



HASEEB WAQAS SUGAR MILLS LIMITED



HASEEB WAQAS SUGAR MILLS LIMITED

Company Information

Board of Directors

1. Mr. Raza Mustafa
2. Mian Haseeb Ilyas
3. Mian Waqas Riaz
4. Ms. Zainab Waqas
5. Mrs. Shahzadi Ilyas
6. Ms. Zakia Ilyas
7. Mrs. Yasmin Riaz
8. Miss. Aqsa Riaz

Chairman
Chief Executive
Director
Director
Director
Director
Director
Director

Audit Committee

1. Mr. Raza Mustafa (Chairman)
2. Ms. Zakia Ilyas (Member)
3. Mrs. Yasmin Riaz (Member)

Human Resource & Remuneration Committee

1. Mian Waqas Riaz (Member)
2. Mrs. Zainab Waqas (Member)
3. Ms. Zakia Ilyas (Member)

Company Secretary

Mr. Ansar Ahmed, FCA
Tel: 042-35917313
Email: cs@hwgc.com.pk

Chief Financial Officer

Syed Mubashar Hussain Bukhari
Tel: 042-35917321-3
Email: hwgc@hwgc.com.pk

Auditors

M/s Qadeer & Company
Chartered Accountants
89-F, Jail Road, Lahore

Registrar

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

Mills

Mauza Jagmal
Tehsil Jattoi
Distt. Muzzafargarh

Registered Office

06-F, Model Town, Lahore
Tel: 042-35917321-23
Fax: 042-35917317
Website: www.hwgc.com.pk

Bankers

National Bank of Pakistan
Sindh Bank Limited
The Bank of Punjab

Legal Advisor

Muhammad Ahsan Khan
(Advocate)

**DIRECTORS' REVIEW****FOR THE NINE MONTHS ENDED 30 JUNE 2019****Dear Members**

The Directors of your Company take this opportunity to present the interim accounts for the period of nine months ended on 30 June 2019.

FINANCIAL RESULTS

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

	For the Nine Months ended 30 June	
	2019	2018
	(Rupees in thousand)	
Net Sales	-	217,857
Gross Profit / (Loss)	(139,263)	(329,752)
Net Profit / (Loss) before tax	(307,351)	(464,463)
Net Profit / (Loss) after tax	(284,805)	(451,179)
Basic Earning	(8.79)	(13.93)

Since review petition dismissed by August Supreme Court of Pakistan, we could not operate mills hence incurred losses.

OPERATIONAL DATA

		June 2019	26 February 2018 To 01 April 2018
Crushing days	Days	-	35
Average recovery	%age	-	88.50
Cane crushed	M.T.	-	76,819.660
Sugar produced	M.T.	-	5,808

FUTURE OUTLOOK

Our review petition dismissed by August Supreme Court and management considering alternate options available including but not limited to application to Ministry of Industries, under Section 3 of the Punjab Industries (Control on Establishment and Enlargement) Ordinance, 1963. In this context we have moved an application to Ministry of Industries under Section 3 of the Punjab Industries (Control on Establishment and Enlargement) Ordinance, 1963.



However, if management opt to restore and restitute the position by dismantling & removing the said mills from the present location than cost may be borne by the Company.

ACKNOWLEDGEMENT

The Board of Directors deeply express their appreciation and pay their gratitude to sugarcane growers, valuable customers, shareholders, banks and Government departments for their continued support, trust, persistent co-operation and patronage which gives strength to pursue our corporate objectives with renewed vigor. The Board also acknowledges the valuable teamwork, devotion and dedication by the executives, employees and workers of the Company.

