

Chief Executive

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Waqas Riaz Mian Muhammad Ilyas Mehraj

Mrs. Shehzadi Ilyas Miss Zainab Ilyas

Mr. Siddique Akbar Butt

Miss Maiza Riaz

Hafiz Muhammad Irfan Hussain Butt

COMPANY SECRETARY

Mr. M.Y. Sabir

AUDITORS

M/S Saeed Methani Mushtaq & Co. **Chartered Accountants**

BANKERS

Habib Bank Limited National Bank of Pakistan Allied Bank of Pakistan Limited United Bank Limited The Bank of Punjab

REGISTRAR

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

LEAGAL ADVISOR

Mr. Abdul Waheed Khan Chiddha Ahmad Law Associates Aziz Chambers, 1-Turner Road, Lahore

REGISTERED OFFICE

103-B/1, M.M. Alam Road, Gulberg-III, Lahore

MILLS

Mehrajabad, Teh. Nankana Sahib, Distt. Sheikhupura



DIRECTORS' REVIEW

Dear Members.

The Board of Directors of Haseeb Waqas Sugar Mills Limited has pleasure in presenting the un-audited accounts of the Company for the 4th quarter ended September 30, 2002.

REVIEW OF OPERATION

As discussed in previous reports, your Company has produced about 60% more sugar as compared to last year, which helped to increase the profitability of the Company.

FINANCIAL RESULTS

(Rupees in thousands)		
2002 2001		
230,890 26,529		
148,617 139,838		
72,188 (107,734)		
2.23 (3.33)		

Total production of the sugar in the Country during 2001-2002 is 3.250 million tons. The carry over stock from previous year was 0.621 million tons. The total available sugar is 3.871 million tons as against the requirement of 3.250 million tons. Government did not allow rebate on export of the excessive stock of sugar. The surplus stock of 0.621 million tons in the Country depressed the market during last quarter which compelled the mills to carry over the stock to the next year. Your management is trying its best to dispose off the previous stock before the new crushing season to save the Company from the loss.

FUTURE OUTLOOK

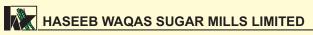
A good cane crop is reported during next season. Plant has been properly repaired and overhauled. We expect a good season during this year.

ACKNOWLEDGMENT

The Board places on record its appreciation of the services rendered by the employees of the Company.

On behalf of the Board of Directors

Lahore October 30, 2002 (Mian Waqas Riaz)
Chief Executive



BALANCE SHEET AS AT SEPTEMBER 30, 2002

Un-Audited	Audited
September 30, S	September 30,
2002	2001
(Rupees in	thousand)

5,256

5,256

TANGIBLE FIXED ASSETS

Operating fixed assets-at cost less depreciation	954,472	1,004,788
Assets subject to finance lease	149,177	155,393
	1,103,649	1,160,181

LONG TERM DEPOSITS

CURRENT ASSETS		
Store and spares	79,897	63,285
Stock in trade	398,590	453,265
Advances, deposits & prepayments	127,996	68,931
Cash and bank balances	28,051	17,680
Odon and bank balances	634,534	603,161
CURRENT LIABILITIES	, , , , ,	
Current portion of long term liabilities	59,694	81,900 457 591
Our ent portion or long term liabilities	432 895	157 501

 Current portion of long term liabilities
 59,694 | 432,895 | 457,591 | 132,802 | 21,343 | 693,636 |

 Short term loans
 166,210 | 29,372 | 688,171 | 693,636 |

 CPKING CAPITAL
 (53,637) | (90,475)

WORKING CAPITAL (53,637) (90,475) TOTAL CAPITAL EMPLOYED 1,055,268 1,074,962

Surplus on revaluation of fixed assets	501,571	501,571
•		
Long term loans	212,450	278,999
Liabilities against assets subject to finance lease	54,633	68,166
Deferred liabilities	39,932	51,732
	808,586	900,468
ET CAPITAL EMPLOYED	246.682	174.494

REPRESENTED BY:

Share capital and reserves		
Authorized capital	350,000	350,000
Issued, subscribed and paid-up capital	324,000	324,000
Accumulated loss	(77,318)	(149,506)
0.171.1051.10150.4.15.0044.471.451.70	246,682	174,494
ONTINGENCIES AND COMMITMENTS	_	_

The annexed notes form an integral part of these accounts.

CHIEF EXECUTIVE

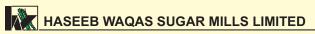


PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE YEAR ENDED SEPTEMBER 30, 2002

	Un-Audited			Audited
	Quarter ended	Quarter ended	Year ended	Year ended
	September	September	September	September
	30, 2002	30, 2001	30, 2002	30, 2001
		(Rupees in	thousand)	
Sales - Net	439,709	245,836	1,605,841	927,239
Cost of sales	383,946	264,786	1,334,729	867,189
GROSS PROFIT	55,763	(18,950)	271,112	60,050
Operating expenses:				
Administrative expenses	2,595	2,846	17,383	16,003
Selling expenses	4,956 7,551	11,403 14,249	22,839 40,222	17,518 33,521
	7,001	14,240	40,222	00,021
OPERATING PROFIT	48,212	(33,199)	230,890	26,529
Non-operating income	1,692	10,068	2,166	10,211
	49,904	(23,131)	233,056	36,740
Financial charges	35,805	38,764	148,617	139,838
Workers' profit participation fund	(583) 35,222	38,764	4,222 152,839	139,838
NET PROFIT/(LOSS) BEFORE TAXATION	14,682	(61,895)	80,217	(103,098)
Provision for taxation - current	2,198	1,229	8,029	4,636
NET PROFIT/(LOSS) AFTER TAXATION	12,484	(63,124)	72,188	(107,734)
Accumulated Profit/(Loss) brought forward	59,704	(44,610)	(149,506)	(41,771)
ACCUMULATED PROFIT/(LOSS)CARRIED TO BALANCE SHEET	72,188	(107,734)	(77,318)	(149,505)
Earning per share - Basic	0.39	(1.95)	2.23	(3.33)

The annexed notes form an integral part of these accounts.

