

# BABA FARID

SUGAR MILLS LIMITED



CONDENSED  
INTERIM FINANCIAL  
INFORMATION  
For the 3rd Quarter Ended  
30 June 2019  
(Un-audited)



## Contents

Company Information	2
Directors' Review	3
Condensed Interim Statement of Financial Position	10
Condensed Interim Statement of Profit or Loss	11
Condensed Interim Statement of Comprehensive Income	12
condensed Interim Statement of Changes in Equity	13
Condensed Interim Statement of Cash Flows	14
Selected Notes to the Condensed Interim Financial Information	15



## Corporate Information

### Board of Directors

Mrs. Qaiser Shamim Khan	Chairperson
Mr. Adnan Ahmed Khan	Chief Executive
Mr. Muhammad Shamim Khan	Executive
Mr. Nauman Ahmed Khan	Non-Executive
Mrs. Sarah Hajra Khan	Non-Executive
Mr. Farid ud Din Ahmed	Independent Director
Mr. Malik Manzoor Hussain Humayoon	Independent Director

### Audit Committee

Mr. Farid-ud-Din Ahmad	Chairman
Mrs. Sarah Hajra Khan	Member
Mr. Malik Manzoor Hussain Humayoon	Member

### Company Secretary

Mr. Muhammad Imran

### Auditors

BDO Ebrahim & Co.  
Chartered Accountants  
F-2, First Floor, Grace Centre,  
Canal Bank Road, 1-B Canal Park,  
Gulberg-II, Lahore  
Tel: 042-35875709-10  
Fax: 042-35717351  
Email: info@bdo.com.pk

### Mills

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

### Bankers

Habib Bank Limited  
Bank Al-Habib Limited  
United Bank Limited  
MCB Bank Limited  
J.S Bank Limited

### Human Resources & Remuneration Committee

Mr. Farid-ud-Din Ahmad	Chairman
Mr. Adnan Ahmed Khan	Member
Mr. Malik Manzoor Hussain Humayoon	Member

### Chief Financial Officer

Mr. Wasif Mahmood

### Share Registrar

Share Registrar, Wings Arcade,  
1-K Commercial Model Town, Lahore.  
Tel: 042-35916714, Fax: 042-35869037  
Email: corplink786@gmail.com

### Registered Office

2-D-1, Gulberg III, Lahore  
Tel: 042-35771066-71  
Fax: 042-35756687  
Email: info@bfsml.com  
Website: www.bfsml.com

### Legal Advisor

Mohsin Tayebaly & Co.  
Corporate Legal Consultants (Barrister & Advocates)  
High Courts & Supreme Courts  
Lahore Office: 102-C-1, St. John's Park  
(Opp. Fortress Stadium), Lahore  
Tel: 042-36672102  
Email: Arshad.mirza@mtclaw.com.pk



## Directors' Report to the Members

The Directors of your Company are pleased to present the Un-Audited Financial Statements of the Company for the Period Ended 30th June 2019 in compliance with the section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

Financial results for period under review are as under:

	Nine Months Ended		Quarter Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	Rupees	Rupees	Rupees	Rupees
Sales – net	105,560,375	1,087,736,394	56,484,000	49,172,770
Gross loss	(225,729,429)	(264,563,936)	(14,258,486)	(14,560,882)
Operating loss	(301,678,935)	(294,268,643)	(22,997,362)	(20,684,096)
Loss before taxation	(407,228,665)	(418,085,461)	(26,400,679)	(63,879,880)
Taxation	(42,638,025)	65,385,650	(2,087,496)	69,526,893
(Loss) / profit after taxation	(449,866,690)	(352,699,811)	(28,488,175)	5,647,013
(Loss) / earnings per share - basic and diluted	(47.6)	(37.32)	(3.01)	0.6

Net sales was recorded at Rs. 105.56 million during the period ended 30th June 2019 as compared to Rs. 1,087.74 million against the corresponding period of last year. Company suffered pretax loss of Rs. (407.23) million during the period under review as compared to pretax loss of Rs. (418.08) million in the corresponding period of last year.

During the period under review, the Company mainly remained under the process of change of management and sponsors, complying with legal & corporate formalities of SECP, Pakistan Stock Exchange and others. The new Management is making efforts to evaluate the available opportunities to increase the production and improving profitability of the company through process efficiency, installing latest technology equipment and reducing costs.

The development of cane crop, obtaining good quality cane will be pursued by providing the latest improved seed varieties, fertilizers and other inputs to cane growers. We hope that this will ultimately result in higher sugar recovery for the company and also financial benefit to the cane growers through increased yields.

