BABA FARID

SUGAR MILLS LIMITED



Condensed Interim Financial Statements (Un-Audited) For the Nine Months and Third Quarter Ended June 30, 2018

BABA FARID SUGAR MILLS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

Mr. 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

Mr. Muhammad Ibrahim Raza

CHIEF FINANCIAL OFFICER

Mr. 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

DIRECTOR, S REVIEW

The Members,
Baba Farid Sugar Mill
Asslam –o – Alaikum

On behalf of the Board of Directors, we are pleased in presenting the Un-audited Financial Statements of the Company for the 3rd quarter ended June 30, 2018.

Highlights of the Company's performance of 3rd quarter and comparison with the corresponding period are as under:

OPERATIONAL PERFORMANCE

		2017-18	2016-17
Crushing Season Started		December 25,2017	November 19,2016
Duration of season	Days	93	128
Sugarcane Crushed	M.Ton	208,593.73	393,034.57
Sugar Produced	M.Ton	18,261.90	35,496.50
Sugar Recovery	% age	8.773	9.109

The crushing season commenced on December 25, 2017 and Mill crushed 208,593.73 M.T of sugarcane as compared to 393,034.57 M.Ton of corresponding last period. The decrease in sugarcane crushing is 46.93 %.The sugar recovery has been decreased from 9.109% to 8.773%.The company has witnessed a decline in the duration of crushing season and also reduction in sugarcane crushed as compared to previous period. The reason behind are technical problems of power house, turbine, transformer and boiler.

FINANCIAL RESULTS

	2017-18 (Million)	2016-17 (Million)
Sales	1087.74	1640.47
Gross (Loss)/ Profit	(264.56)	250.55
Operating (Loss)/Profit	(294.27)	209.62
(Loss)/Profit After Taxation	(352.70)	128.41
(Loss)/Earnings per share	(37.32)	13.59

The Government of Punjab has maintained the minimum price of sugar cane at Rs.180/- per 40 Kg .Sugar rate at present is depressed due to bumper cane crops, declining trend of sale rate of sugar in the local as well as international market, excess production and carryover of stock. It affects the sales revenue and profitability of the company.

FUTURE OUTLOOK

In the current year, we are expecting that prices of sugar will be stable in the coming period.

ACKNOWLEDGEMENT

The Board of directors appreciates the banks and the Government department on their continued support, which gave strength to pursue our corporate objective with vigor. The Board also acknowledges the valuable teamwork, devotion and dedication of the executives, employees and workers in the Company.

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

July 30, 2018

ڈائریکٹرز رپورٹ

ارکین،

بابا فرید شوگر ملز لمیٹڈ

السلام علیکم!

بورڈ آف ڈائریکٹرز کی طرف سے، ہم 30 جون، 2018 کو ختم ہونے والے شیئر ہولڈرز کے لئے کمپنی کے غیر آڈٹ شدہ مالی بیانات میں پیش کرتے ہیں۔

کمپنی کی کارکردگی کے پہلے شیئر ہولڈرز کی وضاحت اور متعلقہ مدت کے ساتھ مقابلے میں ذیل میں ہیں:

آپریشنل پرفارمنس

	2016-17	2017-18
کرشنگ کا موسم	نومبر 19-2016	دسمبر 25، 2017
چلائی کے دن	128	93
گنے کی پیمائی (ٹن)	393،034.57	208،593.73
شوگر کی پیداوار (ٹن)	35،496.50	18،261.90
شوگر کی وصولی (٪)	9.109	8.773

کرشنگ موسم کا آغاز 25، دسمبر، 2017 کو شروع ہوا اور مل نے آخری مدت کے مطابق 208،593.73 ٹن کے مقابلے میں پچھلے سال 393،034.57 ٹن کے گنے کی کرشنگ میں کمی 46.93 فیصد ہے۔ چینی کی وصولی کو 9.109 سے 8.773 فیصد تک کمی ہوئی۔ کمپنی نے کرشنگ موسم کی مدت میں کمی اور پچھلے عرصے کے مقابلے میں گنے کی کرشنگ میں کمی بھی دیکھی ہے جیسی وجوہات یادگھر، زراعت، زراعت مزدور اور انٹر کی تکنیکی مسائل ہیں۔

