



HASEEB WAQAS SUGAR MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Mian Muhammad Ilyas Mehraj	Chairman
Mian Waqas Riaz	Chief Executive
Mrs. Shehzadi Ilyas	
Mst. Bano Miraj	
Miss Zainab Ilyas	
Miss Maiza Riaz	
Hafiz M. Irfan Hussain Butt	

AUDIT COMMITTEE

Hafiz M. Irfan Hussain Butt	Chairman
Mian Waqas Riaz	Member
Miss Maiza Riaz	Member

COMPANY SECRETARY

Mr. Muhammad Imran

REGISTERED OFFICE

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

MILLS

Mehrajabad,
Teh. Nankana Sahib,
Distt. Sheikhupura.

AUDITORS

M/S M. Yousuf Adil Saleem & Company
Chartered Accountants

LEGAL ADVISOR

Abdul Waheed Khan Chiddha
Ahmed Law Associates
Aziz Chamber, 1-Turner Road, Lahore.

REGISTRAR

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

BANKERS

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



HASEEB WAQAS SUGAR MILLS LIMITED

DIRECTORS' REVIEW

The directors of your Company take pleasure in presenting the unaudited Accounts for the period ended December 31, 2003.

FINANCIAL RESULTS:

The financial results of your Company for the period ended December 31, 2003 under review are summarized as follows:

	For the Quarter ended	
	December 31,	
	2003	2002
	(Rupees in thousand)	
Profit / (loss) before tax.	(17,977)	35,262
Provision for Taxation	2,268	2,241
Profit / (loss) after tax	<u>(20,245)</u>	<u>33,021</u>

The loss is mainly due to carryover surplus stocks, better production in the country and negligible export of sugar by Trading Corporation of Pakistan (TCP). The sugar prices remained depressed throughout the period resulting in operational losses for the Company.

OPERATIONAL PERFORMANCE:

The current season has started on November 30, 2003. Operating results for the period under review is as under:

		Nov.30,2003	Nov. 22, 2002
		To	To
		Jan.29, 2004	Jan.28,2003
Crushing Days	No.	61	68
Average Recovery	%	8.44	8.33
Cane Crushed	M. Tons	457,607	471,691
Sugar Produced	M. Tons	37,575	38,380

FUTURE OUTLOOK:

The TCP has completed its 100,000 Tons purchases and another 200,000 Tons has been called. This will definitely help to boost the prices in the market. Thanks to the good recoveries, which will reduce the losses of future period. The management of the Company is conscious of the adverse factors which are producing losses, and is making strenuous efforts to neutralize them by bringing about further improvement in production efficiency and cost controls.

ACKNOWLEDGMENT:

The Directors wish to keep on record their appreciation for the patronage of our valued customers and dedicated efforts made by employees of the Company.

On behalf of the Board

Lahore:
January 31, 2004

(Mian Waqas Riaz)
Chief Executive

**HASEEB WAQAS SUGAR MILLS LIMITED****BALANCE SHEET AS AT DECEMBER 31, 2003**

	Un-Audited December 31, 2003	Audited September 30, 2003
	(Rupees in thousand)	
TANGIBLE FIXED ASSETS		
Operating fixed assets-at cost less depreciation	952,123	974,698
Assets subject to finance lease-Net	113,550	116,967
	1,065,673	1,091,665
LONG TERM DEPOSITS	2,240	2,249
CURRENT ASSETS		
Store, spares and loose tools	71,538	68,172
Stock in trade	324,537	460,758
Receiveable	84,604	-
Advances, deposits & prepayments	198,514	154,252
Cash and bank balances	117,050	11,052
	796,243	694,234
CURRENT LIABILITIES		
Current portion of long term liabilities	121,908	124,698
Short term loans	483,409	541,210
Creditors, accrued and other liabilities	267,847	100,700
Provision for taxation	36,771	34,503
Dividend payable	723	734
	910,658	801,845
WORKING CAPITAL	(114,415)	(107,611)
TOTAL CAPITAL EMPLOYED	953,498	986,303
Surplus on revaluation of fixed assets	283,231	291,900
Long term liabilities	209,941	218,134
Liabilities against assets subject to finance lease	29,369	26,048
Deferred liabilities	198,204	197,223
	720,745	733,305
NET CAPITAL EMPLOYED	232,753	252,998
REPRESENTED BY:		
Share capital and reserves		
Authorized capital	350,000	350,000
Issued, subscribed and paid-up capital	324,000	324,000
Accumulated Loss	(91,247)	(71,002)
	232,753	252,998
CONTINGENCIES AND COMMITMENTS	-	-
	232,753	252,998

The annexed notes form an integral part of these accounts.

CHIEF EXECUTIVE

DIRECTOR

**HASEEB WAQAS SUGAR MILLS LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE QUARTER ENDED DECEMBER 31, 2003**

(Un-Audited)
For the Quarter ended
December 31,

	2003	2002
	(Rupees in thousand)	
Sales	453,535	448,219
Cost of sales	445,121	377,342
GROSS PROFIT	8,414	70,877
Operating expenses		
Administrative	5,763	3,795
Selling	2,765	745
	8,528	4,540
OPERATING PROFIT / (LOSS)	(114)	66,337
Other income	101	82
	(13)	66,419
Financial charges	17,964	29,301
Workers' profit participation fund	-	1,856
	17,964	31,157
NET PROFIT / (LOSS) BEFORE TAXATION	(17,977)	35,262
Provision for taxation	2,268	2,241
NET PROFIT / (LOSS) AFTER TAXATION	(20,245)	33,021
APPROPRIATION :		
INTERIM DIVIDEND (2002 @10%)	-	32,400
	(20,245)	621
Loss brought forward	(71,002)	(75,651)
Accumulated Loss Carried Forward	(91,247)	(75,030)
Basic Earning / (loss) per share	(0.62)	1.02

The annexed notes form an integral part of the financial statements.

