



BABA FARID
SUGAR MILLS LIMITED

CONDENSED INTERIM FINANCIAL INFORMATION
For the Half Year Ended 31 March 2021 (Un-audited)

GROWING A BETTER TOMORROW

HALF YEARLY
REPORT

2021

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mrs. Qaiser Shamim Khan	Chairperson
Mr. Adnan Ahmed Khan	Chief Executive
Mr. Muhammad Shamim Khan	Executive Director
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

HUMAN RESOURCES & REMUNERATION COMMITTEE

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

AUDIT COMMITTEE

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

NOMINATION COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

CHIEF FINANCIAL OFFICER

Mr. Wasif Mahmood

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: 044-2522878, 2524279
Fax: 044-2522978

BANKERS

Habib Bank Limited
Bank Al-Habib Limited
MCB Bank Limited
Meezan Bank Limited
Bank Alfalah Limited
Soneri Bank Limited
Allied Bank Limited
Askari Bank Limited

SHARE REGISTRAR

M/s Corplink (Pvt) Limited
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

M/S Ahmed & Pansota
Advocate and Legal Consultants
20 - Sir Gangaram Mansions
The Mall Lahore
Tel: 042-37313549, 37313520
Tel: 042-36672102

DIRECTORS' REVIEW

The Directors of your Company are pleased to present the Un-audited Accounts of the Company for the Period Ended 31 March, 2021 in compliance with the section 237 of the Companies Act, 2017.

INDUSTRY OVERVIEW

During the period under review, sugarcane crop availability remained considerably less. Yield per acre being reported by the growers is also lower than the same period last year. Moreover, sugar recovery is also expected to be lower as compared to last crushing season. The early start of crushing season also effected the yield and recovery of cane. Despite of low acreage yield and recovery the Company's sugar production in this season is expected to be higher in line with country's sugar production as compared to the last season.

For current crushing season 2020-21, notified support price of sugarcane was Rs. 200/- per 40 kg in Punjab & KPK and Rs 202 per 40kg in the province of Sindh.

Due to early start of cane crushing season i.e., from 15th November 2020 as compared to last week of November conventionally, industry had to pass through tough competition in cane procurement that resulted into price war situation in the region. That's why Company had to pay higher value than notified support price, resulting in substantially increased cane procurement cost compared to the last year.

OPERATING HIGHLIGHTS

The Company was able to crush 457,224.825 M. Tons sugarcane and produced 41,501.500 M. Tons of white refined sugar at an average recovery of 9.072% during the period ending 31st March 2021 as compared to last year sugarcane crushing of 290,029.359 M. Tons and production of 25,159.000 M. Tons white refined sugar at an average recovery of 8.700%. This evident improvement in Company's sugar production is partially due to early start of crushing season but mainly due to the endeavors of management and staff, improved production efficiency, better relationship maintenance with growers, customers and vendors and experience of new management to run the mills.

Net sales were recorded at Rs. 1,256.745 million during the current period as compared to Rs. 113.388 million during the corresponding period.

The Company suffered pretax loss of Rs. (16.793) million during the period under reference as compared to pretax loss of Rs. (121.013) million in the corresponding period. The substantial reduction in losses is attributed to better management of affairs of the Company and operating plant at optimum capacity level under available circumstances.

All out efforts are being made to increase the production and profitability of the Company through process efficiency, installing modern and latest technology equipment, reducing production cost by close supervision, developing good quality cane by providing the latest improved seed varieties, fertilizers, pesticides etc. and facilitating the cane growers constantly. This, ultimately, will result in higher sugar recovery and also financial benefit to the cane growers.

CORPORATE GOVERNANCE

Best Corporate Practices

Directors are committed to good corporate governance and comply with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Rule Book of Pakistan Stock Exchange.

1. The total number of Directors are seven as per following:
 - Male: Five
 - Female: Two
2. 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

3. The Board has formed committees comprising of members given below:

AUDIT COMMITTEE

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

HR AND REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

- Mr. Malik Manzoor Hussain Humayoon. (Chairman)
- Mr. Farid-ud-Din Ahmad

RISK MANAGEMENT COMMITTEE

- Mr. Malik Manzoor Hussain Humayoon. (Chairman)
- Mr. Farid-ud-Din Ahmad

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Directors are aware of their responsibility with respect to internal financial controls. Through discussions with management and Auditors (both internal and external), they confirm that adequate controls have been implemented by the Company.

RELATIONSHIP WITH GROWERS

The Company enjoys cordial relationship with the farmers' community as it considers the growers to be its backbone. To maintain and further strengthen the relationship, the Company, as a matter of principle, gives priority to it and strives to;

- Consistently follow the policy of timely payments of sugarcane to growers.
- Fulfill farmers' financial requirements by providing them financial assistance from own sources. During period under review, substantial amount of agriculture loans was advanced to growers in the form of seed, fertilizers and pesticides.

- Enhance technical skills through various advisory programs.
- Provide better quality and better yield varieties of sugarcane resulting in increased productivity in sugarcane yield per acre.

FUTURE OUTLOOK AND GOING CONCERN ASSUMPTION

Going forward the Company is expected to show better results as it has already shown a remarkable improvement in current year. This is essentially due to better management at the helm of affairs as the new management is much experienced, sincere to its work and commitment and has a large professional management team. These ingredients will hopefully revive the Company on overall basis. The management is quite confident that it will be able to expand the Company's business and operate more efficiently and will be able to convert into a profitably run organization in long term.

These financial statements have been prepared on a going concern basis based on the sponsors' commitment to provide financial and operational support to the Company. The management has no doubts about the Company's ability to continue as a going concern.


HOLDING COMPANY

Naubahar Bottling Company (Pvt.) Limited (NBC), holding company divested its all stake i.e., 50.8621% in the Company during the period under review. All shares by NBC were purchased by sponsor directors.

ACKNOWLEDGEMENT

The Board would like to express their appreciation for the dedication and hard work of the workers, staff and members of the management team. Growers are the key element of our industry and we thank them for their continued co-operation. The Directors of the Company are also thankful to the banks and financial institutions for the financial assistance and co-operation, which they have extended to the Company.

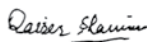
For and on behalf of the Board
Baba Farid Sugar Mills Limited



Muhammad Shamim Khan
 DIRECTOR



Malik Manzoor Hussain Humayoon
 DIRECTOR



Mrs. Qaiser Shamim Khan
 Chairperson

Lahore, 26 May 2021

ڈائریکٹرز کی جائزہ رپورٹ

کمپنی کے ڈائریکٹرز کمپنیز ایکٹ 2017ء کی دفعہ 237 کی تعمیل میں 31 مارچ 2021ء کو ختم ہونے والی ششماہی کے لئے کمپنی کے غیر نظر ثانی شدہ حسابات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

صنعت کا مجموعی جائزہ

زیر جائزہ مدت کے دوران گنے کی فصل کا سائز نمایاں طور پر کم ہے اور کاشتکاروں کے مطابق گزشتہ سال کے مقابلے میں فی ایکڑ پیداوار بھی کم ہے۔ مزید برآں، شوگر ریکوریز گزشتہ کرشنگ سیزن کے مقابلے کم رہنے کی توقع ہے۔ کرشنگ سیزن کے جلد آغاز سے گنے کی پیداوار اور ریکوری بھی متاثر ہوئی ہے۔ فی ایکڑ پیداوار اور ریکوری کم ہونے کے باوجود، اس مرتبہ کمپنی کی چینی کی پیداوار گزشتہ سیزن کے مقابلے میں ملک کی چینی کی پیداوار کے مطابق زیادہ ہوگی۔

موجودہ کرشنگ سیزن 2020-21 کیلئے پنجاب اور کے پی کے میں گنے کی امدادی قیمت -/200 روپے فی من اور صوبہ سندھ میں -/202 روپے فی من کا اعلان کیا گیا ہے۔ روایتی طور پر نومبر کے آخری ہفتے کے مقابلے 15 نومبر 2020 سے کرشنگ سیزن کے جلد آغاز کی وجہ سے گنے کی خریداری میں سخت مقابلہ دیکھا گیا جس کے نتیجے میں خطے میں قیمت جنگ کی صورت حال پائی گئی۔ اسی وجہ سے کمپنی کو اعلان کردہ امدادی قیمت سے زیادہ قیمت ادا کرنا پڑی، جس کے نتیجے میں گزشتہ سال کے مقابلے گنے کی قیمت خرید کافی زیادہ بڑھ گئی۔

