BABA FARID

SUGAR MILLS LIMITED





CONDENSED INTERIM FINANCIAL INFORMATION FOR THE 1ST QUARTER ENDED 31 DECEMBER 2019 (UN-AUDITED)

Contents

CompanyInformation	2
Directors'Review	3
CondensedInterimStatementofFinancialPosition	10
CondensedInterimStatementofProfitorLoss	11
CondensedInterimStatementofComprehensiveIncome	12
CondensedInterimStatementofCashFlows	13
CondensedInterimStatementofChangesinEquity	14
SelectedNotestotheCondensedInterimFinancialInformation	15

CorporateInformation

BoardofDirectors

Mrs.QaiserShamimKhan	Chairperson
Mr.AdnanAhmedKhan	ChiefExecutive
Mr.MuhammadShamimKhan	ExecutiveDirector
Mr.NaumanAhmedKhan	Non-ExecutiveDirector
Mrs.SarahHajraKhan	Non-ExecutiveDirector
Mr.FaridudDinAhmed	IndependentDirector
Mr.MalikManzoorHussainHumayoon	IndependentDirector

AuditCommittee

Mr.Farid-ud-DinAhmad	Chairman
Mrs.SarahHajraKhan	Member
Mr.MalikManzoorHussainHumayoon	Member

HumanResources& RemunerationCommittee

Mr.Farid-ud-DinAhmad	Chairman
Mr.AdnanAhmedKhan	Member
Mr.MalikManzoorHussainHumayoon	Member

NominationCommittee

Mr.MalikManzoorHussainHumayoon	(Chairman)
Mr.FaridudDinAhmed	

RiskManagementCommittee

Mr.MalikManzoorHussainHumayoon	(Chairman)
Mr.FaridudDinAhmed	

ChiefFinancialOfficer

Mr.WasifMahmood

CompanySecretary

Mr.MuhammadImran

Auditors

BDOEbrahim&Co.
CharteredAccountants
F-2,FirstFloor,GraceCentre,
CanalBankRoad,1-BCanalPark,
Gulberg-II,Lahore
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Email:info@bdo.com.pk

Mills

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

Bankers

HabibBankLimited
BankAl-HabibLimited
UnitedBankLimited
MCBBankLimited
J.SBankLimited

ShareRegistrar

M/sCorplink(Pvt)Limited
ShareRegistrar,WingsArcade,
1-KCommercialModelTown,Lahore.
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Directors' Review

The Directors of your Company are pleased to present the Un-Audited Accounts of the Company for the 1st Quarter Ended 31 December 2019 in compliance with the section 237 of the Companies Act, 2017.

INDUSTRY OVERVIEW

During the period under review, sugarcane crop size was considerably on lower side and yield per acre being reported was also lower as compared to corresponding period last year. Moreover, sugar recoveries are expected lower as compared to last crushing season. Cumulatively the Company's sugar production in this season is expected to be lower in line with country's sugar production as compared to the last year.

For current crushing season 2019-20, notified support price of sugarcane is Rs. 190/- per 40 kg in Punjab, KPK and Sindh.

COMPANY PERFORMANCE

Operating Highlights

The Company was able to crush 60,005.610 M. Tons sugarcane and produced 3,987.000 M. Tons of white refined sugar at an average recovery of 7.832% during the period ended 31 December 2019 as compared to sugarcane crushing of 17,718.172 M. Tons and production of 505.000 M. Tons white refined sugar at an average recovery of 6.976% during the corresponding period last year. Improvement in Company's sugar production is attributable to the efficiency and experience of new management. However, lower cane production in surrounding areas and ongoing maintenance works stalled more sugar production for the period.

Financial Highlights

Net sales were recorded at Rs. 1.206 million during the current period as compared to Rs. 24.003 million during the corresponding period of last year. The Company suffered gross loss of Rs. (38.888) million and net after-tax loss of Rs. (85.176) million during the period as compared to gross loss of Rs. (95.499) million and net after-tax loss of Rs. (135.271) million in the corresponding period last year.

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 due to close supervision, developing good quality cane, by providing the latest improved seed varieties, fertilizers, pesticides etc. and facilitating the cane growers constantly, which 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, 2017 and the Rule Book of Pakistan Stock Exchange. The statement of compliance with the CCG is enclosed.

1. The total number of directors are seven as per the following:

    - Male: Five
    - Female: Two

2. ThecompositionoftheBoardofDirectors(theBoard")isasfollows:

Category	Names
IndependentDirector	Mr.Farid-ud-DinAhmad Mr.MalikManzoorHussainHumayoon
ExecutiveDirectors	Mr.AdnanAhmedKhan(CEO) Mr.MuhammadShamimKhan
Non-Ex ecutiveDirector	Mrs.QaiserShamimKhan Mr.NaumanAhmedKhan Mrs.SarahHajraKhan

3. TheBoardhasformedcommitteescomprisingofmembersgivenbelow:

AUDITCOMMITTEE

- Mr.Farid-ud-DinAhmad(Chairman)
- Mr.MalikManzoorHussainHumayoon
- Mrs.SarahHajraKhan

HRANDREMUNERATIONCOMMITTEE

- Mr.Farid-ud-DinAhmad(Chairman)
- Mr.AdnanAhmedKhan;
- Mr.MalikManzoorHussainHumayoon

NOMINATIONCOMMITTEE

- Mr.MalikManzoorHussainHumayoon.(Chairman)
- Mr.Farid-ud-DinAhmad

RISKMANAGEMENTCOMMITTEE

- Mr.MalikManzoorHussainHumayoon.(Chairman)
- Mr.Farid-ud-DinAhmad

HOLDINGCOMPANY

NaubaharBottlingCompany(Pvt.)Limitedistheholdingcompanywiththe50.8621%OrdinaryShares.

FUTUREOUTLOOK

Thenewsponsorshavearepute dprofileintheindustryandnotonlyhavemanagedoperationsofexistingmillsbut alsoexpandedsugarextractionfromsugarbeetinKPprovince.Furthermore,thegroupisengagedinbusinessof sugar,beverage,steel,powerandtextile,hencehaverichrelevantexperience.NaubaharBottlingCompany(Private) Limitedconsumesaconsiderableportionoftotalsugarproducedingroupandthisdemandisexpectedtoincrease everyyear.

The acquisition allows the new management to better meet increasing demand of quality sugar which will bring furtherstrength,experienceandefficiencytotheCompany.Specifically,theacquisitionhasthepotentialtofacilitate

expansionandefficientgrowthofbusiness,strengthenthemanagementandfinancesandimprovefinancialplanning; therebyfacilitatingbusinesstobecarriedonmoreadvantageouslyandeconomicallywithenhancedprofitability.Itis expectedtoyieldbetterreturnstotheshareholdersandadditionalbenefitsforotherstakeholders.Itisexpectedthat theCompanyshallbecomefinanciallymoreviableincomparisontoitscurrentstatus.

The Company will have better managerial planning. Consequently, shall 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 new Directors are much more experienced and have a large professional management team to revive sugar mills operations and explore new markets. The new 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.