New management took charge on 13th June 2019 after meeting of board of directors pursuant to completion of all legal and corporate formalities for acquisition of majority shareholding and management control of the Company. The newly reconstituted Board was informed about various critical items requiring Board's immediate attention and following major decision were taken:

- As required under section 192 of the Companies Act 2017, Mrs. Qaiser Shamim Khan (Director) was appointment as Chairperson of the Board as a result of vacancy generated due the resignation of former Chairperson, Ms. Naheed Roohi; and
- Mr. Adnan Ahmed Khan was appointed as Chief Executive Officer as a result of vacancy generated due the resignation of former Chief Executive Officer, Mr. Muhammad Sarwar; and
- Mr. Muhammad Imran was appointed as Company Secretary as a result of resignation of former Company secretary, Muhammad Ibrahim; and
- Mr. Wasif Mahmood was appointed as Chief Financial Officer as a result of resignation of former Chief Financial Officer, Mr. Adnan Zulfiqar; and
- The Registered Officer of the Company be shifted from Suite – T 09, 3rd Floor, Hafeez Centre, 75-E/1, Main Boulevard, Gulberg-III, Lahore to 2-D-1 Gulberg III, Lahore.



# BABA FARID SUGAR MILLS LIMITED

Directors are committed to good corporate governance and comply with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 and the Rule Book of Pakistan Stock Exchange. The composition of the Board of Directors (the Board”) is as follows:

Category	Names
Independent Director	Mr. Farid-ud-Din Ahmad Mr. Malik Manzoor Hussain Humayoon
Executive Directors	Mr. Adnan Ahmed Khan (CEO) Mr. Muhammad Shamim Khan
Non-Executive Director	Mrs. Qaiser Shamim Khan Mr. Nauman Ahmed Khan Mrs. Sarah Hajra Khan

The Board has formed committees comprising of members given below:

## Audit Committee

- i) Mrs. Sarah Hajra Khan;
- ii) Mr. Farid-ud-Din Ahmad (Chairman of the Audit Committee); and
- iii) Mr. Malik Manzoor Hussain Humayoon

## HR AND REMUNERATION COMMITTEE

- i) Mr. Adnan Ahmed Khan;
- ii) Mr. Farid-ud-Din Ahmad (Chairman of the HRR Committee); and
- iii) Mr. Malik Manzoor Hussain Humayoon.

## FUTURE OUT LOOK

Naubahar Bottling Company (Private) Limited, Mr. Muhammad Shamim Khan, Mrs. Qaiser Shamim Khan, Mr. Adnan Ahmed Khan and Mr. Nauman Ahmed Khan (the Acquirers) entered into a Share Purchase Agreement dated 23rd January 2019 with Ms. Naheed Rohi, Mr. Muhammad Ashraf, Mr. Muhammad Sarwar, Mr. Muhammad Shah Anjum, Ms. Rafia Aslam, Mr. Shahid Mehmood Qureshi, Syed Qaisar Abbas Naqvi, Mr. Maqsood Ul Hassan, Mr. Muhammad Aslam and M/s. Pattoki Sugar Mills Limited (collectively, the “Sponsor Sellers”) for the sale and purchase of 9,115,456 Ordinary Shares representing 96.46% of the total issued share capital of the Company, at an aggregate sale price of Rupees 474,003,712 calculated at the rate of Rs. 52 per share. Further, a Public Offer was made on 27 March 2019 by the Acquirers to acquire upto 167,272 Ordinary Shares of the Company constituting 1.77% of the issued share capital of the Company at an offer price of Rupees 52 per Ordinary Share Pursuant To Part IX of the Securities Act, 2015 (“Act”) and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 (“Regulations”). Naubahar Bottling Company (Private) Limited is engaged in beverage business. Mr. Muhammad Shamim Khan, Mrs. Qaiser Shamim Khan, Mr. Adnan Ahmed Khan and Mr. Nauman Ahmed Khan are engaged in business of sugar, beverage, steel, power, textile, trading and consultancy, hence have rich relevant experience. Naubahar Bottling Company (Private) Limited consumes a considerable portion of total sugar produced in group and this demand is expected to increase every year.

The acquisition will allow the new management to better meet this ever increasing demand of quality sugar. The acquisition will further bring strength, experience and efficiency to the Company. Specifically, the acquisition has



# BABA FARID SUGAR MILLS LIMITED

the potential to facilitate expansion and efficient growth of business strengthen the management and finances; and improve financial planning; thereby facilitating business to be carried on more advantageously and economically with enhanced profitability. It is expected to yield better returns to the shareholders and additional benefits for other stakeholders. It is expected that the Company shall become financially more viable in comparison to its current status. It is also expected that the new management with their experience will have better managerial planning. Consequently, will be able to pass on parts of the expected benefits to the other stakeholders such as the Government, employees, general body of consumers and the society at large. The new Board of Directors are much more experience and have professional management team to revive sugar mills operations and explore new markets. The new management is quite confident that it will be able to expand the Company's business and operate more efficiently and profitably.

## **ACKNOWLEDGEMENT**

The Board acknowledges the valuable teamwork, devotion and dedication by the executives, employees and workers of the Company. The board also wishes to thank the financial institutions, farmers and all stakeholders associated with the company for their support and cooperation.

