

# BABA FARID

SUGAR MILLS LIMITED



CONDENSED INTERIM  
FINANCIAL STATEMENTS  
(UN-AUDITED)  
FOR THE HALF YEAR ENDED  
MARCH 31, 2017



# BABA FARID SUGAR MILLS LIMITED

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Mrs. Naheed Roohi  
Muhammad Sarwar  
Mr. Shahid Mahmood Quershi  
Syed Qaissar Abbas Naqvi  
Ms. Rafia Aslam  
Mr. Mirza Maqsood-ul-Hassan  
Muhammad Ashraf

Chairperson  
Chief Executive  
Non-Executive  
Non-Executive  
Non-Executive  
Executive  
Independent Director

### **AUDIT COMMITTEE**

Muhammad Ashraf	Chairman
Ms. Rafia Aslam	Member
Syed Qaissar Abbas Naqvi	Member
Mr. Shahid Mahmood Quershi	Member

### **HR & R COMMITTEE**

Mrs. Naheed Roohi	Member
Ms. Rafia Aslam	Member
Mr. Shahid Mahmood Quershi	Member

### **COMPANY SECRETARY**

Muhammad Ibrahim Raza

### **CHIEF FINANCIAL OFFICER**

Muhammad Khalid Ali

### **HEAD OF INTERNAL AUDIT**

Mr. Shahid Iqbal Mirza

### **AUDITORS**

M/s Hasnain Ali & Co  
Chartered Accountants  
Room # 103, 1<sup>st</sup> Floor, Regency Plaza  
Near Mini Market, Gulberg III, Lahore.  
Tel; 042-35755212, Fax; 042-35755213  
Email ; info@hac.com.pk

### **SHARE REGISTRAR**

M/s. Corplink (Pvt.) Ltd.  
Share Registrar & Corporate Consultants  
Wing Arcade, 1-K, Commercial  
Model Town, Lahore  
Tel; 042-35916714, Fax; 042-35869037  
Email ; corplink786@gmail.com

### **MILLS**

5. K.M. Faisalabad Road, Okara  
Tel; 0442-522878, 511878,  
Fax; 0442-522978

### **REGISTERED OFFICE**

Suite - T 09, 3rd Floor, Hafeez Centre  
75 - E/1, Main Boulevard, Gulberg III,  
Lahore  
Tel; 042-35884180-5, Fax; 042-35884138-39  
Email ; info@bfsml.com

### **BANKERS**

Habib Bank Limited  
Bank Al-Habib Limited  
United Bank Limited  
MCB Bank Limited

### **LEGAL ADVISOR**

MOHSIN TAYEBALY & CO.

Corporate Legal Consultants  
Barristers & Advocates  
High Courts & Supreme Courts

Lahore Office: 102-C/1, St. John's Park  
(opp Fortress Stadium). Lahore Cantt,  
Lahore  
Tel: (92-42) 36672102  
Email: arshad.mirza@mtclaw.com.pk



# BABA FARID SUGAR MILLS LIMITED

## DIRECTOR'S REPORT

The Members,  
Baba Farid Sugar Mills Limited

Asslam -o - Alaikum

On behalf of the Board of Directors having pleasure in presenting the Un-audited Financial Statements of the Company for the half year ended on 31<sup>st</sup> March, 2017, along with the review report by the Auditors of the Company.

### OPERATIONAL PERFORMANCE

Operating result for the year under review is summarized below:

		2016-17	2015-16
		November 19,2016	November 27,2015
Crushing Season Started			
Duration Of Season	Days	128	100
Sugarcane Crushed	M.Ton	393,034.57	261,930.97
Sugar Produced	M.Ton	35,496.50	23,943.25
Sugar Recovery	% age	9.109	9.165
Molasses produced	M.Ton	18,495.00	12,154.70
Molasses recovery	% age	4.739	4.65

During the half year the company has witnessed high growth in terms of sugarcane crushed, duration of crushing season, sales revenue and profitability for the respective half year. The crushing season commenced on November 19, 2016 and Mill crushed 393,034.57 M.T of sugarcane as compared to 261,930.97 M.Ton of corresponding of last year. The increase in sugarcane crushing is 50.05 %.The sugar recovery has been decreased from 9.165% to 9.109%. You will observe that there is a minor decline in sugar recovery i.e 0.61%.

