUGAR MILLS LIMITED

	Half year ended		Quarter ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	Rupees		Rupees	
<b>14 SALES - NET</b>				
- Sugar	875,158,015	868,284,935	630,847,615	868,284,935
- Molasses	102,187,677	71,370,025	81,509,517	71,370,025
	977,345,692	939,654,960	712,357,132	939,654,960
Less: Sales tax and excise duty	(92,830,200)	(64,625,404)	(118,678,200)	(64,625,404)
	884,515,492	875,029,556	593,678,932	875,029,556
<b>15 COST OF GOODS SOLD</b>				
Raw materials consumed	833,759,652	1,001,321,797	500,085,004	966,767,985
Stores and spares consumed	2,233,194	49,531,224	324,071	47,671,431
Salaries, wages and other benefits	65,483,159	79,067,421	38,169,719	45,792,567
Insurance	1,176,549	626,017	1,176,549	626,017
Repair and maintenance	40,320,597	6,177,410	39,176,894	5,775,457
Depreciation	92,215,290	85,654,001	44,771,147	44,233,842
Others	1,191,915	825,426	1,191,915	825,426
	1,036,380,356	1,223,203,296	624,895,299	1,111,692,725
Opening work in process	5,506,175	3,867,211	75,709,551	24,160,405
Closing work in process	(29,782,925)	(8,498,838)	(29,782,925)	(8,498,838)
	(24,276,750)	(4,631,627)	45,926,626	15,661,567
Cost of goods manufactured	1,012,103,606	1,218,571,669	670,821,925	1,127,354,292
Opening finished goods	-	-	-	-
Closing finished goods	-	(3,733,680)	-	(3,733,680)
	-	(3,733,680)	-	(3,733,680)
	1,012,103,606	1,214,837,989	670,821,925	1,123,620,612

## 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:

	March 31, 2017	Sep 30, 2016
16.1.1 Transactions with Associates	Rupees	
Repayment / Obtain of Loan 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	149,605,501

**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.



# HASEEB WAQAS SUGAR MILLS LIMITED

<u>March 31, 2017</u>	<u>Sep 30, 2016</u>
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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 May 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