



# HASEEB WAQAS SUGAR MILLS LIMITED

## DIRECTORS' REVIEW

The directors of your Company are pleased to present the un-audited Accounts of the Company for the Quarter ended on December 31, 2007.

## FINANCIAL RESULTS:

The financial results of your Company for the period under review are summarized as follows:

### For the Quarter ended December 31,

	<u>2007</u>	<u>2006</u>
	(Rupees in thousands)	
Net sales	61,908	388,617
Gross loss	(53,132)	(7,737)
Net loss before tax	(85,310)	(33,122)
Net loss after tax	(84,699)	(35,597)
Basic loss per share (Rupees)	(2.61)	(1.10)

The Company has entered into a sugar sales agreement of Rs 174 Million with Trading Corporation of Pakistan (TCP) but the transaction could not be accounted for due to pending documentary requirements till the end of this reporting period. The Company continued to focus its attention on sale of remaining unsold sugar stock but due to depressed prices, a reasonable portion of sugar stocks remained unsold which is being disposed off slowly and gradually as per market condition to save the Company from higher losses. Carried over stocks produced at higher costs and rising mark-up rates of the borrowings are attributing towards the loss for the Company.

## OPERATIONAL ANALYSIS:

The crushing season started on November 23, 2007. Operating results for the period under review are given hereunder:-

		<u>Nov. 23, 2007</u>	<u>Nov. 23, 2006</u>
		<u>To</u>	<u>To</u>
		<u>Jan. 29, 2008</u>	<u>Jan. 29, 2007</u>
Crushing Days	No.	68	68
Average Recovery	%	7.97	7.75
Cane Crushed	M. Tons	228,486	259,862
Sugar Produced	M. Tons	16,124	19,455

## FUTURE OUTLOOK:

The profitability of the sugar industry and of course, of your company is mainly dependent on favorable sugar prices in future. The consistent policies of the Government towards maintenance of reasonable sugar prices by purchasing sugar through TCP and eliminating/ lowering sales tax on sugar can play a pivotal role to save the industry from economic distress. The management of Company is anticipating a tough and challenging season for the sugar industry and will try its level best to take all necessary measures to improve the profitability of the Company.

## ACKNOWLEDGEMENT:

The directors express their appreciation and pay their gratitude to sugarcane growers, valuable customers, shareholders, banks and Government departments for their continued support, trust, persistent cooperation and patronage which gives strength to pursue our corporate objectives with renewed vigor. The Board also acknowledges the valuable teamwork, devotion to duty and dedicated services rendered by the executives, employees and workers of the Company.

On behalf of the Board

Lahore:  
January 31, 2008

Siddique Akbar Butt  
Chief Executive