



COMPANY INFORMATION

BOARD OF DIRECTORS

Mian Muhammad Ilyas Mehraj	Chairman
Mian Waqas Riaz	Chief Executive
Mrs. Shahzadi Ilyas	
Mrs. Bano Mehraj	
Mrs. Zainab Waqas	
Mst. Maiza Riaz	
Hafiz Muhammad Irfan Hussain Butt	

AUDIT COMMITTEE

Hafiz. Muhammad Irfan Hussain Butt	Chairman
Mian Waqas Riaz	Member
Mst. 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. Yousuf Adil Saleem & Co.
Chartered Accountants
Apt. # 4, Block B, 90-Canal Park
Gulberg-II, Lahore.

LEGAL ADVISOR

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

REGISTRAR

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

BANKERS

National Bank of Pakistan
PICIC Commercial Bank Limited
Muslim Commercial Bank Limited
United Bank Limited
The Bank of Punjab

WEBSITE

www.hwgc.com.pk



HASEEB WAQAS SUGAR MILLS LIMITED

DIRECTORS' REVIEW

The directors of your Company take pleasure in presenting the unaudited accounts for the quarter ended December 31, 2004.

FINANCIAL RESULTS:

The financial results of your company for the period ended December 31, 2004 under review are summarized as follows:

	For the Quarter ended December 31,	
	2004	2003
	(Rupees in thousand)	
Profit / (loss) before tax	61,472	(17,977)
Provision for Taxation	9,860	2,268
Profit / (loss) after tax	<u>51,612</u>	<u>(20,245)</u>

As evident from the above results, the company has performed exceptionally well and managed to earn good profits for the company. This has been achieved by the grace of Almighty Allah, good market conditions and prudent policies of the management.

OPERATIONAL PERFORMANCE:

The current crushing season started on November 19, 2004. Operating results for the period under review is as under:

		Nov. 19, 2004 To Jan. 28, 2005	Nov. 30, 2003 To Jan. 29, 2004
Crushing Days	No.	70	61
Average Recovery	%	8.60	8.44
Cane Crushed	M. Tonnes	394,712	457,607
Sugar Produced	M. Tonnes	32,975	37,575

FUTURE OUTLOOK:

Whole of the sugar industry is currently facing problem of shortage of sugar cane which has hampered crushing during the period under review and has consequently reduced the total amount of sugar produced. But due to this sugar prices have also increased which will, along with good recovery, compensate the effect of high pricing of sugar cane and lesser volumes of production.

ACKNOWLEDGMENT:

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

On behalf of the Board

Lahore:
January 29, 2005

Mian Waqas Riaz
(Chief Executive)

**HASEEB WAQAS SUGAR MILLS LIMITED****BALANCE SHEET AS AT DECEMBER 31, 2004**

	Un-Audited December 31, 2004	Audited September 30, 2004
	(Rupees in thousand)	
TANGIBLE FIXED ASSETS		
Operating fixed assets-at cost less depreciation	1,033,469	1,030,203
Assets subject to finance lease-Net	1,089	1,147
	1,034,558	1,031,350
LONG TERM DEPOSITS	89	89
CURRENT ASSETS		
Stores, spares and loose tools	21,139	74,502
Stock in trade	338,842	290,183
Advances, deposits & prepayments	123,673	61,043
Cash and bank balances	225,710	72,589
	709,364	498,317
CURRENT LIABILITIES		
Current portion of long term liabilities	55,563	55,552
Short term loans	525,316	305,100
Creditors, accrued and other liabilities	98,286	115,661
Provision for taxation	23,559	21,400
Dividend payable	713	713
	703,437	498,426
WORKING CAPITAL	5,927	(109)
TOTAL CAPITAL EMPLOYED	1,040,574	1,031,330
Surplus on revaluation of fixed assets	274,286	274,286
Long term liabilities	223,500	273,445
Liabilities against assets subject to finance lease	458	583
Deferred liabilities	181,243	173,542
	679,487	721,856
NET CAPITAL EMPLOYED	361,087	309,474
REPRESENTED BY:		
Share capital and reserves		
Authorized capital	350,000	350,000
Issued, subscribed and paid-up capital	324,000	324,000
Accumulated Profit / (Loss)	37,087	(14,526)
	361,087	309,474
CONTINGENCIES AND COMMITMENTS	-	-
	361,087	309,474

