



BABA FARID SUGAR MILLS LIMITED

**Condensed Interim
Financial Statements
(Un-Audited)
For the Half Year Ended
March 31, 2015**

BABA FARID SUGAR MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

Mr. Mirza Maqsood-ul-Hassan	Chairman
Syed Qaissar Abbas Naqvi	Member
Mr. Shahid Mahmood Qureshi	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Muhammad Ibrahim Raza

CHIEF FINANCIAL OFFICER

Muhammad Khalid Ali

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

REGISTERED OFFICE

Suite - T09, 3rd Floor,
Hafeez Centre, 75 - E/1,
Main Boulevard, Gulberg III,
Lahore.
Tel: 042-35884180-5
Fax: 042-35884138-39
Email: info@bfsml.com

BANKERS

Bank Al-Habib Limited
MCB
Habib Bank Limited

LEGAL ADVISOR

Muzamil Akhtar Shabir
(Advocate)

BABA FARID SUGAR MILLS LIMITED

DIRECTORS' REPORT TO THE MEMBERS

The Members,

Baba Farid Sugar Mill

Asslam –o – Alaikum

On behalf of the Board of Directors having pleasure in presenting the Un-audited Financial Statements of the Company for the half year ended on 31st March, 2015, duly reviewed by the Auditors of the Company.

OPERATIONAL PERFORMANCE

Operating result for the year under review is summarized below:

		2014 – 15	2013 – 14
		Nov. 28, 2014	Nov. 25, 2013
Crushing Season Started			
Duration of Season	Days	94	111
Sugarcane Crushed	M.Ton	249,227.70	407,635.31
Sugar Produced	M.Ton	21,845.00	39,062.00
Sugar Recovery	% age	8.82	9.60
Molasses produced	M.Ton	11,209.18	18,960.00
Molasses recovery	% age	4.524	4.659

The half year under review witnessed one of the toughest season of the sugar industry. The crushing season commenced on November 28, 2014 and Mill crushed 249,227.70 M.T of sugarcane as compared to 407,635.31 of corresponding of last year. The decrease in sugarcane crushing of 38.86 % is due to market condition of sugar cane where keeping in view shortage of sugarcane crop. Sugar Recovery and production of sugar is also on lower side as compared to last year.

Presently, sugar market is depressed and prices are below cost level due to surplus stock of last year. The Government of Punjab has increased the minimum support price of sugarcane from Rs. 170/- to Rs. 180/- per 40 kg. This increase will further affect the cost- price gap and if the sugar price, do not improve, and its impact will be further on the financial results of the company. It will also affect the timely payment to cane growers / other liabilities and company's ability to meet the working capital requirements.

FINANCIAL RESULTS

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

	2014 – 15	2013 – 14
	(Million)	(Millions)
Sales	515.459	775.546
Gross Profit	3.219	166.247
Operating Profit / (Loss)	(23.119)	142.166
(Loss) / Profit After Taxation	(110.569)	44.331
(Loss) / Earnings per share	(11.70)	4.69

FUTURE OUTLOOK

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

ACKNOWLEDGEMENT

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

By behalf of the Board

(Muhammad Sarwar)
Chief Executive

May 28, 2015.

BABA FARID SUGAR MILLS LIMITED
AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF
CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **BABA FARID SUGAR MILLS LIMITED** ("the company") as at 31 March 2015 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (herein after referred to as "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 March 2015 and 31 March 2014 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 31 March 2015.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended 31 March 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Without qualifying our conclusion, we draw attention to note 1.2 to the annexed condensed interim financial information. During the current period, the Company has (incurred loss) / earned profit before tax of Rs.(123,577,515) (March 31, 2014 : Rs.46,480,820) and its accumulated loss at the balance sheet date amounted to Rs. 1,195,136,350 (September 30, 2014 :Rs.1,101,736,762). Furthermore, the Company's equity is in negative. These conditions along with other matters as set forth in note 1.2 indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