### FINANCIAL RESULTS

The comparative summarized financial results of the company are given below:

	2016-17	2015 - 16
	(Million)	(Million)
Sales	1,425.26	337.58
Gross Profit	212.53	73.86
Operating Profit	180.37	50.99
Profit After Taxation	124.50	5.34
Earnings per share	13.17	0.57

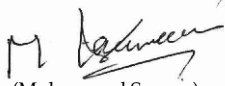
### FUTURE OUTLOOK

In the current year, we are expecting that prices of sugar will remain stabilize in the coming month.

### ACKNOWLEDGEMENT

The Directors express their deep concern on the attitude of the sugarcane growers and the menace of middleman and appreciate the bank and the Government department of their continued support, which give strength to pursue our corporate objective with vigor. The Board also acknowledges the valuable teamwork, devotion and dedication by the executives, employees and workers of the Company.

For and on behalf of the Board

  
(Muhammad Sarwar)  
Chief Executive

May 29, 2017



# BABA FARID SUGAR MILLS LIMITED

## AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

### Introduction

We have reviewed the accompanying condensed interim balance sheet of **BABA FARID SUGAR MILLS LIMITED** ("the company") as at March 31, 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (herein after referred to as "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended March 31, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### Other matters

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended March 31, 2017, have not been reviewed as we are required to review only the cumulative figures for the half year ended March 31, 2017.

We draw attention to note 1.2 to the annexed condensed interim financial information. During the current period, the Company has earned profit before tax of Rs. 121,884,723 (March 31, 2016: Loss of Rs. 9,355,160) and at balance sheet date its accumulated losses have stood up to Rs. 1,072,523,331 (September 30, 2016: Rs.1,217,959,120). Furthermore, the Company's equity is in negative and its current liabilities exceeds its current assets by Rs. 894,961,882 (September 30, 2016: Rs. 972,420,688). The Company may be unable to realize its assets and discharge its liabilities in the normal course of business. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

Our conclusion is not qualified in respect of this matter.

**HASNAIN ALI & CO**  
Chartered Accountants  
Engagement Partner  
Hasnain Adam Ali

Place: Lahore  
Date: May 29, 2017



# BABA FARID SUGAR MILLS LIMITED

## CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

As At MARCH 31, 2017

	Note	March 31, 2017 Rupees (Un-Audited)	September 30, 2016 Rupees (Audited)
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital 70,000,000 ordinary shares of Rs. 10/- each		700,000,000	700,000,000
Issued, subscribed and paid up capital		94,500,000	94,500,000
Accumulated loss		(1,072,523,331)	(1,217,959,120)
		(978,023,331)	(1,123,459,120)
Surplus on revaluation of property, plant & equipment		1,763,950,078	1,779,773,872
<b>NON-CURRENT LIABILITIES</b>			
Loan from holding company	6	500,000,000	500,000,000
Deferred liabilities	7	324,820,422	347,835,618
		824,820,422	847,835,618
<b>CURRENT LIABILITIES</b>			
Current portion of long term liabilities	8	25,000,000	54,408,109
Trade and other payables		1,300,226,440	480,373,054
Short term finances	9	27,254,782	101,799,132
Due to related party	10	1,047,232,111	1,111,646,078
Mark-up accrued		31,870,957	20,715,647
Provision for taxation		15,287,924	11,831,378
		2,446,872,214	1,780,773,398
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>4,057,619,383</b>	<b>3,284,923,768</b>
Contingencies & commitments	11		
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	12	2,505,121,476	2,475,983,483
Long term deposits		587,575	587,575
		2,505,709,051	2,476,571,058
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		33,127,648	45,609,787
Stock-in-trade		1,035,310,072	381,077,616
Trade debts		102,942,916	108,890,582
Loans and advances		264,215,014	144,705,252
Trade deposits and prepayments		45,000	20,632,000
Other receivables		105,742,500	105,742,500
Cash and bank balances		10,527,182	1,694,973
		1,551,910,332	808,352,710
<b>TOTAL ASSETS</b>		<b>4,057,619,383</b>	<b>3,284,923,768</b>

