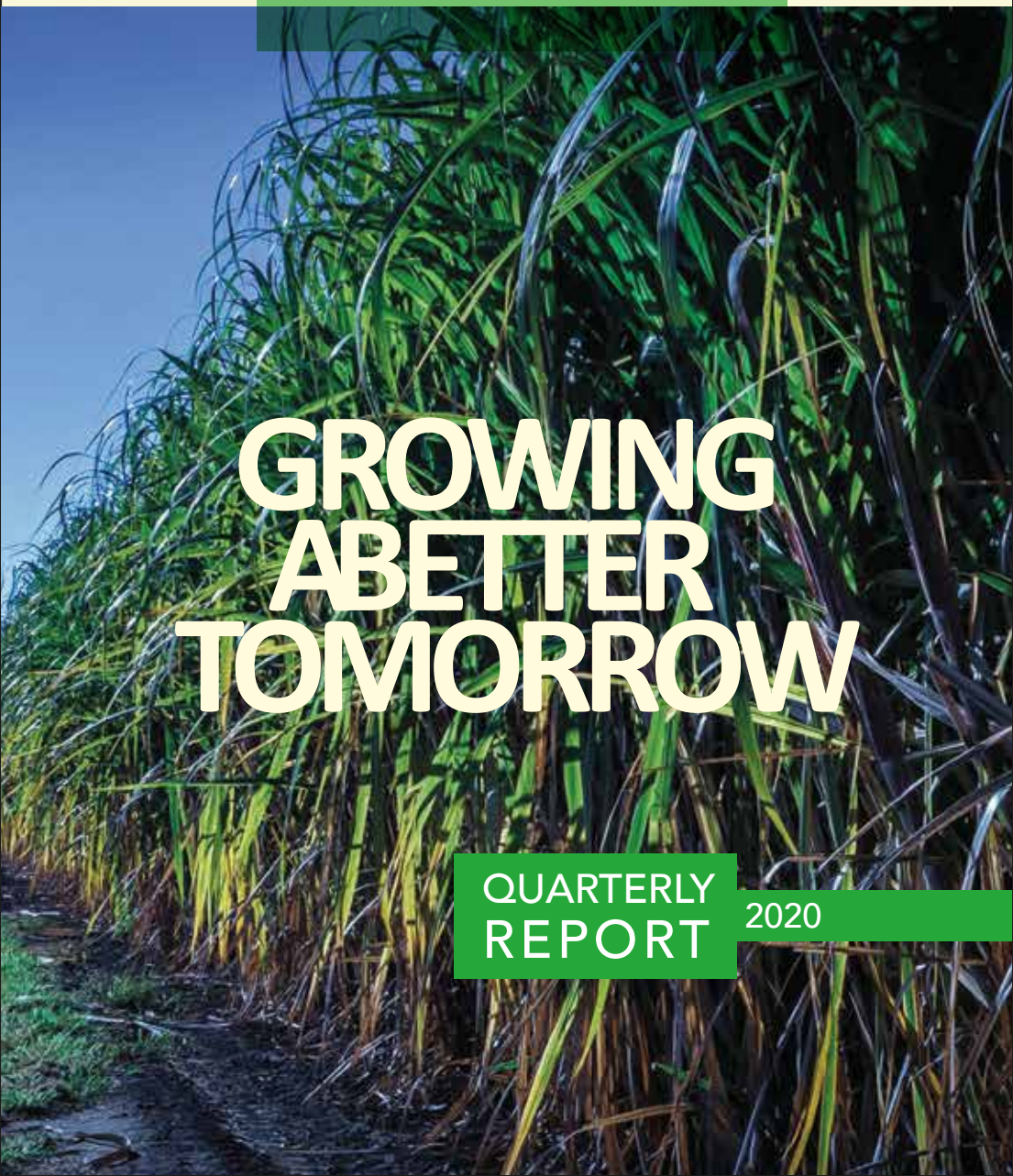
BABA FARID
SUGAR MILLS LIMITED

CONDENSED INTERIM FINANCIAL INFORMATION
For the 1st Quarter Ended 31 December 2020 (Un-audited)



GROWING A BETTER TOMORROW

QUARTERLY REPORT 2020

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CORPORATEINFORMATION

BOARDOFDIRECTORS

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

CHIEFFINANCIALOFFICER

Mr.WasifMahmood

COMPANYSECRETARY

Mr.MuhammadImran

AUDITORS

BDOEbrahim&Co.
CharteredAccountants
F-2,FirstFloor,GraceCentre,
CanalBankRoad,1-BCanalPark,
Gulberg-II, Lahore
Tel:042-35875709-10
Fax:042-35717351
Email:info@bdo.com.pk

MILLS

5K.M.FaisalabadRoad,Okara
Tel:044-2522878,2524279
Fax:044-2522978

BANKERS

Habib Bank Limited
Bank Al-Habib Limited
MCB Bank Limited
Meezan Bank Limited
Bank Alfalah Limited
Soneri Bank Limited
Allied Bank Limited
Askari Bank Limited