RESEARCHANDDEVELOPMENT

AgriculturalR&Disanintegralpartofthe Company'spolicywhichentailsidentificationandmultiplicationofpromising newsugarcanevarietiesandtheirsubsequentcommercialsowingthroughprogressivegrowerswithbestagricultural practices. This not only increases per acre yield of sugar cane but also enhances growers earning and creates moreenthusiasmforsowingsugarcanecomparedtocompetingcrops.Italsoincreasesthesugarcanesupplytothe Companyandboostsoverallsugarrecovery,directlyimprovingthebottomlineoftheCompany.

Basedontheabovefact,yourmanagementhasdecidedtoprovidenewimprovedvarietiesofsugarcaneseedwith highyield/recoveryanddisease/frostresistancealongwithfertilizersandpesticidestocanegrowersonmarkupfree creditbasisforSpringsowing2020,aswellasfreeofcosttimelyservicesofbiologicallaboratoryattheirdoorstep sothatsugarcaneprocurementforthenextcrushingseasonmaynotsuffer.

ACKNOWLEDGEMENT

The Directors 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 continuedco-operation.TheDirectorsoftheCompanyarealsothankfultothebanksandfinancialinstitutionsforthe financialassistanceandco-operation,whichtheyhaveextendedtotheCompany.

ForandonbehalfoftheBoard

BabaFaridSugarMillsLimited

NaumanAhmedKhan	**SarahHajraKhan**	**MuhammadShamimKhan**
Director	Director	Director

Lahore,24January2020

ڈائریکٹرز کی جائزہ رپورٹ

کمپنی کے ڈائریکٹر کمپنیز ایکٹ 2017ء کی دفعہ 237 کی تعمیل میں 31 دسمبر 2019 کو ختم ہونے والی پہلی سہ ماہی کے لئے کمپنی کے غیر نظر ثانی شدہ حسابات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

صنعت کا مجموعی جائزہ

زیرِ جائزہ مدت کے دوران گنے کی فصل کا سائز نمایاں طور پر کم ہے اور گزشتہ سال کے مقابلے فی ایکڑ پیداوار بھی بہت کم ہے۔ مزید برآں، شوگر ریکوریز گزشتہ کرشنگ سیزن کے مقابلے کم رہنے کی توقع ہے۔ مجموعی طور پر اس سیزن میں کمپنی کی چینی کی پیداوار گزشتہ سال کے مقابلے کمپنی کی چینی کی پیداوار کے مطابق کم رہنے کی توقع ہے۔

موجودہ کرشنگ سیزن 20-2019 کیلئے پنجاب اور کے پی کے میں گنے کی امدادی قیمت -/190 روپے فی من جبکہ صوبہ سندھ میں امدادی قیمت -/192 روپے فی من کا اعلان کیا گیا ہے۔

کمپنی کی کارکردگی

آپریٹنگ جھلکیاں

31 دسمبر 2019ء کو ختم ہونے والی پہلی سہ ماہی کے دوران کمپنی نے 60,005.610 میٹرک ٹن گنے کی کرشنگ کی اور 7.832 فیصد اوسط ریکوری کے ساتھ 3,987.000 میٹرک ٹن سفید ریفائنڈ چینی بنائی جبکہ اس کے مقابلے میں گذشتہ سال 17,718.172 میٹرک ٹن گنے کی کرشنگ کی اور 6.976 فیصد اوسط ریکوری کے ساتھ 505.000 میٹرک ٹن سفید ریفائنڈ چینی بنائی۔ کمپنی کی چینی کی پیداوار میں بہتری نئی انتظامیہ کی کارکردگی اور تجربہ سے منسوب ہے۔ تاہم، اردگرد علاقوں میں گنے کی کم پیداوار اور جاری مینٹی نینس کاموں نے اس مدت کے لئے چینی کی زیادہ پیداوار روک رکھی ہے۔

مالی جھلکیاں

گزشتہ سال کی اسی مدت کے دوران 24.003 ملین روپے خالص فروخت کے برعکس موجودہ مدت کے دوران 1.206 ملین روپے درج کی گئی۔ کمپنی نے زیرِ جائزہ سہ ماہی کے دوران (38.888) ملین روپے مجموعی نقصان اور ٹیکس کے بعد (85.176) ملین روپے کا خالص نقصان برداشت کیا جو کہ گزشتہ سال کی اسی مدت میں (95.499) ملین روپے مجموعی نقصان اور ٹیکس کے بعد (135.271) ملین روپے کا خالص نقصان تھا۔

تمام تر کوششیں گنے کے کاشتکاروں کو مسلسل جدید بہتر بیج کی اقسام، کھادیں، کیڑے مار ادویات اور باہم سہولیات پہنچا کر عمل کارکردگی بہتر بنانے، جدت طرازی، جدید ترین ٹیکنالوجی آلات نصب، کڑی نگرانی سے پیداواری اخراجات کو کم کر کے گنے کے معیار کو بہتر بنانے کے ذریعے کمپنی کی پیداوار اور منافع کو بڑھانے کے لئے کی جارہی ہیں جس کے نتیجہ میں 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، 2017 اور پاکستان اسٹاک ایکسچینج کی رُول بک کی ضروریات کو پورا کرتے ہیں۔ کوڈ آف کارپوریٹ گورننس کے مطابق تعمیل کا بیان منسلک ہے۔

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

- مرد: پانچ
- خاتون: دو

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

کیٹگری	نام
آزاد ڈائریکٹرز	جناب فریدالدین 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

بورڈ نے حسبِ ذیل ارکان پر مشتمل کمیٹیاں تشکیل دی ہیں۔

آڈٹ کمیٹی

- i) جناب فریدالدین احمد (چیئرمین)
- ii) جناب ملک منظور حسین ہمایوں
- iii) محترمہ سارہ ہاجرہ خان

ایچ آر اینڈ ریمنریشن کمیٹی

- i) جناب فریدالدین احمد (چیئرمین)
- ii) جناب عدنان احمد خان
- iii) جناب ملک منظور حسین ہمایوں

نامزدگی کمیٹی

- i) جناب ملک منظور حسین ہمایوں (چیئرمین)
- ii) جناب فریدالدین احمد

رسک مینجمنٹ کمیٹی

- i) جناب ملک منظور حسین ہمایوں (چیئرمین)
- ii) جناب فریدالدین احمد

ہولڈنگ کمپنی

نوبہار بوٹلنگ کمپنی (پرائیویٹ) لمیٹڈ 50.8621 فیصد حصص کے ساتھ ہولڈنگ کمپنی ہے۔

مستقبل کا نقطہ نظر:

نئے اسپانسرز کی صنعت میں ایک معروف پروفائل ہے اور نہ صرف موجودہ ملوں کے آپریشنز سنبھال چکے ہیں بلکہ صوبہ کے پی میں بھی شوگر بیٹ سے شوگر ایکسٹریکشن کی توسیع رکھتے ہیں۔ مزید برآں، یہ گروپ چینی، مشروبات، اسٹیل، بجلی اور ٹیکسٹائل کے کاروبار میں مصروف ہے، لہٰذا اس کا بھرپور متعلقہ تجربہ ہے۔ نوبہار بوٹلنگ کمپنی (پرائیویٹ) لمیٹڈ گروپ میں تیار کی جانے والی مجموعی چینی کا کافی حصہ استعمال کرتا ہے اور ہر سال اس طلب میں اضافہ متوقع ہے۔