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

  
CHIEF EXECUTIVE

  
DIRECTOR




# BABA FARID SUGAR MILLS LIMITED

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2017

Note	Half Year Ended		Quarter Ended	
	March 31, 2017 Rupees	March 31, 2016 Rupees	March 31, 2017 Rupees	March 31, 2016 Rupees
Sales - net	1,425,259,871	337,583,126	962,828,111	316,063,220
Cost of sales	(1,212,725,007)	(263,727,330)	(809,999,164)	(253,761,793)
Gross profit	212,534,864	73,855,796	152,828,947	62,301,427
Distribution costs	(3,147,715)	(2,265,188)	(2,464,978)	(1,428,149)
Administrative expenses	(29,019,840)	(20,598,292)	(20,091,535)	(10,624,501)
	(32,167,555)	(22,863,480)	(22,556,513)	(12,052,650)
Operating profit	180,367,309	50,992,316	130,272,434	50,248,778
Finance costs	(58,482,586)	(60,347,476)	(28,525,400)	(36,104,185)
Profit / (Loss) before taxation	121,884,723	(9,355,160)	101,747,034	14,144,593
Taxation	(2,615,221)	14,696,333	4,892,164	21,065,909
Profit after taxation	124,499,944	5,341,173	96,854,870	35,210,502
Earnings per share - basic and diluted	13.17	0.57	10.25	3.73

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

  
CHIEF EXECUTIVE

  
DIRECTOR



# BABA FARID SUGAR MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2017

	Half Year Ended		Quarter Ended	
	March 31, 2017 Rupees	March 31, 2016 Rupees	March 31, 2017 Rupees	March 31, 2016 Rupees
Profit after taxation	124,499,944	5,341,173	96,854,870	35,210,502
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>124,499,944</u>	<u>5,341,173</u>	<u>96,854,870</u>	<u>35,210,502</u>

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR



# BABA FARID SUGAR MILLS LIMITED

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2017

	Note	Half Year Ended March 31, 2017 Rupees	Half Year Ended March 31, 2016 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	14	284,725,269	365,484,181
Finance costs paid		(47,327,276)	(19,194,460)
Taxes paid		(20,933,299)	(7,307,898)
Net cash generated from operating activities		<u>216,464,694</u>	<u>338,981,823</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(68,674,168)	(5,158,708)
Net cash (used) in investing activities		<u>(68,674,168)</u>	<u>(5,158,708)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Long term loan		-	(19,444,444)
Due to related party		(64,413,967)	(63,966,327)
Net cash (used) in financing activities		<u>(64,413,967)</u>	<u>(83,410,771)</u>
Net increase in cash and cash equivalents		83,376,559	250,412,344
Cash and cash equivalents at the beginning of the period		(100,104,159)	(245,208,931)
Cash and cash equivalents at the end of the period	15	<u>(16,727,600)</u>	<u>5,203,413</u>

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR





# BABA FARID SUGAR MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2017

	Share Capital Rupees	Accumulated (Loss) Rupees	Total Rupees
Balance as at October 01, 2015 (Audited)	94,500,000	(1,266,087,217)	(1,171,587,217)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	17,099,025	17,099,025
Comprehensive income for the half year ended March 31, 2016	-	5,341,173	5,341,173
Balance as at March 31, 2016 - (Un-audited)	94,500,000	(1,243,647,019)	(1,149,147,019)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	18,575,348	18,575,348
Comprehensive income for the half year ended September 30, 2016	-	7,112,551	7,112,551
Balance as at September 30, 2016 - (Audited)	94,500,000	(1,217,959,120)	(1,123,459,120)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	20,935,845	20,935,845
Comprehensive income for the half year ended March 31, 2017	-	124,499,944	124,499,944
Balance as at March 31, 2017 - (Un-Audited)	94,500,000	(1,072,523,331)	(978,023,331)

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR



# BABA FARID SUGAR MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2017

### 1 THE COMPANY AND ITS OPERATIONS

1.1 Baba Farid Sugar Mills Limited ("the Company") was incorporated in 1978 under the Companies Act 1913 (now Companies Ordinance, 1984) as a Public Limited Company and its shares are quoted at Pakistan Stock Exchange. It is principally engaged in the manufacturing and sale of sugar including its by-products i.e. molasses and V.Filter cake. The registered office of the Company is situated at Suite-T-09, 3rd floor, 75-E/1, Main Boulevard, Gulberg III, Lahore and its manufacturing facilities are located in the district Okara, Punjab.

