

BABA FARID

SUGAR MILLS LIMITED



Condensed Interim
Financial Statements
(Un-Audited)
For the Nine Months Ended
June 30, 2015





BABA FARID SUGAR MILLS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Chief Executive
Director
Director
Director
Director
Director
Director

AUDIT COMMITTEE

Mr. Mirza Maqsood-ul-Hassan (Chairman)
Syed Qaissar Abbas Naqvi (Member)
Mr. Shahid Mahmood Quershi (Member)

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Muhammad Ibrahim Rana

CHIEF FINANCIAL OFFICER

Muhammad Khalid Ali

AUDITORS

Sheikh & Chaudhri
Chartered Accountants
166-B, Upper Mall Scheme
Lahore
Tel.: 042-35751138
Fax: 042-35751128
Email : info@schcho.com

SHARE REGISTRAR

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

MILL

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

SREGISTERED OFFICE

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

BANKER

Bank Al-Habib Limited
MCB
Habib Bank Limited

SLEGAL ADVISOR

Muzamil Akhtar Shabir
(Advocate)



BABA FARID SUGAR MILLS LIMITED

The Members,
Baba Farid Sugar Mills Limited
Karachi.

Asslam-o-Alakum

On behalf of the Board of Directors it's my privilege to present you the financial statement of the company together with un-audited review report for the third quarter ended June 30, 2015.

The Company's overall comparative results for the third quarter are presented as follow:

		2014- 2015	2013- 2014
Crushing Season started on		28/Nov/14	25/Nov/13
Crushing Season duration days		94	111
Cane Crushed	M. Tons	249,227.70	407,635.31
Sugar Bags Produced	M. Tons	21,845.00	39,062.00
Sugar Recovery	%	8.82	9.60
Molasses Produced	M. Tons	11,209.18	18,960.00
Molasses Recovery	%	4.524	4.659
Net Sales		1,264,273,382	1,090,250,491
Gross Profit		1,279,038	229,872,189
Net (Loss) after Tax		(174,952,363)	(18,586,974)
Loss Per Share		(18.51)	(1.97)

The third quarter under review witnessed one of the toughest season of the sugar industry, Initial expected sugarcane crop for the season 2014-15 is 65.214 MMT, an decrease of 10 percent over the previous year due to an anticipated decrease in planting area. Minimum support price has been increased by Government but growers are still demanding higher prices. Currently (season 2014-2015) we are paying around Rs.180/- per 40 Kg of sugarcane., the management has taken healthy measures to control the average price at minimum.

Sucrose recovery has decreased from 9.60% last year to 8.82 this year. Which is 8.27% decrease from the last year. Molasses Recovery has decreased 2.97% i.e. 4.659% to 4.524% this year.

Due to higher purchase price and low sales price in the prevailing market has hit the financial health of the company and as result a net loss of Rs. 242.403 million with loss per share of Rs. 25.65 during the period. When compared with the last year Rs. 1.97 per share.

The Board of directors deeply express their appreciation and pay their gratitude to sugarcane growers, valuable customers, shareholders, banks and Government departments for their continued support, trust, persistent cooperation and patronage which gives strength to pursue our corporate objectives with renewed vigor. The Board also acknowledges the valuable teamwork, devotion and dedication by the executives, employees and workers of the Company.

By behalf of the board

(Muhammad Sarwar)
Chief Executive

July 30, 2015



BABA FARID SUGAR MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT JUNE 30, 2015

	Note	June 30, 2015 Rupees (Un-Audited)	September 30, 2014 Rupees (Audited)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 10,000,000 ordinary shares of Rs. 10/- each		100,000,000	100,000,000
Issued, subscribed and paid up capital		94,500,000	94,500,000
Accumulated (loss)		(1,250,934,836)	(1,101,736,762)
		(1,156,434,836)	(1,007,236,762)
Surplus on revaluation of property, plant & equipment		1,407,677,572	1,433,431,861
NON-CURRENT LIABILITIES			
Long term loans		19,444,445	41,666,667
Loan from holding company		500,000,000	500,000,000
Deferred liabilities		311,115,202	326,445,038
		830,559,646	868,111,704
CURRENT LIABILITIES			
Trade and other payables		377,542,976	263,523,925
Interest and mark-up accrued		230,815,089	136,474,552
Short term borrowings - secured		802,980,012	527,797,959
Due to related party		570,468,994	683,195,817
Current portion of long term liabilities		78,965,333	78,965,333
Provision for taxation		5,964,502	16,493,069
		2,066,736,906	1,706,450,655
TOTAL EQUITY & LIABILITIES		3,148,539,289	3,000,757,459
Contingencies & commitments	4		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	2,036,519,702	2,082,672,808
Long term deposits		587,575	587,575
		2,037,107,277	2,083,260,383
CURRENT ASSETS			
Stores, spares and loose tools		38,020,803	39,366,037
Stock-in-trade		602,928,066	604,235,643
Trade debts		266,811,260	173,434,138
Advances		71,290,771	75,202,185
Trade deposits and short term prepayments		121,292,275	21,000,275
Other receivables		2,352,054	-
Cash and bank balances		8,736,783	4,258,798
		1,111,432,012	917,497,076
TOTAL ASSETS		3,148,539,289	3,000,757,459