Lahore : May 28, 2015

SHEIKH & CHAUDHRI
Chartered Accountants
Engagement Partner
Muhammad Saeed Malik

BABA FARID SUGAR MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2015

	Note	March 31, 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)		(1,195,136,350)	(1,101,736,762)
		(1,100,636,350)	(1,007,236,762)
Surplus on revaluation of property, plant & equipment		1,416,262,335	1,433,431,861
NON-CURRENT LIABILITIES			
Long term loan	6	25,000,000	41,666,667
Loan from holding company	7	500,000,000	500,000,000
Deferred liabilities	8	311,457,005	326,445,038
		836,457,005	868,111,705
CURRENT LIABILITIES			
Current portion of long term liabilities	9	78,965,333	78,965,333
Trade and other payables		1,094,159,890	263,523,925
Short term finances	10	697,307,959	527,797,959
Due to related party	11	790,130,968	683,195,817
Interest and mark-up accrued		199,672,496	136,474,552
Provision for taxation		1,979,631	16,493,069
		2,852,216,277	1,706,450,655
TOTAL EQUITY & LIABILITIES		4,004,299,268	3,000,757,459
Contingencies & commitments	12		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	2,049,902,110	2,082,672,808
Long term deposits		587,575	587,575
		2,050,489,685	2,083,260,383
CURRENT ASSETS			
Stores, spares and loose tools		36,846,118	39,366,037
Stock-in-trade		1,249,775,419	604,235,643
Trade debts		519,167,333	173,434,138
Advances		72,331,016	75,202,185
Trade deposits, prepayments and other receivables		21,364,507	21,000,275
Cash and bank balances		54,323,190	4,258,798
		1,953,609,583	917,497,076
TOTAL ASSETS		4,004,299,268	3,000,757,459

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR

BABA FARID SUGAR MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2015

Note	Half Year Ended		Quarter Ended	
	March 31, 2015 Rupees	March 31, 2014 Rupees	March 31, 2015 Rupees	March 31, 2014 Rupees
Sales - net	545,458,971	775,546,258	307,788,504	487,408,948
Cost of sales	14 542,239,179	609,298,806	314,475,141	358,664,609
Gross profit / (loss)	3,219,792	166,247,452	(6,686,637)	128,744,339
Distribution costs	9,242,387	2,513,577	8,818,165	2,014,848
Other expenses	37,748	5,000,000	-	5,000,000
Administrative expenses	17,058,279	16,567,577	7,854,377	9,151,589
	26,338,414	24,081,154	16,672,542	16,166,437
Operating (loss) / profit	(23,118,622)	142,166,298	(23,359,179)	112,577,902
Finance costs	100,458,893	95,691,888	52,547,074	62,021,610
	(123,577,515)	46,474,430	(75,906,253)	50,556,292
Other operating income	-	6,390	-	6,390
(Loss) / profit before taxation	(123,577,515)	46,480,820	(75,906,253)	50,562,682
Taxation	(13,008,401)	2,149,549	(19,216,459)	(2,101,179)
(Loss) / profit after taxation	(110,569,114)	44,331,271	(56,689,794)	52,663,862
(Loss) / Earnings per share - basic and diluted	(11.70)	4.69	(6.00)	5.57

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR

BABA FARID SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2015

	Half Year Ended		Quarter Ended	
	March 31, 2015 Rupees	March 31, 2014 Rupees	March 31, 2015 Rupees	March 31, 2014 Rupees
(Loss) / profit after taxation	(110,569,114)	44,331,271	(56,689,794)	52,663,862
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / Income for the period	<u>(110,569,114)</u>	<u>44,331,271</u>	<u>(56,689,794)</u>	<u>52,663,862</u>

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR

BABA FARID SUGAR MILLS LIMITED**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2015**

	Share Capital Rupees	Accumulated (Less) 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	-	14,264,203	14,264,203
Comprehensive income for the half year ended March 31, 2014	-	44,331,271	44,331,271
Balance as at March 31, 2014 - (Un-audited)	94,500,000	(1,083,921,383)	(989,421,383)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	17,801,840	17,801,840
Comprehensive (loss) for the half year ended September 30, 2014	-	(35,617,219)	(35,617,219)
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	-	17,169,527	17,169,527
Comprehensive income for the half year ended March 31, 2015	-	(110,569,114)	(110,569,114)
Balance as at March 31, 2015 - (Un-Audited)	94,500,000	(1,195,136,350)	(1,100,636,350)

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR

BABA FARID SUGAR MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2015

	Note	Half Year Ended March 31, 2015 Rupees	Half Year Ended March 31, 2014 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	15	(152,469,620)	(1,215,161,955)
Finance costs paid		(37,260,948)	(176,622,361)
Taxes paid		(7,428,148)	(7,910,489)
Net cash (used) in operating activities		<u>(197,158,716)</u>	<u>(1,399,694,805)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		<u>(2,555,376)</u>	<u>(9,439,221)</u>
Net cash (used) in investing activities		<u>(2,555,376)</u>	<u>(9,439,221)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Long term loan		(16,666,667)	(8,333,335)
Due to related party		96,935,151	786,724,677
Net cash generated from financing activities		<u>80,268,484</u>	<u>778,391,342</u>
Net (decrease) in cash and cash equivalents		(119,445,608)	(630,742,684)
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		<u>(642,984,769)</u>	<u>(840,446,320)</u>

