



HASEEB WAQAS SUGAR MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Waqas Riaz	Chief Executive
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



HASEEB WAQAS SUGAR MILLS LIMITED

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)

	<u>2002</u>	<u>2001</u>
Operating profit	230,890	26,529
Financial Charges	148,617	139,838
Net profit/(loss) after taxation	72,188	(107,734)
Earning/(loss) per share	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

**HASEEB WAQAS SUGAR MILLS LIMITED****BALANCE SHEET AS AT SEPTEMBER 30, 2002**

	Un-Audited September 30, 2002	Audited September 30, 2001
	(Rupees in thousand)	
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	5,256	5,256
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
	634,534	603,161
CURRENT LIABILITIES		
Current portion of long term liabilities	59,694	81,900
Short term loans	432,895	457,591
Creditors, accrued and other liabilities	166,210	132,802
Provision for taxation	29,372	21,343
	688,171	693,636
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
NET 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)
	246,682	174,494
CONTINGENCIES AND COMMITMENTS	-	-
	246,682	174,494

The annexed notes form an integral part of these accounts.

CHIEF EXECUTIVE

DIRECTOR

**HASEEB WAQAS SUGAR MILLS LIMITED****PROFIT AND LOSS ACCOUNT (UN-AUDITED)****FOR THE YEAR ENDED SEPTEMBER 30, 2002**

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

The annexed notes form an integral part of these accounts.

CHIEF EXECUTIVE**DIRECTOR**

**HASEEB WAQAS SUGAR MILLS LIMITED****CASH FLOW STATEMENT (UN-AUDITED)****FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	Year ended Sep 30, 2002	Year ended Sep 30, 2001
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(loss) before taxation	80,217	(103,098)
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)
	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:		
Short term loans	(42,196)	410,432
Creditors, accrued and other liabilities	39,690	2,072
	(2,506)	412,504
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		
Fixed capital expenditure	(216)	(41)
Proceeds from sale of fixed assets	882	135
Long term deposits	-	2,339
Net cash (outflow)/inflow from investing activities	666	(2,246)
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**DIRECTOR**



HASEEB WAQAS SUGAR MILLS LIMITED

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

	(Rupees in thousand)		
	Share Capital	Accumulated Profit/(Loss)	Total
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	<u>324,000</u>	<u>(77,318)</u>	<u>246,682</u>

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

- These accounts are un-audited and are submitted to the shareholders as required under Notification No. SRO 764 (1)/2001 dated November 05, 2001 of the Securities & Exchange Commission of Pakistan.
- These accounts have been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting".
- 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, 2002 **September 30, 2001**

(Rupees in thousand)

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

5. COST OF SALES

	Quarter ended September 30, 2002	Quarter ended September 30, 2001	Year ended September 30, 2002	Year ended September 30, 2001
	(Rupees in thousands)			
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
	<u>89,884</u>	<u>67,222</u>	<u>1,280,054</u>	<u>1,308,707</u>
Finished goods:				
Opening	692,652	650,829	453,265	11,747
Closing	(398,590)	(453,265)	(398,590)	(453,265)
	<u>294,062</u>	<u>197,564</u>	<u>54,675</u>	<u>(441,518)</u>
	<u>383,946</u>	<u>264,786</u>	<u>1,334,729</u>	<u>867,189</u>

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**DIRECTOR**