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR



BABA FARID SUGAR MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS AND THIRD QUARTER ENDED JUNE 30, 2015

	Note	Nine Months Ended		Quarter Ended	
		June 30, 2015 Rupees	June 30, 2014 Rupees	June 30, 2015 Rupees	June 30, 2014 Rupees
Sales - net	6	1,264,273,382	1,090,250,491	718,814,411	314,704,233
Cost of sales	7	1,262,994,344	860,378,302	720,755,165	251,079,496
Gross profit/(Loss)		1,279,038	229,872,189	(1,940,754)	63,624,737
Distribution costs		14,681,284	3,585,812	5,438,897	1,072,235
Other expenses		37,748	5,000,000	-	-
Administrative expenses		23,415,268	20,886,747	6,356,989	4,319,170
		38,134,300	29,472,559	11,795,886	5,391,405
Operating (loss) / profit		(36,855,263)	200,399,630	(13,736,641)	58,233,332
Finance costs		147,288,335	170,299,869	46,829,442	74,608,001
		(184,143,598)	30,099,761	(60,566,083)	(16,374,669)
Other operating income		-	750,276	-	743,886
(Loss) / profit before taxation		(184,143,598)	30,850,037	(60,566,083)	(15,630,783)
Taxation					
- Deferred		(15,155,737)	36,421,615	(167,705)	43,471,999
- Current		5,964,502	13,015,396	3,984,871	3,815,463
		(9,191,235)	49,437,011	3,817,166	47,287,462
(Loss) / profit after taxation		(174,952,363)	(18,586,974)	(64,383,249)	(62,918,245)
(Loss) per share - basic and diluted		(18.51)	(1.97)	(6.81)	(6.66)

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR



BABA FARID SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND THIRD QUARTER ENDED JUNE 30, 2015

	Nine Months Ended		Quarter Ended	
	June 30, 2015 Rupees	June 30, 2014 Rupees	June 30, 2015 Rupees	June 30, 2014 Rupees
(Loss) / profit after taxation	(174,952,363)	(18,586,974)	(64,383,249)	(62,918,245)
Other comprehensive income				
Total comprehensive (loss) for the period	<u>(174,952,363)</u>	<u>(18,586,974)</u>	<u>(64,383,249)</u>	<u>(62,918,245)</u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR



BABA FARID SUGAR MILLS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND THIRD QUARTER ENDED JUNE 30, 2015

	Note	Nine Months Ended June 30, 2015 Rupees	Nine Months Ended June 30, 2014 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash (used) in operations	8	(55,047,494)	(1,190,347,783)
Finance costs paid		(52,947,798)	(192,884,526)
Taxes paid		(7,748,776)	(12,034,454)
Net cash (outflow) from operating activities		<u>(115,744,068)</u>	<u>(1,395,266,763)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		<u>(6,849,846)</u>	<u>(9,470,721)</u>
Net cash (outflow) from investing activities		<u>(6,849,846)</u>	<u>(9,470,721)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Long term loan		(35,383,331)	(11,838,891)
Due to related party		(112,726,823)	819,361,137
Repayment of loan from holding company		-	-
Net cash (outflow)/inflow from financing activities		<u>(148,110,154)</u>	<u>807,522,246</u>
Net (decrease) in cash and cash equivalents		(270,704,068)	(597,215,238)
Cash and cash equivalents at the beginning of the year		(523,539,161)	(209,703,636)
Cash and cash equivalents at the end of the period	9	<u><u>(794,243,229)</u></u>	<u><u>(806,918,874)</u></u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR



BABA FARID SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED JUNE 30, 2015

	Share Capital Rupees	Accumulated (Loss) Rupees	Total Rupees
Balance as at October 01, 2013 (Audited)	94,500,000	(1,142,516,857)	(1,048,016,857)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	22,619,921	22,619,921
Comprehensive (loss) for Nine Months ended June 30, 2014	-	(18,586,974)	(18,586,974)
Balance as at June 30, 2014 - (Un-audited)	94,500,000	(1,138,483,910)	(1,043,983,910)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	9,446,122	9,446,122
Comprehensive income for the Three Months ended September 30, 2014	-	27,301,026	27,301,026
Balance as at September 30, 2014 - (audited)	94,500,000	(1,101,736,762)	(1,007,236,762)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	25,754,289	25,754,289
Comprehensive (loss) for the Nine Months ended June 30, 2015	-	(174,952,363)	(174,952,363)
Balance as at June 30, 2015 - (Un-Audited)	94,500,000	(1,250,934,836)	(1,156,434,836)