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR

BABA FARID SUGAR MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2015

1. THE COMPANY AND ITS OPERATIONS

- 1.1 Baba Farid Sugar Mills Limited ("the Company") was incorporated in 1978 under the Companies Act 1913 (now Companies Ordinance, 1984) as a Public Limited Company and its shares are quoted at 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 (incurred loss) / earned profit before tax amounting to Rs. (123,577,515) (March 31, 2014: Rs.46,480,820) and at balance sheet date its accumulated losses have stood up to Rs. 1,195,136,350 (September 30, 2014: Rs.1,101,736,762). Further, the Company's equity is in negative and its current liabilities have exceeded its current assets by Rs.898,406,694 (September 30, 2014: Rs.788,953,579). 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. BASIS OF PREPARATION

This condensed interim financial information is un-audited but subject to limited scope review by the statutory auditors and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This condensed interim financial information of the Company for the half year ended 31 March 2015 has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the year ended 30 September 2014.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual

BABA FARID SUGAR MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2015

published financial statements of the Company for the year ended 30 September, 2014.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

5. CYCLICALITY OF OPERATIONS

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

		March 31, 2015	September 30, 2014
	Note	Rupees (Un-Audited)	Rupees (Audited)
6. LONG TERM LOAN			
Bank Al-Habib Limited	6.1	58,333,333	75,000,000
Less: Current Portion		<u>(33,333,333)</u>	<u>(33,333,333)</u>
		<u>25,000,000</u>	<u>41,666,667</u>

6.1 This represents term finance facility obtained from Bank Al Habib Limited for purchase of plant and machinery and increasing godown capacity. It shall be repaid through 36 equal monthly installments starting from December 2013. It carries mark up at the rate of average 6 month KIBOR plus 1.75% per annum, mark up shall be serviced on quarterly basis. It is secured by way of first charge over plant and machinery of the Company amounting to Rs.170 million and personal guarantees of directors and corporate guarantee of M/s Pattoki Sugar Mills Limited.

7. LOAN FROM HOLDING COMPANY

Pattoki sugar Mills Limited (PSML)	7.1	525,000,000	525,000,000
Less: Current Portion		<u>(25,000,000)</u>	<u>(25,000,000)</u>
		<u>500,000,000</u>	<u>500,000,000</u>

7.1 The Company obtained unsecured loan from M/s Pattoki Sugar Mills Limited (PSML) - the holding company that carries mark-up at the rate of 3 month's KIBOR plus 2% per annum. This loan is subordinate to the loan from Bank AL Habib Limited. It shall be repaid through 42 half yearly installments starting from March 2014.

8. DEFERRED LIABILITIES

Deferred taxation		310,680,501	325,668,534
Staff retirement benefits - gratuity		<u>776,504</u>	<u>776,504</u>
		<u>311,457,005</u>	<u>326,445,038</u>

BABA FARID SUGAR MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2015

		March 31, 2015	September 30, 2014
	Note	Rupees (Un-Audited)	Rupees (Audited)
9. CURRENT PORTION OF LONG TERM LIABILITIES			
Long term loans		33,333,333	33,333,333
Loan from holding company		25,000,000	25,000,000
Liability against assets subject to finance lease	9.1	20,632,000	20,632,000
		<u>78,985,333</u>	<u>78,985,333</u>

9.1 This liability is overdue. The company has a dispute with BRR Guardian Modarba "the leasing company" regarding the settlement of securities provided for the subject facility. The company has officially lodged a complain in Consumer Protection Department of State Bank of Pakistan against the leasing company for release of the delievery orders, return of the post dated cheques and discharge of the personal guarantee of the directors.

10. SHORT TERM FINANCES

Bank al Habib Limited

Cash finance - secured	10.1	199,513,959	527,797,959
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MCB Bank Limited

Cash finance - secured	10.2	497,794,000	—
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		<u>697,307,959</u>	<u>527,797,959</u>
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10.1 Short term finance facilities available from Bank Al Habib Limited under mark-up arrangements aggregate Rs.676.267 million (2014: Rs.676.267 million). These facilities, during the half year, carried mark-up at the rates 3 months KIBOR plus 1.5%. Mark-up is payable on quarterly basis.

Facilities available for opening letters of credit / guarantee aggregate Rs.24.8 million (2014: Rs.24.8 million) and are secured against the securities as detailed below.

The aggregate facilities are secured against pledge of sugar bags, first charge over receivables and second charge over stocks of Rs.55 million, personal guarantees of the directors amounting to Rs.500 million, corporate guarantee of the holding company M/S Pattoki Sugar Mills Ltd amounting to Rs.500 million.

10.2 Short term finance facilities available from MCB Bank Limited under mark-up arrangements aggregate Rs.500.00 million (2014: Rs. Nil). These facilities, during the half year, carried mark-up at the rates 3 months KIBOR plus 1.5%. Mark-up is payable on quarterly basis. The aggregate facilities are secured against pledge of sugar bags, personal guarantees of the directors and corporate guarantee of the holding company M/S Pattoki Sugar Mills Ltd amounting to Rs.500 million.