For and on behalf of Board of Directors,

**Adnan Ahmed Khan**  
**Chief Executive**

LAHORE: 24 July 2019



## ڈائریکٹرز کی حصص داران کو رپورٹ

کمپنی کے ڈائریکٹرز کمپنیز ایکٹ 2017ء کی دفعہ 237 اور پاکستان اسٹاک ایکسچینج کی مندرجہ ریکولیشنز کی تعمیل میں 30 جون 2019 کو ختم ہونے والی نو ماہی کے لئے کمپنی کے غیر نظر ثانی شدہ مالی حسابات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

زیر جائزہ مدت کے مالی نتائج حسب ذیل ہیں:

مختتمہ سہ ماہی		مختتمہ نو ماہی		
30 جون 2018	30 جون 2019	30 جون 2018	30 جون 2019	
روپے	روپے	روپے	روپے	
49,172,770	56,484,000	1,087,736,394	105,560,375	فروخت خالص
(14,560,882)	(14,258,486)	(264,563,936)	(225,729,429)	مجموعی نقصان
(20,684,096)	(22,997,362)	(294,268,643)	(301,678,935)	آپریٹنگ نقصان
(63,879,880)	(26,400,679)	(418,085,461)	(407,228,665)	ٹیکس سے قبل نقصان
69,526,893	(2,087,496)	65,385,650	(42,638,025)	ٹیکس
5,647,013	(28,488,175)	(352,699,811)	(449,866,690)	ٹیکس کے بعد (نقصان) / نفع
0.60	(3.01)	(37.32)	(47.60)	(نقصان) / نفع فی شیئر - بنیادی اور معتدل (روپے)

گزشتہ سال کی اسی مدت کے برعکس خالص فروخت 1,087.74 ملین روپے کے مقابلے 30 جون 2019 کو ختم ہونے والی مدت کے دوران خالص فروخت 105.56 ملین روپے درج کی گئی۔ کمپنی نے گزشتہ سال کی اسی مدت میں ٹیکس سے قبل (418.08) ملین روپے کے مقابلے زیر جائزہ مدت کے دوران ٹیکس سے قبل (407.23) ملین روپے کا نقصان اٹھایا۔

زیر جائزہ مدت کے دوران، کمپنی بنیادی طور پر انتظامیہ اور سپانسرز کی تبدیلی، SECP، پاکستان اسٹاک ایکسچینج اور دیگر زکات قانونی اور کارپوریٹ فارمیٹ پر عملدرآمد کرنے کے پراسیس میں رہی ہے۔ نئی انتظامیہ پراسیس کی کارکردگی بہتر بنانے، جدید ترین ٹیکنالوجی آلات نصب کرنے اور پیداواری اخراجات کو کم کر کے کمپنی کی پیداوار اور منافع کو بڑھانے کے لئے کوششیں کر رہی ہے۔

اچھا معیار اپنا رکھنا حاصل کرنے کے لئے گئے کے کاشتکاروں کو مسلسل جدید بہتر بیج کی اقسام، کھادیں اور دیگر باہم سہولیات پہنچانی جائیں گی۔ ہمیں امید ہے کہ اس کے نتیجے میں زیادہ پیداوار کے ذریعے کمپنی کے لئے چینی کی ریکوری زیادہ اور گنے کے کاشتکاروں کو مالی فوائد بھی حاصل ہوں گے۔



# BABA FARID SUGAR MILLS LIMITED

نئی انتظامیہ نے کمپنی کے اکثریتی شیئر ہولڈنگ اور انتظامی کنٹرول کے حصول کے لئے تمام قانونی اور کارپوریٹ فارملائیز مکمل کرتے ہوئے بورڈ آف ڈائریکٹرز کے اجلاس کے بعد 13 جون 2019 کو جاری کیا۔ نئے مقررہ بورڈ کو بورڈ کی فوری توجہ طلب مختلف اہم آئٹمز کے بارے میں مطلع کیا گیا اور مندرجہ ذیل اہم فیصلے کئے گئے:

- کمپنی ایکٹ 2017 کی دفعہ 192 کی شرائط کے مطابق، سابقہ چیئر پرسن محترمہ ناہید روہی کے مستعفی ہونے کے باعث خالی ہونے والی آسامی پر بورڈ کی چیئر پرسن کی حیثیت سے محترمہ قیصر شمیم خان (ڈائریکٹر) کو مقرر کیا گیا، اور
  - سابقہ چیف ایگزیکٹو آفیسر، جناب محمد سرور کے مستعفی ہونے کے باعث خالی ہونے والی آسامی پر چیف ایگزیکٹو آفیسر کی حیثیت سے جناب عدنان احمد خان کو مقرر کیا گیا، اور
  - سابقہ کمپنی سیکرٹری، جناب محمد ابراہیم کے مستعفی ہونے کے باعث خالی ہونے والی آسامی پر کمپنی سیکرٹری کی حیثیت سے جناب محمد عمران کو مقرر کیا گیا، اور
  - سابقہ چیف فنانشل آفیسر، جناب عدنان ذوالفقار کے مستعفی ہونے کے باعث خالی ہونے والی آسامی پر چیف فنانشل آفیسر کی حیثیت سے جناب واصف محمود کو مقرر کیا گیا، اور
  - کمپنی کارجنرل دفتر از سائٹ T 09، تیسری منزل، حفیظ سنٹر، 75-E/1، مین بلیوارڈ، گلبرگ III، لاہور سے 2-D-1، گلبرگ III، لاہور پر منتقل ہو گیا ہے۔
- ڈائریکٹرز بہتر کارپوریٹ گورننس پر عملدرآمد اور فہرستی کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز، 2017 اور پاکستان اسٹاک ایکسچینج کی رول بک کی ضروریات کو پورا کرتے ہیں۔