On behalf of the Board

Lahore
30 July 2019

(MIAN HASEEB ILYAS)
Chief Executive

**HASEEB WAQAS SUGAR MILLS LIMITED****CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)****AS AT JUNE 30, 2019**

		Un-audited June 30, 2019	Audited Sep 30, 2018
CAPITAL AND LIABILITIES	Note	Rupees	
Share Capital and Reserves			
Authorized capital 35,000,000 (Sep. 2018 : 35,000,000) ordinary shares of Rs. 10 each		350,000,000	350,000,000
Issued, subscribed and paid up capital	6	324,000,000	324,000,000
Loan from Directors	7	842,031,639	829,647,072
Capital Reserves			
Surplus on Revaluation of Property, Plant and equipments		1,471,321,534	1,527,024,369
Revenue Reserves		(3,507,603,016)	(3,278,500,546)
Accumulated loss		(870,249,843)	(597,829,105)
Non Current Liabilities			
Long term financing	8	515,586,616	549,373,562
Deferred liabilities		17,343,374	17,343,374
Deferred taxation		697,011,883	719,558,548
		1,229,941,873	1,286,275,484
Current Liabilities			
Trade and other payables		785,022,699	814,472,632
Markup/ interest payables		526,826,283	396,565,989
Short term borrowings	9	657,339,727	669,579,535
Unclaimed Dividend		1,443,972	1,443,972
Current portion of non current liabilities	10	1,190,937,642	1,102,814,080
		3,161,570,323	2,984,876,208
Contingencies and Commitments			
	11	-	-
		3,521,262,354	3,673,322,587
ASSETS			
Non Current Assets			
Property, plant and equipment	12	3,351,797,177	3,483,247,293
Long term deposits		490,000	490,000
		3,352,287,177	3,483,737,293
Current Assets			
Stores, spares and loose tools		55,892,796	55,684,867
Stock in trade	13	-	-
Advances ,deposits,prepayments and other recievables		111,083,278	131,797,120
Cash and bank balances		1,999,104	2,103,307
		168,975,178	189,585,294
		3,521,262,354	3,673,322,587

The annexed notes form an integral part of these condensed interim financial information

Mian Haseeb Ilyas
CHIEF EXECUTIVE

Raza Mustafa
DIRECTOR

Syed Mubashir Hussain bukhari
CHIEF FINANCIAL OFFICER



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE 3RD QUARTER ENDED JUNE 30, 2019

	Note	Nine Months ended		Quarter ended	
		June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
		Rupees		Rupees	
Sales - Net	14	-	217,857,002	-	41,173,000
Cost of goods sold	15	(139,263,500)	(547,609,147)	(44,496,589)	(243,281,393)
Gross (loss)		(139,263,500)	(329,752,145)	(44,496,589)	(202,108,393)
Operating expenses:					
- Administrative and general		14,615,512	40,829,058	3,890,658	12,308,914
		(153,879,012)	(370,581,203)	(48,387,247)	(214,417,307)
Other operating income		561,655	1,080,002	561,655	-
(Loss) from operation		(153,317,357)	(369,501,201)	(47,825,592)	(214,417,307)
Finance cost		154,034,612	94,962,633	58,012,639	24,286,101
(Loss) before taxation		(307,351,969)	(464,463,834)	(105,838,231)	(238,703,408)
Taxation					
Current		-	-	-	-
Deferred		22,546,665	13,284,431	(18,572,083)	81,403,889
		22,546,665	13,284,431	(18,572,083)	81,403,889
(Loss) after taxation		(284,805,305)	(451,179,403)	(124,410,315)	(157,299,519)
Loss per share - basic and diluted		(8.79)	(13.93)	(3.84)	(4.85)

The annexed notes form an integral part of these condensed interim financial information.

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CHIEF EXECUTIVE

Raza Mustafa
DIRECTOR

Syed Mubashir Hussain bukhari
CHIEF FINACIAL OFFICER



HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE 3RD QUARTER ENDED JUNE 30, 2019

	Nine Months ended		Quarter ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	Rupees		Rupees	
(Loss) after taxation	(284,805,305)	(451,179,403)	(124,410,315)	(157,299,519)
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) for the period	<u>(284,805,305)</u>	<u>(451,179,403)</u>	<u>(124,410,315)</u>	<u>(157,299,519)</u>

The annexed notes form an integral part of these condensed interim financial information