آپریٹنگ جھلکیاں

31 مارچ 2021ء کو ختم ہونے والی مدت کے دوران کمپنی نے 457,224.825 میٹرک ٹن گنے کی کرشنگ کی اور 9.072 فیصد اوسط ریکوری کے ساتھ 41,501.500 میٹرک ٹن سفید ریفاائنڈ چینی بنائی جبکہ اس کے مقابلے میں گزشتہ سال 290,029.359 میٹرک ٹن گنے کی کرشنگ کی اور 8.700 فیصد اوسط ریکوری کے ساتھ 25,159.000 میٹرک ٹن سفید ریفاائنڈ چینی بنائی۔

کمپنی کی چینی کی پیداوار میں یہ واضح بہتری جزوی طور پر کرشنگ سیزن کے جلد آغاز کی وجہ سے ہے لیکن بنیادی طور پر انتظامیہ اور عملے کی کاوشوں، پیداوار کی استعداد میں بہتری، کاشتکاروں، صارفین اور وینڈرز کے ساتھ بہتر تعلقات کی بحالی اور ملز کو چلانے کے لئے نئی انتظامیہ کے تجربے کی وجہ سے ممکن ہوئی ہے۔

گزشتہ سال کی اسی مدت میں 113.388 ملین روپے خالص فروخت کے برعکس حالیہ مدت کے دوران 1,256.745 ملین روپے درج کی گئی۔

کمپنی کو زیر جائزہ سہ ماہی کے دوران ٹیکس سے قبل (16.793) ملین روپے کا نقصان ہوا جبکہ گزشتہ سال کی اسی مدت میں ٹیکس سے قبل (121.013) ملین روپے کا نقصان ہوا تھا۔ کمپنی کے نقصانات میں کافی کمی کمپنی کے امور کے بہتر انتظامات اور دستیاب حالات کے تحت پلانٹ کو زیادہ سے زیادہ صلاحیت سطح پر چلانے کی اہلیت سے منسوب ہے۔

تمام تر کوششیں کا کردگی کو بہتر بنانے، جدید ترین ٹیکنالوجی آلات نصب کرنے، کڑی نگرانی کی بدولت پیداواری اخراجات کو کم کرنے، اچھا معیاری گنا حاصل کرنے کے لئے کاشتکاروں کو مسلسل جدید بہترین بیج کی اقسام، کھادیں، ادویات وغیرہ اور دیگر باہم سہولیات پہنچا کر کپنی کی پیداوار اور منافع کو بڑھانے کے لئے کی جارہی ہیں، جس کے نتیجے بالآخر چینی کی ریکوری زیادہ اور گنے کے کاشتکاروں کو مالی فوائد بھی حاصل ہوں گے۔

کارپوریٹ گورننس

بہترین کارپوریٹ عوامل

ڈائریکٹرز بہتر کارپوریٹ گورننس پر عملدرآمد اور فہرستی کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز، 2019 اور پاکستان اسٹاک ایکسچینج کی رول بک کی ضروریات کو پورا کرتے ہیں۔

1۔ بورڈ آف ڈائریکٹرز کی کل تعداد مندرجہ ذیل کے مطابق سات ہے:

مرد : 5

خواتین : 2

2۔ بورڈ آف ڈائریکٹرز (بورڈ) کی تشکیل مندرجہ ذیل کے مطابق ہے:

کیٹگری	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

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

آڈٹ کمیٹی

• جناب فرید الدین احمد (چیئرمین آڈٹ کمیٹی) اور

• جناب ملک منظور حسین ہمایوں

• محترمہ سارہ ہاجرہ خان

ایچ آر اینڈ ریمزیشن کمیٹی

• جناب فرید الدین احمد (چیئرمین HRR کمیٹی) اور

• جناب ملک منظور حسین ہمایوں

• جناب عدنان احمد خان

نامینیشن کمیٹی

• جناب ملک منظور حسین ہمایوں (چیئرمین)

• جناب فرید الدین احمد

رسک مینجمنٹ کمیٹی

• جناب ملک منظور حسین ہمایوں (چیئرمین)

• جناب فرید الدین احمد

مناسب داخلی مالیاتی کنٹرول

ڈائریکٹر داخلی مالیاتی کنٹرول کی بابت اپنی ذمہ داری سے بخوبی آگاہ ہیں۔ انتظامیہ اور آڈیٹرز (داخلی اور بیرونی دونوں) کے ساتھ

مشاورت کے ذریعے، وہ توثیق کرتے ہیں کہ کمپنی کی طرف سے مناسب کنٹرول نافذ کئے گئے ہیں۔

کاشتکاروں سے تعلقات

کمپنی کسان برادری کے ساتھ خوشگوار تعلقات سے لطف اندوز ہو رہی ہے کیونکہ وہ کاشتکاروں کو اپنی ریڑھ کی ہڈی سمجھتی ہے۔

تعلقات کو برقرار رکھنے اور مزید تقویت دینے کے لئے، کمپنی، اصولی طور پر، اس کو ترجیح دیتی ہے اور کوشش کرتی ہے کہ:-

- کاشتکاروں کو گنے کی بروقت ادائیگی کی پالیسی پر مستقل طور پر عمل کریں۔
- کسانوں کی مالی ضروریات کو اپنے ذرائع سے مالی مدد فراہم کر کے پورا کریں۔ زیر جائزہ مدت کے دوران، زرعی قرضوں کی کافی مقدار کاشتکاروں کو بیج، کھاد اور کیڑے مار ادویات کی شکل میں پیشگی دی گئی۔
- متعدد مشاورتی پروگراموں کے ذریعے تکنیکی مہارتوں کو بڑھایا جائے۔
- گنے کی بہتر کوالٹی اور بہتر پیداوار کی اقسام فراہم کریں جس کے نتیجے میں گنے کی فی ایکڑ پیداوار میں اضافہ ہوتا ہے۔

مستقبل کا نقطہ نظر اور جاری تشویش مفروضہ:

آگے بڑھتے ہوئے کمپنی کو بہتر نتائج کی امید ہے کیونکہ اس رواں سال میں پہلے ہی قابل ذکر بہتری ظاہر کی ہے۔ یہ بنیادی طور پر کمپنی معاملات کی نگرانی میں بہتر انتظامات کے باعث ممکن ہوئی ہے کیونکہ نئی انتظامیہ بہت زیادہ تجربہ کار، اپنے کام اور عزم کے ساتھ مخلص ہے اور ایک بڑی پیشہ ورانہ نظامی ٹیم رکھتی ہے۔ امید کی جاسکتی ہے کہ یہ عناصر مجموعی بنیاد پر کمپنی کو دوبارہ بحال کریں گے۔ انتظامیہ کافی پُر اعتماد ہے کہ وہ کمپنی کے کاروبار کو بڑھانے اور زیادہ موثر انداز سے چلانے میں کامیاب ہوگی اور کمپنی طویل مدت میں منافع بخش تنظیم میں تبدیل ہونے کے قابل ہوگی۔

یہ مالیاتی حسابات کمپنی کو مالی اور آپریشنل مدد فراہم کرنے کے لئے اسپانسرز کی وابستگی کی بنیاد پر جاری تشویش کی بنیاد پر تیار کیے گئے ہیں۔ انتظامیہ کو بطور تشویش کمپنی کے جاری رہنے کی صلاحیت کے بارے میں کوئی شبہ نہیں ہے۔

ہولڈنگ کمپنی

نوبہار ہولڈنگ کمپنی (پرائیوٹ) لمیٹڈ، ہولڈنگ کمپنی نے زیر جائزہ مدت کے دوران اپنے تمام اسٹیک یعنی 50.8621% فروخت کر دیئے ہیں۔ NBC کے تمام حصص سپانسر ڈائریکٹرز نے خرید لئے تھے۔

اظہار تشکر

ڈائریکٹرز کا رکنوں، عملے اور انتظامی ٹیم کے ارکان کی لگن اور محنت کا اعتراف کرتے ہیں۔ کاشت کار ہماری صنعت کا کلیدی عنصر ہیں اور ہم ان کے مسلسل تعاون پر ان کا شکریہ ادا کرتے ہیں۔ کمپنی کے ڈائریکٹرز بینکوں اور مالیاتی اداروں کی مالی مدد اور تعاون پر بھی ان کے شکرگزار ہیں۔

منجانب بورڈ

بابا فرید شوگر ملز لمیٹڈ

Rasheed Hussain

محترمہ قیصر شمیم خان

چیئر پرسن

Hussain

ملک منظور حسین ہمایوں

ڈائریکٹر

Muhammad Shaim Khan

محمد شمیم خان

ڈائریکٹر

لاہور: 26 مئی 2021ء

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF BABA FARID SUGAR MILLS LIMITED

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of BABA FARID SUGAR MILLS LIMITED (the "Company") as at March 31, 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements 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 interim financial statements 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 interim financial statements is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarters ended March 31, 2021 and March 31, 2020 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended March 31, 2021.


