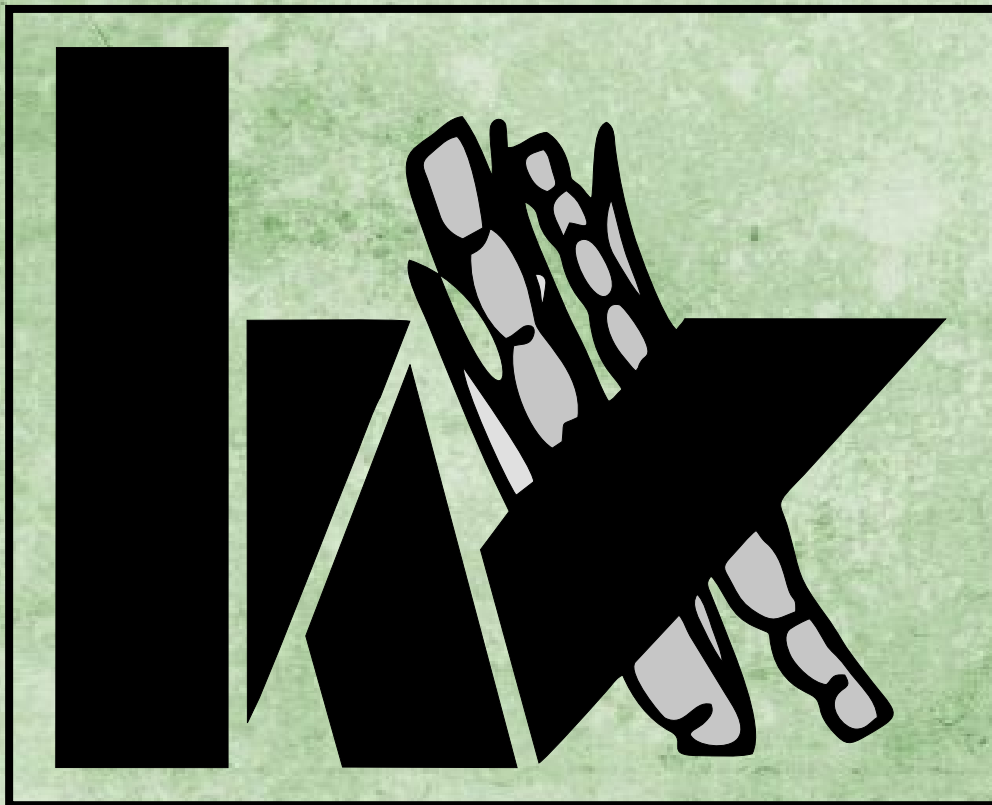




CORPORATE BRIEFING SESSION 24 MARCH 2023





Company Information

Board of Directors

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

Chairman
Director/Chief Executive
Director
Director
Director
Director
Director
Director

Audit Committee

1. Mian Waqas Riaz (Chairman)
2. Mrs. Zakia Ilyas (Member)
3. Mrs. Yasmin Riaz (Member)

Human Resource Committee

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

Risk Management Committee

1. Mr. Raza Mustafa (Chairman)
2. Mrs. Yasmin Riaz

Nomination Committee

1. Mrs. Yasmin Riaz
2. Mrs. Zainab Waqas

Company Secretary

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

Chief Financial Officer

Syed Mubashar Hussain Bukhari
Tel: 042-35917313
Email: hwgc@hwgc.com.pk

Auditors

M/s Qadeer & Company
Chartered Accountants
32-A, Lawrence Road, Lahore

Registrar

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

Mills

Mouza Jagmal, Tehsil Jattoi
District. Muzaffargarh

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)