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HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE 3RD QUARTER ENDED JUNE 30, 2019

	June 30, 2019	June 30, 2018
	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(307,351,969)	(375,126,062)
Adjustments for:		
- Depreciation	130,997,531	143,299,905
- Finance cost	154,034,612	94,326,844
	285,032,143	237,626,749
Operating profit before working capital changes	(22,319,826)	(137,499,313)
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	(207,929)	(5,652,946)
- Stock in trade	-	(24,276,750)
- Advances ,deposits,prepayments and other recievables	20,713,842	359,669,533
Increase / (decrease) in current liabilities:		
- Trade and other payables	(29,449,933)	(168,025,800)
	(8,944,020)	161,714,037
Cash generated /(used in) from operations	(31,263,846)	24,214,724
Income tax paid / deducted	-	-
Gratuity paid	(247,413)	(890,000)
Finance cost paid	(23,774,318)	(72,319,144)
Net cash generated from/(used in) operating activities	(55,285,578)	(48,994,421)
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	-	(26,723,723)
Capital work in process	-	-
Proceeds from sale of property, plant and equipment	700,000	-
Net cash (used in) investing activities	700,000	(26,723,723)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) from long term loans - Net	54,336,616	(247,482,950)
Proceeds / (Repayment) from Directors/Sponsors- Net	12,384,567	159,852,645
Proceeds / (Repayment) from short term borrowings - Net	(12,239,808)	159,028,596
Net cash generated from financing activities	54,481,375	71,398,291
Net increase/(decrease) in cash and cash equivalents	(104,203)	(4,319,853)
Cash and cash equivalents at the beginning of the period	2,103,307	7,917,418
Cash and cash equivalents at the end of the period	1,999,104	3,597,565

The annexed notes form an integral part of these condensed interim financial information.

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Raza Mustafa
DIRECTOR

Syed Mubashir Hussain bukhari
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HASEEB WAQAS SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE 3RD QUARTER ENDED JUNE 30, 2019

	Issued, subscribed and paid-up	Loan from Directors	Surplus on Revaluation of Property, Plant and equipment	Accumulated profit / (Loss)	Total
	R u p e e s				
Balance as at September 30, 2017	324,000,000	804,314,867	1,603,039,450	(2,865,617,599)	(134,263,282)
Total comprehensive loss for the period		-			
Net (loss) for the period	-	-		(451,179,403)	(451,179,403)
Other comprehensive income	-	-		-	-
Total comprehensive income / (loss) for the period	-	-		(451,179,403)	(451,179,403)
Increase in Directors Loan during the period		(11,200,490)		-	(11,200,490)
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation	-	-	(57,011,311)	57,011,311	-
Balance as at June 30, 2018	324,000,000	793,114,377	1,546,028,139	(3,259,785,691)	(596,643,175)
Total comprehensive loss for the period					
Net (loss) for the period	-			(37,722,369)	(37,722,369)
Other comprehensive income	-			3,744	3,744
Total comprehensive income / (loss) for the period	-			(37,718,625)	(37,718,625)
Increase in director's loan during the year	-	36,532,695		-	36,532,695
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation	-		(19,003,770)	19,003,770	-
Balance as at September 30, 2018	324,000,000	829,647,072	1,527,024,369	(3,278,500,546)	(597,829,105)
Total comprehensive loss for the period					
Net loss for the period	-			(284,805,305)	(284,805,305)
Other comprehensive income	-			-	-
Total comprehensive income / (loss) for the period	-			(284,805,305)	(284,805,305)
Increase in director's loan during the period	-	12,384,567		-	12,384,567
Surplus on revaluation of fixed assets transferred to retained earnings in respect of incremental depreciation	-		(55,702,835)	55,702,835	-
Balance as at June 30, 2019	324,000,000	842,031,639	1,471,321,534	(3,507,603,016)	(870,249,843)

The annexed notes form an integral part of these condensed interim financial information.