Emphasis of matter paragraph - Material uncertainty relating to Going Concern

We draw attention to Note 1.3 to the condensed interim financial statements, which indicates that the Company incurred a net loss of Rs. 33.042 million during the period ended March 31, 2021 and, as of that date, the Company's current liabilities exceeded its current assets by Rs. 250.380 million. The accumulated losses have exceeded the issued, subscribed and paid up capital by Rs. 2,576.434 million as at March 31, 2021 and accumulated losses as of that date amounted to Rs. 2,670.934 million. These conditions, along with other matters as set forth in Note 1.3, indicate the existence of a material uncertainty which may cast doubt about the Company's ability to continue as a going concern. However, these financial statements have been prepared on a going concern basis based on the sponsors' commitment to provide financial support to the Company and availability of profitable future projections.

Considering the mitigating factors mentioned in the note 1.3, these condensed interim financial statements have been prepared on going concern basis. Our conclusion is not modified in respect of this matter.

The engagement partner on the review resulting in this independent auditor's review report is Muhammad Imran.

LAHORE
Dated: 26 May 2021


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-Audited)

As at March 31, 2021

	Note	(Un-Audited) March 31, 2021 (Rupees)	(Audited) September 30, 2020
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	8	2,767,303,004	2,764,595,619
Operating fixed assets	9	102,093,748	66,144,854
Capital work in progress		2,869,396,752	2,830,740,473
Long term deposits	10	1,076,200	174,500
		2,870,472,952	2,830,914,973
CURRENT ASSETS			
Stores, spares and loose tools	11	65,037,197	78,745,755
Stock in trade	12	2,257,030,485	256,974,378
Trade debts	13	26,723,875	8,668,169
Loans and advances	14	79,826,874	77,522,001
Short term prepayments		832,491	3,118,478
Other receivables	15	110,997,593	116,176,230
Taxation -net		1,087,097	-
Cash and bank balances	16	122,310,333	356,447,809
		2,663,845,945	897,652,820
TOTAL ASSETS		5,534,318,897	3,728,567,793
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	17.1	700,000,000	700,000,000
Issued, subscribed and paid up share capital	17.2	94,500,000	94,500,000
Reserves			
Revenue reserves - accumulated losses		(2,670,933,821)	(2,659,091,730)
Directors' loans	18	2,002,700,000	1,982,700,000
Surplus on revaluation of fixed assets		1,912,062,672	1,933,262,901
		1,338,328,851	1,351,371,171
NON CURRENT LIABILITIES			
Loan from associated company	19	900,000,000	900,000,000
Lease liabilities	20	6,633,588	1,015,700
Deferred liabilities		375,130,187	376,173,598
		1,281,763,775	1,277,189,298
CURRENT LIABILITIES			
Trade and other payables	21	936,003,140	764,479,221
Unclaimed dividend		255,930	255,930
Due to Pattoki Sugar Mills Limited	22	15,976,698	43,829,685
Short term borrowing	23	1,710,380,461	105,000,000
Mark-up accrued		248,553,958	185,753,366
Taxation -net		-	184,369
Current portion of long term liabilities	20	3,056,084	504,753
		2,914,226,271	1,100,007,324
TOTAL EQUITY AND LIABILITIES		5,534,318,897	3,728,567,793
CONTINGENCIES AND COMMITMENTS			
	24		

The annexed notes from 1 to 39 form an integral part of these condensed interim financial statements.

At the time of the meeting of Board of Directors, the Chief Executive Officer is not available in Pakistan. Therefore, as prescribed under section 232 of Companies Act, 2017, these financial statements are signed by two Directors and the Chief Financial Officer.


DIRECTOR


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-Audited)

For the Half Year Ended March 31, 2021

	Note	Half Year Ended		Quarter Ended	
		March 31,		March 31,	
		2021	2020	2021	2020
	 (Rupees) (Rupees)	
Sales - net	25	1,256,744,502	113,388,026	752,368,330	112,181,866
Cost of sales	26	(1,171,934,608)	(112,948,646)	(717,464,092)	(72,854,689)
Gross profit		84,809,894	439,380	34,904,238	39,327,177
Selling and distribution expenses		(8,128,697)	(5,345,360)	(5,438,540)	(4,379,192)
General and administrative expenses		(40,071,941)	(30,598,303)	(20,651,103)	(17,314,496)
Other operating income		13,331,326	7,706,940	7,004,066	4,431,050
		(34,869,312)	(28,236,723)	(19,085,577)	(17,262,638)
Operating profit / (loss)		49,940,582	(27,797,343)	15,818,661	22,064,539
Financial charges		(66,733,530)	(93,215,986)	(46,362,668)	(57,920,187)
Loss before taxation		(16,792,948)	(121,013,329)	(30,544,007)	(35,855,648)
Taxation	27	(16,249,372)	3,762,748	(9,999,469)	3,780,842
Loss after taxation		(33,042,320)	(117,250,581)	(40,543,476)	(32,074,806)
Loss per share - basic and diluted (Rupees)	28	(3.50)	(12.41)	(4.29)	(3.39)

The annexed notes from 1 to 39 form an integral part of these condensed interim financial statements.

At the time of the meeting of Board of Directors, the Chief Executive Officer is not available in Pakistan. Therefore, as prescribed under section 232 of Companies Act, 2017, these financial statements are signed by two Directors and the Chief Financial Officer.


DIRECTOR


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)

For the Half Year Ended March 31, 2021

	Half Year Ended		Quarter Ended	
	March 31,		March 31,	
	2021	2020	2021	2020
 (Rupees) (Rupees)	
Loss for the period	(33,042,320)	(117,250,581)	(40,543,476)	(32,074,806)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	(33,042,320)	(117,250,581)	(40,543,476)	(32,074,806)

The annexed notes from 1 to 39 form an integral part of these condensed interim financial statements.

At the time of the meeting of Board of Directors, the Chief Executive Officer is not available in Pakistan. Therefore, as prescribed under section 232 of Companies Act, 2017, these financial statements are signed by two Directors and the Chief Financial Officer.


DIRECTOR


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF

CASH FLOWS (Un-Audited)

For the Half Year Ended March 31, 2021

	Note	Half year ended March 31, 2021 (Rupees)	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(16,792,948)	(121,013,329)
Adjustments for items not involving movement of funds:			
Depreciation	8	45,345,253	46,486,081
Provision for gratuity		1,820,781	216,715
Loss on sale of store items		278,368	-
Financial charges		66,733,530	93,215,986
Net cash flow before working capital changes		97,384,984	18,905,453
(Increase) / decrease in current assets			
Stores and spares		13,708,558	(2,135,196)
Stock in trade		(2,000,056,107)	(1,755,014,810)
Trade debts		(18,055,706)	(1,291,016)
Loans and advances		(2,304,873)	(32,013,914)
Short term prepayments		2,285,987	410,072
Other receivable		5,178,637	(15,459,104)
		(1,999,243,504)	(1,805,503,968)
Increase / (decrease) in current liabilities			
Trade and other payables		171,245,554	270,681,998
Cash used in operations		(1,730,612,966)	(1,515,916,517)
Income taxes paid		(20,326,779)	(5,428,325)
Employees retirement benefits paid		(58,254)	-
Financial charges paid		(3,932,938)	(15,272,490)
Net cash used in operating activities		(1,754,930,937)	(1,536,617,332)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to operating fixed assets		(39,035,638)	(35,044,893)
Additions to capital work in progress		(35,948,894)	887,572
Additions in long term deposits		(901,700)	-
Net cash used in investing activities		(75,886,232)	(34,157,321)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		-	(100,000,000)
Due to Pattoki Sugar Mills Limited - net		(27,852,987)	90,759,210
Loan from associated company - net		-	90,000,000
Director contribution		20,000,000	258,000,000
Lease liability paid		(847,781)	-
Short term borrowings-net		1,605,380,461	1,348,868,717
Net cash generated from financing activities		1,596,679,693	1,687,627,927
Net (decrease) / increase in cash and cash equivalents		(234,137,476)	116,853,274
Cash and cash equivalents at the beginning of the period		356,447,809	26,379,048
Cash and cash equivalents at the end of the period		122,310,333	143,232,322

The annexed notes from 1 to 39 form an integral part of these condensed interim financial statements.

At the time of the meeting of Board of Directors, the Chief Executive Officer is not available in Pakistan. Therefore, as prescribed under section 232 of Companies Act, 2017, these financial statements are signed by two Directors and the Chief Financial Officer.


