

# HASEEB WAQAS SUGAR MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UN-AUDITED) FOR THE QUARTER ENDED JUNE 30, 2009

### 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, District Nankana Sahib. 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 nine months period ended June 30, 2009 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 judgments 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.

	Notes	(Un-audited) June. 30, 2009	(Audited) Sep. 30, 2008
		----- (Rupees) -----	
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>			
Net book value	5.1	<u>1,020,994,098</u>	<u>1,065,292,856</u>
5.1 As at beginning of the period - (Book value)		<u>1,065,292,856</u>	972,410,383
Additions during the period	5.2	-	11,297,161
Revaluation surplus arising during the period		-	144,129,473
Disposal during the period - (Book value)	5.2	-	(5,808,453)
Depreciation charged during the period		<u>(44,298,758)</u>	<u>(56,735,708)</u>
As at the end of the period - (Book value)		<u>1,020,994,098</u>	<u>1,065,292,856</u>

	(Un-audited) June 30, 2008	(Audited) September 30, 2008
	----- Rupees -----	----- Rupees -----
<b>5.2 Additions and disposals</b>		
	Addition Disposal	Addition Disposal
Plant and machinery	- -	10,436,351 -
Vehicles	- -	860,810 5,808,453
	<u>- -</u>	<u>11,297,161 5,808,453</u>

	(Unaudited)	
	For the 9 months ended	For the 3rd quarter ended
	June 30, 2009 June 30, 2008	June 30, 2009 June 30, 2008
	----- Rupees -----	----- Rupees -----

## 6 SALES

Sugar	459,535,673	819,482,981	205,915,605	400,723,935
Molasses	36,068,175	87,564,990	-	15,660,000
Mud	396,200	231,500	20,000	54,300
	<u>496,000,048</u>	<u>907,279,471</u>	<u>205,935,605</u>	<u>416,438,235</u>
Less: Sales tax	<u>63,669,242</u>	<u>101,531,408</u>	<u>24,601,422</u>	<u>33,862,584</u>
	<u>432,330,806</u>	<u>805,748,063</u>	<u>181,334,183</u>	<u>382,575,651</u>

## 7 COST OF GOODS SOLD

Raw material consumed	342,336,559	775,504,902	6,408,227	16,912,289
Salaries, wages and benefits	33,686,385	42,377,873	3,355,706	10,546,691
Stores, spares and loose tools consumed	18,048,733	26,202,125	5,956,837	5,444,783
Repair and maintenance	42,920,869	38,852,466	17,682,319	15,522,319
Insurance	3,039,101	5,295,889	824,108	1,988,920
Depreciation	40,030,007	38,690,813	13,228,972	12,904,769
Others	2,038,246	2,747,122	847,289	695,651
	<u>482,099,900</u>	<u>929,671,190</u>	<u>48,303,458</u>	<u>64,015,422</u>
<b>Work in process</b>				
Opening stock	4,289,437	3,761,637	2,699,535	19,033,605
Closing stock	(3,048,930)	(4,732,207)	(3,048,930)	(4,732,207)
	<u>1,240,507</u>	<u>(970,570)</u>	<u>(349,395)</u>	<u>14,301,398</u>
Cost of goods manufactured	<u>483,340,407</u>	<u>928,700,620</u>	<u>47,954,063</u>	<u>78,316,820</u>
<b>Finished goods</b>				
Opening stock	228,926,388	413,421,145	414,417,115	628,774,965
Closing stock	(311,598,500)	(502,930,393)	(311,598,500)	(502,930,393)
	<u>(82,672,112)</u>	<u>(89,509,248)</u>	<u>102,818,615</u>	<u>125,844,572</u>
	<u>400,668,295</u>	<u>839,191,372</u>	<u>150,772,678</u>	<u>204,161,392</u>

## 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 tr

Details of transactions with related parties are as follows:

		----- (Un-audited) -----	
	Notes	June 30, 2009	June 30, 2008
		----- (Rupees) -----	
<b>8.1 Transactions with related parties other than key management personnel</b>			
Sale of molasses		<b>36,068,175</b>	83,432,748
Purchase of machinery and components		<b>25,127,722</b>	22,511,669
Purchase of chemical		<b>1,170,994</b>	314,737
Sale of stores		<b>615,341</b>	836,447
Markup Charged to Related Parties		-	6,897,617
		<b>(Un-audited)</b>	<b>(Audited)</b>
		<b>June 30, 2009</b>	<b>Sep. 30, 2008</b>
		----- Rupees -----	

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

## 9 DATE OF AUTHORIZATION

These condensed interm financial statements were authorized for issue on July 30, 2009 by the Board fo Directors of the company.

## 10 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.

**CHIEF EXECUTIVE**  
Lahore: July 30, 2009

**DIRECTOR**