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Raza Mustafa
DIRECTOR

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HASEEB WAQAS SUGAR MILLS LIMITED

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE 3RD QUARTER ENDED JUNE 30, 2019**

1 STATUS AND ACTIVITIES

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 6-F Model Town, Lahore. The mill is situated at Tehsil Jattoi Distt. Muzaffargarh. The Company is listed on Pakistan Stock Exchange. The principal activity of the Company is manufacture and sale of refined sugar and its by-products.

2 STATEMENT OF COMPLIANCE

- 2.01 This condensed interim financial report of the company for the nine months period ended June 30, 2019 has been prepared in accordance with the requirements of the International Accounting Standard 34-Interim Financial Reporting and Provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed.
- 2.02 This condensed interim financial report comprises of the condensed interim balance sheet as at June 30, 2019 and the condensed interim profit and loss account, condensed interim statement of changes in equity and the condensed interim cash flow statement for the six months period then ended which have been subjected to a review but not audited. This condensed interim financial report also includes the condensed interim profit and loss account for the quarter ended June 30, 2017 were not audited.
- 2.03 The comparative condensed balance sheet, presented in this condensed interim financial report, as at June 30, 2019 has been extracted from the annual audited financial statements of the Company for the year ended September 30, 2016 whereas the comparative condensed interim profit and loss account, condensed interim statement of changes in equity and condensed interim cash flow statement for the nine months period ended June 30, 2018 were not audited..

3 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention modified by adjustment of revaluation of certain assets. In this condensed interim financial information, except for the cash flow statement, all the transactions have been accounted for on accrual basis.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods for computation adopted for the preparation of this condensed interim financial information is the same as those applied in preparation of the financial statements for the year ended September 30, 2018.

5 GOING CONCERN ASSUMPTION

During the period under review, the Company posted gross loss of Rs. 139.3 million as compared to last year's Rs. 329.8 million. Further, the Company's gross Loss ratio and net Loss ratio is negative 100% and 100% respectively which is much higher than corresponding period's gross profit and net profit ratios which were 28% and 32% respectively.

OPERATIONAL MEASURES

In view of above issues Company has taken following mitigating steps:

Shifting of mill to Alipur Jatoi, Muzaffargarh done where sugar cane availability and sugar recovery are better.

BMR done and we will see impact of this BMR in the financials of coming season.

The management foresees positive cash flow from future operations in expectation of better availability of sugar cane and sugar prices in coming season, since sugar dynamics are good and rising.

The projected financial statements prepared by the management to support its going concern assessment is based on following assumptions.

	PROJECTED		
	2020	2021	2022
Sugar cane crushing M.T	780,000	800,000	800,000
Sugar cane rate	180	185	190
Sugar price per Kg	60	62	64

However, it is believed that considering the mitigating factors set out in the preceding paragraphs, the going concern assumption is appropriate and has, as such, prepared these financial statements on a going concern basis.

Our review petition dismissed by Supreme Court and management considering alternate options available including but not limited to application to Ministry of Industries and Planning under Section 3 of the Punjab Industries (Control on Establishment and Enlargement) Ordinance, 1963.

6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

	Note	June 30, 2019	Sept. 30, 2018
		Rupees	
27,000,000 (Sept. 2016: 27,000,000) shares issued for cash.		270,000,000	270,000,000
5,400,000 (Sept. 2016: 5,400,000) shares issued as fully paid bonus shares.		54,000,000	54,000,000
		<u>324,000,000</u>	<u>324,000,000</u>



There is no movement in ordinary share capital of the Company during period.

7 LOAN FROM DIRECTORS 842,031,639 829,647,072

This loan has been obtained from Sponsors of the Company, and is interest free. There is no fixed tenor or schedule for repayment of this loan. According to the loan agreement, the lenders shall not demand repayment and the same is entirely at the Company's option. Further, this loan is subordinated to National Bank of Pakistan, The Bank of Punjab, Sindh Bank Ltd and Silk Bank Ltd.