DIRECTOR


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited)

For the Half Year Ended March 31, 2021

	Issued, subscribed and paid-up share capital	Surplus on revaluation of fixed assets	Directors' loan	Accumulated loss (Revenue Reserves)	Total
	(Rupees)				
Balance as at October 01, 2019	94,500,000	1,978,871,445	1,211,500,000	(2,418,741,317)	866,130,128
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	(22,804,272)	-	22,804,272	-
Directors contributions/loan	-	-	258,000,000	-	258,000,000
Total comprehensive loss for the period	-	-	-	(117,250,581)	(117,250,581)
Balance as at March 31, 2020	94,500,000	1,956,067,173	1,469,500,000	(2,513,187,626)	1,006,879,547
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	(22,804,272)	-	22,804,272	-
Surplus on revaluation of fixed assets	-	-	513,200,000	-	513,200,000
Directors contributions/loan	-	-	-	(168,708,376)	(168,708,376)
Total comprehensive loss for the period	-	-	-	(168,708,376)	(168,708,376)
Balance as at September 30, 2020	94,500,000	1,933,262,901	1,982,700,000	(2,659,091,730)	1,351,371,171
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	(21,200,229)	-	21,200,229	-
Directors contributions/loan	-	-	20,000,000	-	20,000,000
Total comprehensive loss for the period	-	-	-	(33,042,320)	(33,042,320)
Balance as at March 31, 2021	94,500,000	1,912,062,672	2,002,700,000	(2,670,933,821)	1,338,328,851

The annexed notes from 1 to 39 form an integral part of these condensed interim financial statements.

At the time of the meeting of Board of Directors, the Chief Executive Officer is not available in Pakistan. Therefore, as prescribed under section 232 of Companies Act, 2017, these financial statements are signed by two Directors and the Chief Financial Officer.


DIRECTOR


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-Audited)

For the Half Year Ended March 31, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 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 Nil (2020: 4,806,468) ordinary shares of the Company which represent Nil (2020: 50.862%) of the issued, subscribed and paid up share capital of the Company are held by Naubahar Bottling Company (Private) Limited which is incorporated / registered in Pakistan under Pakistani laws. The registered address of the Associated Company (2020: Holding Company) is 38-40 Grand Trunk Road, Industrial Estate Model Town, Gujranwala, Punjab. The associated company (2020: Holding company) is engaged in the manufacturing and distribution of Pepsi Cola soft drinks in Pakistan. The Chief Executive of the associated company (2020: Holding Company) is Mr. Muhammad Shamim Khan.

During the period the holding company has sold its shareholding to the Directors of the Company, therefore, the status of the holding company has been changed from holding to associated company. It is associated due to common management/directors. The same fact has been disclosed to Pakistan Stock Exchange Limited through letter dated October 13, 2020.

1.3 Going concern assumption

The Company incurred a net loss of Rs. 33,042 million during the period ended March 31, 2021 as compared to previous period Rs. 117,251 million and, as of that date, the Company's current liabilities exceeded its current assets by Rs. 250,380 million as compared to previous period Rs. 202,355 million. The accumulated losses have exceeded the issued, subscribed and paid up capital by Rs. 2,576,434 million as at March 31, 2021 and accumulated losses as of that date amounted to Rs. 2,670,934 million. These conditions indicate the existence of a material uncertainty which may cast doubt about the Company's ability to continue as a going concern. However, the reduction in losses from Rs. 117,251 million to Rs. 33,042 million is due to improved operational efficiency, resultantly the Company's current ratio has been improved as compared to previous year i.e 0.92 (2020: 0.82), on the other hand the Company has made net revenue from sales of Rs. 1,256,744 million resultantly earned gross profit of Rs. 84,809 million as compared to previous year gross profit of Rs. 0,439 million. Based on these factors, these financial statements have been prepared on a going concern basis based on the profitable future projections and sponsor's commitment to provide financial support to the Company as and when required.

The acquisition has further brought 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. Consequently, the Acquirers 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 Sponsors have appointed an experienced Board of Directors and professional management team to revive sugar mills operations and explore new markets. They are confident that it will be able to expand the Company's business and operate more efficiently and profitably.

Considering these mitigating factors, these condensed interim financial statements have been prepared 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. The manufacturing facility of the Company is located at 5 KM Faisalabad Road, 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 but subject to the limited scope review by the auditors and is 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, 2020 which have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan.

The comparative balance sheet 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, 2020, 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 half year ended March 31, 2020.

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

4.1 The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are same as those for the preceding annual financial statements for the year ended September 30, 2020.

4.2 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements.

4.2.1 Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to accounting standards are effective for accounting periods beginning on October 1, 2020 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

4.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after October 1, 2021 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

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 March each year.

6. TAXATION

The provisions for taxation for the half year and quarter ended March 31, 2021, have been made using the estimated effective tax rate applicable to expected total annual earnings. The applicable income tax rate for the Tax Year 2022 is 29%. Income tax expense is recognized in each interim period based on best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

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, 2020.

8. PROPERTY, PLANT & EQUIPMENT

	Note	(Un-Audited) March 31, 2021 (Rupees)	(Audited) September 30, 2020
Fixed assets	8.1	2,757,090,357	2,763,082,443
Right of use assets	8.2	10,212,647	1,513,176
		<u>2,767,303,004</u>	<u>2,764,595,619</u>

	Note	(Un-Audited) March 31, 2021 (Rupees)	(Audited) September 30, 2020
8.1 Opening net book value (NBV)		2,763,082,443	2,815,822,997
Additions (at cost) during the period / year	8.1.1	38,758,578	40,759,887
		2,801,841,021	2,856,582,884
Disposals (at NBV) during the period / year		-	-
Depreciation charged during the period / year		(44,750,664)	(93,500,441)
		(44,750,664)	(93,500,441)
Closing net book value (NBV)		2,757,090,357	2,763,082,443
8.1.1 Details of additions (at cost) during the period / year are as follows:			
Plant and machinery		30,158,114	33,834,943
Electrical installation		4,571,333	1,909,433
Furniture & fixtures		138,400	844,370
Tools and equipment		3,757,000	2,189,460
Office equipment		133,731	1,793,646
Vehicles		-	188,035
		38,758,578	40,759,887

8.1.2 Fair value measurement (revalued property, plant and equipment)

The Company's freehold land, buildings on freehold land, plant and machinery were revalued by M/s. Tristar International Consultants (Private) Limited, an independent valuer not connected with the Company and approved by Pakistan Banks' Association (PBA) as at September 30, 2019. The basis of revaluation for items of these fixed assets were as follows:

8.1.3 Fair value measurement (revalued freehold land)

Fair market value of freehold land was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered all relevant factors as well. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.

8.1.4 Fair value measurement (revalued building on freehold land)

Construction specifications were noted for each building and structure and new construction rates are applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed market value. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.

8.1.5 Fair value measurement (revalued plant and machinery)

Suppliers and different sugar plant consultants in Pakistan and abroad were contacted to collect information regarding current prices of comparable sugar plant to determine current replacement value. Fair depreciation factor for each item is applied according to their physical condition, usage and maintenance. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.

	Note	(Un-Audited) March 31, 2021 (Rupees)	(Audited) September 30, 2020
8.2 Right of use assets			
Vehicles			
Opening net book value (NBV)		1,513,176	-
Additions during the period / year at cost	8.3	9,294,060	1,779,530
Depreciation charge for the period / year		(594,589)	(266,354)
		<u>10,212,647</u>	<u>1,513,176</u>

8.3 This represents vehicles obtained on finance lease from the Bank Al Habib Limited during the period.

9. CAPITAL WORK IN PROGRESS

Building	9.1.1	8,762,740	6,282,560
Plant and machinery	9.1.3	93,331,008	59,862,294
		<u>102,093,748</u>	<u>66,144,854</u>

9.1 Movement of carrying amount is as follows:

9.1.1 Building

Opening balance	6,282,560	6,282,560
Additions (at cost)	2,480,180	-
Transferred to operating fixed assets	-	-
Closing balance	<u>8,762,740</u>	<u>6,282,560</u>

9.1.2 Building consists of construction of sugar godown, which is still under construction and expected to be completed on August 31, 2021.

	Note	(Un-Audited) March 31, 2021 (Rupees)	(Audited) September 30, 2020
9.1.3 Plant and machinery			
Opening balance		59,862,294	887,572
Additions (at cost)		28,148,140	63,114,906
Advances to suppliers		5,320,574	-
Transferred during the period / year		-	(4,140,184)
Closing balance		<u>93,331,008</u>	<u>59,862,294</u>

9.1.4 Parts of plant and machinery is under installation process and expected to be completed on September 30, 2021

10. LONG TERM DEPOSITS

Leased deposit	<u>1,076,200</u>	<u>174,500</u>
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	Note	(Un-Audited) March 31, 2021 (Rupees)	(Audited) September 30, 2020
11. STORES, SPARES AND LOOSE TOOLS			
Stores		36,947,664	46,711,006
Spares		42,981,368	47,001,772
		79,929,032	93,712,778
Loose tools		149,714	74,526
Less: Provision for obsolete stores and spares		(15,041,549)	(15,041,549)
		65,037,197	78,745,755

- 11.1 Stores and spares also include items which may result in capital expenditure but are not distinguishable at the time of purchase. However, the stores and spares consumption resulting in capital expenditure are capitalized in cost of respective assets.