یہ ایکوزیشن نئی انتظامیہ کو معیاری چینی کی اس بڑھتی ہوئی طلب کو بہتر پورا کرنے کی اجازت دیتا ہے جو کمپنی کو مزید مضبوط، تجربہ اور کارکردگی کو مزید بہتر بنائے گا۔ خاص طور پر، حصول ممکن ہے کہ کاروبار کو وسعت اور مؤثر نمو کو سہولت فراہم کرنے، انتظامیہ اور مالی حیثیت کو مضبوط بنانے؛ اور مالیاتی منصوبہ بندی کو بہتر بنانے؛ اس طرح کاروباری طور پر بہتر منافع بخش ہونے کے ساتھ ساتھ کاروبار میں زیادہ فائدہ مند اور اقتصادی طور پر سہولت فراہم کرنے میں مدد کرے۔ اس سے حصص داروں کے لئے بہتر ریٹرن اور دیگر اسٹیک ہولڈرز کے لئے اضافی فوائد حاصل ہونے کی اُمید کی جاتی ہے۔ یہ اُمید ہے کہ کمپنی اپنی موجودہ حیثیت کے مقابلے میں مالی طور پر زیادہ قابل عمل بن جائے گی۔

کمپنی بہتر انتظاماتی منصوبہ بندی کرے گی۔ اس کے نتیجے میں، ممکنہ طور پر متوقع فوائد دیگر اسٹیک ہولڈرز جیسا کہ حکومت، ملازمین، عام صارفین اور بڑے پیمانے پر معاشرے میں منتقل کرنے کے قابل ہو جائے گی۔ نئے ڈائریکٹرز بہت زیادہ تجربہ کار ہیں اور شوگر ملز کے آپریشنز کی بحالی اور نئی مارکیٹوں کی تلاش کے لئے پیشہ ورانہ مینجمنٹ ٹیم رکھتے ہیں۔ نئی انتظامیہ کو یقین ہے کہ وہ کمپنی کے کاروبار کو بڑھانے، زیادہ مؤثر اور طویل مدت میں منافع بخش طریقے سے چلانے کے قابل ہوں گے۔

تحقیق و ترقی

زرعی تحقیق و ترقی کمپنی کی پالیسی کا ایک لازمی حصہ ہے جس میں بہترین زرعی طریقوں کے ساتھ ترقی پسند کاشتکاروں کے ذریعے گنے کی مختلف اور نئی اقسام کی شناخت اور اس کے بعد تجارتی پیمانے پر ان کی کاشت شامل ہے۔ یہ نہ صرف گنے کی فی ایکڑ پیداوار بڑھاتی ہے بلکہ

کاشتکاروں کی آمدنی میں اضافہ اور مسابقتی فصلوں کے مقابلے میں گنے کی بوائی کے لئے زیادہ شوق پیدا کرتی ہے۔ یہ کمپنی کو گنے کی سپلائی، مجموعی طور پر شوگر کی ریکوری کو بڑھاتی ہے اور براہ راست کمپنی کے منافع کو بہتر بناتی ہے۔

بالاحقائق کی بناء پر، انتظامیہ نے بہار 2020 کی بوائی کے لئے سود کے بغیر قرض کی بنیاد پر گنے کے کاشتکاروں کو کھاد اور کیڑے مار ادویات کے ساتھ ساتھ اعلیٰ پیداوار اور بیماری کے خلاف مزاحمت کے حامل گنے کے بیج کی نئی بہتر اقسام فراہم کرنے کے ساتھ ساتھ ان کے کھیتوں میں ہی حیاتیاتی تجربہ گاہوں کی مدد سے بروقت مفت خدمات دینے کا فیصلہ کیا ہے تاکہ اگلے کرشنگ سیزن کے لئے گنے کے حصول میں دشواری نہ ہو۔

اظہار تشکر

ڈائریکٹرز کارکنوں، 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 شکر گزار ہیں۔

منجانب بورڈ

بابا فرید شوگر ملز لمیٹڈ

نعمان احمد خان	سارہ ہاجرہ خان	محمد شمیم خان
ڈائریکٹر	ڈائریکٹر	ڈائریکٹر

لاہور: 24 جنوری 2020ء

CondensedInterimStatementofFinancialPosition

Asat December31,2019 (Un-Audited)

	Note	(Un-Audited) December31, 2019	(Audited) September30, 2019
		.....(Rupees)	
ASSETS			
NONCURRENTASSETS			
Property,plantandequipment			
Operatingfixedassets	8	2,810,265,814	2,815,822,997
Capitalworkinprogress		11,106,813	7,170,132
		2,821,372,627	2,822,993,129
Longtermdeposits		-	-
		2,821,372,627	2,822,993,129
CURRENTASSETS			
Stores,sparesandloosetools		73,212,291	49,585,594
Stockintrade		384,690,436	-
Tradedebts		81,323,833	77,491,042
Loansandadvances		17,668,667	15,136,357
Shorttermprepayments		584,822	584,822
Otherreceivables		140,792,915	127,260,380
Taxation-net		74,598	-
Cashandbankbalances		51,460,047	26,379,048
		749,807,609	296,437,243
TOTALASSETS		3,571,180,236	3,119,430,372
EQUITYANDLIABILITIES			
SHARECAPITALANDRESERVES			
Authorizedsharecapital	9.1	700,000,000	700,000,000
Issued,subscribedandpaidupcapital	9.2	94,500,000	94,500,000
Reserves			
Revenuereserves-accumulatedlosses		(2,492,514,956)	(2,418,741,317)
Directors'loans	10	1,389,500,000	1,211,500,000
Surplusonrevaluationoffixedassets	11	1,967,469,309	1,978,871,445
		958,954,353	866,130,128
NONCURRENTLIABILITIES			
Longtermfinancing	12	-	-
Loanfromholdingcompany	13	975,960,400	965,960,400
Deferredliabilities		386,897,450	386,897,450
		1,362,857,850	1,352,857,850
CURRENTLIABILITIES			
Tradeandotherpayables		883,197,508	609,544,364
Unclaimeddividend		255,930	255,930
Duetoexholdingcompany		169,056,070	104,066,694
ShorttermBorrowing	14	40,000,000	-
Mark-upaccrued		106,858,525	86,562,191
Taxation-net		-	13,215
Currentportionoflongtermliabilities		50,000,000	100,000,000
		1,249,368,033	900,442,394
CONTINGENCIESANDCOMMITMENTS	15		
TOTALEQUITYANDLIABILITIES		3,571,180,236	3,119,430,372

Theannexednotesfrom1to24formanintegralpartofthesecondensedinterimfinancialstatements.