مالیاتی نتائج

	2016-17	2017-18
	(ملین)	(ملین)
سیلز	1640.47	1087.74
مجموعی (نقصان)/منافع	250.55	(264.56)
آپریٹنگ (نقصان)/منافع	209.62	(294.27)
(نقصان)/منافع ٹیکس کے بعد	128.41	(352.70)
(نقصان)/آمدنی فی حصہ	13.59	(37.32)

جناب حکومت نے گنے کی فی من کم از کم قیمت 180 روپے پر برقرار رکھی ہے۔ چینی کی قیمت میں کمی واٹر مقدار میں گنے کی پیداوار لوکل اور انٹرنیشنل مارکیٹ اور اضافی اسٹاک کی وجہ سے ہے۔ یہ کمپنی کی فروخت آمدنی اور منافع بخش کو متاثر کرتی ہے۔

مستقبل کے امکانات

موجودہ سال میں، ہم امید کر رہے ہیں کہ آنے والی مدت میں چینی کی قیمتیں مستحکم رہیں گی۔

اعتراف

بورڈ آف ڈائریکٹرز نے بینکوں اور گورنمنٹ ڈیپارٹمنٹس کی حمایت کو سراہا ہے، جس نے ہمارے کارپوریٹ مقصد کو مضبوط بنانے میں طاقت دی۔ بورڈ اپنے تمام ورکرز، سٹاف اور مینجمنٹ ٹیم کی محنت اور کاوشوں کو خراج تحسین پیش کرتا ہے۔

(محمد سرور)
چیف ایگزیکٹو
جولائی 30، 2018

BABA FARID SUGAR MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET
AS AT JUNE 30, 2018

	Note	June 30, 2018 Rupees (Un-Audited)	September 30, 2017 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)		(1,469,830,162)	(1,146,927,052)
		(1,375,330,162)	(1,052,427,052)
Surplus on revaluation of property, plant & equipment		1,725,834,889	1,746,005,655
NON-CURRENT LIABILITIES			
Long term loans		150,000,000	200,000,000
Loan from holding company		500,000,000	500,000,000
Deferred liabilities		223,998,144	313,488,827
		873,998,144	1,013,488,827
CURRENT LIABILITIES			
Trade and other payables		278,893,936	360,343,121
Interest and mark-up accrued		105,720,087	50,651,849
Short term finances		28,228,146	89,155,032
Due to related party		1,309,761,478	1,130,247,361
Current portion of long term liabilities		125,000,000	125,000,000
Provision for taxation		14,479,098	21,662,092
		1,862,082,745	1,777,059,455
TOTAL EQUITY & LIABILITIES		3,086,585,616	3,484,126,885
Contingencies & commitments	4		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	2,466,334,354	2,518,370,768
Long term deposits		587,575	587,575
		2,466,921,929	2,518,958,343
CURRENT ASSETS			
Stores, spares and loose tools		50,791,019	37,271,741
Stock-in-trade		231,709,476	533,034,690
Trade debts		72,974,257	121,322,598
Advances		150,069,955	167,029,163
Other receivables		105,742,500	105,742,500
Cash and bank balances		8,376,480	767,850
		619,663,687	965,168,542
TOTAL ASSETS		3,086,585,616	3,484,126,885

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

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

BABA FARID SUGAR MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS AND THIRD QUARTER ENDED JUNE 30, 2018

	Note	Nine Months Ended		Quarter Ended	
		June 30, 2018 Rupees	June 30, 2017 Rupees	June 30, 2018 Rupees	June 30, 2017 Rupees
Sales - net	6	1,087,736,394	1,640,470,163	49,172,770	215,210,292
Cost of sales	7	1,352,300,330	1,389,916,650	63,733,652	177,191,643
Gross (Loss)/ profit		(264,563,936)	250,553,513	(14,560,882)	38,018,649
Distribution costs		2,073,351	3,475,760	340,621	328,045
Administrative expenses		27,631,356	37,458,542	5,782,593	8,438,702
		29,704,707	40,934,302	6,123,214	8,766,747
Operating (Loss)/ profit		(294,268,643)	209,619,211	(20,684,096)	29,251,902
Finance costs		123,816,818	81,110,346	43,195,784	22,627,760
		(418,085,461)	128,508,865	(63,879,880)	6,624,142
Other operating income		-	-	-	-
(Loss) / profit before taxation		(418,085,461)	128,508,865	(63,879,880)	6,624,142
Taxation					
- Deferred		(79,864,748)	(17,506,325)	(68,596,818)	396,821
- Current		14,479,098	17,608,274	930,075	2,320,350
		(65,385,650)	101,950	(69,526,893)	2,717,171
(Loss) / Profit after taxation		(352,699,811)	128,406,915	5,647,013	3,906,971
(Loss) / Earning per share - basic and diluted		(37.32)	13.59	0.60	0.41