HUMANRESOURCES& REMUNERATIONCOMMITTEE

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

AUDITCOMMITTEE

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

NOMINATIONCOMMITTEE

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

RISKMANAGEMENTCOMMITTEE

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

SHAREREGISTRAR

M/s Corplink (Pvt) Limited
ShareRegistrar,WingsArcade,
1-K Commercial Model Town, Lahore.
Tel:042-35916714,
Fax:042-35869037
Email:corplink786@gmail.com

REGISTEREDOFFICE

2-D-1, Gulberg III, Lahore
Tel:042-35771066-71
Fax:042-35756687
Email:info@bfsml.com
Website:www.bfsml.com

LEGALADVISOR

M/SAhmed&Pansota
Advocate and Legal Consutants
20-SirGangaramMansions
The Mall Lahore
Tel:042-37313549,37313520
Tel:042-36672102

DIRECTORS'REVIEW

TheDirectorsofyourCompanyarepleasedtopresenttheUn-AuditedAccountsoftheCompanyforthe 1stQuarterEnded31December2020incompliancewiththesection237oftheCompaniesAct,2017.

INDUSTRYOVERVIEW

Duringtheperiodunderreview,sugarcanecropavailabilityremainedconsiderablylesser.Yieldperacre beingreportedbythegrowersisalsolowerthanlastperiod.Moreover,sugarrecoveryisexpectedtobe lower as compared to last crushing season. The early start of crushing season also effected the yield and recoveryofcane.Company'ssugarproductioninthisseasonisexpectedtobelowerinlinewithcountry's sugarproductionascomparedtothelastseason.

For current crushing season 2020-21, notified support price of sugarcane is Rs. 200/- per 40 kg in Punjab &KPKandRs.202/-per40kgintheprovinceofSindh.Duetoearlystartofcrushingseasonfrom15 November2020toughcompetitionhasbeenobservedincaneprocurementthatresultedintopricewar likesituationintheregion.Stillaveragepurchasecostisincreasingdaybydayandhowthingswillunfold is difficult to assess.

OPERATING HIGHLIGHTS

TheCompanywasabletocrush170,859.995M.Tonssugarcaneandproduced14,215.000M.Tonsof white refined sugar at an average recovery of 8.646% during the Period ended 31 December 2020 as compared to 31 December 2019 where the Company crushed 60,005.610 M. Tons of sugarcane and produced 3,987.000 M. Tons of sugar at an average recovery of 7.832%.

The Company's enhanced efficiency is attributed to the competence and experience of new management in running the mills, optimal maintenance and utilization of plant and better utilization of resources including plant, and gaining growers' confidence.

NetsaleswererecordedatRs.504.376millionduringthecurrentperiodascomparedtoRs.1.206million duringthecorrespondingperiod.

Company earned pretax profit of Rs. 13.751 million during the period under reference as compared to pretaxlossofRs.85.158millioninthecorrespondingperiod.TheconversionofCompany'saftertaxloss of Rs. 85.176 million to after tax profit of Rs. 7.501 million is attributed to its ability to run the plant at optimumcapacitylevel,reductioninFinancialchargesduetoreductionKIBORrateandbetterutilization ofresources.

RESEARCH AND DEVELOPMENT

Agricultural R&D is an integral part of the Company's policy which entails identification and multiplication of promising new sugarcane varieties and their subsequent commercial sowing through progressive growers with best agricultural practices. This not only increases per acre yield of sugar cane but also enhancesgrowersearningandcreatesmoreenthusiasmforsowingsugarcanecomparedtocompeting crops.Italsoincreasesthesugarcanesupplyto theCompanyandboostsoverallsugarrecovery,directly improvingthebottomlineoftheCompany.

RELATIONSHIP WITH GROWERS

As usual growers' payment has remained our top priority being one of the main keys of our success andweare tryingourlevelbesttomakegrowers'paymenttimelyonprioritybasis.Weregularlyprovide financial and technical support to our growers. Due to these policies and preferential treatment to growers, theCompanyenjoysexcellentrelationshipwiththem.

FUTURE OUTLOOK AND GOING CONCERN ASSUMPTION

New sponsors have a reputed profile in the industry and not only have managed operations of existing mills but also have expanded their experience of sugar extraction from sugar beet in KPK province. Furthermore, the group is engaged in business of sugar, beverage, steel, power and textile, hence have rich relevant experience. Naubahar Bottling Company (Private) Limited consumes a considerable portion of total sugar produced in group and this demand is expected to increase every year.

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 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.

It is evident from growers surveys that sugarcane crop & yield per acre in the year 2020-21 will be equal or on lower side as compared to 2019-20 in the country. Early start of crushing has been detrimental to yield and recovery. In anticipation of the prevailing sugar prices in local market, it is expected that there will be price war over the sugarcane purchase among sugar mills of surrounding area. Carryover sugar stock for season 2020-21 was much less as compared to last year. It is expected that inspite of low sugar production in the country sugar prices may be under pressure in the coming period due to expected intervention of federal and local government. Molasses and bagasse prices are expected to remain high partially due rupee devaluation and partially due to expectedly reduced molasses production in 2020-21.