CHIEF EXECUTIVE



CASH FLOW STATEMENT (UN-AUDITED) FOR THE YEAR ENDED SEPTEMBER 30, 2002

FOR THE TEAR ENDED SEFTEIN	DER 30, 20	02
	Year	Year
	ended	ended
	Sep 30, 2002	
CASH FLOW FROM OPERATING ACTIVITIES	(Rupees in	tnousand)
Net Profit/(loss) before taxation	80,217	(103,098)
	00,217	(100,000)
Depreciation Operating Assets	50,175	51,058
Asset subject to finance lease	6,216	5,968
Financial charges	148,617	139,838
Gain on sale of fixed assets	(524)	(9,915)
Gain on sale of fixed assets	204,484	186,949
Cash generated before working capital changes		
	284,701	83,851
Changes in working capital		
(Increase)/Decrease in current assets:		
Stores and spares	(16,613)	1,950
Stocks in trade	54,675	(441,518)
Advances, deposits & prepayments	(59,065)	(2,369)
	(21,003)	(441,936)
Increase/(Decrease) in current liabilities:		,
· · · · · · · · · · · · · · · · · · ·	(42,196)	410,432
Short term loans	39,690	2,072
Creditors, accrued and other liabilities		412,504
Not would be a suitable as as a	(2,506)	
Net working capital changes	(23,509)	(29,433)
Cash generated from operations	261,192	54,418
Financial charges paid	154,899	79,160
Net cash (outflow)/inflow from operating activities	106,293	(24,741)
CASH FLOW FROM INVESTING ACTIVITIES	(216)	(41)
Fixed capital expenditure	(216)	(41) 135
Proceeds from sale of fixed assets	_ 882	2,339
Long term deposits	666	$\frac{2,333}{(2,246)}$
Net cash (outflow)/inflow from investing activitie		(2,240)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans repayments	(81,630)	30,417
Payment to leasing companies	(13,259)	22,208
Deferred liabilities	(1,699)	(8,407)
Net cash (outflow) from financing activities	(96,588)	44,219
Net (Decrease)/Increase in cash and bank balances	10,371	17,231
Opening cash and bank balances	17,680	449
Closing cash and bank balances	28,051	17,680

CHIEF EXECUTIVE



STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

(Rupees in thousand)

	()			
	Share A			
Balance as at September 30, 2000	324,000	(41,771)	282,229	
Net profit/(loss) for the year	-	(107,735)	(107,735)	
Balance as at September 30, 2001	324,000	(149,506)	174,494	
Net profit/(loss) for the year	_	72,188	72,188	
Balance as at September 30, 2002	324,000	(77,318)	246,682	

CHIEF EXECUTIVE

DIRECTOR

NOTES TO THE ACCOUNTS (UN-AUDITED) FOR THE YEAR ENDED SEPTEMBER 30, 2002

1. STATUS AND NATURE OF BUSINESS

The company was incorporated in Pakistan on January 13, 1992 as public limited company and is listed on Lahore and Karachi stock exchanges. The company is principally engaged in the manufacture and sale of refined sugar and its by-products.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- i. These accounts are un-audited and are submitted to the shareholders as required under Notification No. SRO 764 (1)/2001dated November 05, 2001 of the Securities & Exchange Commission of Pakistan.
- ii. These accounts have been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting".
- **iii.** The present accounting policies and methods of computation followed for the preparation of these accounts are the same as those applied in the preparation of preceding annual accounts for the year ended September 30, 2001.



HASEEB WAQAS SUGAR MILLS LIMITED

3. CONTINGENCIES AND COMMITMENTS

Company is liable contingently to the sum of Rs. 25.153 million on account of supply of plant & machinery by Ittefaq Foundries (Pvt) Ltd. However, the company had made counter claim of Rs. 76.148 million for the losses suffered by the company due to bad quality/short supply of machinery supplied by M/S Ittefaq Foundries (Pvt) Ltd.

4. ADDITIONS / (DELETIONS) IN FIXED ASSETS

September 30, September 30, 2001 2002 (Rupees in thousand)

Plant & Machinery	-	(5,970)
Equipments	216	42
Vehicles	_(1,437)	(296)
Total	(1,221)	(6,224)

5. COST OF SALES

	Quarter	Quarter	Year	Year
	ended	ended	ended	ended
	September		September	September
	30, 2002	30, 2001	30, 2002	30, 2001
	(Rup	ees in	thous	and)
Raw materials	(260)	17,929	996,692	1,088,621
Salaries and wages	8,147	3,885	34,992	27,803
Chemical consumed	2,146	250	7,208	5,259
Packing material	44	196	12,447	7,287
Other manufacturing expenses	72,389	41,048	174,481	125,269
Depreciation	7,418	3,914	54,234	54,468
	89,884	67,222	1,280,054	1,308,707
Finished goods:				
Opening	692,652	650,829	453,265	11,747
Closing	(398,590)	(453,265)	(398,590)	(453,265)
v	294,062	197,564	54,675	(441,518)
	383,946	264,786	1,334,729	867,189

- 6. Income Tax assessment of the company has been finalised up to the assessment year 1999-2000. However, company is in appeal against certain decisions of the Assessing Officer.
- 7. Corresponding figures have been rearranged and reclassified. wherever necessary, for the purpose of comparison.

CHIEF EXECUTIVE