	Note	(Un-Audited) March 31, 2021 (Rupees)	(Audited) September 30, 2020
12. STOCK IN TRADE			
Work-in process:			
Sugar		3,375,567	4,671,507
Molasses		768,885	210,960
		4,144,452	4,882,467
Finished goods:			
Sugar		1,981,286,094	252,091,911
Molasses		271,599,939	-
		2,252,886,033	252,091,911
		2,257,030,485	256,974,378

- 12.1 Stock-in-trade up to a maximum amount of Rs. 2,159.531 million (2020: Rs. 140.00 million) are under hypothecation/pledge of commercial banks as security for short term borrowings.

	Note	(Un-Audited) March 31, 2021 (Rupees)	(Audited) September 30, 2020
13. TRADE DEBTS			
Unsecured			
Considered good		26,723,875	8,668,169
Considered doubtful		382,652,520	382,652,520
		409,376,395	391,320,689
Less: Provision for doubtful debts		(382,652,520)	(382,652,520)
		26,723,875	8,668,169

14. LOANS AND ADVANCES

	Note	(Un-Audited) March 31, 2021 (Rupees)	(Audited) September 30, 2020
Advances - (Unsecured - considered good)			
To employees	14.1	194,418	138,598
Advance to supplies and services (Unsecured)			
Considered good			
Advances to cane growers	14.2	57,929,917	53,010,771
Advances for store purchases	14.3	21,702,539	24,372,632
		79,632,456	77,383,403
		79,826,874	77,522,001

- 14.1** This represents advance given to employees against salary and expenses. These advances are provided for general purposes in accordance with the terms of their employment, which is not past due. These advances are unsecured, interest free and receivable on demand.
- 14.2** This include advances to various sugar cane growers in the form of fertilizers, seeds and pesticides. These advances are unsecured, interest free and will be adjusted in sugar cane payment.
- 14.3** This includes advances to vendors and service providers and are settled as and when the items are received and services are rendered.
- 14.4** Financial asset under this caption is advance to employees which are trivial for the decision making of users of the financial statements hence no impact on measurement has been considered.

15. OTHER RECEIVABLES

	Note	(Un-Audited) March 31, 2021 (Rupees)	(Audited) September 30, 2020
Unsecured - Considered good			
Sales tax		2,023,323	7,654,482
Subsidy receivable on exports	15.1	105,742,500	105,742,500
Other receivables (related parties)	15.2	1,420,874	968,352
Tax refund due from Government		1,810,896	1,810,896
		110,997,593	116,176,230

- 15.1** This represents subsidy receivables from Government of Pakistan against export of sugar during the financial year 2015. This is claimable under finance division's notification No. 1(4) CF-C/2014-114 dated February 18, 2015 in terms of which Government of Pakistan has approved total cash subsidy at the rate of Rs. 10/- per kg to sugar mills on export of sugar, as per the terms and conditions mentioned therein.

15.2 This comprises amounts receivable from related parties as follows:

	Note	(Un-Audited) March 31, 2021 (Rupees)	(Audited) September 30, 2020
Al-Moiz Industries Limited		1,420,874	955,470
The Thal Industries Corporation Limited		-	12,882
		<u>1,420,874</u>	<u>968,352</u>

15.3 The maximum amount due from Al-Moiz Industries Limited at the end of any month during the period was Rs. 6.258 million (2020 : 4.244 million). The balance includes past due balance but this is not impaired.

15.4 The maximum amount due from The Thal Industries Corporation Limited at the end of any month during the period was Rs. 15,248 million (2020 : 0.322 million). The balance is not past due.

	Note	(Un-Audited) March 31, 2021 (Rupees)	(Audited) September 30, 2020
16. CASH AND BANK BALANCES			
Cash in hand		4,418,117	436,837
Cash at banks			
Current accounts	16.1	117,892,216	356,010,972
		<u>122,310,333</u>	<u>356,447,809</u>

16.1 Cash with bank in current accounts do not carry any interest or mark-up.

16.2 In some bank accounts, the Company has not conducted any transactions since long and the bank had marked account as dormant.

	Note	(Un-Audited) March 31, 2021 (Rupees)	(Audited) September 30, 2020
17. SHARE CAPITAL			
17.1 Authorized share capital			
70,000,000 (September 30, 2020: 70,000,000) ordinary shares of Rs. 10/- each		700,000,000	700,000,000
17.2 Issued, subscribed and paid up share capital			
6,400,000 (September 30, 2020: 6,400,000) ordinary shares of Rs. 10/- each (fully paid in cash)		64,000,000	64,000,000
3,050,000 (September 30, 2020: 3,050,000) fully paid bonus shares of Rs. 10/- each		30,500,000	30,500,000
		<u>94,500,000</u>	<u>94,500,000</u>

17.3 There is no shareholder agreement for voting rights, board selection, rights of first refusal and block voting.

17.4 As at March 31, 2021 M/s Naubahar Bottling Company (Private) Limited (Holding Company) holds Nil (2020: 4,806,468 (50.862%)) shares of the Company. During the period the holding company has sold its shareholding to the Directors of the Company, therefore, the status of the holding company has been changed from holding to associated company. It is associated due to common management/directors. The same fact has been disclosed to Pakistan Stock Exchange Limited through letter dated October 13, 2020.

	Note	(Un-Audited) March 31, 2021 (Rupees)	(Audited) September 30, 2020
18. DIRECTORS' LOANS			
Unsecured			
Others (other than banking companies)			
Directors		1,810,700,000	1,800,700,000
Chief Executive		192,000,000	182,000,000
		<u>2,002,700,000</u>	<u>1,982,700,000</u>
18.1 Movement of loan is as follows:			
Opening balance		1,982,700,000	1,211,500,000
Obtained during the period/year			
Mr. Muhammad Shamim Khan		10,000,000	309,800,000
Mrs. Qaiser Shamim Khan		-	246,600,000
Mr. Nauman Ahmed Khan		-	32,800,000
Mr. Adnan Ahmed Khan		10,000,000	182,000,000
		<u>20,000,000</u>	<u>771,200,000</u>
Repaid during the period / year		-	-
Closing balance		<u>2,002,700,000</u>	<u>1,982,700,000</u>

18.2 This represents unsecured interest free long term loans from directors of the Company to meet the working capital and long term requirements. These are payable on discretion of the Company and will be paid as and when convenient to the Company. This has been disclosed/classified in accordance with TR -32 "Directors' Loan" clause 3.3 "Contractual Directors' loan" that is interest free and repayable at the discretion of the Company, issued by the Institute of Chartered Accountants of Pakistan.

	Note	(Un-Audited) March 31, 2021 (Rupees)	(Audited) September 30, 2020
19. LOAN FROM ASSOCIATED COMPANY			
Unsecured:			
Naubahar Bottling Company (Private) Limited	19.1	900,000,000	900,000,000
From associated company			
Balance as at October 01		900,000,000	965,960,400
Obtained during the period / year		-	100,000,000
Repayments/adjustment made during the period / year		-	(165,960,400)
		900,000,000	900,000,000
Current portion shown under current liabilities		-	-
		900,000,000	900,000,000

- 19.1 The Company obtained unsecured loan from M/s Naubahar Bottling Company (Private) Limited - the associated company(2020: holding company) that carries mark-up at the rate of 3 month's KIBOR plus 0.5% per annum. The effective mark-up rate charged by Naubahar Bottling Company (Private) Limited during the year ranging from 7.75% to 7.89% (2020: 7.53% to 14.36%) per annum. The management for the time being does not intend to repay any amount against these loans until the end of next financial year and hence no current maturity has been provided. These will be paid as and when convenient to the Company. During the prior period the Company had obtained excess amount which was returned to associated Company.

	Note	(Un-Audited) March 31, 2021 (Rupees)	(Audited) September 30, 2020
20. LEASE LIABILITIES			
Secured			
Against right of use assets			
Lease liabilities		9,689,672	1,520,453
Less: Current portion shown under current liabilities		(3,056,084)	(504,753)
		6,633,588	1,015,700
20.1 Maturity analysis-contractual undiscounted cash flow			
Less than one year		3,706,611	603,012
One to five year		7,112,701	1,079,744
More than five year		-	-
Total undiscounted lease liability		10,819,312	1,682,756

- 20.2 When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate which 8.59% to 8.77% per annum.