### 1.2 Going Concern Assumption

During the current financial period, the Company has earned profit before tax amounting to Rs. 121,884,723/- (March 31, 2016: Loss of Rs. 9,355,160) and at balance sheet date its accumulated losses have stood up to Rs. 1,072,523,331 (September 30, 2016: Rs. 1,217,959,120). Furthermore, the Company's equity is in negative and its current liabilities exceeds its current assets by Rs. 894,961,882 (September 30, 2016: Rs. 972,420,688). These conditions cast significant doubt on Company's ability to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the management has taken various measures to improve the financial position of the Company which include the sponsors' continued assurance for arrangement of funds as and when required, prompt discharging of its liabilities including financial obligations, securing growers' commitments for availability of quality sugarcane and hiring of competent management personnel for managing Company's affairs.

The management has firm belief that the above stated measures shall mitigate the doubt about the Company's ability to continue as a going concern and also justifies the preparation of this condensed interim financial information on going concern basis.

### 2 BASIS OF PREPARATION

This condensed interim financial information is un-audited but subject to limited scope review by the statutory auditors and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This condensed interim financial information of the Company for the half year ended 31 March 2017 has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the year ended September 30, 2016.

### 3 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended September 30, 2016.

3.1 IFRS 13 Fair value measurement establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required and permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants on the measurement date. It replaces and expands the disclosure requirements about fair value measurement in other IFRSs, including IFRS 7 Financial Instruments: Disclosures. As a result the Company has added additional disclosures in this regard in note 18 to the condensed interim unconsolidated financial information. In accordance with the transitional provisions of IFRS 13, the



# BABA FARID SUGAR MILLS LIMITED

Company has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impacts on the measurements of the Company's financial assets and liabilities.

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that effect and application of accounting policies and the reported amount of assets, liabilities, income and expenses. However, actual results may differ from these estimates.

In preparing this condensed interim financial information the significant estimates made by management in applying the Company's accounting policies and the key sources of estimation uncertainties are the same as those that applied to the financial information as at and for the year ended September 30, 2016.

## 5 CYCLICALITY OF OPERATIONS

The sugarcane crushing season starts from November and lasts till March each year.

	NOTE	Half Year Ended March 31, 2017 Rupees (Un-Audited)	Year Ended September 30, 2016 Rupees (Audited)
<b>6 LOAN FROM HOLDING COMPANY</b>			
Pattoki Sugar Mills Limited (PSML)	6.1	525,000,000	525,000,000
Less: current portion		(25,000,000)	(25,000,000)
		<u>500,000,000</u>	<u>500,000,000</u>

6.1 The Company obtained unsecured loan from M/s Pattoki Sugar Mills Limited (PSML) - the holding company that carries mark-up at the rate of 3 month's KIBOR plus 2% per annum. This loan is subordinate to the loan from Bank AL Habib Limited.

## 7 DEFERRED LIABILITIES

Deferred taxation		322,769,433	345,784,629
Staff retirement benefits - gratuity		2,050,989	2,050,989
		<u>324,820,422</u>	<u>347,835,618</u>

## 8 CURRENT PORTION OF LONG TERM LIABILITIES

Long term loans		-	8,776,109
Loan from holding company		25,000,000	25,000,000
Liability against assets subject to finance lease	8.1	-	20,632,000
		<u>25,000,000</u>	<u>54,408,109</u>

8.1 The company had a dispute with BRR Guardian Modarba "the leasing company" regarding the settlement of securities provided for the subject facility. This liability has been settled down during the period. The charge over current assets of the company by BRR has also been vacated.

## 9 SHORT TERM FINANCES

Temporary bank overdraft - unsecured	9.1	<u>27,254,782</u>	<u>101,799,132</u>
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9.1 This represents temporary overdraft due to cheques issued by the Company in excess of balance with banks.



# BABA FARID SUGAR MILLS LIMITED

	Half Year Ended March 31, 2017 Rupees	Year Ended September 30, 2016 Rupees
<b>10 DUE TO RELATED PARTY</b>		
Pattoki Sugar Mills Limited	1,047,232,111	1,111,646,078

The Company has obtained unsecured short term loan from M/s Pattoki Sugar Mills Limited (PSML) - the holding company that carries mark-up at the rate of 3 month's KIBOR plus 2% per annum.