8 LONG TERM FINANCING

Loan from banking companies and other financial

institutions-secured		515,586,616	549,373,562
National Bank of Pakistan			
- Demand Finance I	8.1	220,000,000	220,000,000
- Demand Finance II	8.2	160,000,000	160,000,000
The Bank of Punjab			
- Demand Finance	8.3	285,000,000	285,000,000
Sindh Bank Ltd			
- Demand Finance	8.4	500,000,000	500,000,000
Silk Bank Ltd			
- Demand Finance	8.5.1	390,000,000	390,000,000
- Demand Finance (Freezed Markup)	8.5.2	54,336,616	-
PAIR Investment Company Limited			
- Demand Finance	8.6	70,000,000	70,000,000
		<u>1,679,336,616</u>	<u>1,625,000,000</u>
Less: current portion shown under current liabilities			
- NBP - Demand Finance - I		(220,000,000)	(180,000,000)
- NBP - Demand Finance - II		(160,000,000)	(160,000,000)
- BOP - Demand Finance		(213,750,000)	(171,000,000)
- Sindh Bank - Demand Finance		(500,000,000)	(377,626,438)
- Silk Bank - Demand Finance		-	(117,000,000)
- Demand Finance - PAIR		(70,000,000)	(70,000,000)
		<u>(1,163,750,000)</u>	<u>(1,075,626,438)</u>
		<u>515,586,616</u>	<u>549,373,562</u>



	Note	June 30, 2019	Sept. 30, 2018
		Rupees	
8.1	Demand Finance I - NBP		
	Opening balance	220,000,000	220,000,000
	Loan obtained during the period / year	-	-
		<u>220,000,000</u>	<u>220,000,000</u>
	Less: payment made during the period / year	-	-
		<u>220,000,000</u>	<u>220,000,000</u>
This finance has been obtained from National Bank of Pakistan The finance is secured by 1st PP charge of Rs. 293.334 million on fixed assets of the Company and personal guarantees of sponsoring directors of the Company. It carries markup 3 months KIBOR +2.5% per annum. This loan is payable in ten bi-annual instalments.			
8.2	Demand Finance II - NBP		
	Opening balance	160,000,000	160,000,000
	Loan obtained during the period / year	-	-
		<u>160,000,000</u>	<u>160,000,000</u>
	Less: payment made during the period / year	-	-
		<u>160,000,000</u>	<u>160,000,000</u>
This finance has been obtained from National Bank of Pakistan The finance is secured by 1st PP charge of Rs. 213.334 million on fixed assets of the Company and personal guarantees of sponsoring directors of the Company. It carries markup 3 months KIBOR +2.5% per annum. This loan is payable in twelve equal quarterly instalments.			
8.3	Demand Finance - BOP		
	Opening balance	285,000,000	285,000,000
	Loan obtained during the period / year	-	-
		<u>285,000,000</u>	<u>285,000,000</u>
	Less: payment made during the period / year	-	-
		<u>285,000,000</u>	<u>285,000,000</u>
This finance has been obtained from The Bank of Punjab through restructuring of existing cash finance facility. The finance is secured by ranking charge over all present and future fixed assets of the Company and personal guarantees of directors of the Company. It carries markup 3 months KIBOR +1.25% per annum. This loan is payable in twenty eight quarterly instalments.			
8.4	Demand Finance - Sindh Bank		
	Opening balance	500,000,000	500,000,000
	Loan obtained during the period / year	-	-
		<u>500,000,000</u>	<u>500,000,000</u>
	Less: payment made during the period / year	-	-
		<u>500,000,000</u>	<u>50,000,000</u>
This finance has been obtained from Sindh Bank Limited under demand finance arrangement. The finance is secured by ranking charge over all present and future fixed assets of the Company and personal guarantees of directors of the Company. It carries markup 3 months KIBOR +5% per annum. This loan is payable in twelve quarterly instalments.			
8.5.1	Demand Finance - Silk Bank Ltd		
	Opening balance	390,000,000	390,000,000
	Loan obtained during the period / year	-	-
		<u>390,000,000</u>	<u>390,000,000</u>
	Less: payment made during the period / year	-	-
		<u>390,000,000</u>	<u>390,000,000</u>
8.5.2	Demand Finance - Silk Bank Ltd		
	Opening balance	-	-
	Loan obtained during the period / year	54,336,616	-
		<u>54,336,616</u>	-
	Less: payment made during the period / year	-	-
		<u>54,336,616</u>	-
This finance has been obtained from Silk Bank Limited under demand finance arrangement. The finance is secured by Pari passu charge over all present and future fixed assets of the Company and corporate guarantee of Abdullah Sugar Mills LTD and personal guarantees of directors of the Company. It carries markup 01 year KIBOR + 2% per annum. This loan is rescheduled and payable in 10 bi-annually instalments starting from 21-08-2020.			
8.5.2	This finance sanctioned by Silk bank Ltd by freezing markup on demand finance already proved by the Bank . This loan is payable in eight equal instalments of four months starting from 21-08-2025		