Director Director Director ChiefFinancialOfficer

CondensedInterimStatementofProfitorLoss

FortheQuarterEndedDecember31,2019(Un-Audited)

	Note	(Un-Audited) December31, 2019	(Un-Audited) December31, 2018
		.....(Rupees)	
Sales	16	1,206,160	24,003,466
Costofsales	17	(40,093,957)	(119,502,828)
GrossLoss		(38,887,797)	(95,499,362)
Sellinganddistributionexpenses		(966,168)	(175,501)
Generalandadministrativeexpenses		(13,283,807)	(9,916,529)
Otherincome		3,275,890	4,462,846
		(10,974,085)	(5,629,184)
OperatingLoss		(49,861,882)	(101,128,546)
Financialcharges		(35,295,799)	(50,230,787)
Lossbeforetaxation		(85,157,681)	(151,359,333)
Taxation		(18,094)	16,087,946
Lossaftertaxation		(85,175,775)	(135,271,387)
Losspershare-Basicanddiluted(Rupees)		(9.01)	(14.31)

Appropriationshavebeenreflectedinthestatementofchangesinequity.

Theannexednotesfrom1to24formanintegralpartofthesecondensedinterimfinancialstatements.

Director Director Director ChiefFinancialOfficer

CondensedInterimStatementofComprehensiveIncome

FortheQuarterEndedDecember31,2019(Un-Audited)

	(Un-Audited) December31, 2019	(Un-Audited) December31, 2018
	.....(Rupees)	
Lossaftertaxationfortheperiod	(85,175,775)	(135,271,387)
Othercomprehensiveincome		
Itemsthatwillnotbereclassifiedtothestatementofprofitorloss		
Remeasurementofdefinedbenefitliability	-	-
Relatedtaxeffect	-	-
	-	-
Surplusonrevaluationofoperatingfixedassets	-	-
Relatedtaxeffect	-	-
	-	-
Itemsthatmaybereclassifiedtothestatementofprofitor lossinsubsequentperiods	-	-
Totalcomprehensivelossfortheperiod	(85,175,775)	(135,271,387)

Theannexednotesfrom1to24formanintegralpartofthesecondensedinterimfinancialstatements.

Director Director Director ChiefFinancialOfficer

CondensedInterimStatementofCashFlows

FortheQuarterEndedDecember31,2019(Un-Audited)

	Note	(Un-Audited) December31, 2019	(Un-Audited) December31, 2018
		.....(Rupees)	
Cashflowsfromoperatingactivities			
Lossbeforetax		(85,157,681)	(151,359,333)
Adjustmentsforitemsnotinvolvingmovementoffunds:			
Depreciation		23,095,452	18,281,721
Financialcharges		35,295,799	50,230,787
Netcashflowbeforeworkingcapitalchanges		(26,766,430)	(82,846,825)
Decrease/(increase)incurrentassets			
Stores,sparesandloosetools		(23,626,697)	(3,578,398)
Stockintrade		(384,690,436)	(19,424,282)
Tradedebts		(3,832,791)	143,393,053
Loansandadvances		(2,532,310)	13,859,961
Otherreceivables		(13,532,535)	-
		(428,214,769)	134,250,334
Increase/(decrease)incurrentliabilities			
Tradeandotherpayables		273,653,144	99,850,783
Cash(usedin)/generatedfromoperations		(181,328,055)	151,254,292
Taxespaid		(105,908)	(12,170,399)
Financialchargespaid		(14,999,465)	(45,245,265)
Netcash(usedin)/generatedfromoperatingacti vities		(196,433,428)	93,838,628
Cashflowsfrominvestingactivities			
Additionstooperatingfixedassets		(17,538,268)	(3,029,945)
Additionstocapitalworkinprogress		(3,936,681)	-
Netcashusedininvestingactivities		(21,474,949)	(3,029,945)
Cashflowsfromfinancingactivities			
Repaymentsoflongtermfinancing		(50,000,000)	-
Duetoexholdingcompany		64,989,376	(88,760,369)
Loanfromholdingcompany		10,000,000	-
ShorttermBorrowing-Net		40,000,000	-
Directors'contribution		178,000,000	-
Netcashgeneratedfrom/(usedin)financingactivities		242,989,376	(88,760,369)
Netincreaseincashandcashequivalents		25,080,999	2,048,314
CashandcashequivalentsatthebeginningofthePeriod		26,379,048	481,920
CashandcashequivalentsattheendofthePeriod		51,460,047	2,530,234

Theannexednotesfrom1to24formanintegralpartofthesecondensedinterimfinancialstatements.

Director Director Director ChiefFinancialOfficer

CondensedInterimStatementofChangesinEquity
FortheQuarterEndedDecember31,2019(Un-Audited)

		Issued, subscribed andpaid-up capital	Surpluson revaluationof fixedassets	Directors' loans	Revenue Reserves	Total
		Ordinary shares			Accumulated losses	
		(Rupees)				
BalanceasatOctober1,2017		94,500,000	1,746,005,655	-	(1,146,927,052)	693,578,603
Totalcomprehensivelossfortheyear						
Lossfortheyear		-	-	-	(374,066,191)	(374,066,191)
Remeasurementofdefinedbenefitliability-net		-	-	-	617,565	617,565
Transferfromsurplusonrevaluationoffixedassets incrementaldepreciation-netofdeferredtax		-	(39,728,935)	-	39,728,935	-
Surplusonrevaluationoffixedassetsrelatedtoratechange		-	9,625,935	-	-	9,625,935
		-	(30,103,000)	-	(333,719,691)	(363,822,691)
BalanceasatSeptember30,2018-reported		94,500,000	1,715,902,655	-	(1,480,646,743)	329,755,912
IFRS9-FinancialInstruments-Impactofchange inaccountingpolicy	6.1	-	-	-	(292,656,283)	(292,656,283)
BalanceasatOctober01,2018-restated		94,500,000	1,715,902,655	-	(1,773,303,026)	37,099,629
Totalcomprehensivelossfortheyear						
Lossfortheyear		-	-	-	(682,625,093)	(682,625,093)
Remeasurementofdefinedbenefitliability-net		-	-	-	-	-
Surplusonrevaluationoffixedassets		-	300,155,592	-	-	300,155,592
Transferfromsurplusonrevaluationoffixedassets incrementaldepreciation-netofdeferredtax		-	(37,186,802)	-	37,186,802	-
Directorcontribution	10	-	-	1,211,500,000	-	1,211,500,000
		-	262,968,790	1,211,500,000	(645,438,291)	829,030,499
BalanceasatSeptember30,2019		94,500,000	1,978,871,445	1,211,500,000	(2,418,741,317)	866,130,128
LossforthePeriod		-	-	-	(85,175,775)	(85,175,775)
Remeasurementofdefinedbenefitliability-net		-	-	-	-	-
Surplusonrevaluationoffixedassets		-	-	-	-	-
Transferfromsurplusonrevaluationoffixedassets incrementaldepreciation-netofdeferredtax		-	(11,402,136)	-	11,402,136	-
Directorcontribution	10	-	-	178,000,000	-	178,000,000
		-	(11,402,136)	178,000,000	(73,773,639)	92,824,225
BalanceasatDecember31,2019		94,500,000	1,967,469,309	1,389,500,000	(2,492,514,956)	958,954,353

Theannexednotesfrom1to24formanintegralpartofthesefinancialstatements.