## 11 CONTINGENCIES & COMMITMENTS

There are no material change in the status of contingencies and commitments since the year ended September 30, 2016 except for the matter stated in Note 8.1.

## 12 PROPERTY, PLANT & EQUIPMENT

Operating fixed assets	12.1	2,458,263,389	2,437,806,352
Capital work-in-progress	12.2	46,858,087	38,177,131
		<u>2,505,121,476</u>	<u>2,475,983,483</u>
<b>12.1 Opening book value</b>		2,437,806,352	2,009,259,345
Disposal at NBV		-	(3,593,880)
Surplus on revaluation		-	479,795,019
Adjustment		-	3,363,360
Additions during the period	12.1.1	59,993,212	19,412,423
		2,497,799,564	2,508,236,267
Depreciation during the period / year		(39,536,175)	(70,429,915)
Closing book value		<u>2,458,263,389</u>	<u>2,437,806,352</u>
<b>12.1.1 Additions during the period</b>			
Plant and machinery		59,767,984	19,183,359
Furniture & fixtures		7,178	9,803
Office equipment		116,100	219,260
Electric Installation		6,700	-
Vehicles		95,250	-
		<u>59,993,212</u>	<u>19,412,422</u>
<b>12.2 Capital work-in-progress</b>			
Building on freehold land		46,858,087	38,177,131

# BABA FARID SUGAR MILLS LIMITED



## 13 COST OF SALES

	Half Year Ended		Quarter Ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	Rupees	Rupees	Rupees	Rupees
Raw materials and expenses thereon	1,829,525,659	1,232,996,401	1,192,840,460	754,597,889
Manufacturing expenses	140,964,350	125,095,281	78,594,357	77,659,037
	1,970,490,009	1,358,091,682	1,271,434,817	832,256,926
Work in process				
Opening	13,322,874	12,671,829	69,995,070	75,141,379
Closing	(30,001,682)	(13,335,963)	(30,001,682)	(13,335,963)
	(16,678,808)	(664,134)	39,993,388	61,805,416
	1,953,811,201	1,357,427,548	1,311,428,205	894,062,342
Sale of by-products				
Molasses	(103,532,546)	(66,000,033)	(103,532,546)	(66,000,033)
V.F. Cakes	-	-	-	-
	(103,532,546)	(66,000,033)	(103,532,546)	(66,000,033)
Cost of goods manufactured	1,850,278,655	1,291,427,515	1,207,895,659	828,062,309
Finished goods				
Opening	367,754,742	240,326,014	607,411,895	768,839,924
Closing	(1,005,308,391)	(1,268,026,198)	(1,005,308,391)	(1,268,026,198)
	(637,553,649)	(1,027,700,185)	(397,896,496)	(499,186,274)
	1,212,725,007	263,727,330	809,999,164	328,876,035



# BABA FARID SUGAR MILLS LIMITED

	Half Year Ended March 31, 2017 Rupees	Half Year Ended March 31, 2016 Rupees
<b>14 CASH (USED IN) OPERATIONS</b>		
Profit / (Loss) before taxation	121,884,723	(9,355,160)
Adjustment for non cash charges and other items:		
Depreciation	39,536,175	33,058,495
Finance costs	58,482,586	60,347,476
Working capital changes	64,821,784	281,433,371
<b>14.1</b>	<b>162,840,546</b>	<b>374,839,342</b>
	<b>284,725,269</b>	<b>365,484,182</b>
<b>14.1 Working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Stores, spares and loose tools	12,482,139	(5,199,565)
Stock-in-trade	(654,232,457)	(1,028,364,318)
Trade debts	5,947,666	(25,395,806)
Loans and advances	(110,407,841)	(6,104,188)
Trade deposits and prepayments	20,587,000	1,663,600
<b>Increase in current liabilities</b>		
Trade and other payables	790,445,277	1,344,833,648
	<b>64,821,784</b>	<b>281,433,371</b>
<b>15 CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	10,527,182	9,297,979
Short term finances	(27,254,782)	(4,094,566)
	<b>(16,727,600)</b>	<b>5,203,413</b>
<b>16 TRANSACTION WITH RELATED PARTIES</b>		

The related parties comprise subsidiary companies, associated undertakings, other related companies, key management personnel and provident fund trust. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties are as follows:

