BABA FARID

SUGAR MILLS LIMITED



CONDENSED INTERIM
FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS AND
THIRD QUARTER ENDED
JUNE 30, 2017


BABA FARID SUGAR MILLS LTD.
OKARA

BABA FARID SUGAR MILLS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HR & R COMMITTEE

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

COMPANY SECRETARY

Muhammad Ibrahim Raza

CHIEF FINANCIAL OFFICER

Muhammad Khalid Ali

HEAD OF INTERNAL AUDIT

Mr. Shahid Iqbal Mirza

AUDITORS

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

SHARE REGISTRAR

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

MILLS

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

REGISTERED OFFICE

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

BANKERS

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

LEGAL ADVISOR

MOHSIN TAYEBALY & CO.
Corporate Legal Consultants | Barristers & Advocates | High Courts & Supreme Courts
Lahore Office: 102-C/1, St. John's Park (opp Fortress Stadium). Lahore Cantt, Lahore
Tel: (92-42) 36672102
Email: arshad.mirza@mtclaw.com.pk

BABA FARID SUGAR MILLS LIMITED

DIRECTOR'S REVIEW

The Members,

On behalf of the Board of Directors its my privilege to present you the Un-audited Financial Statements of the Company for the third quarter (nine months) ended June 30, 2017.

OPERATIONAL PERFORMANCE

Operating result for the year under review is summarized below:

		2016-17	2015-16
Crushing Season Started		November 19,2016	November 27,2015
Dura on Of Season	Days	128	100
Sugarcane Crushed	M.Ton	393,034.57	261,930.97
Sugar Produced	M.Ton	35,496.50	23,946.25
Sugar Recovery	%age	9.109	9.165
Molasses produced	M.Ton	18,495.00	12,154.70
Molasses recovery	%age	4.739	4.65

The third quarter under review witnessed high growth in terms of sugarcane crushed , duration of crushing season , sugar produced & recovery and molasses produced & recovery for the respective half year.

The crushing season commenced on November 19, 2016 and Mills crushed 393,034.57 as compared to 261,930.97 M.Ton of corresponding of last year . The sugar recovery has decreased from 9.165% to 9.109%. You will observe that their is a minor decline in sugar recovery i.e. 0.61%.

FINANCIAL RESULTS

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

	2016-17 Million	2015-16 Million
Sales	1,640.47	1,077.68
Gross Profit	250.55	111.33
Operating Profit	209.62	81.46
Profit After Taxation	128.41	8.84
Earnings per share	13.59	0.94

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.



For and on behalf of the Board
(Muhammad Sarwar)
Chief Executive

July 31, 2017

BABA FARID SUGAR MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT JUNE 30, 2017

	Note	June 30, 2017 Rupees (Un-Audited)	September 30, 2016 Rupees (Audited)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
70,000,000 ordinary shares of Rs. 10/- each		700,000,000	700,000,000
Issued, subscribed and paid up capital		94,500,000	94,500,000
Accumulated (loss)		(1,058,148,438)	(1,217,959,120)
		(963,648,438)	(1,123,459,120)
Surplus on revaluation of property, plant & equipment		1,756,038,182	1,779,773,872
NON-CURRENT LIABILITIES			
Loan from holding company		500,000,000	500,000,000
Deferred liabilities		322,661,217	347,835,618
		822,661,217	847,835,618
CURRENT LIABILITIES			
Trade and other payables		1,021,484,170	480,373,054
Interest and mark-up accrued		22,606,033	20,715,647
Short term borrowings		18,089,619	101,799,132
Due to related party		1,102,842,556	1,111,646,078
Current portion of long term liabilities		25,000,000	54,408,109
Provision for taxation		17,608,274	11,831,378
		2,207,630,652	1,780,773,398
TOTAL EQUITY & LIABILITIES		3,822,681,613	3,284,923,768
Contingencies & commitments	4		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	2,504,182,648	2,475,983,483
Long term deposits		587,575	587,575
		2,504,770,223	2,476,571,058
CURRENT ASSETS			
Stores, spares and loose tools		45,817,698	45,609,787
Stock-in-trade		862,469,681	381,077,616
Trade debts		63,426,967	108,890,582
Advances		239,395,117	144,705,252
Trade deposits and short term prepayments		385,809	20,632,000
Other receivables		105,742,500	105,742,500
Cash and bank balances		673,618	1,694,973
		1,317,911,390	808,352,710
TOTAL ASSETS		3,822,681,613	3,284,923,768