بورڈ آف ڈائریکٹرز (بورڈ) کی تشکیل مندرجہ ذیل ہے:

کیئگری	نام
آزاد ڈائریکٹرز	جناب فرید الدین احمد جناب ملک منظور حسین ہمایوں
ایگزیکٹو ڈائریکٹرز	جناب عدنان احمد خان (سی ای او) جناب محمد شمیم خان
نان ایگزیکٹو ڈائریکٹرز	محترمہ قیصر شمیم خان جناب نعمان احمد خان محترمہ سارہ ہاجرہ خان





بورڈ نے حسب ذیل ارکان پر مشتمل کمیٹیاں تشکیل دی ہیں۔

## آڈٹ کمیٹی

- (i) محترمہ سارہ باجرہ خان
- (ii) جناب فرید الدین احمد (چیئرمین آڈٹ کمیٹی)
- (iii) جناب ملک منظور حسین ہمایوں

## ایچ آر اینڈ ریمزیشن کمیٹی

- (i) جناب عدنان احمد خان
- (ii) جناب فرید الدین احمد (چیئرمین HRR کمیٹی)
- (iii) جناب ملک منظور حسین ہمایوں

## مستقبل کا نقطہ نظر:

نوبہار بولنگ کمپنی (پرائیویٹ) لمیٹڈ، جناب محمد شمیم خان، محترمہ قیصر شمیم خان، جناب عدنان احمد خان اور جناب نعمان احمد خان (خرید کنندگان) محترمہ ناہیدروہی، جناب محمد اشرف، جناب محمد سرور، جناب محمد شاہ انجم، محترمہ رفیعہ اسلم، جناب شاہد محمود قریشی، سید قیصر عباس نقوی، جناب مسعود الحسن، جناب محمد اسلم اور میسرز پتوکی شوگر ملز لمیٹڈ (مجموعی طور پر، "سپانسر فروخت کنندگان") کے ساتھ 52 روپے فی شیئر کی شرح پر 474,003,712 روپے کی مجموعی قیمت فروخت پر کمپنی کے کل جاری شدہ شیئر کپٹل کی 96.46% نمائندگی کرنے والے 9,115,456 عام حصص کی فروخت اور خریداری کے لئے ایک شیئر پر چہرہ ایگریمنٹ مورخہ 23 جنوری 2019 کیا ہے۔ اس کے علاوہ، سیکورٹیز ایکٹ 2015 (ایکٹ) کے پارٹ IX اور مندرجہ ذیل (ووٹنگ شیئرز کے حصول اور ٹیک اوورز سبسٹینشل) قواعد 2017 (ریگولیشن) کی پیروی میں 52 روپے فی شیئر کی پیشکش قیمت پر کمپنی کے جاری شدہ شیئر کپٹل کی 1.77% مقررہ کمپنی کے 167,272 عام شیئرز تک حاصل کرنے کے لئے خرید کنندگان کی طرف سے 27 مارچ 2019 کو ایک عام پیشکش کی گئی تھی۔ نوبہار بولنگ کمپنی (پرائیویٹ) لمیٹڈ مشروبات کے کاروبار میں مصروف ہے۔ جناب محمد شمیم خان، محترمہ قیصر شمیم خان، جناب عدنان احمد خان اور جناب نعمان احمد خان چینی، مشروبات، اسٹیل، بجلی، ٹیکسٹائل، ٹریڈنگ اور مشاورت کے کاروبار میں مصروف ہیں، لہذا کافی متعلقہ تجربہ رکھتے ہیں۔ نوبہار بولنگ کمپنی (پرائیویٹ) لمیٹڈ ملک میں پیدا ہونے والی مجموعی چینی کی قابل ذکر مقدار استعمال کرتی ہے اور یہ طلب ہر سال میں بڑھنے کی توقع ہے۔

ایکویزیشن خرید کنندگان کو معیاری چینی کی اس بڑھتی ہوئی طلب کو بہتر پورا کرنے کی اجازت دے گی۔ حصول کمپنی کو مزید مضبوط، تجربہ اور