These interim financial statements have been prepared on a going concern basis based on the sponsors' commitment to provide financial and operational support to the Company. The management has no doubts about the Company's ability to continue as a going concern.

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 composition of the Board of Directors (the Board") is as follows:

1. The total number of Directors are seven as per following:
- Male: Five
- Female: Two

2. The Composition of the Board of Directors (the Board) is as under;

Category	Names
Independent Director	Mr. Farid-ud-Din Ahmad Mr. Malik Manzoor Hussain Humayoon
Executive Direc tors	Mr. Adnan Ahmed Khan (CEO) Mr. Muhammad Shamim Khan
Non-Ex ecutive Director	Mrs. Qaiser Shamim Khan Mr. Nauman Ahmed Khan Mrs. Sarah Hajra Khan

3. The Board has formed committees comprising of members given below:

AUDIT COMMITTEE

The Board has constituted an Audit Committee consisting of three members including Chairman of the Committee as mentioned below. The committee regularly meets as per requirement of the code. The

committeeassiststheBoardinreviewinginternalauditmanualandinternalauditsystem.

i) Mr.Farid-ud-DinAhmad(ChairmanoftheAuditCommittee);and
ii) Mrs.SarahHajraKhan
iii) Mr.MalikManzoorHussainHumayoon

HRANDREMUNERATIONCOMMITTEE

The Board has constituted a Human Resource Committee consisting of three members including Chairmanofthecommitteeasmentionedbelow,incompliancewiththeCodeofCorporateGovernance.

i) Mr.Farid-ud-DinAhmad(ChairmanoftheAuditCommittee);and
ii) Mr.AdnanAhmedKhan
iii) Mr.MalikManzoorHussainHumayoon

NOMINATIONCOMMITTEE

TheBoardhasconstitutedaNominationCommitteeconsistingoftwomembersincludingChairmanof thecommitteeasmentionedbelow,incompliancewiththeCodeofCorporateGovernance.

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

RISKMANAGEMENTCOMMITTEE

TheBoardhasconstitutedaRiskManagementCommitteeconsistingoftwomembersincludingChairman ofthecommitteeincompliancewiththeCodeofCorporateGovernance.

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Directors are aware of their responsibility with respect to internal financial controls. Through discussions with management and Auditors (both internal and external), they confirm that adequate controlshavebeenimplementedbytheCompany.

HOLDING COMPANY

Naubahar Bottling Company (Pvt.) Limited was the holding company with the 50.8621% ordinary shares. DuringtheperiodallthesharesoftheHoldingCompanyrepurchasedbytheSponsorDirectors.

ACKNOWLEDGEMENT

The Directors would like to express their appreciation for the dedication and hard work of the workers, staff andmembersofthemanagementteam.Growersarethekeyelementofourindustryandwethankthem for their continued co-operation. The Directors of the Company are also thankful to the banks and financial institutions for the financial assistance and co-operation, which they have extended to the Company.

ForandonbehalfoftheBoard

BabaFaridSugarMillsLimited

AdnanAhmedKhan
ChiefExecutive

MuhammadShamimKhan
Director

Lahore, 23 January 2021

ڈائریکٹرز کی جائزہ رپورٹ

کمپنی کے ڈائریکٹرز کمپنیز ایکٹ 2017ء کی دفعہ 237 کی تعمیل میں 31 دسمبر 2020 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

زیر 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 بتائی گئی ہے۔ مزید برآں، شوگر ریکوریز گزشتہ کرشنگ سیزن کے مقابلے کم رہنے کی توقع ہے۔ کرشنگ سیزن کے جلد آغاز سے گنے کی پیداوار اور ریکوری بھی متاثر ہوئی 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 21-2020 کیلئے پنجاب اور کے پی کے میں گنے کی امدادی قیمت -/200 روپے فی من اور صوبہ سندھ میں -/202 روپے فی من کا اعلان کیا گیا ہے۔ 15 نومبر 2020 سے کرشنگ سیزن کے جلد آغاز کی وجہ سے گنے کی خریداری میں سخت مقابلہ دیکھا گیا جس کے نتیجے میں خطے میں قیمت جنگ کی صورت حال پائی گئی۔ ابھی بھی اوسط قیمت خرید روز بروز بڑھ رہی ہے اور چیزیں کس طرح سامنے آئیں گی اس کا اندازہ لگانا مشکل ہے۔

آپریٹنگ جھلکیاں

31 دسمبر 2020ء کو ختم ہونے والی پہلی سہ ماہی کے دوران کمپنی نے 170,859.995 میٹرک ٹن گنے کی کرشنگ کی اور 8.646 فیصد اوسط ریکوری کے ساتھ 14,215.000 میٹرک ٹن سفید ریفائنڈ چینی بنائی جبکہ اس کے مقابلے میں گذشتہ سال 60,005.61 میٹرک ٹن گنے کی کرشنگ کی اور 7.832 فیصد اوسط ریکوری کے ساتھ 3,987.0 میٹرک ٹن سفید ریفائنڈ چینی بنائی۔