- 20.3 The lease facility has been obtained from Bank Al Habib Limited. The assets is owned by the Bank. The above liabilities were obligations under leases with bank for lease of vehicles.

	Note	(Un-Audited) March 31, 2021 (Rupees)	(Audited) September 30, 2020
21. TRADE AND OTHER PAYABLES			
Trade creditors	21.1	93,504,742	96,899,268
Accrued liabilities		24,383,815	18,243,603
Advances from customers /contract liabilities (unsecured)	21.3	745,296,423	530,524,532
Workers' Profit Participation Fund	21.4	2,246,557	2,131,256
Taxes and duties payable		7,463,147	9,610,652
Sales tax payable		63,077,920	106,738,755
Other liabilities		30,536	331,155
		<u>936,003,140</u>	<u>764,479,221</u>

21.1 This includes Rs. 6.212 million (2020: Rs. 9.265 million) payable to Thal Industries Corporation Limited and Rs. 3.370 million (2020: Rs.7.156 million) to Al-Moiz Industries Limited (a related parties) against payment of purchase of plant and machinery and steel products.

21.2 The maximum amount due to Thal Industries Corporation Limited and Al-Moiz Industries Limited at the end of any month during the year was Rs. 13.419 million (2020: 9.265 million) and Rs. 11.325 million (2020: 7.156 million), respectively.

21.3 The advance from customers' balances includes an amount of Rs. 340.197 million (2020: Rs. 340.197 million) and trade creditors includes an amount of Rs. 28.785 million (2020: Rs. 28.785 million) which are long outstanding at the reporting date are adjustable against the payment to be made to the Sponsor Sellers as per agreement. However, due to un-availability of third party confirmation, on produce basis these balance have not been adjusted and the Company will complete the due legal process before adjusting these balances.

	Note	(Un-Audited) March 31, 2021 (Rupees)	(Audited) September 30, 2020
21.4 Workers' Profit Participation Fund			
Balance at the beginning of the period / year		2,131,256	1,872,644
Mark up charged during the period / year		115,301	258,612
Less: Payments made during the period / year		-	-
Balance at the end of the period / year		<u>2,246,557</u>	<u>2,131,256</u>

21.5 Interest on Workers' profit (participation) fund has been provided at the rate of 10.82% (2020: 13.81%).

22. DUE TO PATTOKI SUGAR MILLS LIMITED

Unsecured: Pattoki Sugar Mills Limited (PSML)	22.1	<u>15,976,698</u>	<u>43,829,685</u>
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22.1 This represents balance payable to M/s Pattoki Sugar Mills Limited (PSML) - the ex holding company as settlement balance.

	Note	(Un-Audited) March 31, 2021 (Rupees)	(Audited) September 30, 2020
23. SHORT TERM BORROWING			
Secured:			
Banking companies:			
Cash finance (Conventional financing)			
MCB Bank Limited	23.1	300,000,000	-
Bank Al Falah Limited	23.2	110,467,961	-
Bank Al Habib Limited	23.3	499,975,000	-
Islamic mode of financing			
Askari Bank Limited	23.4	499,937,500	105,000,000
Meezan Bank Limited	23.5	300,000,000	-
		<u>1,710,380,461</u>	<u>105,000,000</u>

- 23.1** This represents cash finance facility from MCB Bank Limited aggregated to Rs. 300 million (2020: 300 million) and carries mark-up one month KIBOR plus 0.75% per annum (2020: 1 month KIBOR+1% per annum) on utilized limits. This facility is secured against first exclusive charge for Rs. 316 million on pledge of sugar bags, personal guarantees of the directors and subordination of loan from related parties and directors.
- 23.2** This represents cash finance facility from Bank Alfalah Limited aggregated to Rs. 300 million (2020: Nil) and carries mark-up at the rate one month KIBOR plus 2% per annum (2020: Nil) on utilized limits. This facility is secured against white refined sugar bags at 10% margin, open pledge over current stocks upto 90 million with 30% margin on prorata basis, pledge charge amounting to Rs. 334 million over stocks, personal guarantees of the directors, and subordination of loan from related parties/associated company and directors.
- 23.3** This represents cash finance facility from Bank Al Habib Limited aggregated to Rs. 700 million (2020: 700 million) and carries mark-up at the rate one month KIBOR plus 0.75% to 1% per annum (2020: 1 month KIBOR+0.75% to 1% per annum) on utilized limits. This facility is secured against white refined sugar bags at 22% margin, charge of Rs. 642 million against stocks, personal guarantees of the directors for Rs. 650 million and subordination of loan from related parties and directors.
- 23.4** This represents Salam (Pledge) under Islamic financing arrangement from Askari Bank Limited aggregated to Rs. 500 million (2020: 500 million) and carries mark-up at the rate six month KIBOR plus 1% per annum (2020: same) on utilized limits. This facility is secured against white refined sugar bags at 25% margin, personal guarantees of the directors, corporate guarantee of associated company, subordination of loan from related parties and directors.
- 23.5** This represents Istisna facility under Islamic financing arrangement from Meezan Bank Limited aggregated to Rs. 300 million (2020: Nil) and carries mark-up at the rate of six month KIBOR plus 0.75% per annum (2020: Nil) on utilized limits. This facility is secured against white refined sugar bags at 10% margin, pledge over current stocks, personal guarantees of the directors, corporate guarantee of associated company and subordination of loan from related parties and directors.

24 CONTINGENCIES AND COMMITMENTS

24.1 Contingent liabilities

- a) The LTU-FBR has preferred a reference before Income Tax Appellate (ITAT) for the assessment year 1996 - 1997 against the decision of CIT appeals. The department has also filed petition for leave to appeal before the honorable Supreme Court of Pakistan for the assessment year 1999 - 2000 and tax year 2006 against the order in the favour of the company by the honorable High Court of Sindh.

In the opinion of the tax advisor the ultimate appellate decision is likely to be in Company's favour, hence no provision is made in these accounts as there will be no tax impact of the matter in view

of brought forward tax losses. In view of the favorable decision of the higher appellate forums on the like issue in prior years the management is hopeful about favorable outcome in above matters. Hence no provision is made in these account as there will be no tax impact of the matter in view of brought forward losses.

- b) The Company has filed reference application before the Honorable High Court of Sindh against the decision of ITAT in respect of assessment year 2000 - 2001, the reference application is pending before the honorable High Court Sindh. The Company has also filed the appeal before the Commissioner of income tax appeals against addition made by the assessing officer for the assessment year 2002 - 2003 which is pending for adjudication. In view of the favorable decision of the higher appellate forums on the like issue in prior years the management is hopeful about favorable outcome in above matters. Hence no provision is made in these account as there will be no tax impact of the matter in view of brought forward losses.
- c) The Company has filed an appeal before the Tribunal against the order of Commissioner Inland Revenue disallowing refund of further tax on the ground that the incidence of the tax has been passed on the consumers and the Company is not entitled to claim refund in terms of Section 3 (B) of the sales Tax Act, 1990. The management of the Company is of the view that outcome of the suit would be in favour of the company.
- d) Demand amounting to Rs. 3.825 million has been created by DCIR vide order dated November 03, 2017 against the Company for adjustment of input tax. The Company being aggrieved filed input tax rectification application. The Company expects a favorable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 3.825 million (2020: Rs. 3.825 million).
- e) Demand amounting to Rs. 2.528 million has been created by DCIR vide order dated November 07, 2018 against the Company for adjustment of input tax for the period of January 2018. The Company being aggrieved filed input tax rectification application. The Company expects a favorable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 2.528 million (2020: Rs. 2.528 million).
- f) Demand amounting to Rs. 12.648 million has been created by DCIR vide order dated December 16, 2018 against the Company for adjustment of input tax for the period of February 2018. The Company being aggrieved filed input tax rectification application. The Company expects a favorable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 12.648 million (2020: Rs. 12.648 million).
- g) Demand amounting to Rs. 9.894 million has been created by DCIR vide order dated December 20, 2018 against the Company for adjustment of input tax for the period of March 2018. The Company being aggrieved filed input tax rectification application. The Company expects a favorable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 9.894 million (2020: Rs. 9.894 million).
- h) Demand amounting to Rs. 41.616 million has been created by DCIR vide order dated August 04, 2017 against the Company on account of sales tax audit for the tax year 2014 and certain amount were held recoverable. The Company being aggrieved filed appeal before CIR (A). CIR (A) remanded back the case for fresh adjudication. Thereafter in fresh proceedings an amount of Rs. 3.416 million has been established vide order dated March 28, 2019. This has also been challenged before CIR Appeals. The Company expects a favorable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 3.416 million.
- i) Demand amounting to Rs. 10.137 million has been created by DCIR vide order dated November 12, 2018 against the Company on account of inadmissible input tax adjustment for the period July 2016 to November 2017. The Company being aggrieved filed appeal before CIR (A). CIR (A) remanded back the case for fresh adjudication. The case decided against the Company and an amount of Rs. 10.211 million has been paid to the Department under protest and also appeal has been filed against this order. The Company expects a favorable outcome of the proceedings.
- j) As per SRO of 77(1) / 2013 dated February 07, 2013, the Federal Government allowed reduced rate@0.5% FED on local sales of white crystalline sugar equivalent to the quantity actually exported by the sugar manufacturer as per quota allotted. Sales tax and Federal Excise returns for the tax periods