کارکردگی کو مزید بہتر بنائے گا۔ خاص طور پر، حصول ممکن ہے کہ کاروبار کو وسعت اور موثر نمو کو سہولت فراہم کرنے، انتظامیہ اور مالی حیثیت کو مضبوط بنانے، اور مالیاتی منصوبہ بندی کو بہتر بنانے: اس طرح کاروباری طور پر بہتر منافع بخش ہونے کے ساتھ ساتھ کاروبار میں زیادہ فائدہ مند اور اقتصادی طور پر سہولت فراہم کرنے میں مدد کرے۔ اس سے حصص داروں کے لئے بہتر ریٹرن کی پیداوار اور دیگر اسٹیک ہولڈرز کے لئے اضافی فوائد حاصل ہونے کی اُمید کی جاتی ہے۔ یہ اُمید ہے کہ کمپنی اپنی موجودہ حیثیت کے مقابلے میں مالی طور پر زیادہ قابل عمل بن جائے گی۔ یہ بھی توقع ہے کہ خرید کنندگان بہتر انتظامی منصوبہ بندی کریں گے۔ اس کے نتیجے میں، حاصل کنندگان ممکنہ طور پر متوقع فوائد دیگر اسٹیک ہولڈرز جیسے کہ حکومت، ملازمین، عام صارفین اور بڑے پیمانے پر معاشرے میں منتقل کرنے کے قابل ہو سکتے ہیں۔ نئے بورڈ آف ڈائریکٹرز بہت زیادہ تجربہ کار ہیں اور شوگر ملز کے آپریشنز کی بحالی اور نئی مارکیٹوں کی تلاش کے لئے پیشہ ورانہ میجمنٹ ٹیم رکھتے ہیں۔ نئی انتظامیہ کو یقین ہے کہ وہ کمپنی کے کاروبار کو بڑھانے، زیادہ موثر اور منافع بخش طریقے سے چلانے کے قابل ہوں گے۔

اظہار تشکر

بورڈ کمپنی کے ایگزیکٹوز، ملازمین اور کارکنوں کے قابل قدر ٹیم ورک، لگن اور محنت کا اعتراف کرتا ہے۔ بورڈ کمپنی کے ساتھ شریک مالی اداروں، کسانوں اور تمام اسٹیک ہولڈرز کی حمایت اور تعاون کا بھی شکریہ ادا کرتے ہیں۔

منجانب بورڈ

عدنان احمد خان

چیف ایگزیکٹو

لاہور: 24 جولائی 2019ء



# BABA FARID SUGAR MILLS LIMITED

## Condensed Interim Statement of Financial Position

As at June 30, 2019 (Un-Audited)

	Note	(Un-Audited) June 30, 2019 ..... (Rupees) .....	(Audited) September 30, 2018
<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		(1,902,623,332)	(1,480,646,743)
Surplus on revaluation of fixed assets		1,688,012,554	1,715,902,655
		(120,110,778)	329,755,912
<b>NON-CURRENT LIABILITIES</b>			
Long term financing		-	100,000,000
Loan from ex-holding company		-	500,000,000
Deferred liabilities		329,062,068	288,233,669
		329,062,068	888,233,669
<b>CURRENT LIABILITIES</b>			
Trade and other payables		230,106,649	278,288,794
Unclaimed dividend		255,930	255,930
Due to ex-holding company		-	1,154,442,231
Mark-up accrued		46,994,990	154,058,109
Short term finances		6,568	25,982,166
Loan from related parties		2,074,460,400	-
Current portion of long term liabilities		142,539,691	125,000,000
Provision for taxation		1,891,053	12,012,897
		2,496,255,281	1,750,040,127
<b>Contingencies and commitments</b>			
	8	2,705,206,571	2,968,029,708
<b>TOTAL EQUITY AND LIABILITIES</b>			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	2,493,063,728	2,495,992,625
Long term deposits		-	587,575
		2,493,063,728	2,496,580,200
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		54,537,305	43,621,327
Stock-in-trade		12,726,483	51,731,844
Trade debts		13,399,679	151,278,030
Loans and advances		10,663,360	116,855,614
Other receivables		105,865,741	105,742,500
Cash and bank balances		14,950,275	2,220,193
		212,142,843	471,449,508
<b>TOTAL ASSETS</b>			
		2,705,206,571	2,968,029,708

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

  
Director

  
Director

  
Director

  
Chief Financial Officer



# BABA FARID SUGAR MILLS LIMITED

## Condensed Interim Statement of Profit or Loss

For the Nine Months Ended June 30, 2019 (Un-Audited)

	Note	Nine Months Ended		Quarter Ended	
		June 30,		June 30,	
		2019	2018	2019	2018
		..... (Rupees) .....		..... (Rupees) .....	
Sales - net	10	105,560,375	1,087,736,394	56,484,000	49,172,770
Cost of sales	11	331,289,804	1,352,300,330	70,742,486	63,733,652
Gross loss		(225,729,429)	(264,563,936)	(14,258,486)	(14,560,882)
Selling and distribution expenses		471,827	2,073,351	4,182	340,621
General and administrative expenses		75,477,679	27,631,356	8,734,694	5,782,593
		75,949,506	29,704,707	8,738,876	6,123,214
Operating loss		(301,678,935)	(294,268,643)	(22,997,362)	(20,684,096)
Finance charges		110,012,576	123,816,818	3,403,317	43,195,784
		(411,691,511)	(418,085,461)	(26,400,679)	(63,879,880)
Other operating income		4,462,846	-	-	-
Loss before taxation		(407,228,665)	(418,085,461)	(26,400,679)	(63,879,880)
Taxation					
- Deferred		40,746,972	(79,864,748)	891,164	(68,596,818)
- Current		1,891,053	14,479,098	1,196,332	(930,075)
		42,638,025	(65,385,650)	2,087,496	(69,526,893)
(Loss) / profit after taxation		(449,866,690)	(352,699,811)	(28,488,175)	5,647,013
(Loss) / earnings per share					
- basic and diluted		(47.60)	(37.32)	(3.01)	0.60