SIX YEARS AT A GALANCE

	2022	2021	2020	2019	2018	2017
Operating Results	Rupees in Thousand					
Sales – Net	-	-	-	-	250,773	847,275
Gross profit/ (loss)	(150,782)	(160,043)	(164,405)	(187,476)	(340,215)	(395,609)
Operating profit/(loss)	(30,020)	(171,620)	(180,649)	(210,609)	(396,701)	(455,762)
Profit/(loss) before tax	(214,710)	(339,340)	(411,016)	(427,307)	(542,426)	(578,351)
Profit/(loss) after tax	(184,955)	(308,817)	(362,123)	(336,997)	(488,902)	(572,708)

FINANCIAL POSITION

Fixed assets – net	2,877,514	2,976,625	3,135,643	3,304,259	3,483,247	3,674,162
Paid up capital	324,000	324,000	324,000	324,000	324,000	324,000
Shareholder's equity	(1,489,546)	(1,593,470)	(1,284,865)	(922,841)	(597,829)	(1,737,303)
Long term liabilities	534,670	564,480	595,026	1,052,118	1,286,275	1,862,979
Current assets	101,853	106,831	119,835	142,836	189,585	476,748
Current liabilities	3,884,732	4,112,937	3,945,318	3,317,819	2,984,876	2,434,184
Breakup value per share (Rs)	(5.71)	(9.53)	(11.18)	(10.40)	(15.09)	(17.68)

STATISTICS

No. of employees	28	29	22	54	229	292
Sugar produced (M. Tons)	-	-	-	-	5,808	15,242
Crushing period (days)	-	-	-	-	35	72



STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2022

	2022	2021
	Rupees	
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Authorized capital		
35,000,000 (2021: 35,000,000) ordinary shares of Rs. 10 each	350,000,000	350,000,000
Issued, subscribed and paid up capital	324,000,000	324,000,000
Loan from directors and sponsors	1,130,821,739	841,942,639
Capital Reserves		
Surplus on revaluation of property, plant and equipment	1,262,648,855	1,323,260,805
Revenue reserves		
Accumulated profit/(loss)	(4,207,016,723)	(4,082,674,095)
	(1,489,546,129)	(1,593,470,651)
Non Current Liabilities		
Long term financing	17,727,972	17,782,639
Deferred liabilities	516,942,121	546,697,573
Deferred taxation	534,670,093	564,480,212
Current Liabilities		
Trade and other payables	800,883,054	791,525,787
Markup on loans and other payables	1,058,817,812	1,011,317,540
Short term borrowings	656,399,886	656,462,763
Unclaimed dividend	1,443,972	1,443,972
Current portion of non current liabilities	1,367,187,642	1,652,187,642
	3,884,732,366	4,112,937,704
Contingencies and Commitments	-	-
	2,929,856,330	3,083,947,265
ASSETS		
Non Current Assets		
Property, plant and equipment	2,827,513,789	2,976,625,434
Long term deposits	490,000	490,000
	2,828,003,789	2,977,115,434
Current Assets		
Stores, spares and loose tools	55,892,796	55,892,796
Stock in trade	-	-
Advances, deposits, prepayments and other receivables	43,524,421	49,209,513
Cash and bank balances	2,435,324	1,729,522
	101,852,541	106,831,831
	2,929,856,330	3,083,947,265

The annexed notes form an integral part of these financial statements.



STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED SEPTEMBER 30, 2022

	2022	2021
	Rupees	
Sales - Net	-	-
Cost of goods sold	(150,781,542)	(160,043,178)
Gross (loss)	(150,781,542)	(160,043,178)
Operating expenses:		
- Administrative and general expenses	(16,226,733)	(11,276,729)
- Other operating charges	(200,000)	(300,000)
- Other income	37,188,002	-
Loss from operations	(30,020,273)	(171,619,907)
Finance cost	(184,689,757)	(167,720,397)
Loss before taxation	(214,710,030)	(339,340,304)
Taxation	29,755,452	30,523,388
Loss after taxation	(184,954,578)	(308,816,916)
Earning per share - basic	(5.71)	(9.53)

The annexed notes form an integral part of these financial statements.