from November 2013 to June 2014 were analysed by the Commissioner Inland Revenue and it was observed that registered person had declared local sales on which Company was required to charge and pay FED @ 8% in VAT mode under the provision of section 3 and 7 of the Federal Excise Act, 2005. The Commissioner Inland Revenue created a demand amounting to Rs. 65.084 million along with default surcharge and penalty of Rs. 3.254 million on short payment of FED based that Company charged and paid FED at the rate of 0.5% without fulfilling the conditions as mentioned in SRO 77(1) 2013. Being aggrieved with the order passed by the Deputy Commissioner Inland Revenue, the Company preferred appeal before the Commissioner Inland Revenue (Appeals-I), Karachi.

The CIR (A) vide order in appeal No. STA/91/LTU/2019/09 vacated order of Deputy Commissioner and passed order in favour of the Company. The department has filed an appeal against this order to Appellate Tribunal IR. The Company expects a favourable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 68.338 million.

- k) As per SRO of 77(1) / 2013 dated February 07, 2013 read with the SRO 1072 (1) / 2013 dated December 27, 2013, the Federal Government allowed reduced rate@0.5% FED on local sales of white crystalline sugar equivalent to the quantity actually exported by the sugar manufacturer as per quota allotted by the ECC in its meeting held on January 10, 2013. Sales tax and Federal Excise returns for the tax periods from February 2013 to October 2013 were analysed by the Commissioner Inland Revenue and it was observed that registered person had declared local sales on which Company was required to charge and pay FED @ 8% in VAT mode under the provision of section 3 and 7 of the Federal Excise Act, 2005. The Commissioner Inland Revenue created a demand amounting to Rs. 15.393 million along with default surcharge and penalty of Rs. 0.769 million on short payment of FED based that Company charged and paid FED at the rate of 0.5% without fulfilling the conditions as mentioned in SRO 77(1) 2013. Being aggrieved with the order passed by the Deputy Commissioner Inland Revenue, the Company preferred appeal before the Commissioner Inland Revenue (Appeals-I), Karachi. The CIR (A) vide order in appeal No. STA/90/LTU/2019/06 vacated order of Deputy Commissioner and passed order in favour of the Company.

The department has filed an appeal against this order to Appellate Tribunal IR. The Company expects a favourable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 16.163 million.

- l) Demand amounting to Rs. 10.163 million has been created by DCIR against the Company on account of some discrepancies were observed in the sales tax returns for the period from July 2016 to November 2017. The Company being aggrieved filed appeal before CIR (A). CIR (A) remanded back the case for fresh adjudication. Thereafter in fresh proceedings an amount of Rs. 10.163 million has been demanded by DCIR. This has also been challenged before CIR Appeals. The CIR (A) vide order in Appeal No. STA/40/LTU/2019/07 dated September 26, 2019 annulled order of DCIR. Being aggrieved with the order department has filed second appeal to Appellate Tribunal IR. The Company expects a favourable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 10.163 million.
- m) Income tax Audit for Tax Year 2015, 2016, 2017, 2018 and 2019 u/s 177 of Income Tax Ordinance, 2001 were selected by Commissioner Income Tax through his discretionary powers vested under this section. The DCIR has created a demand amounting to Rs. 7,606.899 million against all these years. The Company has challenged it before CIR Appeals which is pending for adjudication. The Company is confident of favourable outcome.
- n) Sales tax Audit for Tax Year 2017, 2018 and 2019 u/s 25 of Sales Tax 1990 were selected by Commissioner Income Tax through his discretionary powers vested under this section. The DCIR has requested information in this regard and the Company has obtained stay order from Honourable High Court of Sindh, Karachi.
- o) The Company is facing claims, launched in the labour courts, pertaining to staff retirement benefits, salaries and others related matters. The claims amount can't be quantified due to nature of the claims.

24.2 Commitments

The Company is committed as at the balance sheet date in respect of capital expenditure of Rs. 18 million (2020: Rs. 80 million). There were no other commitments at the balance sheet date. However, commitment against lease liability has been disclosed in the relevant note to these financial statements.

	Half year Ended		Quarter Ended	
	March 31,		March 31,	
	2021	2020	2021	2020
 (Rupees) (Rupees)	
25. SALES				
Sales				
Manufacturing - local				
Sugar	1,271,266,866	23,880,239	682,459,980	23,880,239
By products sales				
Molasses	171,224,412	92,892,480	171,224,412	91,686,320
V.F. Cakes	8,435,993	99,549	7,121,555	99,549
	1,450,927,271	116,872,268	860,805,947	115,666,108
	(194,182,769)	(3,484,242)	(108,437,617)	(3,484,242)
Less: Sales tax				
	1,256,744,502	113,388,026	752,368,330	112,181,866
26 COST OF SALES				
Raw materials and expenses thereon	2,929,178,244	1,621,152,385	2,041,485,651	1,312,997,633
Other overheads:				
Salaries, wages and other benefits	80,880,365	68,206,534	43,182,068	40,847,966
Chemical consumed	15,202,520	10,851,274	9,105,782	8,765,103
Packing material consumed	21,338,092	11,826,048	14,387,097	9,888,912
Stores and spares consumed	5,654,879	7,789,101	2,356,216	3,742,793
Repair and maintenance	58,286,482	81,886,288	22,189,566	31,554,954
Other factory overheads	3,187,974	2,974,180	1,427,618	1,023,889
Vehicle running expenses	2,745,417	2,049,586	1,426,035	1,084,603
Fee and subscription	30,000	49,700	-	3,500
Insurance	56,438	38,211	-	-
Depreciation	44,331,388	46,070,470	22,323,271	23,170,690
Fuel and power	11,098,916	15,069,679	8,366,276	10,099,020
	242,812,471	246,811,071	124,763,929	130,181,430
Opening work in process	4,882,467	-	38,432,918	65,033,580
Closing work in process	(4,144,452)	(5,005,745)	(4,144,452)	(5,005,745)
	738,015	(5,005,745)	34,288,466	60,027,835
Cost of goods manufactured	3,172,728,730	1,862,957,711	2,200,538,046	1,503,206,898
Opening stock of finished goods	252,091,911	-	769,812,079	319,656,856
Closing stock of finished goods	(2,252,886,033)	(1,750,009,065)	(2,252,886,033)	(1,750,009,065)
	(2,000,794,122)	(1,750,009,065)	(1,483,073,954)	(1,430,352,209)
	1,171,934,608	112,948,646	717,464,092	72,854,689
27. TAXATION				
Current	19,055,313	1,700,820	11,489,670	1,682,726
Deferred	(2,805,941)	(5,463,568)	(1,490,201)	(5,463,568)
	16,249,372	(3,762,748)	9,999,469	(3,780,842)

27.1 As at March 31, 2021, deferred tax asset amounting Rs. 438.545 million (2020: Rs. 434.757 million) on unused tax losses, impairment loss and gratuity have not been recognised in the financial statements as a matter of prudence as in the opinion of the management there is no certainty regarding realisability of the amount. The management intends to re-assess the recognition of deferred tax asset as at September 30, 2021. The loss can be carried forward upto 5 years.

28. LOSS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

	Half year Ended		Quarter Ended	
	March 31,		March 31,	
	2021	2020	2021	2020
 (Rupees) (Rupees)	
Loss after taxation	(33,042,320)	(117,250,581)	(40,543,476)	(32,074,806)
Weighted average number of ordinary shares	9,450,000	9,450,000	9,450,000	9,450,000
Loss per share - basic and diluted - (Rs.)	(3.50)	(12.41)	(4.29)	(3.39)

29. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participations at the measurement date.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1:** Quoted prices in active markets for identical assets or liabilities.
- Level 2:** Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3:** Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

There were no financial instruments held by the Company which are measured at fair value as of March 31, 2021 and September 30, 2020.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred. However, there were no transfers between levels of fair value hierarchy during the year.

30. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

There have been no significant changes in the risk management policies since the year end.

The condensed interim financial statements does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended September 30, 2020.