Director **Director** **Director** **ChiefFinancialOfficer**

NotestotheCondensedInterimFinancialStatements
FortheQuarterEndedDecember31,2019(Un-Audited)

1. LEGALSTATUSANDNATUREOFBUSINESS

BabaFaridSugarMillsLimited("theCompany")wasincorporatedin1978undertheCompaniesAct1913(now CompaniesAct,2017)asaPublicLimitedCompanyanditssharesarequotedatPakistanStockExchange.Itis principallyengagedinthemanufacturingandsaleofsugarincludingitsby-productsi.e.molassesandV.Filter cake.

1.1 Geographicallocationandaddressesofbusinessunits

TheregisteredofficeoftheCompanyissituatedat2-D/1,GulbergIII,Lahore.Themanufacturingfacilityofthe Companyislocatedat5KMFaisalabadRoad,districtOkara,Punjab.

2. GOINGCONCERNASSUMPTION

TheCompanyincurredanetlossofRs.85.176millionduringtheperiodendedDecember31,2019and,asof thatdate,theCompany'scurrentliabilitiesexceededitscurrentassetsbyRs.499.560million.Theaccumulated lossesshaveexceededtheissued,subscribedandpaidupcapitalbyRs.2,398.015millionasatDecember31, 2019andaccumulatedlossesasofthatdateamountedtoRs.2,492.515million.Theseconditionsindicatethe existenceofamaterialuncertaintywhichmaycastdoubtabouttheCompany'sabilitytocontinueasagoing concern. However, these financial statements have been prepared on a going concern basis based on the sponsor'scommitmenttoprovidefinancialsupporttotheCompany.

3. BASISOFPREPARATION

Thecondensedinterimfinancialinformationisnotauditedandhasbeenpresentedincondensedformanddoes notincludeallthe information asisrequiredtobeprovidedinafullsetofannualfinancialstatements.This condensedinterimfinancialinformationshouldbereadinconjunctionwiththeauditedfinancialstatementsof thecompanyfortheyearended30September2019.

Thecomparativefiguresasat30September2019inthecondensedinterimstatementoffinancialpositionand the related notes to the condensed interim financial information are based on audited financial statements. Thecomparativecondensedinterimprofit&lossaccount,condensedinterimcashflowstatement,condensed interim statement of changes in equity and related notes to the condensed interim financial information for the quarter ended 31 December 2018 are based on un-audited condensed interim financial information. The condensedinterimprofit&lossaccountandcondensedinterimstatementofothercomprehensiveincomefor thequartersended31December2019and31December2018areneitherauditednorreviewed.

4. STATEMENTOFCOMPLIANCE

Thesefinancialstatementshavebeenpreparedinaccordancewiththeaccountingandreportingstandardsas applicableinPakistan.TheaccountingandreportingstandardsapplicableinPakistancompriseof:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board(IASB)asnotifiedundertheCompaniesAct,2017;and

- Provisionsofanddirectivesissuedunder theCompaniesAct,2017.

Whereprovisionsofanddirectivesissuedunder theCompaniesAct,2017differfromtheIFRSStandards,the provisionsofanddirectivesissuedunder theCompaniesAct,2017havebeenfollowed.

5. USEOFESTIMATESANDJUDGMENT

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amount of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

- Staff retirement benefits
- Provisions
- Deferred taxation
- Contingencies
- Useful life of depreciable assets

6. CHANGEINACCOUNTINGPOLICES-IFRS9FINANCIALINSTRUMENTSANDIFRS15REVENUEFROM CONTRACTSWITHCUSTOMERS

6.1 IFRS9:FinancialInstruments

IFRS9'FinancialInstruments'wasissuedonJuly24,2017.Thisstandardisadoptedlocallybythe Securities andExchangeCommissionofPakistanthroughitsS.R.O.229(I)/2019andiseffectiveforaccountingperiod/ yearendingonorafterJune30,2019.

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaced IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through OCI (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

6.2 IFRS15'RevenuefromContractswithCustomers

IFRS15'RevenuefromContractswithCustomers'iseffectiveforaccountingperiodbeginningonorafterJuly 1,2018.Thisstandardhasreplaced IAS18Revenueandrelatedinterpretationsanditappliestoallrevenue arisingfromcontractswithcustomers.

TheIFRS15establishafive-stepsmodetoaccountforrevenuearisingfromcontractswithcustomers.Under IFRS15,revenueisrecognizedatanamountthatreflectstheconsiderationtowhichanentityexpectstobe entitledinexchangefortransferringgoodsorservicestoacustomer.Thestandardrequirestheentitiesto exercisejudgment,takingintoconsiderationallofthereleventfactsandcircumstanceswhenapplyingeach stepofthemodeltocontractswiththecustomers.TheCompanyhasconcludedthattheimpactofadoptionof revenuerecognitionmodelaslaiddowninIFRS15isnotmaterial.

ThereisnomaterialimpactoftransitiontoIFRS15onthefinancialpositionoftheCompanyandthereisno effectontheaccountingpoliciesoftheCompanyinrespectofrevenuefromcontractswithcustomers.

7. SIGNIFICANTACCOUNTINGPOLICIES

Theprincipalaccountingpoliciesappliedinthepresentationofthesefinancialstatementsaresetoutbelow. Thesepolicieshavebeenconsistentlyappliedtoalltheyearspresentedexceptasdisclosedinnote6.1and6.2 tothesefinancialstatements.

7.1 Accountingconvention

Thesefinancialstatementshavebeenpreparedunderthehistoricalcostconventionexceptforrecognitionof certainstaffretirementbenefitsatpresentvalueandasmodifiedforfairvalueadjustmentincertainfixedassets andexchangedifferences.

7.2 Functionalandpresentationcurrency

Thesefinancialstatementsarepresentedin PakRupees,whichisthefunctionalandpresentationcurrencyfor theCompany.

8. PROPERTY,PLANT&EQUIPMENT

	(Un-Audited) December31, 2019	(Audited) September30, 2019
	.....(Rupees)	
Operatingfixedassets	2,810,265,814	2,815,822,997
Capitalworkinprogress	11,106,813	7,170,132
	2,821,372,627	2,822,993,129

8. OPERATINGFIXEDASSETS

Thefollowingisthestatementofproperty,plantandequipment:

Description	Freehold land	Buildings onfreehold land	Plantand machinery	Electric installation	Toolsand equipment	Vehicles	Furniture and fixtures	Office andother equipments	Total
Netcarryingvaluebasis PeriodendedDecember31,2019									
Openingnetbookvalue(NBV)	1,260,192,500	273,509,000	1,275,000,000	448,387	852,457	403,266	686,844	4,730,543	2,815,822,997
Additions/Transfer(atcost)	-	-	13,890,714	275,530	1,475,000	188,035	467,749	1,241,241	17,538,269
Revaluationduringtheyear	-	-	-						-
Disposals(NBV)	-	-	-	-	-	-	-	-	-
Depreciationcharge	-	(6,837,727)	(16,014,610)	(13,841)	(33,603)	(29,565)	(21,602)	(144,504)	(23,095,452)
Closingnetbookvalue	1,260,192,500	266,671,273	1,272,876,104	710,076	2,293,854	561,736	1,132,991	5,827,280	2,810,265,814
Grosscarryingvaluebasis PeriodendedDecember31,2019									
Cost/revalue	1,260,192,500	487,635,689	2,201,862,826	9,956,625	5,869,715	11,539,317	6,470,560	16,935,337	4,000,462,569
Accumulateddepreciation	-	(220,964,416)	(928,986,722)	(9,246,549)	(3,575,861)	(10,977,581)	(5,337,569)	(11,108,057)	(1,190,196,755)
Netbookvalue	1,260,192,500	266,671,273	1,272,876,104	710,076	2,293,854	561,736	1,132,991	5,827,280	2,810,265,814
Netcarryingvaluebasis yearendedSeptember30,2019									
Openingnetbookvalue(NBV)	1,080,150,000	154,429,539	1,137,582,296	498,208	821,563	767,241	529,045	3,749,714	2,378,527,606
Additions/Transfer(atcost)	-	-	162,324,157	-	114,000	-	219,249	1,411,620	164,069,026
Revaluationduringtheyear	180,042,500	134,522,415	34,650,954	-	-	-	-	-	349,215,869
Disposals(NBV)	-	-	-	-	-	(263,158)	-	-	(263,158)
Depreciationcharge	-	(15,442,954)	(59,557,407)	(49,821)	(83,106)	(100,817)	(61,450)	(430,791)	(75,726,346)
\Closingnetbookvalue	1,260,192,500	273,509,000	1,275,000,000	448,387	852,457	403,266	686,844	4,730,543	2,815,822,997
Grosscarryingvaluebasis yearendedSeptember30,2019									
Cost/revalue	1,260,192,500	487,635,689	2,187,972,112	9,681,095	4,394,715	11,351,282	6,002,811	15,694,096	3,982,924,300
Accumulateddepreciation	-	(214,126,689)	(912,972,112)	(9,232,708)	(3,542,258)	(10,948,016)	(5,315,967)	(10,963,553)	(1,167,101,303)
Netbookvalue	1,260,192,500	273,509,000	1,275,000,000	448,387	852,457	403,266	686,844	4,730,543	2,815,822,997
Netcarryingvaluebasis yearendedSeptember30,2018									
Openingnetbookvalue(NBV)	1,080,150,000	171,588,377	1,142,467,588	553,564	912,848	935,018	587,828	3,710,526	2,400,905,749
Additions(atcost)	-	-	52,598,604	-	-	23,284	-	435,123	53,057,011
Adjustmentagainstlandduringyear	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Disposals/transfers(NBV)	-	-	-	-	-	-	-	-	-
Depreciationcharge	-	(17,158,838)	(57,483,896)	(55,356)	(91,285)	(191,061)	(58,783)	(395,935)	(75,435,154)
Closingnetbookvalue	1,080,150,000	154,429,539	1,137,582,296	498,208	821,563	767,241	529,045	3,749,714	2,378,527,606
Grosscarryingvaluebasis yearendedSeptember30,2018									
Cost/revalue	1,080,150,000	353,113,274	1,990,997,001	9,681,095	4,280,715	15,178,282	5,783,562	14,282,476	3,473,466,405
Accumulateddepreciation	-	(198,683,735)	(853,414,705)	(9,182,887)	(3,459,152)	(14,411,041)	(5,254,517)	(10,532,762)	(1,094,938,799)
Netbookvalue	1,080,150,000	154,429,539	1,137,582,296	498,208	821,563	767,241	529,045	3,749,714	2,378,527,606
Depreciationrate%perannum	-	10	5	10	10	20	10	10	

			(Un-Audited) December31, 2019	(Audited) September30, 2019
			.....(Rupees)	
9.	**SHARECAPITAL**			
9.1	**Authorizedsharecapital**			
	December31,	September30,		
	Numberofordinaryshares ofRs.10/-each			
	70,000,000	70,000,000	700,000,000	700,000,000
9.2	**Issued,subscribedandpaidupcapital**			
	6,400,000	6,400,000	64,000,000	64,000,000
	3,050,000	3,050,000	30,500,000	30,500,000
	9,450,000	9,450,000	94,500,000	94,500,000

10.	**DIRECTORS'LOANS**		
	Unsecured		
	Directors		
	Others(otherthanbankingcompanies)		
	Openingbalance	1,211,500,000	-
	Obtainedduringtheperiod		
	Mr.MuhammadShamimKhan	102,000,000	596,500,000
	Mrs.QaiserShamimKhan	49,000,000	593,000,000
	Mr.AdnanAhmedKhan	27,000,000	-
	Mr.NaumanAhmedKhan	-	22,000,000
		178,000,000	1,211,500,000
	Repaidduringtheperiod	-	-
	Closingbalance	1,389,500,000	1,211,500,000

10.1 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) December31, 2019	(Audited) September30, 2019
		.....(Rupees)	
11. SURPLUSONREVALUATIONOFFIXEDASSETS			
Balancebroughtforward		2,275,667,551	1,978,827,460
RevaluationduringthePeriod		-	349,215,869
Less: Transferredtoequityinrespectof incrementaldepreciationchargedduring theperiod-(netofdeferredtax)		11,402,136	37,186,802
Relateddeferredtaxliabilityduringthe periodtransferredtoprofitandlossaccount		4,657,211	15,188,976
		16,059,347	52,375,778
		2,259,608,204	2,275,667,551
Less: Relateddeferredtaxeffect:			
BalanceasatOctober01		296,796,106	262,924,805
Effectofchangeinrate		-	-
Deferredtaximpactfortheperiod		-	49,060,277
Incrementaldepreciationchargedduring theperiodtransferredtoprofitandlossaccount		(4,657,211)	(15,188,976)
		292,138,895	296,796,106
		1,967,469,309	1,978,871,445
12. LONGTERMFINANCING			
Secured:			
BankingCompanies	12.1	-	-
12.1 Frombankingcompanies			
Openingbalances		100,000,000	200,000,000
Obtainedduringtheperiod		-	-
Repaymentsmadeduringtheperiod		(50,000,000)	(100,000,000)
		50,000,000	100,000,000
Currentportionshownundercurrentliabilities		(50,000,000)	(100,000,000)
		-	-

12.2 This represents term finance facility obtained from JS Bank Limited for working capital requirements due to BMR activities carried out for enhancement in production capacity. It shall be repaid through 6 equal biannually instalments along with markup. It is secured by way of first charge over fixed assets of the Company amounting to Rs. 400 million (with 25% margin), corporate guarantee of M/s Pattoki Sugar Mills Limited, subordination of Director's loan of Rs. 500 million in favor of JS Bank and personal guarantees of all directors along with net worth statements.

	Note	(Un-Audited) December31, 2019	(Audited) September30, 2019
		.....(Rupees)	
13. LOANFROMHOLDINGCOMPANY			
Unsecured:			
NaubaharBottlingCompany(Private)Limited	13.1	975,960,400	965,960,400
13.1 Fromholdingcompany			
BalanceasatOctober01		965,960,400	-
Obtainedduringtheperiod		10,000,000	965,960,400
Repayments/adjustmentmadeduringtheperiod		-	-
		975,960,400	965,960,400
Currentportionshownundercurrentliabilities		-	-
		975,960,400	965,960,400

13.2 TheCompanyobtainedunsecuredloanfromM/sNaubaharBottlingCompany(Private)Limited-theholding companythatcarriesmark-upattherateof3month'sKIBORplus0.5%perannum.Theeffectivemark-uprate chargedbyNaubaharBottlingCompany(Private)Limitedduringtheyearrangingfrom11.02%to14.35%(Sept 2019:11.02%to14.35%)perannum.Themanagementforthetimebeingdoesnotintendtorepayanyamount againsttheseloansuntiltheendofnextfinancialyearandhencenocurrentmaturityhasbeenprovided.These willbepaidasandwhenconvenienttotheCompany.