کمپنی کی زیادہ کارکردگی مل کو چلانے، پلانٹ کی زیادہ مینٹی نینس اور استعمال اور پلانٹ سمیت دیگر ذرائع کے بہتر استعمال، اور کاشتکاروں کا اعتماد حاصل کرنے میں نئی انتظامیہ کی مہارت اور تجربہ کے باعث ممکن ہوئی ہے۔

گزشتہ سال کی اسی مدت میں 1.206 ملین روپے خالص فروخت کے برعکس حالیہ مدت کے دوران 504.376 ملین روپے درج کی گئی۔

کمپنی کو زیر جائزہ سہ ماہی کے دوران ٹیکس سے قبل 13.751 ملین روپے منافع حاصل ہوا جبکہ گزشتہ سال کی اسی مدت میں ٹیکس سے قبل 85.158 ملین روپے کا نقصان ہوا تھا۔ کمپنی کا ٹیکس کے بعد 85.176 ملین روپے نقصان سے ٹیکس کے بعد 7.501 ملین روپے نفع میں تبدیلی پلانٹ کو زیادہ سے زیادہ صلاحیتی سطح پر چلانے، KIBOR شرح میں کمی کے باعث فنانشل چارجز میں کمی اور ذرائع کے بہتر استعمال کی اہلیت سے منسوب ہے۔

تحقیق اور 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۔

کاشتکاروں سے تعلقات

کاشتکاروں کی معمول کی ادائیگی ہماری اولین ترجیح رہی ہے اور جو کہ ہماری کامیابی کی اہم وجہ ہے۔ ہم ترجیحی بنیادوں پر کاشتکاروں کو بروقت ادائیگی کرنے کے لئے اپنی بہترین کوششیں کر رہے ہیں۔ ہم اپنے کاشتکاروں کو باقاعدگی سے مالی اور تکنیکی مدد فراہم کرتے ہیں۔ ان پالیسیوں اور کاشتکاروں کے ساتھ ترجیحی سلوک کی بدولت، کمپنی ان کے ساتھ شاندار تعلقات سے لطف اندوز ہوتی ہے۔

مستقبل کا نقطہ نظر اور جاری تشویش مفروضہ:

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، لہذا 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۔

کمپنی بہتر انتظاماتی منصوبہ بندی کرے گی۔ اس کے نتیجے میں، ممکنہ طور پر متوقع فوائد دیگر اسٹیک ہولڈرز جیسے کہ حکومت، ملازمین، عام صارفین اور بڑے پیمانے پر معاشرے میں منتقل کرنے کے قابل ہو جائے گی۔ 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۔

سروے سے یہ بات واضح ہے کہ سال 21-2020 کے دوران گنے کی فصل اور فی ایکڑ پیداوار 20-2019 کے مقابلہ میں کم ہوگی۔ کرشنگ کا جلد آغاز پیداوار اور ریکوری کے لئے نقصان دہ ہے۔ مقامی مارکیٹ میں چینی کی موجودہ قیمتوں کی وجہ سے، آس پاس کے علاقے کی شوگر ملوں کے مابین گنے کی خریداری پر قیمتوں میں جنگ شروع ہو سکتی ہے۔ پچھلے سال کے مقابلہ میں سیزن 21-2020 کے لئے شوگر کا کیری اوور اسٹاک بہت کم ہے۔ توقع کی جا رہی ہے کہ وفاقی اور مقامی حکومت کی متوقع مداخلت کی وجہ سے آئندہ مدت میں چینی کی کم پیداوار کے باوجود ملک کی چینی کی قیمتیں دباؤ میں رہیں گی۔ مولاسس اور بیگاس کی قیمتیں 21-2020 میں بھی روپے کی قدر میں کمی اور مولاسس کی متوقع پیداوار کم رہنے کی وجہ سے جزوی طور پر زیادہ ہونے کی توقع ہے۔

یہ مالیاتی حسابات کمپنی کو مالی اور آپریشنل مدد فراہم کرنے کے لئے اسپانسرز افراد کی وابستگی پر جاری تشویش کی بنیاد پر تیار کیے گئے ہیں۔ انتظامیہ کو بطور کمپنی جاری رہنے کی صلاحیت کے بارے میں کوئی شبہ نہیں ہے۔

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۔

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

مرد :5

خواتین :2

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

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

آڈٹ کمیٹی

بورڈ نے مندرجہ ذیل کے مطابق کمیٹی کے چیئرمین سمیت تین ارکان پر مشتمل آڈٹ کمیٹی تشکیل دی ہے۔ کمیٹی باقاعدگی سے ضابطہ کے تقاضوں کو پورا کرتی ہے۔ کمیٹی انٹرنل آڈٹ مینوئل اور انٹرنل آڈٹ سسٹم کے جائزہ میں بورڈ کی مدد کرتی ہے۔

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

ایچ آر اینڈ ریمنریشن کمیٹی

بورڈ نے کوڈ آف کارپوریٹ گورننس کی تعمیل میں، مندرجہ ذیل کے مطابق کمیٹی کے چیئرمین سمیت تین ارکان پر مشتمل ہیومن ریسورس کمیٹی تشکیل دی ہے۔

