

**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)	<b>544,898</b>	174,494
Depreciation on incremental value arising on revaluation surplus		(8,669)	8,669	-	
Net Profit/(Loss) for the period	-		(20,245)	<b>(20,245)</b>	(44,673)
<b>Balance as on Dec. 31, 2003</b>	<b>324,000</b>	<b>283,231</b>	<b>(82,578)</b>	<b>524,653</b>	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**

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

**5. COST OF SALES**

	<b>Un-Audited For the Quarter ended December 31</b>	
	<b>2003</b>	<b>2002</b>
	(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**