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

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND THIRD QUARTER ENDED JUNE 30, 2018

	Nine Months Ended		Quarter Ended	
	June 30, 2018 Rupees	June 30, 2017 Rupees	June 30, 2018 Rupees	June 30, 2017 Rupees
(Loss) / Profit after taxation	(352,699,811)	128,406,915	5,647,013	3,906,971
Other comprehensive income				
Total comprehensive (loss) / profit for the period	(352,699,811)	128,406,915	5,647,013	3,906,971

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

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS AND THIRD QUARTER ENDED JUNE 30, 2018

	Note	Nine Months Ended June 30, 2018 Rupees	Nine Months Ended June 30, 2017 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash (used) in operations	8	43,219,092	309,373,609
Finance costs paid		(68,748,580)	(79,219,960)
Taxes paid		(31,123,780)	(21,293,066)
Net cash (outflow) /inflow from operating activities		(56,653,268)	208,860,583
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(4,325,333)	(87,960,794)
Net cash (outflow) from investing activities		(4,325,333)	(87,960,794)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term loan		(50,000,000)	-
Due to related party		179,514,117	(8,803,522)
Repayment of current portion of long term liabilities		-	(29,408,109)
Net cash inflow / (outflow) from financing activities		129,514,117	(38,211,631)
Net (decrease) in cash and cash equivalents		68,535,516	82,688,158
Cash and cash equivalents at the beginning of the year		(88,387,182)	(100,104,159)
Cash and cash equivalents at the end of the period	9	(19,851,666)	(17,416,001)

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

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

BABA FARID SUGAR MILLS LTD
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED JUNE 30, 2018

	Share Capital	Accumulated (Loss)	Total
	Rupees	Rupees	Rupees
Balance as at October 01, 2016 (Audited)	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 profit for 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)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	10,467,924	10,467,924
Comprehensive (loss) for the Three Months ended September 30, 2017	-	(99,246,538)	(99,246,538)
Balance as at September 30, 2017	94,500,000	(1,146,927,052)	(1,052,427,052)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	29,796,701	29,796,701
Comprehensive (loss) for the Nine Months ended June 30, 2018	-	(352,699,811)	(352,699,811)
Balance as at June 30, 2018 - (Un-Audited)	94,500,000	(1,469,830,162)	(1,375,330,162)

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

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS AND THIRD QUARTER ENDED JUNE 30, 2018

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 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. The registered office of the Company is situated at Suit - 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 suffered loss before tax amounting to Rs. 418,085,461 (June 30, 2017: Rs. 128,508,865) and at balance sheet date its accumulated losses have stood up to Rs.1,469,830,162 (June 30, 2017: Rs.1,058,148,438). Further, the Company's equity is in negative and its current liabilities have exceeded its current assets by Rs.1,242,419,058 (June 30, 2017: Rs.889,719,262). 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, 2017.

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, 2017.

4 CONTINGENCIES AND COMMITMENTS

There are no changes in the status of contingencies and commitments since the year ended September 30, 2017.

	Nine Months ended June 30, 2018 Rupees	Nine Months ended June 30, 2017 Rupees
5 PROPERTY, PLANT & EQUIPMENT		
Operating fixed assets	2,405,231,082	2,497,835,065
Capital work-in-progress	117,465,019	66,109,212
	2,522,696,101	2,563,944,277
Depreciation	(56,361,747)	(59,761,629)
	2,466,334,354	2,504,182,648
6 SALES - NET		
Sugar - Local	1,221,497,998	1,784,435,396
Less : Sales tax and special excise duty	(133,761,604)	(143,965,233)
	1,087,736,394	1,640,470,163
7 COST OF SALES		
Raw materials and expenses thereon	1,003,656,907	1,834,360,431
Manufacturing expenses	117,909,644	157,305,511
	1,121,566,551	1,991,665,942
Work in process		
Opening	30,439,554	13,322,874
Closing	(35,664,289)	(30,278,192)
	(5,224,735)	(16,955,318)
	1,116,341,817	1,974,710,624
Sale of by-products		
Molasses-net	(69,731,257)	(120,357,227)
V.F. Cakes	(860,177)	-
	(70,591,434)	(120,357,227)
Cost of goods manufactured	1,045,750,383	1,854,353,397
Finished goods		
Opening	502,595,135	367,754,742
Closing	(196,045,188)	(832,191,489)
	306,549,947	(464,436,747)
	1,352,300,330	1,389,916,650