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

نامینیشن کمیٹی

بورڈ نے کوڈ آف کارپوریٹ گورننس کی تعمیل میں، مندرجہ ذیل کے مطابق کمیٹی کے چیئرمین سمیت دو ارکان پر مشتمل نامینیشن کمیٹی تشکیل

دی ہے۔

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

رسک مینجمنٹ کمیٹی

بورڈ نے کوڈ آف کارپوریٹ گورننس کی تعمیل میں، مندرجہ ذیل کے مطابق کمیٹی کے چیئرمین سمیت دو ارکان پر مشتمل رسک مینجمنٹ کمیٹی تشکیل دی ہے۔

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

مناسب داخلی مالیاتی کنٹرول

ڈائریکٹرز داخلی مالیاتی کنٹرول کی بابت اپنی ذمہ داری سے بخوبی آگاہ ہیں۔ انتظامیہ اور آڈیٹرز (داخلی اور بیرونی دونوں) کے ساتھ مشاورت کے ذریعے، وہ توثیق کرتے ہیں کہ کمپنی کی طرف سے مناسب کنٹرول نافذ کئے گئے ہیں۔

ہولڈنگ کمپنی

نوبہار بوٹلنگ کمپنی (پرائیوٹ) لمیٹڈ، 50.8621% عمومی حصص کے ہولڈنگ کمپنی تھی۔ مدت کے دوران ہولڈنگ کمپنی کے تمام حصص سپانسر ڈائریکٹرز نے خرید لئے۔

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

عدنان احمد خان
چیف ایگزیکٹو

محمد شمیم خان
ڈائریکٹر

لاہور: 23 جنوری 2021ء

CONDENSEDINTERIMSTATEMENTOF FINANCIALPOSITION (Un-Audited)

Asat D ecember31,2020

	Note	(Un-Audited) December31, 2020	(Audited) September30, 2020
		.....(Rupees).....	
ASSETS			
NONCURRENTASSETS			
Property,plantandequipment			
Operating fixed assets	8	2,769,669,417	2,764,595,619
Capitalworkinprogress	8.3	78,324,449	66,144,854
		2,847,993,866	2,830,740,473
Long term deposits		811,700	174,500
		2,848,805,566	2,830,914,973
CURRENTASSETS			
Stores,sparesandloosetools		84,275,546	78,745,755
Stockintrade		808,244,997	256,974,378
Tradedebts		6,281,873	8,668,169
Loans and advances		70,798,134	77,522,001
Shorttermprepaymentsanddeposits		3,696,780	3,118,478
Otherreceivables		113,249,306	116,176,230
Taxation-net		2,742,785	-
Cashandbankbalances		192,405,451	356,447,809
		1,281,694,872	897,652,820
TOTALASSETS		4,130,500,438	3,728,567,793
EQUITYANDLIABILITIES			
SHARECAPITALANDRESERVES			
Authorizedsharecapital	9.1	700,000,000	700,000,000
Issued,subscribedandpaidupcapital	9.2	94,500,000	94,500,000
Reserves			
Revenuereserves-accumulatedlosses		(2,640,990,460)	(2,659,091,730)
Directors'loans	10	1,992,700,000	1,982,700,000
Surplus on revaluation of fixed assets	11	1,922,662,787	1,933,262,901
		1,368,872,327	1,351,371,171
NONCURRENTLIABILITIES			
Lease liability		5,502,368	1,015,700
Loan from Associate	12	900,000,000	900,000,000
Deferredliabilities		374,857,856	376,173,598
		1,280,360,224	1,277,189,298
CURRENTLIABILITIES			
Tradeandotherpayables		695,327,080	764,479,221
Unclaimeddividend		255,930	255,930
Duetoexholdingcompany		15,976,698	43,829,685
ShorttermBorrowing	13	562,512,500	105,000,000
Mark-upaccrued		204,928,123	185,753,366
Taxation-net		-	184,369
Currentportionoflongtermliabilities		2,267,556	504,753
		1,481,267,887	1,100,007,324
CONTINGENCIESANDCOMMITMENTS	14		
TOTALEQUITYANDLIABILITIES		4,130,500,438	3,728,567,793

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

CHIEFEXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

CONDENSEDINTERIMSTATEMENTOF

PROFITORLOSS (Un-Audited)

FortheQuarterEndedDecember31,2020

	Note	December31, 2020	December31, 2019
		.....(Rupees).....	
Sales-Net	15	504,376,172	1,206,160
Costofsales	16	(454,470,516)	(40,093,957)
Gross Profit / (Loss)		49,905,656	(38,887,797)
Sellinganddistributionexpenses		(2,690,157)	(966,168)
Generalandadministrativeexpenses		(19,420,838)	(13,283,807)
Otherincome		6,327,260	3,275,890
		(15,783,735)	(10,974,085)
Operating Profit / (Loss)		34,121,921	(49,861,882)
Financialcharges		(20,370,862)	(35,295,799)
Profit / (Loss) before taxation		13,751,059	(85,157,681)
Taxation		(6,249,903)	(18,094)
Profit / (Loss) after taxation		7,501,156	(85,175,775)
Earning / (Loss) per share - Basic and diluted (Rupees)		0.79	(9.01)

Appropriations have been reflected in the statement of changes in equity.