The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements for the year ended September 30, 2020.

31. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

During the period the company obtained new borrowings from, various banks, holding company and directors. The holding company has sold its shareholding to directors of the Company and becomes the associated company from holding company.

All other significant transactions and events that have affected the Company's financial position and performance during the period have been adequately disclosed in the notes to these financial statements.

32. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. However, no significant reclassification has been made during the period.

33. CAPACITY AND PRODUCTION

	(Un-Audited) March 31, 2021 Number	(Audited) September 30, 2020 Number
Designed crushing capacity (Metric tons/day)	4500.000	3000.000
Capacity on the basis of operating days (Metric tons)	522,000.000	345,000.000
Actual crushing (Metric tons)	457,224.825	290,029.359
Percentage of capacity attained (percentage)	87.59%	84.07%
Sugar production from cane (Metric tons)	41,501.500	25,159.000
Recovery of sugar cane (percentage)	9.072%	8.700%

33.1 Under utilisation of the Capacity is mainly due to non availability of better quality sugar cane.

34. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of associated companies and directors of the Company. Significant transactions and balances with related parties, other than those disclosed elsewhere in these financial statements are as follows:

Name of parties	Nature of relationship	Nature of transactions	Note	March 31, 2021		March 31, 2020	
				Transactions during the period	Closing balance	Transactions during the year	Closing balance
----- Rupees -----							
Naubahar Bottling Company (Private) Limited	Associated Company	Long term loans		-	900,000,000	90,000,000	1,055,960,400
		Mark-up payable		-	219,721,632	-	164,505,687
		Mark-up charged on long term loans		35,042,411	-	68,719,806	-
The Thal Industries Corporation Limited	Associated Company	Receivable - Net		-	-	-	-
		Payable - Net		-	6,211,997	-	9,165,601
		Sale -store items		15,248,100	-	322,043	-
		Purchases - Plant and machinery		10,365,497	-	9,487,644	-
Al-Moiz Industries Limited	Associated Company	Receivable - Net		-	-	-	-
		Payable - Net		-	1,949,190	-	968,969
		Sale of scrap		5,744,790	-	9,834,154	-
		Adjustment		4,169,000	-	-	-
Directors/shareholders							
Mr. Muhammad Shamim Khan		Directors' contribution/loan		10,000,000	916,300,000	13,200,000	728,500,000
Ms. Qaiser Shamim Khan		Directors' contribution/loan		-	839,600,000	99,000,000	692,000,000
Mr. Nauman Khan		Directors' contribution/loan		-	54,800,000	-	22,000,000
Mr. Adnan Ahmed Khan		Directors' contribution/loan		10,000,000	192,000,000	27,000,000	27,000,000
Executives	Key management personnel	Remuneration paid		11,688,018	-	1,456,068	-

34.1 Basis of relationship with the company

In respect of directors of the company and associated companies incorporated inside Pakistan with whom the company had entered into transaction during the financial year along with basis of relationship is as follows:

Name of related party	Country of Incorporation/ origin	Relationship	Basis of Association	Shareholdings
Naubahar Bottling Company (Private) Limited	Pakistan	Associated	Common management	Nil
Al-Moiz Industries Limited	Pakistan	Associated	Common management	Nil
Moiz Textile Limited	Pakistan	Associated	Common management	Nil
The Thal Industries Corporation Limited	Pakistan	Associated	Common management	Nil
Mr. Muhammad Shamim Khan	Pakistan	Director	Shareholding	29.1623%
Mrs. Qaiser Shamim Khan	Pakistan	Director	Shareholding	28.0002%
Mr. Adnan Ahmed Khan	Pakistan	Chief Executive	Shareholding	20.0002%
Mr. Nauman Khan	Pakistan	Director	Shareholding	20.0002%
Malik Manzoor Hussain Humayun	Pakistan	Director	Shareholding	0.0169%
Mr. Farid ul din Ahmed	Pakistan	Director	Shareholding	0.0021%
Mrs Sarah Hajra Khan	Pakistan	Director	Shareholding	0.0032%

35. FINANCIAL INSTRUMENTS BY CATEGORY

		Original carrying		Fair value				
		Financial assets at amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
Note								
				Rupees				
On-Balance sheet financial instruments								
As at March 31, 2021								
Financial assets								
At cost or amortised cost								
	10	1,076,200	-	1,076,200	-	-	-	-
	13	26,723,875	-	26,723,875	-	-	-	-
	14	194,418	-	194,418	-	-	-	-
	15	1,420,874	-	1,420,874	-	-	-	-
	16	122,310,333	-	122,310,333	-	-	-	-
		151,725,700	-	151,725,700	-	-	-	-
Financial liabilities at amortised cost								
	19	-	900,000,000	900,000,000	-	-	-	-
	20	-	9,689,672	9,689,672	-	-	-	-
	22	-	15,976,698	15,976,698	-	-	-	-
	21	-	117,919,093	117,919,093	-	-	-	-
		-	255,930	255,930	-	-	-	-
	23	-	1,710,380,461	1,710,380,461	-	-	-	-
		-	248,553,958	248,553,958	-	-	-	-
		-	3,002,775,812	3,002,775,812	-	-	-	-
On-Balance sheet financial instruments								
As at September 30, 2020								
Financial assets								
At cost or amortised cost								
	10	174,500	-	174,500	-	-	-	-
	13	8,668,169	-	8,668,169	-	-	-	-
	14	138,598	-	138,598	-	-	-	-
		2,430,000	-	2,430,000	-	-	-	-
	15	968,352	-	968,352	-	-	-	-
	16	356,447,809	-	356,447,809	-	-	-	-
		368,827,428	-	368,827,428	-	-	-	-
Financial liabilities at amortised cost								
	19	-	900,000,000	900,000,000	-	-	-	-
	20	-	1,520,453	1,520,453	-	-	-	-
	22	-	115,474,026	115,474,026	-	-	-	-
		-	255,930	255,930	-	-	-	-
	21	-	43,829,685	43,829,685	-	-	-	-
	23	-	105,000,000	105,000,000	-	-	-	-
		-	185,753,366	185,753,366	-	-	-	-
		-	1,351,833,460	1,351,833,460	-	-	-	-

35.1 The Company has valued certain fixed assets at fair value and classified under property, plant and equipment. The carrying value and level of fair value of these non - financial assets have been disclosed in the relevant note to the financial statements.

35.2 Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

36. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the reporting period, in pursuant to writ petition filed in the Honourable Lahore High Court for fixation of sugar price, a notification has been issued by the Cane Commissioner Punjab dated April 08, 2021 regarding the fixation of rate of sugar at Rs. 80 per Kg for 155,000 M. Tons of sugar for Holy Month of Ramadan. The Cane Commissioner Punjab has directed the sugar mills to supply sugar according to their allocated quota at the fixed rate. The Dy. Commissioners in the Punjab were also instructed by Cane Commissioner to lift the sugar from sugar mills. The Cane Commissioner Punjab has allocated 1,722 M. Tons sugar quota for Baba Farid Sugar Mills Limited for the Month of Ramadan. There are no other material subsequent events occurred after the date of statement of financial 'position.

37. IMPACT OF COVID -19 ON THE FINANCIAL STATEMENT

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. In the first few months of 2020 the virus had spread globally, and its negative impact had gained momentum. The management considers presently this outbreak does not have any impact on the amounts being reported in the Company's statement of financial position as at March 31, 2021. While this is still an evolving situation as at the time of issuing these condensed interim financial statements yet, to date the operations of the Company have continued uninterrupted during this pandemic, future effects cannot be predicted. However, the management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

38. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial statements were authorized for issue on May 26, 2021 by the Board of Directors of the Company.

39. GENERAL

39.1 Amounts have been rounded off to the nearest rupees unless otherwise stated.

39.2 The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended March 31, 2021 and 2020 were not subject to limited scope review by the auditors as scope of review covered only cumulative figures.

- 39.3 The Govt. of Pakistan had constituted the Inquiry Commission under Pakistan Commission of inquiry Act, 2017 to probe into the increase in sugar prices dated March 16, 2020, accordingly Inquiry Commission had issued the report dated May 21, 2020 and selected 10 sugar units for inquiries. The Govt. of Pakistan has forward the matter to relevant Govt. institutions for further investigations. During the period the Federal Investigation Agency has requested certain documents from the Group including the Company which have been submitted. However, the management continuous to monitor the current situation and will take all steps possible to mitigate any effects.
- 39.4 At the time of the meeting of Board of Directors, the Chief Executive Officer is not available in Pakistan. Therefore, as prescribed under section 232 of Companies Act, 2017, these financial statements are signed by two Directors and the Chief Financial Officer.


DIRECTOR


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

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