



HASEEB WAQAS SUGAR MILLS LIMITED

Head Office: 6-F, Model Town, Lahore-Pakistan.

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Ref: HWSML/CORP/KSE

July 01, 2010

Mr. Haroon Askari
GM Operations
Karachi Stock Exchange (Guarantee) Limited
 Stock Exchange Building
 Stock Exchange Road
KARACHI-74000.

Subject: Show Cause Notice under KSE Listing Regulation No. 30(2)

Dear Sir,

With reference to your letter No. KSE/Gen-4414 dated June 22, 2010, regarding violation of the Listing Regulation No. 30(2) i.e. failed to declare dividend and /or bonus shares for five years. In this regard our submission is as under:-

We would like to draw your attention towards the fact that the Sugar Sector overall has not been profitable one keeping in view the stagnant prices & import of sugar by Government to keep the prices low since it is consumable commodity price hike in this commodity may create unrest among the masses. The operational performance depends upon recovery & crushing which were low in Central Punjab region. The financial picture of this sector is gloomy. The whole sugar industry was in similar situation, reason being high raw material cost thrust upon by the government on mills to profit the growers. Additionally fall of sucrose recovery rate due to abnormal climate conditions prevailed in the country which is also a dent in profitability of sugar mills. However there is exception of the mills which are located in Sind & Southern Punjab which has high recovery rate of sucrose content.

If we compare data of sugar mills this reveals that we are not the exception incurring the losses. Moreover we would like to draw your attention towards the fact that HWSML is in the vicinity which is surrounded by paddy growing area. The under cultivation area remained the same, however with the induction of new mills availability of sugarcane was a question mark.

In spite of the above, we would like to inform you that the company has started to recover from losses. In the year 2008-09 company earned after tax profit of Rs. 59,554,709. The sugar sector started to improve & we are confident that we will be in a position to declare the dividend next year Inshallah. In view of the facts enumerated above we would request your honour to consider the desirability of allowing us reasonable time to comply with your directions.

Should you need any other information/documents, please do not hesitate to contact.

Yours truly,
 For Haseeb Waqas Sugar Mills Limited


 (ANSAR AHMED)
 Company Secretary



CC: The Director (Enforcement) - SECP -Islamabad.

A UNIT OF HASEEB WAQAS GROUP OF COMPANIES

WORKS: Merajabad, Tehsil & Distt. Nankana Sahib, Tel: 056-272-4010-4, Fax: 056 - 2874367