	Nine Months ended June 30, 2018 Rupees	Nine Months ended June 30, 2017 Rupees
8 CASH (USED IN) OPERATIONS		
(Loss) / Profit before taxation	(418,085,461)	128,508,865
Adjustment for non cash charges and other items:		
Depreciation	56,361,747	59,761,629
Finance costs	123,816,818	81,110,346
Working capital changes	281,125,988	39,992,769
	461,304,553	180,864,744
	43,219,092	309,373,609
Working capital changes		
Decrease / (increase) in current assets		
Stores, spares and loose tools	(13,519,278)	(207,911)
Stock-in-trade	301,325,214	(481,392,065)
Trade debts	48,348,341	45,463,615
Advances	26,420,896	(85,228,177)
Trade deposits and short term prepayments	-	20,246,191
Increase / (decrease) in current liabilities		
Trade and other payables	(81,449,185)	541,111,116
	281,125,988	39,992,769
9 CASH AND CASH EQUIVALENTS		
For the purpose of cash flow statement, cash and cash equivalents comprise of:		
Cash and bank balances	8,376,480	673,618
Short term finances	(28,228,146)	(18,089,619)
	(19,851,666)	(17,416,001)

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	13,194,210
Pattoki Sugar Mills Limited	Holding	Loan including mark-up	1,415,481,565

11 DATE OF AUTHORIZATION

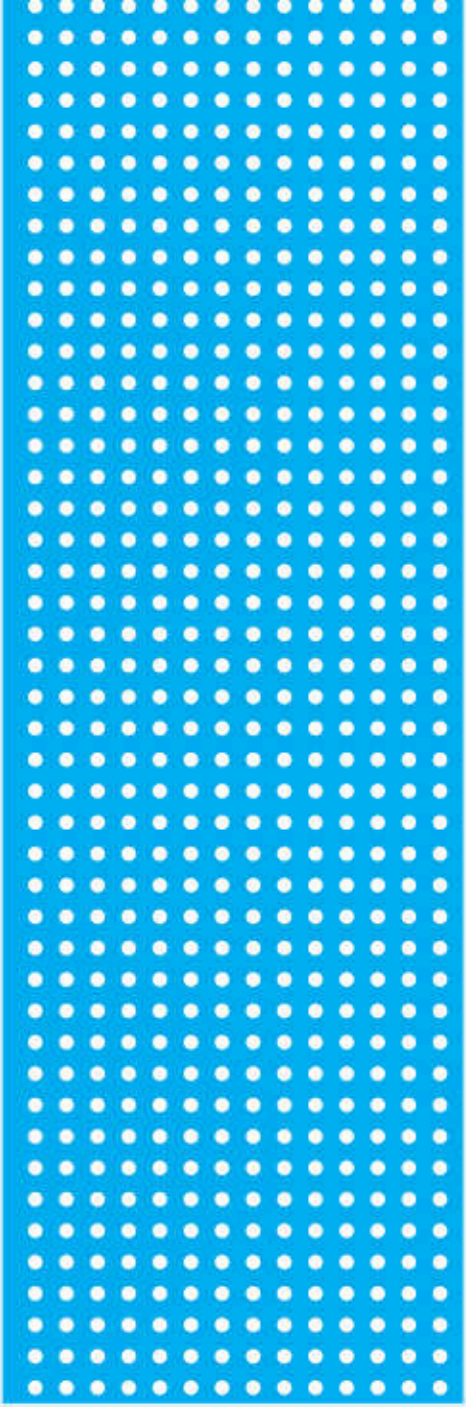
This condensed interim financial information was authorized for issue on July 30, 2018 by the Board of Directors' of the Company.

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 | CHIEF FINANCIAL OFFICER | DIRECTOR



IF UNDELIVERED PLEASE RETURN TO

BABA FARID SUGAER MILLS LIMITED

Suite-T-09, 3rd Floor, Hafeez Center,
75-E/1, Main Boulevard,
Gulberg III, Lahore.