	Note	June 30, 2019	Sept. 30, 2018
Rupees			
8.6 Demand Finance - PAIR			
Opening balance		70,000,000	70,000,000
Less: payment made during the period / year		-	-
		<u>70,000,000</u>	<u>70,000,000</u>

This finance has been obtained from PAIR Investment Company Limited. The finance is secured by parri passu charges over the present and future fixed assets of the Company, with a margin of 33% above the financing amount. Parri passu charge by way of creation of mortgage over the land and building of the Company and personal guarantees of directors of the Company. It carries markup 3 months KIBOR +350 bps per annum. This loan is payable in eighteen equal monthly installments.

9 SHORT TERM BORROWINGS

Loan from related parties	657,339,727	669,579,535
	<u>657,339,727</u>	<u>669,579,535</u>

10 CURRENT PORTION OF NON CURRENT LIABILITIES

Long term finances	1,163,750,000	1,075,626,438
Liabilities against assets subject to finance lease	27,187,642	27,187,642
	<u>1,190,937,642</u>	<u>1,102,814,080</u>

11 CONTINGENCIES AND COMMITMENTS

11.01 The collector of Sales Tax And Central Excise (Adjudication) Lahore has issued a show cause notice to the Company for the further tax amounting to Rs. 47 million upto the tax period September 2002 on the grounds that it charged sales tax at the rate of 15 % on its sales to persons liable to be registered.

11.02 The Federal Board of Revenue has blacklisted the Sales Tax status of the Company on 8th March 2018 due to non compliance of the Sales Tax Act, 1990 and the rules made thereunder including not discharging of sales tax liability as outstanding in note # 12. However, the Company will further proceed to restate the sales tax status after starting of crushing season with permission of Superme Court.

11.03 Company has made defaults in repayment of installment of long term loans form financial institutions and bank. As a result, company's name has been included in CIB report of State Bank of Pakistan. The detail of the cases are as:

Sr. #	Name of the Court	Date Instituted	Principal parties	Description of the factual basis of the proceedings	Relief sought
1	Lahore High Court	03-May-17	Sindh Bank Limited	Default in repayment of principal amount of long term loans along with markup	rescheduling of loan
2	Lahore High Court	29-Jan-16	The Bank of Punjab	Default in repayment of principal amount of long term loans along with markup	rescheduling of loan
3	Lahore High Court	22-Sep-16	National Bank of Pakistan	Default in repayment of principal amount of long term loans along with markup	rescheduling of loan
4	Banking Courts	31-Mar-17	First National Bank Modarba	Default in repayment of principal amount of long term loans along with markup	rescheduling of loan
5	Banking Courts	20-Apr-18	PAIR Investment Company Limited	Default in repayment of principal amount of long term loans along with markup	rescheduling of loan

11.04 Our review petition (regarding shifting of mill to Alipur Jatoi) dismissed by Supreme Court and management considering alternate options available including but not limited to application to Ministry of Industries and Planning under Section 3 of the Punjab Industries (Control on Establishment and Enlargement) Ordinance, 1963.