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, 2017

	Note	Nine Months Ended		Quarter Ended	
		June 30, 2017 Rupees	June 30, 2016 Rupees	June 30, 2017 Rupees	June 30, 2016 Rupees
Sales - net	6	1,640,470,163	1,077,681,217	215,210,292	740,098,091
Cost of sales	7	1,389,916,650	966,346,383	177,191,643	702,619,053
Gross profit		250,553,513	111,334,834	38,018,649	37,479,038
Distribution costs		3,475,760	2,393,289	328,045	128,101
Administrative expenses		37,458,542	27,482,074	8,438,702	6,883,782
		40,934,302	29,875,363	8,766,747	7,011,883
Operating profit		209,619,211	81,459,472	29,251,902	30,467,156
Finance costs		81,110,346	85,847,977	22,627,760	25,500,501
		128,508,865	(4,388,505)	6,624,142	4,966,655
Other operating income		-	-	-	-
(Loss) / profit before taxation		128,508,865	(4,388,505)	6,624,142	4,966,655
Taxation					
- Deferred		(17,506,325)	(24,001,189)	396,821	(5,269,024)
- Current		17,608,274	10,776,812	2,320,350	6,740,980
		101,950	(13,224,377)	2,717,171	1,471,956
Profit after taxation		128,406,915	8,835,872	3,906,971	3,494,699
Earning per share - basic and diluted		13.59	0.94	0.41	0.37

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, 2017

	Nine Months Ended		Quarter Ended	
	June 30, 2017 Rupees	June 30, 2016 Rupees	June 30, 2017 Rupees	June 30, 2016 Rupees
Profit after taxation	128,406,915	8,835,872	3,906,971	3,494,699
Other comprehensive income				
Total comprehensive profit for the period	128,406,915	8,835,872	3,906,971	3,494,699

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



CHIEF EXECUTIVE



DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS AND THIRD QUARTER ENDED JUNE 30, 2017

	Note	Nine Months Ended June 30, 2017 Rupees (Un-Audited)	Nine Months Ended September 30, 2016 Rupees (Audited)
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	8	309,373,609	17,037,069
Finance costs paid		(79,219,960)	(27,326,781)
Taxes paid		(21,293,066)	(9,782,330)
Net cash inflow/(outflow) from operating activities		208,860,584	(20,072,043)
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(87,960,794)	(20,988,609)
Net cash (outflow) from investing activities		(87,960,794)	(20,988,609)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term loan		-	(22,222,224)
Due to related party		(8,803,522)	293,452,424
Repayment of current portion of long term liabilities		(29,408,109)	-
Net cash (outflow) / inflow from financing activities		(38,211,631)	271,230,200
Net increase in cash and cash equivalents		82,688,158	230,169,548
Cash and cash equivalents at the beginning of the year		(100,104,159)	(245,208,931)
Cash and cash equivalents at the end of the period	9	(17,416,001)	(15,039,382)

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



CHIEF EXECUTIVE



DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS AND THIRD QUARTER ENDED JUNE 30, 2017

	Share Capital	Accumulated (Loss)	Total
	Rupees	Rupees	Rupees
Balance as at October 01, 2015 (Audited)	94,500,000	(1,266,087,217)	(1,171,587,217)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	34,580,763	34,580,763
Comprehensive income for Nine Months ended June 30, 2016	-	8,835,872	8,835,872
Balance as at June 30, 2016 - (Un-audited)	94,500,000	(1,222,670,582)	(1,128,170,582)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	1,093,610	1,093,610
Comprehensive income for the Three Months ended September 30, 2016	-	3,617,852	3,617,852
Balance as at September 30, 2016	94,500,000	(1,217,959,120)	(1,123,459,120)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	31,403,767	31,403,767
Comprehensive income for the Nine Months ended June 30, 2017	-	128,406,915	128,406,915
Balance as at June 30, 2017 - (Un-Audited)	94,500,000	(1,058,148,438)	(963,648,438)

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, 2017

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 Pakistan Stock Exchange. It is principally engaged in the manufacturing and sale of sugar including its by-products i.e. molasses and V.Filter cake. The registered office of the Company is situated at Suite T-09, 3rd Floor. 75 - E/1, Main Boulevard , Gulberg III, Lahore and its manufacturing facilities are located in the district Okara, Punjab.

1.2 Going Concern Assumption

During the current financial period, the Company has incurred profit before tax amounting to Rs. 128,508,865 (June 30, 2016: net loss of Rs. 4,388,505) and at balance sheet date its accumulated losses have stood up to Rs.1,058,148,438 (June 30, 2016: Rs.1,217,959,120). Further, the Company's equity is in negative and its current liabilities have exceeded its current assets by Rs.889,719,262 (June 30, 2016: Rs.992,157,243). 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, 2016.

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.

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 was that applied to the financial information as at and for the year ended September 30, 2016.

4 CONTINGENCIES AND COMMITMENTS

There are no changes in the status of contingencies and commitments since the year ended September 30, 2016.