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

CHIEFEXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

CONDENSEDINTERIMSTATEMENTOF
COMPREHENSIVEINCOME (Un-Audited)
FortheQuarterEndedDecember31,2020

	Note	December31, 2020	December31, 2019
		.....(Rupees).....	
Profit / (Loss) after taxation for the Period		7,501,156	(85,175,775)
Othercomprehensiveincome			
Items that will not be reclassified to the statement of profit or loss			
Remeasurement of defined benefit liability		-	-
Related tax effect		-	-
		-	-
Surplus on revaluation of operating fixed assets		-	-
Related tax effect		-	-
		-	-
Items that may be reclassified to the statement of profit or loss in subsequent periods			
		-	-
Totalcomprehensivelncome/(loss)fortheperiod		7,501,156	(85,175,775)

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

CHIEFEXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-Audited)

For the Quarter Ended December 31, 2020

	Note	December 31, 2020	December 31, 2019
		.....(Rupees).....	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (Loss) before tax		13,751,059	(85,157,681)
Adjustments for items not involving movement of funds:			
Depreciation		22,513,593	23,095,452
Financial charges		20,370,862	35,295,799
Net cash flow before working capital changes		56,635,514	(26,766,430)
Decrease/(increase) in current assets			
Stores, spares and loose tools		(5,529,791)	(23,626,697)
Stock in trade		(551,270,619)	(384,690,436)
Trade debts		2,386,296	(3,832,791)
Loans and advances		6,723,867	(2,532,310)
Short term prepayments and deposits		(578,302)	-
Other receivables		1,116,028	(13,532,535)
		(547,152,521)	(428,214,769)
Increase/(decrease) in current liabilities			
Trade and other payables		(69,152,143)	273,653,144
Cash used in from operations		(559,669,150)	(181,328,055)
Taxes paid		(8,681,901)	(105,908)
Financial charges paid		(1,196,105)	(14,999,465)
Net cash used in from operating activities		(569,547,156)	(196,433,428)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to operating fixed assets		(21,215,391)	(17,538,268)
Additions to capital work in progress		(12,179,595)	(3,936,681)
Long term deposits		(637,200)	-
Net cash used in investing activities		(34,032,186)	(21,474,949)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of long term financing		-	(50,000,000)
Due to exholding company		(27,852,987)	64,989,376
Loan from Associate		-	10,000,000
Short term Borrowing-Net		457,512,500	40,000,000
Lease liability paid		(122,529)	-
Directors' contribution		10,000,000	178,000,000
Net cash generated from financing activities		439,536,984	242,989,376
Net (decrease)/increase in cash and cash equivalents		(164,042,358)	25,080,999
Cash and cash equivalents at the beginning of the Period		356,447,809	26,379,048
Cash and cash equivalents at the end of the Period		192,405,451	51,460,047

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

CONDENSEDINTERIMSTATEMENTOF CHANGESINEQUITY (Un-Audited)

FortheQuarterEndedDecember31,2020

	Note	Issued, subscribed andpaid-up capital	Surpluson revaluationof fixed assets	Directors' loan	Revenue Reserves	Total
		Ordinary shares			Accumulated loss	
		(Rupees)				
BalanceasatOctober01,2018		94,500,000	1,715,902,655	-	(1,773,303,026)	37,099,629
Totalcomprehensivelossfortheyear						
Loss for the year		-	-	-	(682,625,093)	(682,625,093)
Remeasurement of defined benefit liability-net		-	-	-	-	-
Surplus on revaluation of fixed assets		-	300,155,592	-	-	300,155,592
Transferfromsurplusonrevaluationof fixed assets incremental depreciation-net ofdeferredtax		-	(37,186,802)	-	37,186,802	-
Directors'contribution	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
Loss for the Year		-	-	-	(286,079,042)	(286,079,042)
Remeasurement of defined benefit liability-net		-	-	-	120,085	120,085
Surplus on revaluation of fixed assets		-	-	-	-	-
Transfer from surplus on revaluation of fixed assetsincrementaldepreciation-netof deferredtax		-	(45,608,544)	-	45,608,544	-
Directors'contribution	10	-	-	771,200,000	-	771,200,000
		-	(45,608,544)	771,200,000	(240,350,413)	485,241,043
BalanceasatSeptember30,2020		94,500,000	1,933,262,901	1,982,700,000	(2,659,091,730)	1,351,371,171
Profit for the Period		-	-	-	7,501,156	7,501,156
Remeasurement of defined benefit liability-net		-	-	-	-	-
Surplus on revaluation of fixed assets		-	-	-	-	-
Transfer from surplus on revaluation of fixed assets incremental depreciation-net of deferredtax		-	(10,600,114)	-	10,600,114	-
Directorcontribution	10	-	-	10,000,000	-	10,000,000
		-	(10,600,114)	10,000,000	18,101,270	17,501,156
BalanceasatDecember31,2020		94,500,000	1,922,662,787	1,992,700,000	(2,640,990,460)	1,368,872,327

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

CHIEFEXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

NOTESTOTHECONDENSEDINTERIM FINANCIALSTATEMENTS (Un-Audited)

FortheQuarterEndedDecember31,2020

1. LEGALSTATUSANDNATUREOFBUSINESS

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 StockExchange.Itisprincipallyengagedinthemanufacturingandsaleofsugarincludingitsby-productsi.e.molassesandV.Filtercake.