BABA FARID SUGAR MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2015

11. DUE TO RELATED PARTY

The Company has obtained unsecured short term loan from M/s Pattoki Sugar Mills Limited (PSML) - the holding company that carries mark-up at the rate of 3 month's KIBOR plus 1.5% per annum. The effective mark-up rate charged by PSML during the half year ranged from 11.63% to 11.67% (2014: 10.89% to 11.67%) per annum.

12. CONTINGENCIES & COMMITMENTS

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

	Note	Half Year Ended March 31, 2015 Rupees (Un-Audited)	Year Ended September 30, 2014 Rupees (Audited)
13. PROPERTY, PLANT & EQUIPMENT			
Operating fixed assets	13.1	2,044,758,647	2,078,716,672
Capital work-in-progress	13.2	5,143,463	3,956,136
		<u>2,049,902,110</u>	<u>2,082,672,808</u>
13.1 Opening book value		2,078,716,672	1,931,400,154
Surplus arisen during the year		-	183,278,940
Additions during the period	13.1.1	1,368,049	32,065,736
		2,080,084,720	2,146,744,830
Depreciation during the period / year		(35,326,073)	(68,028,158)
Closing book value		<u>2,044,758,647</u>	<u>2,078,716,672</u>
13.1.1 Additions during the period			
Building		-	1,826,213
Plant and machinery		989,139	30,124,878
Office Equipment		378,910	114,645
		<u>1,368,049</u>	<u>32,065,736</u>
13.2 Capital work-in-progress			
Building on freehold land		<u>5,143,463</u>	<u>3,956,136</u>

14. COST OF SALES

	Half Year Ended		Quarter Ended	
	Mar 31, 2015 Rupees	Mar 31, 2014 Rupees	Mar 31, 2015 Rupees	Mar 31, 2014 Rupees
Raw materials and expenses thereon	1,102,995,197	1,818,062,985	688,396,736	1,218,773,385
Manufacturing	94,575,087	124,535,497	40,642,094	73,783,466
	1,197,570,284	1,942,598,482	729,038,830	1,292,556,851
Work in process				
Opening	4,041,321	2,990,796	75,141,379	55,834,388
Closing	(11,717,820)	(3,815,478)	(11,717,820)	(3,815,478)
	(7,676,499)	(824,682)	63,423,559	52,018,910
	1,189,893,785	1,941,773,800	792,462,389	1,344,575,762
Sale of by-products				
Molasses	(8769,573)	(144,440,683)	(8,769,573)	(144,440,683)
V.F. Cakes	(1,021,756)	-	-	-
	(9,791,329)	(144,440,683)	(8,769,573)	(144,440,683)
Cost of goods manufactured	1,180,102,456	1,797,333,117	783,692,816	1,200,135,079
Finished goods				
Opening	600,194,323	341,819,604	768,839,924	688,383,446
Closing	(1,238,057,599)	(1,529,853,915)	(1,238,057,599)	(1,529,853,915)
	(637,863,276)	(1,188,034,311)	(469,217,675)	(841,470,469)
	542,239,179	609,298,806	314,475,141	358,664,609

BABA FARID SUGAR MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2015

	Half Year Ended March 31, 2015 Rupees	Half Year Ended March 31, 2014 Rupees
15. CASH (USED IN) OPERATIONS		
(Loss) / profit before taxation	(123,577,515)	46,480,820
Adjustment for non cash charges and other items:		
Depreciation	35,326,073	31,635,474
Provision for gratuity	-	-
Finance costs	100,458,893	95,691,868
Provision for doubtful debt	-	5,000,000
Working capital changes	(164,677,071)	(1,393,970,117)
	(28,892,105)	(1,261,642,775)
	(152,469,620)	(1,215,161,955)

Working capital changes

Decrease / (increase) in current assets

Stores, spares and loose tools	2,517,919	4,830,917
Stock-in-trade	(645,539,776)	(1,188,858,993)
Trade debts	(345,733,195)	(70,865,319)
Advances	(6,193,752)	21,760,672
Trade deposits, prepayments and other receivables	(364,232)	(673,579)
increase / (decrease) in current liabilities		
Trade and other payables	830,635,965	(160,163,815)
	(164,677,071)	(1,393,970,117)

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

Cash and bank balances	54,323,190	4,258,798
Short term finances	(697,307,959)	(527,797,959)
	(642,984,769)	(523,539,161)

16. TRANSACTION WITH RELATED PARTIES

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

Name of related Party	Nature of relationship	Nature of transaction	Amount (Rs)
Imporient Chemicals (Pvt) Ltd.	Associate	Purchase of chemicals	12,817,356
Pattoki Sugar Mills Limited	Holding	Mark-up	69,358,527
Pattoki Sugar Mills Limited	Holding	Increase in amount payable	96,935,151

17. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 September 2014.

18. DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issue on May 28, 2015 by the Board of Directors' of the Company.

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