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

  
Director

  
Director

  
Director

  
Chief Financial Officer



# BABA FARID SUGAR MILLS LIMITED

## Condensed Interim Statement of Comprehensive Income For the Nine Months Ended June 30, 2019 (Un-Audited)

	Nine Months Ended		Quarter Ended	
	June 30,		June 30,	
	2019	2018	2019	2018
	..... (Rupees) .....		..... (Rupees) .....	
(Loss) / profit after taxation	(449,866,690)	(352,699,811)	(28,488,175)	5,647,013
Other comprehensive income:				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Total comprehensive income / (loss) for the period	(449,866,690)	(352,699,811)	(28,488,175)	5,647,013

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

  
Director

  
Director

  
Director

  
Chief Financial Officer



# BABA FARID SUGAR MILLS LIMITED

## Condensed Interim Statement of Cash Flows

For the Nine Months Ended June 30, 2019 (Un-Audited)

Note	Nine Months Ended	
	(Un-Audited) June 30, 2019 ..... (Rupees) .....	(Un-Audited) June 30, 2018
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Cash (used in) / generated from operations	12 (19,378,566)	43,219,092
Finance costs paid	(217,075,695)	(68,748,580)
Taxes paid	(13,601,749)	(31,123,780)
Net cash (outflow) from operating activities	(250,056,010)	(56,653,268)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(51,862,169)	(4,325,333)
Proceeds from sale of operating fixed assets	3,066,000	-
Net cash (outflow) from investing activities	(48,796,169)	(4,325,333)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loan	(100,000,000)	(50,000,000)
Due to related parties and ex-holding company	420,018,169	179,514,117
Current portion of long term liabilities	17,539,690	-
Net cash (outflow) from financing activities	337,557,859	129,514,117
Net increase in cash and cash equivalents	38,705,680	68,535,516
Cash and cash equivalents at the beginning of the period	(23,761,973)	(88,387,182)
Cash and cash equivalents at the end of the period	13 14,943,707	(19,851,666)

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

  
Director

  
Director

  
Director

  
Chief Financial Officer



# BABA FARID SUGAR MILLS LIMITED

## Condensed Interim Statement of Changes in Equity For the Nine Months Ended June 30, 2019 (Un-Audited)

	Share Capital	Surplus on revaluation of fixed assets	Accumulated Loss	Total
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
<b>Balance as at October 01, 2017 (Audited)</b>	94,500,000	1,746,005,655	(1,146,927,052)	693,578,603
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	(29,796,701)	29,796,701	-
Total comprehensive (loss) for Nine Months ended June 30, 2018	-	-	(352,699,811)	(352,699,811)
<b>Balance as at June 30, 2018 - (Un-audited)</b>	94,500,000	1,716,208,954	(1,469,830,162)	340,878,792
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	(9,932,234)	9,932,234	-
Surplus on revaluation of property, plant and equipment - related to rate change	-	9,625,935	-	9,625,935
Total Comprehensive (loss) for the Three Months ended September 30, 2018	-	-	(20,748,815)	(20,748,815)
<b>Balance as at September 30, 2018</b>	94,500,000	1,715,902,655	(1,480,646,743)	329,755,912
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	(27,890,101)	27,890,101	-
Surplus on revaluation of property, plant and equipment - related to rate change	-	-	-	-
Total comprehensive (loss) for the Nine Months ended June 30, 2019	-	-	(449,866,690)	(449,866,690)
<b>Balance as at June 30, 2019 - (Un-Audited)</b>	94,500,000	1,688,012,554	(1,902,623,332)	(120,110,778)

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

  
Director

  
Director

  
Director

  
Chief Financial Officer



## Notes to the Condensed Interim Financial Statements

For the Nine Months Ended June 30, 2019 (Un-Audited)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

#### 1.1 Status of the Company

Baba Farid Sugar Mills Limited ("the Company") was incorporated in 1978 under the Companies Act 1913 (now Companies Act, 2017) 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.

#### 1.2 Acquisition of the Company

Naubahar Bottling Company (Private) Limited, Mr. Muhammad Shamim Khan, Mrs. Qaiser Shamim Khan, Mr. Adnan Ahmed Khan and Mr. Nauman Ahmed Khan (the Acquirers) entered into a Share Purchase Agreement dated 23 January 2019 with Ms. Naheed Rohi, Mr. Muhammad Ashraf, Mr. Muhammad Sarwar, Mr. Muhammad Shah Anjum, Ms. Rafia Aslam, Mr. Shahid Mehmood Qureshi, Syed Qaisar Abbas Naqvi, Mr. Maqsood Ul Hassan, Mr. Muhammad Aslam and Pattoki Sugar Mills Limited (collectively, the "Sponsor Sellers") for the sale and purchase of 9,115,456 Ordinary Shares representing 96.46% of the total issued share capital of the Company, at an aggregate sale price of Rupees 474,003,712 calculated at the rate of Rs. 52 per share. Further, a Public Offer was made on 27 March 2019 by the Acquirers to acquire upto 167,272 Ordinary Shares of the Company constituting 1.77% of the issued share capital of the Company at an offer price of Rupees 52 per Ordinary Share Pursuant To Part IX of the Securities Act, 2015 ("Act") and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 ("Regulations"). Naubahar Bottling Company (Private) Limited is engaged in beverage business. Mr. Muhammad Shamim Khan, Mrs. Qaiser Shamim Khan, Mr. Adnan Ahmed Khan and Mr. Nauman Ahmed Khan are engaged in business of sugar, beverage, steel, power, textile, trading and consultancy, hence have rich relevant experience. Naubahar Bottling Company (Private) Limited consumes a considerable portion of total sugar produced in country and this demand is expected to increase every year. The acquisition will allow the Acquirers to better meet this ever increasing demand of quality sugar.