1.1 Geographicallocationandaddressesofbusinessunits

The registered office of the Company is situated at 2-D/1, Gulberg III, Lahore. The manufacturing facilityoftheCompanyislocatedat5KMFaisalabadRoad,districtOkara,Punjab.

2. GOINGCONCERNASSUMPTION

The Company incurred a net profit of Rs. 7.501 million during the period ended December 31, 2020 and, as of that date, the Company's current liabilities exceeded its current assets by Rs. 199.573 million.Theaccumulatedlosseshaveexceededtheissued,subscribedandpaidupcapitalby Rs. 2,546.490 million as at December 31, 2020 and accumulated losses as of that date amounted to Rs.2,640.990million.Theseconditionsindicatetheexistenceofamaterialuncertaintywhichmay castdoubtabouttheCompany'sabilitytocontinueasagoingconcern.However,thereductionin losses from Rs. 85.176 million to profit of Rs. 7.501 million is due to improved operational efficiency, resultantlytheCompany'scurrentratiohasbeenimprovedascomparedtopreviousyeari.e.0.87 (2020:0.82),ontheotherhandthecompanyhasmadenetrevenuefromsalesofRs.504.376million resultantly earned gross profit of Rs. 49.906 million as compared to previous year gross loss of Rs. 38.888 million. However, these financial statements have been prepared on a going concern basis based on the sponsor's commitment to provide financial support to the Company.

3. BASISOFPREPARATION

The condensed interim financial information is not audited and has been presented in condensed form and does not include all the information as is required to be provided in a full set of annual financial statements. This condensed interim financial information should be read in conjunction with the audited financial statements of the company for the year ended 30 September 2020.

The comparative figures as at 30 September 2020 in the condensed interim statement of financial position and the related notes to the condensed interim financial information are based on audited financial statements. The comparative condensed interim profit & loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and related notes to the condensed interim financial information for the quarter ended 31 December 2020 are based on un-audited condensed interim financial information. The condensed interim profit & loss account and condensedinterimstatementofothercomprehensiveincomeforthequartersended31December 2020and31December2019areneitherauditednorreviewed.

4. STATEMENTOFCOMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standardsasapplicableinPakistan.Theaccountingandreportingstandardsapplicablein Pakistan compriseof:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act , 2017; and
- ProvisionsofanddirectivesissuedundertheCompaniesAct,2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, theprovisionsofanddirectivesissuedundertheCompaniesAct,2017havebeenfollowed.

5. USEOFESTIMATESANDJUDGMENT

The preparation of financial statements in conformity with approved accounting standards, as applicableinPakistan,requiresmanagementtomakejudgments,estimatesandassumptionsthat affect the application of policies and reported amount of assets, liabilities, income and expenses. Theestimatesandassociatedassumptionsarebasedonhistoricalexperienceandvariousother

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. CHANGE IN ACCOUNTING POLICES - IFRS 16 LEASES

6.1 IFRS16: Leases

IFRS-16 'Leases' was issued on January 01, 2016. This standard is adopted locally by the Securities and Exchange Commission of Pakistan. IFRS 16 replaced IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease'. The Company applied IFRS 16 with a date of initial application of July 01, 2019.

Transition method and practical expedients utilised

The Company applied IFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on the date of initial application (October 01, 2019), without restatement of comparative figures.

The Company used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- applied a single discount rate to a portfolio of leases with similar characteristics.
- applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

On adoption of IFRS 16, the Company recognised a right-of-use asset and lease liability at the commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Lease liabilities were measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company used its incremental borrowing rate as the discount rate as at October 01, 2019.

The right of use asset is subsequently depreciated using straight line method from the date of recognition to the earlier of the end of useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

Subsequently, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in the rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

There is no significant impact on financial statements at the application IFRS 16, as the Company do not have any lease. The Company consider the lease as short term and low in value.

Significant judgements

IFRS 16 requires the Company to assess the lease term as the non-cancellable lease term in line with the lease contract together with the period for which the Company has extension options which the Company is reasonably certain to exercise and the periods for which the Company has termination options for which the Company is reasonably certain not to exercise those termination options.

A portion of the lease contracts included within Company's lease portfolio includes lease contracts which are extendable through mutual agreement between the Company and the lessor or cancellable by both parties immediately or on short notice. In assessing the lease term for the ead option of IFRS 16, the Company concluded that such contracts are short-term in nature and payments made in respect of these leases are accordingly expensed in the statement of profit or loss.