14. SHORTTERMBORROWING

Secured:			
RunningFinance	28.1	40,000,000	-

14.1 Theseloanshavebeenobtainedfrombankstomeettheworkingcapitalrequirementsandaresecuredagainst firstregisteredhypothecationchargeovercurrentandfutureassetsoftheCompanyforRs.67Million.First chargeoverthecurrentassetsuptoRs.55Million.AdditionalchagreofRs.12Millionshallbecreatedinitially onrankingbasiswhichwillbeupgradedintoIstChargewithinsixmonthsfromtheIstdrawdownrate.This loanis subjecttomarkupattherateof1monthaverageKIBORplus0.75%.p.a.Thisfacilityisvalidupto 14.05.2023butisrenewable.

15. CONTINGENCIESANDCOMMITMENTS

15.1 Contingentliabilities

a) TheLTU-FBRhaspreferredareferencebeforeIncomeTaxAppellate(ITAT)fortheassessmentyear1996-1997againstthedecisionofCITappeals.Thedepartmenthasalsofiledpetitionforleavetoappealbeforethe honorableSupremeCourtofPakistanfortheassessmentyear1999-2000andtaxyear2006againsttheorder inthefavouroftheCompanybythehonorableHighCourtofSindh.Intheopinionofthetaxadvisortheultimate appellatedecisionislikelytobeinCompany'sfavour,hencenoprovisionismadeintheseaccountsasthere willbenotaximpactofthematterinviewofbroughtforwardtaxlosses.Inviewofthefavorabledecisionof thehigherappellateforumsonthelikeissueinprioryearsthemanagementishopefulaboutfavorableoutcome inabovematters.Hencenoprovisionismadeintheseaccountastherewillbenotaximpactofthematterin viewofbroughtforwardlosses.

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 accounts 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 (2019: 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 (2019: 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 (2019: 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.12.648 million (2019: Rs.12.648 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 reduce 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 recue 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 it 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) Land of the company is mortgaged with Bank Al Habib Limited against loan facility to Pattoki Sugar Mills Limited. The long term assets of the company by amounting Rs. 500 million is also pledged with Bank Al Habib Limited. There is also ranking charge amounting to Rs. 225 million. These have been made on the behalf of the Pattoki Sugar Mills Limited. The Company is pursuing the matter and expecting of vacation of these charges during the next year.

n) The long term and current assets of the company by amounting Rs. 2,068 million is also pledged with MCB Bank Limited against loan facility to Pattoki Sugar Mills Limited. The Company is pursuing the matter and expecting of vacation of these charges during the next year.

o) The long term assets of the company by amounting Rs. 294 million is also pledged with Samba Bank Limited against loan facility to Pattoki Sugar Mills Limited. The Company is pursuing the matter and expecting of vacation of these charges during the next year.

15.2 Commitments

The Company is committed as at the balance sheet date in respect of capital expenditure of Rs. 6.00 million (2019: 6.00M illion).

	(Un-Audited) December31, 2019	(Un-Audited) December31, 2018
	.....(Rupees)	
16. SALES		
Sales		
Manufacturing-local		
Sugar	-	24,154,525
Byproductssales:		
Molasses	1,206,160	-
V.F.Cake	-	2,385,000
	1,206,160	2,385,000
Less:Salestax		
Sugar	-	(2,189,520)
Molasses	-	-
V.F.Cake	-	(346,539)
	-	(2,536,059)
	1,206,160	24,003,466
17. COSTOFSALES		
Rawmaterialsconsumed		
Openingstock	-	-
Purchases	308,154,752	82,936,575
	308,154,752	82,936,575
Closingstock	-	-
	308,154,752	82,936,575
Stores,sparesandconsumables	4,046,308	1,277,768
Packingmaterialsconsumed	1,937,136	244,447
Chemicalsconsumed	2,086,171	457,868
Salaries,wagesandotherbenefits	27,358,568	14,846,329
Fuelandpower	4,970,659	1,456,608
Repairandmaintenance	50,331,334	17,835,265
Depreciation	22,899,780	18,139,279
Vehiclerunningexpenses	964,983	956,775
Insurance	38,211	-
Feeandsubscription	46,200	-
Otherfactoryoverheads	1,950,291	776,196
	116,629,641	55,990,535
Workinprocess		
Opening	-	33,866,520
Closing	(65,033,580)	(54,716,844)
	(65,033,580)	(20,850,324)
Costofgoodsmanufactured	359,750,813	118,076,786
Finishedgoods		
Opening	-	17,865,324
Closing	(319,656,856)	(16,439,282)
	(319,656,856)	1,426,042
	40,093,957	119,502,828

18. TRANSACTIONSANDBALANCESWITHRELATEDPARTIES

The related parties comprise of ultimate parent company and parent company, associated companies and directorsoftheCompany.Significanttransactionsandbalanceswithrelatedparties,otherthanthosedisclosed elsewhereinthesefinancialstatementsareasfollows:

Nameofparties	Natureofrelationship	(Un-Audited) December31, 2019 Closing balace	(Audited) September30, 2019 Closing balance
		.....(Rupees)	
PattokiSugarMillsLimited	Ex-Parent	169,056,070	106,414,657
ImporientChemicals(Private)Limited	Ex-UltimateParent	33,353,666	33,353,666
		-	-
NaubaharBottlingCompany	Holding	975,960,400	965,960,400
(Private)Limited	Company	106,834,821	71,572,815
		-	-
TheThalIndustriesCorporationLimited	Associated	1,332,352	690,094
		-	-
Al-MoizIndustriesLimited	Associated	(3,495,291)	337,500
		-	-
Directors/shareholders			
Mr.MuhammadShamimKhan	Director	698,500,000	596,500,000
Mrs.QaiserShamimKhan	Director	642,000,000	593,000,000
Mr.AdnanAhmedKhan	Director	27,000,000	-
Mr.NaumanAhmedKhan	Director	22,000,000	22,000,000

18.1 Basisofrelationshipwiththecompany

InrespectofassociatedcompaniesandholdingcompanyincorporatedinsidePakistanwithwhomthecompanyhadentered intotransactionduringthefinancialyearalongwithbasisofrelationshipisasfollows