In this context we have moved an application to Ministry of Industries under Section 3 of the Punjab Industries (Control on Establishment and Enlargement) Ordinance 1963. However if management opt to restore and retribute the position by dismantling & removing the said mills from the present location than cost may be borne by the company..

12 PROPERTY, PLANT AND EQUIPMENT

Opening written down value	3,674,162,329	3,674,162,329
Addition / (Deletion) during the period	(1,192,805)	(183,950)
	<u>3,672,969,524</u>	<u>3,673,978,379</u>
Depreciation for the period / year	(130,997,531)	(190,731,086)
	<u>3,541,971,993</u>	<u>3,483,247,293</u>

13 STOCK IN TRADE

Work in process		
Sugar	-	-
By products stock	-	-
	<u>-</u>	<u>-</u>



	Nine Months ended		Quarter ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	Rupees		Rupees	
14 SALES - NET				
- Sugar	-	875,158,015	-	630,847,615
- Molasses	-	102,187,677	-	81,509,517
- Mud	-	86,940	-	-
	-	977,432,632	-	712,357,132
Less: Sales tax and excise duty	-	93,249,081	-	119,097,081
	-	884,183,551	-	593,260,051
15 COST OF GOODS SOLD				
Raw materials consumed	-	1,003,493,939	-	507,289,496
Stores and spares consumed	2,366,480	53,245,496	742,958	18,274,263
Salaries, wages and other benefits	8,439,343	108,440,301	1,518,815	47,650,529
Insurance	-	626,017	-	2,353,098
Repair and maintenance	1,253,637	7,738,398	10,835	58,934,586
Depreciation	126,471,305	132,701,524	42,157,101	90,878,791
Others	732,735	1,580,861	66,880	532,292
	139,263,500	1,307,826,536	44,496,589	725,913,055
Opening work in process	-	173,415	-	75,709,551
Closing work in process	-	(9,160,308)	-	(29,782,925)
	-	(8,986,893)	-	45,926,626
Cost of goods manufactured	139,263,500	1,298,839,643	44,496,589	771,839,681
Opening finished goods	-	3,693,796	-	-
Closing finished goods	-	(71,810)	-	-
	-	3,621,986	-	-
	139,263,500	1,302,461,629	44,496,589	771,839,681

16 RELATED PARTY TRANSACTIONS

Related parties comprise holding company, subsidiaries and associated undertakings, 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 related party transactions and balances are as follows:

16.1 Details of related party transactions other than those with key management personnel

The Company during the period / year entered into following transactions with related parties other than key management personnel:

16.1.1 Transactions with Associates	June 30, 2019	Sep 30, 2018
	Rupees	
Sale of molasses	-	22,428,900
(Repayment) / Obtain of Loan to/from		
Abdullah Sugar Mills Ltd	(12,389,808)	117,473,255
Sponsors and Directors	12,384,567	25,332,205

16.1.2 Payments against balances due to related parties were made partially in cash and partially by paying for expenses on behalf of related parties and vice versa.

16.1.3 As per common practice in the sugar industry in Pakistan, the Company also purchased sugar cane from persons associated, directly and indirectly, with management personnel of the Company. These purchases were made in accordance with the cane procurement practice in the sugar industry. It is not practicable to determine the related amounts.



	<u>June 30, 2019</u>	<u>Sep 30, 2018</u>
16.2 Details of related party balances are as follows:		
Due to:		
Abdullah Sugar Mills Limited	655,135,663	667,375,471
Haseeb Waqas Trading (Pvt.) Limited	2,204,064	2,204,064
Loan from / (to) Directors and Sponsors	842,031,639	829,647,072

17 AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue by the Board of Directors of the Company on July 30, 2018.

18 GENERAL

- Comparative figures have been rearranged / reclassified, wherever necessary, to facilitate comparison.
- Figures have been rounded off to the nearest of Pakistani rupees.

Mian Haseeb Ilyas
CHIEF EXECUTIVE

Raza Mustafa
DIRECTOR

Syed Mubashir Hussain bukhari
CHIEF FINANCIAL OFFICER