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS AND THIRD QUARTER ENDED JUNE 30, 2015

1. 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 Ordinance, 1984) as a Public Limited Company and its shares are quoted at Karachi, Lahore and Islamabad Stock Exchanges. It is principally engaged in the manufacturing and sale of sugar including its by-products i.e. molasses and V.Filter cake. The registered office of the Company is situated at Suite - T 09, 3rd Floor, Hafeez Centre 75 - E/1, Main Boulevard, Gulberg III, Lahore and its manufacturing facilities are located in the district Okara, Punjab.

1.2 Going Concern Assumption

During the current financial period, the Company has suffered loss before tax amounting to Rs. 184,143,598 (June 30, 2014: profit Rs. 30,850,037) and at balance sheet date its accumulated losses have stood up to Rs.1,250,934,836 (June 30, 2014: Rs.1,138,483,910). Further, the Company's equity is in negative and its current liabilities have exceeded its current assets by Rs.955,304,894 (June 30, 2014: Rs.757,198,370). These conditions may cast significant doubt on Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the management has taken various measures to improve the financial position of the Company which include the sponsors' continued assurance for arrangement of funds as and when required, prompt discharging of its liabilities including financial obligations, securing growers' commitments for availability of quality sugarcane and hiring of competent management personnel for managing Company's affairs.

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

2. ACCOUNTING POLICIES

2.1 Accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual financial information of the Company for the year ended September 30, 2014.

2.2 The provision for the current taxation for the period represents the minimum tax on turnover and final liabilities will be determined on the basis of annual results. However, deferred taxation has been provided / reversed in this condensed interim financial information. The Company has accounted for deferred tax assets to the extent of un-absorbed tax depreciation.



BABA FARID SUGAR MILLS LIMITED

- 2.3 Due to seasonal availability of sugar cane the manufacturing of sugar is carried out during the period of sugar cane and costs incurred / accrued up to the reporting date have been accounted for. Accordingly the costs incurred / accrued after the reporting date will be reported in the subsequent financial information.

3. ESTIMATES AND JUDGMENTS

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

In preparing this condensed interim financial information the significant estimates made by management in applying the Company's accounting policies and the key sources of estimation uncertainties are the same as those that applied to the financial information as at and for the year ended September 30, 2014.

4. CONTINGENCIES AND COMMITMENTS

There are no changes in the status of contingencies and commitments since the year ended September 30, 2014.

	Nine Months ended June 30, 2015 Rupees	Nine Months ended June 30, 2014 Rupees
5. PROPERTY, PLANT & EQUIPMENT		
Operating fixed assets	2,080,134,681	2,141,351,202
Capital work-in-progress	9,387,973	3,064,506
	<u>2,089,522,654</u>	<u>2,144,415,708</u>
Depreciation during the period/year	(53,002,952)	(48,450,591)
	<u><u>2,036,519,702</u></u>	<u><u>2,095,965,117</u></u>

	Nine Months ended June 30, 2015 Rupees	Nine Months ended June 30, 2014 Rupees
6. SALES - NET		
Sugar - Local	421,762,901	1,112,572,318
- Export	722,160,900	-
Less : Sales tax and special excise duty	(38,250,419)	(22,321,827)
Add : Subsidy on export	158,600,000	-
	<u><u>1,264,273,382</u></u>	<u><u>1,090,250,491</u></u>



BABA FARID SUGAR MILLS LIMITED

	Nine Months ended June 30, 2015 Rupees	Nine Months ended June 30, 2014 Rupees
7. COST OF SALES		
Raw materials and expenses thereon	1,158,070,933	1,819,731,437
Manufacturing expenses	157,931,912	152,591,623
	1,316,002,845	1,972,323,060
Work in process		
Opening	4,041,321	2,990,796
Closing	(13,892,419)	(3,863,650)
	(9,851,099)	(872,854)
Sale of by-products		
Molasses-net	1,306,151,746	1,971,450,207
V.F. Cakes	(53,294,322)	(209,444,790)
	(1,021,756)	(1,094,016)
	(54,316,078)	(210,538,806)
Cost of goods manufactured	1,251,835,668	1,760,911,401
Finished goods		
Opening	600,194,323	341,819,604
Closing	(589,035,646)	(1,242,352,702)
	11,158,676	(900,533,098)
	1,262,994,344	860,378,302
8. CASH (USED IN) OPERATIONS		
(Loss)/ Profit before taxation	(184,143,598)	30,850,037
Adjustment for non cash charges and other items:		
Depreciation	53,002,952	48,450,591
Provision for gratuity	-	-
Finance costs	147,288,335	170,299,869
Provision for doubtful debt	-	5,000,000
Working capital changes	(71,195,183)	(1,444,948,280)
	129,096,104	(1,221,197,820)
	(55,047,494)	(1,190,347,783)
Working capital changes		
Decrease / (increase) in current assets		
Stores, spares and loose tools	1,345,234	1,432,719
Stock-in-trade	1,307,577	(901,405,952)
Trade debts	(93,377,122)	(207,126,679)
Advances	(9,832,879)	30,148,055
Trade deposits and short term prepayments	(100,292,000)	(1,192,098)
Other receivables	(2,352,054)	2,586,132
Increase / (decrease) in current liabilities		
Interest and mark-up accrued	132,006,061	(369,390,457)
	(71,195,183)	(1,444,948,280)