#### 1.3 Going Concern Assumption

The new management has taken various measures to revive operations of the Company. These include sponsors' loans, prompt discharge of liabilities, securing growers' commitments for availability of quality sugarcane, hiring of competent management personnel for managing Company's affairs, etc.

As mentioned in note 1.2 to the condensed interim financial statements the acquisition will further bring strength, experience and efficiency to the Company. Specifically, the acquisition has the potential to: facilitate expansion and efficient growth of business; strengthen the management and finances; and improve financial planning; thereby facilitating business to be carried on more advantageously and economically with enhanced profitability. It is expected to yield better returns to the shareholders and additional benefits for other stakeholders. It is expected that the Company shall become more financially viable in comparison to its current status. It is also expected that the Acquirers will have better managerial planning. Consequently, the Acquirers may be able to pass on parts of the expected benefits to the other stakeholders such as the Government, employees, general body of consumers and the society at large. The Acquirers have appoint an experienced Board of Directors and professional management team to revive sugar mills operations and explore new markets. The Acquirers are confident that it will be able to expand the Company's business and operate more efficiently and profitably.





# BABA FARID SUGAR MILLS LIMITED

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 these condensed interim financial statements on going concern basis.

## 2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at 2-D-1, Gulberg III, Lahore and its manufacturing facilities are located in the district Okara, Punjab.

## 3. BASIS OF PREPARATION

### 3.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of :

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board ( IASB ) as notified under the Companies Act, 2017;

Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act , 2017; and

Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

These condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended September 30, 2018 which have been prepared in accordance with approved accounting standards as applicable in Pakistan.

The comparative statement of financial position presented in these condensed interim financial statements have been extracted from the annual audited financial statements of the Company for the year ended September 30, 2018, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the nine months ended June 30, 2018.



## 3.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, except for the recognition of certain staff retirement benefits at present value and certain operating fixed assets at revalued amounts.

These condensed interim financial statements have been prepared following accrual basis of accounting except for cash flow statement.

## 3.3 Functional and presentation currency

These condensed interim financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the Company.

## 4 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THERE IN

The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information is the same as those applied in the preparation of the financial statements for the year ended September 30, 2018, except for the adoption of IFRS 15 "Revenue from contracts with customers" and IFRS 9 "Financial Instruments".

## 5. SEASONALITY OF OPERATIONS

Due to seasonal nature of sugar business, operating results of the Company are expected to fluctuate in the second half of the year. The sugarcane crushing season normally starts from November and lasts till April each year.

## 6. TAXATION

The provisions for taxation for the nine months and quarter ended June 30, 2019, have been made using the estimated effective tax rate applicable to expected total annual earnings.

## 7. ESTIMATES

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended September 30, 2018.



# BABA FARID SUGAR MILLS LIMITED

## 8. CONTINGENCIES AND COMMITMENTS

Please refer to condensed interim financial statements for the half year ended 31 March 2019. There is no significant change in the status of contingencies and commitments since then.

## 9. PROPERTY, PLANT & EQUIPMENT

Note	(Un-Audited) June 30, 2019 ..... (Rupees) .....	(Audited) September 30, 2018
Operating fixed assets	2,324,819,313	2,378,527,606
Capital work-in-progress	168,244,415	117,465,019
	<u>2,493,063,728</u>	<u>2,495,992,625</u>

## 10. SALES - NET

Sugar - Local	114,874,295	1,221,497,998
- Export	-	-
Less : Sales tax	(9,313,920)	(133,761,604)
	<u>105,560,375</u>	<u>1,087,736,394</u>

## 11. COST OF SALES

Raw materials and expenses thereon	127,388,789	1,003,656,907
Manufacturing expenses	180,942,661	117,909,644
	<u>308,331,450</u>	<u>1,121,566,551</u>
Work in process		
Opening	33,866,520	30,439,554
Closing	-	(35,664,289)
	<u>33,866,520</u>	<u>(5,224,735)</u>
	<u>342,197,970</u>	<u>1,116,341,817</u>
Sale of by-products		
Molasses-net	(14,008,546)	(69,731,257)
V.F. Cakes	(2,038,461)	(860,177)
	<u>(16,047,007)</u>	<u>(70,591,434)</u>
	<u>326,150,963</u>	<u>1,045,750,383</u>
Cost of goods manufactured		
Finished goods		
Opening	17,865,324	502,595,135
Closing	(12,726,483)	(196,045,188)
	<u>5,138,841</u>	<u>306,549,947</u>
	<u>331,289,804</u>	<u>1,352,300,330</u>