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, 2004**

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

	2004	2003
	(Rupees in thousand)	
Sales	431,841	453,535
Cost of sales	351,835	445,121
GROSS PROFIT	80,006	8,414
Operating expenses		
Administrative	5,422	5,763
Selling	1,115	2,765
	6,538	8,528
OPERATING PROFIT / (LOSS)	73,469	(114)
Other income	424	101
	73,893	(13)
Financial charges	9,185	17,964
Workers' profit participation fund	3,235	-
	12,420	17,964
NET PROFIT / (LOSS) BEFORE TAXATION	61,473	(17,977)
Provision for taxation	2,159	2,268
Deferred taxation	7,701	-
	9,860	2,268
NET PROFIT / (LOSS) AFTER TAXATION	51,613	(20,245)
Loss brought forward	(14,526)	(71,002)
ACCUMULATED LOSS CARRIED FORWARD	37,087	(91,247)
Basic Earning / (loss) per share	1.59	(0.62)

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, 2004**For the Quarter ended
December 31,**2004** **2003**

(Rupees in thousand)

CASH FROM OPERATING ACTIVITIES

Net Profit/(loss) before taxation

61,472 (17,977)**Add:**

Items not involving movement of funds

Depreciation:

Operating Assets

15,104 14,439

Assets subject to finance lease

58 1,358

Provision for gratuity

471 483

Financial charges

9,185 17,964**24,818** 34,244OPERATING PROFIT / (LOSS) BEFORE
WORKING CAPITAL CHANGES**86,290** 16,267**CHANGES IN WORKING CAPITAL****(Increase)/Decrease in current assets:**

Stores and spares

(53,362) (3,366)

Stocks in trade

(48,659) 136,221

Receivable

- (84,604)

Advances, deposits & prepayments

(62,719) (44,262)**(164,740)** 3,989**Increase/(Decrease) in current liabilities:**

Short terms borrowings

219,745 (57,801)

Creditors and accrued liabilities

17,375 167,147

Dividend payable

- 11**237,120** 109,357

Increase in working capital

72,380 113,346**CASH FROM OPERATING ACTIVITIES****158,670** 129,613

Financial charges paid

(26,103) (15,386)**NET CASH FROM OPERATING ACTIVITIES****132,567** 114,227**CASH FROM INVESTING ACTIVITIES**

Fixed capital expenditure

(19,263) (444)

Long term deposits

893 (9)**(18,370)** (453)**NET CASH USED IN INVESTING ACTIVITIES****114,197** 113,774**CASH FROM FINANCING ACTIVITIES**

Long term loans repayments

50,159 (8,802)

Payment to leasing companies

(114) 45

Deferred liabilities

(11,121) 981**38,924** (7,776)

Net (Decrease)/Increase in cash and bank balances

153,121 105,998

Opening cash and bank balances

72,589 11,052**CLOSING CASH AND BANK BALANCES****225,710** 117,050**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	
				2004	2003
	(Rupees in thousand)				
Balance as at Oct. 01, 2004	324,000	274,286	(14,526)	583,760	544,898
Net Profit/(Loss) for the period	-	-	51,613	51,613	(20,245)
Balance as on Dec. 31, 2004	324,000	274,286	37,087	635,373	524,653

CHIEF EXECUTIVE

DIRECTOR

NOTES TO THE ACCOUNTS (UN-AUDITED) FOR THE QUARTER ENDED DECEMBER 31, 2004

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 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, 2004.

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, 2004	Audited September 30, 2003
	(Rupees in thousand)	
Residential Building	-	892
Plant & Machinery	19,200	-
Equipments	63	62
Vehicles	-	2,494
Deletion	(893)	(1,196)
	(893)	1,298
Total	18,370	2,252

5. COST OF SALES

	Un-Audited For the Quarter ended December 31	
	2004	2003
	(Rupees in thousand)	
Raw materials	328,118	275,130
Salaries and wages	8,297	8,197
Fuel Consumed	750	878
Chemical Consumed	988	645
Oil and Lubricants	411	364
Repair & Maintenance	41,208	3,558
Packing Material	3,257	3,182
Stationary	503	120
Insurance	2,159	1,534
Entertainment	166	119
Freight & Octroi	131	83
Depreciation	14,505	15,090
	400,494	308,900
Finished Goods:		
Opening	290,183	460,758
Closing	(338,842)	(324,537)
	(48,659)	136,221
	351,835	445,121

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**