BABA FARID SUGAR MILLS LIMITED

9. CASH AND CASH EQUIVALENTS

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

	Nine Months ended June 30, 2015 Rupees	Nine Months ended June 30, 2014 Rupees
Cash and bank balances	8,736,783	6,832,066
Short term borrowings - secured	(802,980,012)	(813,750,940)
	<u>(794,243,229)</u>	<u>(806,918,874)</u>

10. TRANSACTION WITH RELATED PARTIES

Detail of transactions with related parties is as follows:

Name of related party	Nature of relationship	Nature of transaction	Amount (Rupees)
Imporient Chemicals (Pvt) Limited	Associate	Purchase of Chemicals	15,709,398
Pattoki Sugar Mills Limited	Holding	Loan including mark-up	1,187,763,113

11. DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issue on July 30, 2015 by the Board of Directors' of the Company.

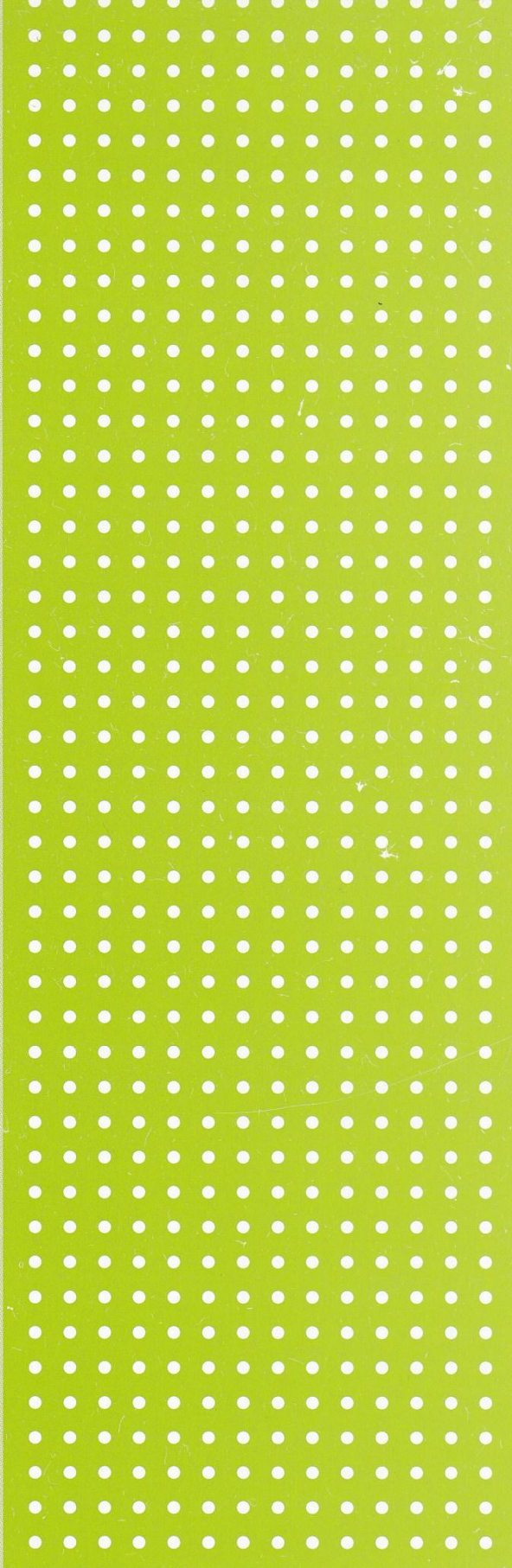
12. CORRESPONDING FIGURES

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

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

CHIEF EXECUTIVE

DIRECTOR



BOOK POST

IF UNDELIVERED PLEASE RETURN TO
BABA FARID SUGAR MILLS LIMITED
Suite-T-09., 3rd Floor, Hafeez Center,
75-E/1, Main Boulevard,
Gulberg III, Lahore.