Regulatory non Compliance and Reasons

Shifting of sugar mill from Nankana to Muzaffargarh, challenged by Southern Punjab sugar mills therefore, we could not run the mill at its present location due to order by the Supreme Court of Pakistan to shift the mill back to Nankana, which resulted huge loses and serve financial crunch. Further, we are in default in bank loans and facing recovery suits filed by the financial institutions.

Due to closure of operations of the mills most of the staff members were laid off hence we could not fulfill some of the listing regulations. However, we assure you that we will take utmost care in future and ensure compliance of Listing Regulations in true letter and spirit.

As the Company is in the phase of heavy losses for the last many years therefore, no dividend is being declared.



BACK GROUND OF SHIFTING

Haseeb Waqas Sugar Mills Limited was established & operated at Distt. Nankana Sahib since 1992 however operating sugar mill in this area was no longer a viable option due to change in cropping pattern coupled with environmental factor. This factor is evident from face of balance sheet since equity had been wiped off due to heavy losses for the last many consecutive years. Therefore, we decided to shift our production facilities form existing Nankana sahib to Tehsil Alipur Distt. MuzaffarGarh.

Though it was cumbersome & expensive exercise, however number of multiple factors forced us to take this decision which includes but not limited to competing cash crops, depressed sugar prices both in national and international markets, low sugarcane yield, low sugar recovery and glut of sugar mills which has caused persistent losses in sugar mills of this region. There is vast difference of yield in Central Punjab & location where we decided to shift our production facilities. We were of the firm view that shifting will bring turnaround in the financial results of the entity.

Keeping in view of the above, Haseeb Waqas Sugar Mills Limited was shifted from Nankana Sahib to District MuzaffarGarh in the year 2015. At the time of shifting the law envisages through notification dated 6.12.2006, that there is a complete ban on the establishment of a new sugar mill and on enlargement of capacity of an existing sugar mill in Punjab. However, the Notification was silent about the shifting of existing sugar mills from one District to another District in the province of Punjab. That after seeking legal advice, the Mill was shifted from Nankana Sahib to District MuzaffarGarh. There after various sugar mills of the Southern Punjab who were enjoying monopoly in the area filed writ petitions in the Lahore High Court, Lahore against HWSML.

Meanwhile, the Government of the Punjab issued notification/relocation policy whereby the relocation of functional sugar mill from one place to another place was allowed under certain criteria. However, this relocation policy was struck down by Honorable Lahore High Court Lahore & shifting was declared illegal.



CURRENT STATUS

Recently the Punjab Provincial Assembly passed “The Punjab Industries (Control on Establishment and Enlargement) Amendment Act 2002 which after getting assent of Governor of Punjab on November 11, 2022 published as an Act of the Provincial Assembly of Punjab on November 14, 2022. Now, an amendment in Section-11 of the Ordinance ibid has been introduced by the Punjab Government to regularize the contravention of any provisions of the Ordinance ibid made by the duly established Sugar Mills till the date of Amendment Act, 2022.

Keeping in view of the above change in legislation, the management of the company moved an application to “The Director General of Industries Government of Punjab, Lahore”

to grant permission to operate the mills at its current location on December 12, 2022 which is still pending for approval with Ministry of Industries & we are hopeful of getting the same in near future.

There is a positive news for the shareholders of the company that the Grace of Almighty Allah & after hectic efforts on the part of management, the company has been succeeded in getting the approval for running the operations at its relocated premises.

FUTURE STRATEGY

Sponsors of the Company are very keen to get the mill regularized at its relocated premises & start the operations of the mills in the crushing season 2023-24. To strength this statement we would like to inform you that management had sold one of their off-balance sheet assets to liquidate one of the old outstanding loans of The Bank of Punjab amounting to almost Rs.400 million. The management is in the process of negotiation with other financial

institutions & other regulatory bodies to regularize their liabilities through Rescheduling/ Restructuring,

CONCLUSION

We are optimistic that we would be INSHA ALLAH in a position to catch the coming crushing season 2023-24.

Q & A

Section



Thank You