Nameofrelatedparty	Countryof Incorporation/origin	Relationship	Basisof Association	Shareholdings
PattokiSugarMillsLimited	Pakistan	Ex-Parentcompany		Nil
ImporientChemicals(Private)Limited	Pakistan	Ex-Associate/ultimate parentcompany		Nil
ExporientKnitters(Private)Limited	Pakistan	Ex-Associate		Nil
NaubaharBottlingCompany(Private)Limited	Pakistan	Holding	Shareholding	50.86%
Al-MoizIndustriesLimited	Pakistan	Associated	Commonmanagement	Nil
MoizTextileLimited	Pakistan	Associated	Commonmanagement	Nil
TheThalIndustriesCorporationLimited	Pakistan	Associated	Commonmanagement	Nil
Mr.MuhammadShamimKhan	Pakistan	Director	Shareholding	17.36%
MrsQaiserShamimKhan	Pakistan	Director	Shareholding	9.64%
Mr.AdnanAhmedKhan	Pakistan	ChiefExecutive	Shareholding	9.64%
Mr.NaumanKhan	Pakistan	Director	Shareholding	9.64%
MalikManzoorHussainHumayun	Pakistan	Director	Shareholding	0.0021%
Mr.FaridulDinAhmed	Pakistan	Director	Shareholding	0.0021%
MrsSarahHajraKhan	Pakistan	Director	Shareholding	0.0032%

18.2 Name of Related Party	Relationship	Relationship	Basis of Relationship	Quarter ended 31 December 2019	31 December 2018
				-----Rupees-----	
Naubahar Bottling Co Pvt Limited	Holding Company	Associated undertaking	Common Diretorship		
Sale of goods				-	-
Loan Received				10,000,000	-
Almoiz Industries Limited	Associated	Associated undertaking	Common Diretorship		
Sale of goods				3,832,791	-
Purchase of Goods				-	-
The Thal Industries Corporation Limited	Associated				
Sale of goods					
Purchase of Goods				642,094	-
Pattoki Sugar Mills Limited	Ex-Holding Co.			-	70,093,919
Imporient Chemical (Pvt) Limited	Ex-Ultimate Parent			-	9,685,793
Exporient Knitters (Pvt) Limited	Ex-Associate			-	-

The company continues to have a policy whereby all transactions with related parties and associated undertakings are repriced at comparable uncontrolled market price.

19. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

	Quarter ended 31 December 2019				Quarter ended 31 December 2018			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
			..... RUPEES		.....			
Managerial remuneration	-	-	1,706,522	1,706,522	-	-	975,000	975,000
House rent allowance	-	-	-	-	-	-	-	-
Medical expenses	-	-	-	-	-	-	-	-
Bonus	-	-	-	-	-	-	-	-
Reimbursable expenses	-	-	-	-	-	-	-	-
Gratuity	-	-	-	-	-	-	-	-
	-	-	1,706,522	1,706,522	-		975,000	975,000
Number of persons	-	-	5	5	-	-	3	3

20. FINANCIAL INSTRUMENTS BY CATEGORY

				31 December 2019									
				Original carrying amount under IAS 39 Carrying amount			New carrying amount under IFRS 9			Fair value			
		Original classification under IAS 39	New classification under IFRS 9	Loans and receivables at amortized cost	Financial liabilities at amortized cost	Total	Amortised cost	Amortised cost	Total	Level 1	Level 2	Level 3	Level 4
				---------- Rupees ----------									
On-Balance sheet financial instruments													
As at December 31, 2019													
Financial assets													
At cost or amortised cost													
Trade debtors	0	Trade debtors	Amortised cost	81,323,833	-	81,323,833	81,323,833	-	81,323,833	-	-	-	-
Loans and advances	0	Loans and receivables	Amortised cost	238,360	-	238,360	238,360	-	238,360	-	-	-	-
Cash and bank balances	12	Loans and receivables	Amortised cost	51,460,047	-	51,460,047	51,460,047	-	51,460,047	-	-	-	-
				133,022,240	-	133,022,240	133,022,240	-	133,022,240	-	-	-	-
Financial liabilities at amortised cost													
Long term financing	16	Amortised cost	Amortised cost	-	50,000,000	50,000,000	-	50,000,000	50,000,000	-	-	-	-
Loan from holding company	17	Amortised cost	Amortised cost	-	975,960,400	975,960,400	-	975,960,400	975,960,400	-	-	-	-
Due to exholding company	0	Amortised cost	Amortised cost	-	169,056,070	169,056,070	-	169,056,070	169,056,070	-	-	-	-
Trade and other payables	0	Amortised cost	Amortised cost	-	304,064,401	304,064,401	-	304,064,401	304,064,401	-	-	-	-
Mark-up accrued	0	Amortised cost	Amortised cost	-	106,858,525	106,858,525	-	106,858,525	106,858,525	-	-	-	-
				-	1,605,939,396	1,605,939,396	-	1,605,939,396	1,605,939,396	-	-	-	-
30 September 2019													
On-Balance sheet financial instruments													
Loans and receivables at cost or amortised cost													
Trade debts-net of provisions	0	Loans and receivables	Amortised cost	77,491,042	-	77,491,042	77,491,042	-	77,491,042	-	-	-	-
Loans and advances	0	Loans and receivables	Amortised cost	71,300	-	71,300	71,300	-	71,300	-	-	-	-
Cash and bank balances	12	Loans and receivables	Amortised cost	26,379,048	-	26,379,048	26,379,048	-	26,379,048	-	-	-	-
				103,941,390	-	103,941,390	103,941,390	-	103,941,390	-	-	-	-
Financial liabilities at amortised cost													
Long term financing	16	Amortised cost	Amortised cost	-	100,000,000	100,000,000	-	100,000,000	100,000,000	-	-	-	-
Loan from Holding Co.	17	Amortised cost	Amortised cost		965,960,400	965,960,400		965,960,400	965,960,400				
Due to exholding company	0	Amortised cost	Amortised cost	-	104,066,694	104,066,694	-	104,066,694	104,066,694	-	-	-	-
Trade and other payables	0	Amortised cost	Amortised cost	-	259,175,274	259,175,274	-	259,175,274	259,175,274	-	-	-	-
Mark-up accrued	0	Amortised cost	Amortised cost	-	86,562,191	86,562,191	-	86,562,191	86,562,191	-	-	-	-
				-	1,515,764,559	1,515,764,559	-	1,515,764,559	1,515,764,559	-	-	-	-

20.1 TheCompanyhasvaluedcertainfixedassetsatfairvalueandclassifiedunderproperty,plantandequipment. Thecarryingvalueandleveloffairvalueofthesenon-financialassetshavebeendisclosedintherelevantnote tothefinancialstatements.

20.2 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 counterpartiesontheirobligationstotheCompany.Accordingly,thecreditriskisminimal.

20.3 Thesefinancialassetsclassifiedas'loansandreceivables'havebeenclassifiedasamortisedcost.

21. CORRESPONDINGFIGURES

Correspondingfigureshavebeenrearrangedandreclassified,whenevernecessarytoreflectmoreappropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. Following reclassification have been made for better presentation.

22. SEASONALITY

Thecompany'sbusinessisseasonalinnature.Entirecanecrushingandmanufacturingofsugarisdoneduring seasonfromNovembertothefollowingMarch.Sugarsalesaremadethroughouttheyear.

23. DATEOFAUTHORIZATIONOFISSUE

These financial statements were authorized for issue on 24 January 2020 by the Board of Directors of the Company.

24. GENERAL

Figureshavebeenroundedofftothenearestrupeesunlessstatedotherwise.

Director Director Director ChiefFinancialOfficer

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