# BABA FARID SUGAR MILLS LIMITED

## 12. CASH (USED IN) / GENERATED FROM OPERATIONS

Note	(Un-Audited) June 30, 2019 ..... (Rupees) .....	(Audited) September 30, 2018
Loss before taxation	(407,228,665)	(418,085,461)
Adjustment for non cash charges and other items:		
Depreciation	54,791,066	56,361,747
Provision for gratuity	81,427	-
Finance costs	110,012,576	123,816,818
Gain on sale of fixed assets	(3,003,422)	-
Creditors written back	(1,459,424)	-
Provision for doubtful advances and deposits	53,091,566	-
Working capital changes	174,336,310	281,125,988
	387,850,099	461,304,553
	(19,378,566)	43,219,092
<b>Working capital changes</b>		
<b>Decrease / (increase) in current assets</b>		
Stores, spares and loose tools	(10,915,978)	(13,519,278)
Stock-in-trade	39,005,361	301,325,214
Trade debts	137,878,351	48,348,341
Loans and advances	95,768,209	26,420,896
Trade deposits and short term prepayments	-	-
Other receivables	(123,241)	-
Decrease in current liabilities		
Trade and other payables	(87,276,392)	(81,449,185)
	174,336,310	281,125,988

## 13. CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise of:

Cash and bank balances	14,950,275	8,376,480
Short term finances	(6,568)	(28,228,146)
	14,943,707	(19,851,666)

## 14. TRANSACTION WITH RELATED PARTIES

As a result of change of management and acquisition of the Company, the new Acquirers have given interest free and unsecured loans to the Company of Rupees 2,074,460,400. These are repayable on demand.



## 15. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on 24 July 2019 by the Board of Directors of the Company.

## 16. CORRESPONDING FIGURES

Corresponding figures have been reclassified wherever necessary for better presentation. However no material reclassification has been made.

Figures in these condensed interim financial statements have been rounded off to the nearest Rupee.

  
Director

  
Director

  
Director

  
Chief Financial Officer

www.jamapunji.pk



سرمایہ کاری سمجھداری کے ساتھ



## Be aware, Be alert, Be safe

Learn about investing at  
[www.jamapunji.pk](http://www.jamapunji.pk)

### Key features:

- Licensed Entities Verification
- Scam meter\*
- Jamapunji games\*
- Tax credit calculator\*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered

- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler\*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

[jamapunji.pk](https://www.facebook.com/jamapunji.pk)

[@jamapunji\\_pk](https://twitter.com/jamapunji_pk)

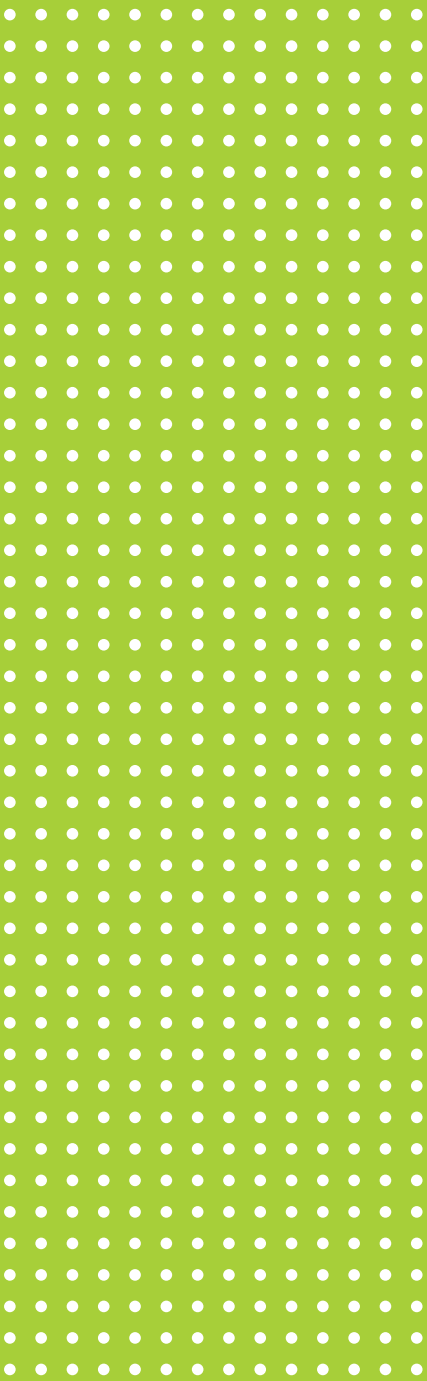
\*Mobile apps are also available for download for android and ios devices

BOOK POST

---

PRINTED MATTER

UPC



**BOOK POST**

IF UNDELIVERED PLEASE RETURN TO  
**BABA FARID SUGAR MILLS LIMITED**  
2-D-1, Gulberg III, Lahore