CHIEF EXECUTIVE**DIRECTOR**

**HASEEB WAQAS SUGAR MILLS LIMITED****CASH FLOW STATEMENT (UN-AUDITED)****FOR THE QUARTER ENDED DECEMBER 31, 2003**For the Quarter ended
December 31,**2003** **2002**

(Rupees in thousand)

CASH FROM OPERATING ACTIVITIES

Net Profit/(loss) before taxation

(17,977) 35,262**Add:**

Items not involving movement of funds

Depreciation:

Operating Assets

14,439 13,828

Assets subject to finance lease

1,358 1,880

Provision for gratuity

483 -

Financial charges

17,964 29,301**34,244** 45,009**16,267** 80,271OPERATING PROFIT / (LOSS) BEFORE
WORKING CAPITAL CHANGES**CHANGES IN WORKING CAPITAL****(Increase)/Decrease in current assets:**

Stores and spares

(3,366) 7,698

Stocks in trade

136,221 15,762

Receivable

(84,604) -

Advances, deposits & prepayments

(44,262) 6,622**3,989** 30,082**Increase/(Decrease) in current liabilities:**

Short terms borrowings

(57,801) (98,145)

Creditors and accrued liabilities

167,147 143,494

Dividend payable

11 -**109,357** 45,349

Increase in working capital

113,346 75,431**CASH FROM OPERATING ACTIVITIES****129,613** **155,702**

Financial charges paid

15,386 **54,297****NET CASH FROM OPERATING ACTIVITIES****114,227** **101,405****CASH FROM INVESTING ACTIVITIES**

Fixed capital expenditure

(444) (445)

Long term deposits

(9) 3,096**(453)** 2,651**NET CASH USED IN INVESTING ACTIVITIES****113,774** 104,056**CASH FROM FINANCING ACTIVITIES**

Long term loans repayments

(8,802) (8,382)

Payment to leasing companies

45 (26,428)

Deferred liabilities

981 13,750**(7,776)** (21,060)

Net (Decrease)/Increase in cash and bank balances

105,998 82,996

Opening cash and bank balances

11,052 23,536

Closing cash and bank balances

117,050 **106,532****CHIEF EXECUTIVE****DIRECTOR**

**HASEEB WAQAS SUGAR MILLS LIMITED****STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**

	Share Capital	Revaluation Surplus	Accumulated Profit/(Loss)	For the Quarter ended December 31	
				2003	2002
	(Rupees in thousand)				
Balance as at Oct. 01, 2003	324,000	291,900	(71,002)	544,898	174,494
Depreciation on incremental value arising on revaluation surplus		(8,669)	8,669	-	
Net Profit/(Loss) for the period	-		(20,245)	(20,245)	(44,673)
Balance as on Dec. 31, 2003	324,000	283,231	(82,578)	524,653	129,821

CHIEF EXECUTIVE**DIRECTOR****NOTES TO THE ACCOUNTS (UN-AUDITED)****FOR THE QUARTER ENDED DECEMBER 31, 2003****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 being submitted to the shareholders as required under Notification No. SRO 764 (1) / 2001 dated November 05, 2001 of the Securities and 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, 2003.

3. CONTINGENCIES AND COMMITMENTS

- Company is liable contingently to the sum of Rs. 25.153 million on account of supply of plant & machinery by M/s 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.
- Cane Commissioner Punjab has filed a claim against the company for the recovery of road cess and matter is under litigation before High Court.
- The Collector of Sales Tax and Central Excise (Adjudication) Lahore has issued a showcase notice to the company for the further tax amounting to Rs. 47.019 million up to tax period 9/2002 on the grounds that it charged Sales Tax at the rate of 15% on its sales to persons liable to be registered.

**HASEEB WAQAS SUGAR MILLS LIMITED****4. ADDITIONS / (DELETIONS) IN OPERATING FIXED ASSETS**

	Un-Audited December 31, 2003	Audited September 30, 2002
	(Rupees in thousand)	
Plant & Machinery	-	-
Equipments	10	231
Vehicles	791	6,629
	-	(553)
Total	791	6,076
	801	6,307

5. COST OF SALES

	Un-Audited For the Quarter ended December 31	
	2003	2002
	(Rupees in thousand)	
Raw materials	275,130	309,448
Salaries and wages	8,197	7,769
Fuel Consumed	878	922
Chemical Consumed	645	955
Oil and Lubricants	364	366
Repair & Maintenance	3,558	18,510
Packing Material	3,182	3,081
Stationary	120	138
Insurance	1,534	4,995
Entertainment	119	62
Freight & Octroi	83	118
Depreciation	15,090	15,217
	308,900	361,580
Finished Goods:		
Opening	460,758	398,101
Closing	(324,537)	(382,339)
	136,221	15,762
	445,121	377,342

6. Income Tax assessment of the company has been finalized 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**