

**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)
<b>Balance as on Dec. 31, 2004</b>	<b>324,000</b>	<b>274,286</b>	<b>37,087</b>	<b>635,373</b>	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**

	<b>Un-Audited December 31, 2004</b>	<b>Audited September 30, 2003</b>
	(Rupees in thousand)	
Residential Building	-	892
Plant & Machinery	19,200	-
Equipments	63	62
Vehicles	-	2,494
Deletion	(893)	(1,196)
	<u>(893)</u>	<u>1,298</u>
Total	<u>18,370</u>	<u>2,252</u>

**5. COST OF SALES**

	<b>Un-Audited For the Quarter ended December 31</b>	
	<b>2004</b>	<b>2003</b>
	(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
	<u>400,494</u>	<u>308,900</u>
Finished Goods:		
Opening	290,183	460,758
Closing	(338,842)	(324,537)
	<u>(48,659)</u>	<u>136,221</u>
	<u>351,835</u>	<u>445,121</u>

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**