Name of related party	Nature of relationship	Nature of transaction	Amount (Rupees)
Imporient Chemicals (Private) Limited	Associate	Purchase of chemicals	13,567,839
Pattoki Sugar Mills Limited	Holding	Mark-up	58,250,634
Pattoki Sugar Mills Limited	Holding	Decrease in amount payable	(64,413,967)

## 17 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 September 2016.



# BABA FARID SUGAR MILLS LIMITED

## 18 FINANCIAL INSTRUMENTS-FAIR VALUES

The additional disclosures due to the adoption of IFRS 13 Fair value measurement are as follows :

	Carrying Amount			Fair Value		
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
	----- Rupees -----					
<b>On - balance sheet financial instruments</b>						
Financial assets measured at fair value						
	-	-	-	-	-	-
Financial assets not measured at fair value						
Cash and bank balances						
Trade deposits and short term prepayments	18.1	10,527,182	-	10,527,182	-	-
Trade debts - unsecured, considered good	18.1	45,000	-	45,000	-	-
Loans and advances	18.1	102,942,916	-	102,942,916	-	-
Long term deposits	18.1	264,215,014	-	264,215,014	-	-
Other receivables	18.1	587,575	-	587,575	-	-
	18.1	105,742,500	-	105,742,500	-	-
		484,060,187	-	484,060,187	-	-
Financial liabilities measured at fair value						
	-	-	-	-	-	-
<b>Financial liabilities not measured at fair value</b>						
Long term finances						
Trade and other payables		525,000,000	-	525,000,000	-	525,000,000
Short term borrowing	18.1	1,300,226,440	-	1,300,226,440	-	-
Due to related party		27,254,782	-	27,254,782	-	27,254,782
Other current liabilities		1,047,232,111	-	1,047,232,111	-	-
Accrued finance cost		-	-	-	-	-
	18.1	31,870,957	-	31,870,957	-	-
		2,931,584,290	-	2,931,584,290	-	552,254,782

18.1 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or re-price over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

## 19 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on May 29, 2017 by the Board of Directors' of the Company.

## 20 CORRESPONDING FIGURES

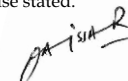
In order to comply with the requirements of International Accounting Standard (IAS) 34 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

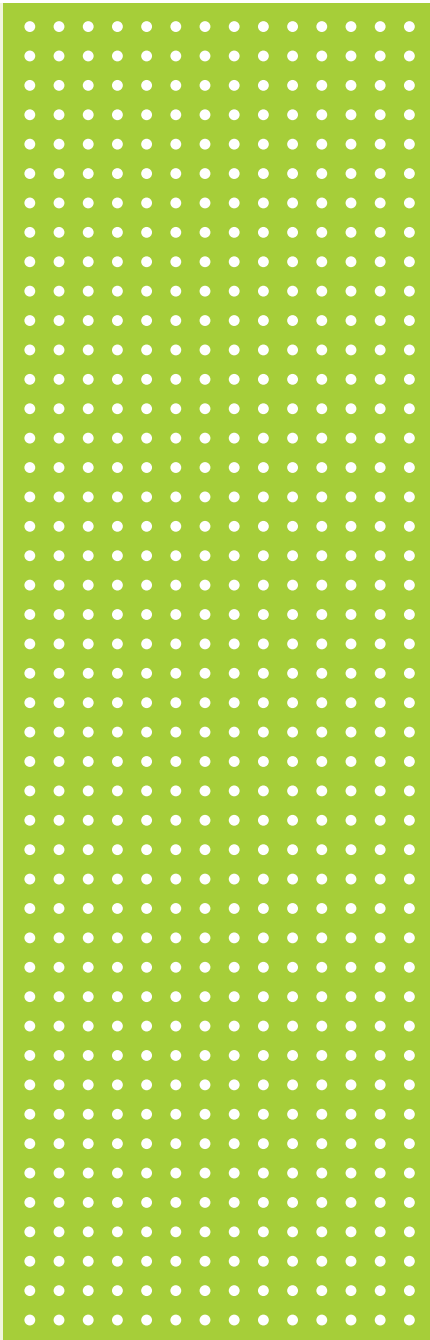
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made.

## 21 GENERAL

Figures have been rounded off to the nearest of Rupees unless otherwise stated.

  
CHIEF EXECUTIVE

  
DIRECTOR



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