



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UN-AUDITED) FOR THE QUARTER ENDED DECEMBER 31, 2008

### 1 REPORTING ENTITY

Haseeb Waqas Sugar Mills Limited ("the Company") was incorporated on 13 January 1992 as a Public Limited Company under the Companies Ordinance, 1984. The Company's registered office is situated at 103 B-1 M.M. Alam Road, Gulberg III, Lahore. The mills is situated at Merajabad, Nankana Sahib, District Sheikhupura. The Company is listed on Lahore and Karachi Stock Exchanges. The principal activity of the Company is manufacture and sale of refined sugar and related by-products.

### 2 BASIS OF PREPARATION

The comparative balance sheet as at 30 September 2008 and the related notes to the condensed interim financial statements are based on unaudited financial statements. The comparative profit and loss account, cash flow statements and statement of changes in equity for three months period ended December 31, 2007 and the related notes are based on unaudited interim financial statements.

The crushing season 2008-2009 of the Company commenced on 26 November 2008.

The business operations of the Company are of cyclic nature and are subject to seasonal fluctuations and as such the amounts are not entirely comparable.

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the directives issued by the Securities and Exchange Commission of Pakistan and are in compliance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and being submitted to shareholders as required by Section 245 of the Companies Ordinance, 1984.

#### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain items of property, plant and equipment at revalued amount and employees retirement benefits at present value. In these financial statements, except for the cash flow statement, all transactions have been accounted for on accrual basis.

#### 2.3 Judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

#### 2.4 Functional currency

These financial statements are prepared in Pak Rupees which is the Company's functional currency.

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these interim financial statements are consistent with those applied in the preparation of the preceding annual financial statements of the Company for the year ended September 30, 2008.

### 4 CONTINGENCIES AND COMMITMENTS

#### Contingencies

There is no change in contingencies since September 30, 2008.

#### Commitments

There is no material change in commitments since September 30, 2008.



# HASEEB WAQAS SUGAR MILLS LIMITED

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		(Un-audited)	
		Dec. 31, 2008	Sep. 30, 2008
		(Rupees)	
<b>5</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
	Notes		
	Net book value	5.1	
		1,050,506,557	1,065,292,856
5.1	As at beginning of the period - (Book value)	1,065,292,856	972,410,383
	Additions during the period	5.2	-
	Revaluation surplus arising during the period	-	11,297,161
	Disposal during the period - (Book value)	5.2	-
	Depreciation charged during the period	(14,786,299)	(56,735,708)
	As at the end of the period - (Book value)	1,050,506,557	1,065,292,856
		(Un-audited)	(Un-audited)
		December 31, 2008	September 30, 2008
		Rupees	
<b>5.2</b>	<b>Additions and disposals</b>		
		Addition	Disposal
	Plant and machinery	-	-
	Vehicles	-	-
		10,436,351	-
		860,810	5,808,453
		11,297,161	5,808,453
		(Un-audited)	(Un-audited)
		Dec. 31, 2008	Dec. 31, 2007
		Rupees	
<b>6</b>	<b>SALES</b>		
	Sugar	239,405,000	66,449,456
	Molasses	-	4,133,210
	Mud	363,000	101,600
		239,768,000	70,684,266
	Less: Sales tax	31,934,037	8,776,508
		207,833,963	61,907,758
<b>7</b>	<b>COST OF GOODS SOLD</b>		
	Raw material consumed	234,341,074	205,869,361
	Salaries, wages and benefits	14,045,100	12,696,749
	Stores, spares and loose tools consumed	6,797,278	8,197,882
	Repair and maintenance	21,796,013	12,410,715
	Insurance	1,288,887	1,930,788
	Depreciation	13,400,517	12,902,702
	Others	651,430	649,337
		292,320,299	254,657,534
	<b>Work in process</b>		
	Opening stock	5,156,057	3,761,637
	Closing stock	(36,901,495)	(25,821,750)
		(31,745,438)	(22,060,113)
	Cost of goods manufactured	260,574,861	232,597,421
	<b>Finished goods</b>		
	Opening stock	229,813,515	413,421,145
	Closing stock	(309,222,618)	(530,978,747)
		(79,409,103)	(117,557,602)
		181,165,758	115,039,819



# HASEEB WAQAS SUGAR MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UN-AUDITED) FOR THE QUARTER ENDED DECEMBER 31, 2008

### 8 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated undertakings and other related group companies, key management personnel including Chief executive, Directors and Executives and Post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties.

Details of transactions with related parties are as follows:

------(Un-audited)-----  
Dec. 31, 2008      Dec. 31, 2007  
----- (Rupees) -----

#### 8.1 Transactions with related parties other than key management personnel

Sale of molasses	26,400,000	3,318,248
Purchase of machinery and components	17,287,603	61,020,000
Purchase of chemical	1,111,503	-
Sale of stores	733,559	-
Other transactions	-	49,724,647

8.1.1 Payments against purchase of machinery, components and chemicals were partially made through payments for joint / common expenses on behalf of related parties.

------(Un-audited)-----  
Dec. 31, 2008      Sep. 30, 2008  
----- Rupees -----

#### 8.2 Balances with related parties

Due to:		
Abdullah Sugar Mills Limited	42,891,964	249,422
Haseeb Waqas Trading (Pvt) Limited	2,204,064	2,204,064

Due to related parties represents balances resulting from related party transactions entered into in ordinary course of business.

### 9 GENERAL

There are no significant activities since 30 September 2008 that may affect these financial statements.

Figures have been rounded off to the nearest of rupee.