	Nine Months ended June 30, 2017 Rupees	Nine Months ended June 30, 2016 Rupees
5 PROPERTY, PLANT & EQUIPMENT		
Operating fixed assets	2,497,835,065	2,080,134,681
Capital work-in-progress	66,109,212	9,387,973
	2,563,944,277	2,089,522,654
Depreciation during the period/year	(59,761,629)	(53,002,952)
	2,504,182,648	2,036,519,702
6 SALES - NET		
Sugar - Local	1,784,435,396	1,163,895,730
- Export	-	-
Less : Sales tax and special excise duty	(143,965,233)	(86,214,513)
	1,640,470,163	1,077,681,217

	Nine Months ended June 30, 2017 Rupees	Nine Months ended June 30, 2016 Rupees
7 COST OF SALES		
Raw materials and expenses thereon	1,834,360,431	1,221,762,434
Manufacturing expenses	157,305,511	135,218,942
	1,991,665,942	1,356,981,376
Work in process		
Opening	13,322,874	12,671,829
Closing	(30,278,192)	(13,325,241)
	(16,955,318)	(653,413)
	1,974,710,624	1,356,327,964
Sale of by-products		
Molasses-net	(120,357,227)	(66,000,033)
Cost of goods manufactured	1,854,353,397	1,290,327,931
Finished goods		
Opening	367,754,742	240,326,014
Closing	(832,191,489)	(564,307,562)
	(464,436,747)	(323,981,548)
	1,389,916,650	966,346,383
8 CASH GENERATED FROM OPERATIONS		
Profit / (Loss) before taxation	128,508,865	(4,388,505)
Adjustment for non cash charges and other items:		
Depreciation	59,761,629	50,021,242
Finance costs	81,110,346	85,847,977
Working capital changes	39,992,769	(114,443,645)
	180,864,744	21,425,574
	309,373,609	17,037,069

Working capital changes

Decrease / (increase) in current assets		
Stores, spares and loose tools	(207,911)	(5,297,123)
Stock-in-trade	(481,392,065)	(324,634,960)
Trade debts	45,463,615	(52,369,760)
Advances	(85,228,177)	(30,419,533)
Trade deposits and short term prepayments	20,246,191	(109,326,758)
Other receivables	-	104,820,831
Increase in current liabilities		
Trade and other payables	541,111,116	302,783,658
	39,992,769	(114,443,645)

9 CASH AND CASH EQUIVALENTS	**Nine Months ended June 30, 2017 Rupees**	**Nine Months ended June 30, 2016 Rupees**
For the purpose of cash flow statement, cash and cash equivalents comprise of:		
Cash and bank balances	673,618	12,255,394
Short term borrowings	(18,089,619)	(27,294,774)
	(17,416,001)	(15,039,380)

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	13,730,983
Pattoki Sugar Mills Limited	Holding	Loan including mark-up	1,133,107,008

11 DATE OF AUTHORIZATION

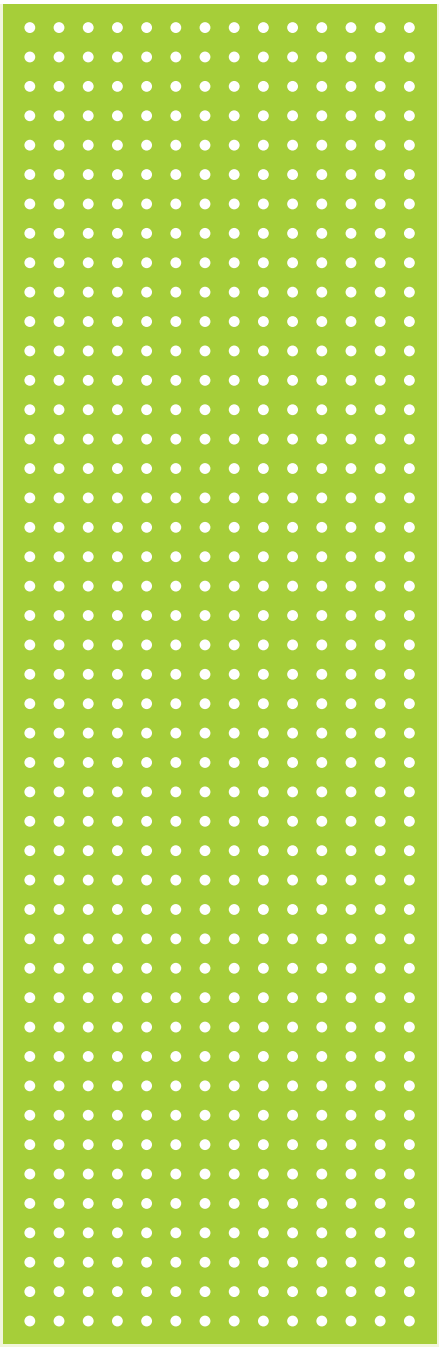
This condensed interim financial information was authorized for issue on July 31, 2017 by the Board of Directors' of the Company.

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**



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Gulberg III, Lahore.