There is no material impact of transition to IFRS 16 on the financial position of the Company and there is no effect on the accounting policies of the Company in respect of leases, except those disclosed in relevant note.

7. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented except as disclosed in note 6.1 to these financial statements.

7.1 Accounting convention

These financial statements have been prepared under the historical cost convention except for recognition of certain staff retirement benefits at present value and as modified for fair value adjustment in certain fixed assets and exchange differences.

7.2 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency for the Company.

	Note	(Un-Audited) December 31, 2020	(Audited) September 30, 2020
		.....(Rupees).....	
8. PROPERTY, PLANT & EQUIPMENT			
Operating fixed assets	8.1	2,761,804,475	2,763,082,443
Right of use assets	8.2	7,864,942	1,513,176
		2,769,669,417	2,764,595,619

8.1 Operating fixed assets

Thefollowingisthestatementofproperty,plantandequipment:

Description	Freehold land	Buildings onfreehold land	Plantand machinery	Electric installation	Toolsand equipment	Vehicles	Furniture and fixtures	Office andother equipments	Total
	(Rupees)								
Netcarryingvaluebasis PeriodendedDecember31,2020									
Openingnetbookvalue(NBV)	1,260,192,500	246,158,100	1,243,936,754	2,221,063	2,791,003	473,041	1,415,230	5,894,752	2,763,082,443
Additions/Transfer(atcost)	-	-	16,273,924	2,376,926	2,162,000	-	21,000	104,481	20,938,331
Revaluationduringtheyear	-	-	-	-	-	-	-	-	-
Disposals(NBV)	-	-	-	-	-	-	-	-	-
Depreciationcharge	-	(6,153,953)	(15,668,873)	(91,842)	(93,450)	(23,652)	(35,906)	(148,623)	(22,216,299)
Closingnetbookvalue	1,260,192,500	240,004,147	1,244,541,805	4,506,147	4,859,553	449,389	1,400,324	5,850,610	2,761,804,475
Grosscarryingvaluebasis PeriodendedDecember31,2020									
Cost/revalue	1,260,192,500	487,635,689	2,238,080,979	13,967,454	8,746,175	11,539,317	6,868,181	17,592,223	4,044,622,518
Accumulateddepreciation	-	(247,631,542)	(993,539,174)	(9,461,307)	(3,886,622)	(11,089,928)	(5,467,857)	(11,741,613)	(1,282,818,043)
Netbookvalue	1,260,192,500	240,004,147	1,244,541,805	4,506,147	4,859,553	449,389	1,400,324	5,850,610	2,761,804,475
Netcarryingvaluebasis YearendedSeptember30,2020									
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)	-	-	33,834,943	1,909,433	2,189,460	188,035	844,370	1,793,646	40,759,887
Revaluationduringtheyear	-	-	-	-	-	-	-	-	-
Disposals(NBV)	-	-	-	-	-	-	-	-	-
Depreciationcharge	-	(27,350,900)	(64,898,189)	(136,757)	(250,914)	(118,260)	(115,984)	(629,437)	(93,500,441)
Closingnetbookvalue	1,260,192,500	246,158,100	1,243,936,754	2,221,063	2,791,003	473,041	1,415,230	5,894,752	2,763,082,443
Grosscarryingvaluebasis YearendedSeptember30,2020									
Cost/revalue	1,260,192,500	487,635,689	2,221,807,055	11,590,528	6,584,175	11,539,317	6,847,181	17,487,742	4,023,684,187
Accumulateddepreciation	-	(241,477,589)	(977,870,301)	(9,369,465)	(3,793,172)	(11,066,276)	(5,431,951)	(11,592,990)	(1,260,601,744)
Netbookvalue	1,260,192,500	246,158,100	1,243,936,754	2,221,063	2,791,003	473,041	1,415,230	5,894,752	2,763,082,443
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
Depreciationrate%perannum	-	10	5	10	10	20	10	10	

	Note	(Un-Audited) December31, 2020	(Audited) September30, 2020
		.....(Rupees).....	
8.2 Rightofuseassets			
Thefollowingisthestatementofrightofuseassets:			
Vehicle			
Netcarryvaluebasis			
Openingnetbookvalue		1,513,176	-
Additionduringtheperiod		6,649,060	1,779,530
Depreciationchargedduringperiod		(297,294)	(266,354)
		7,864,942	1,513,176
Grosscarryvaluebasis			
Cost		8,428,590	1,779,530
Accumulateddepreciation		(563,648)	(266,354)
Netbookvalue		7,864,942	1,513,176
Depreciation rate % per annum		20%	20%
8.3 Capitalworkinprogress			
Thiscomprisesof:			
Building		6,282,560	6,282,560
Plantandmachinery		72,041,889	59,862,294
		78,324,449	66,144,854
9. SHARECAPITAL			
9.1 Authorizedsharecapital			

December31 2020 Numberofordinarysharesof Rs.10/-each	September30 2020			
70,000,000	70,000,000		700,000,000	700,000,000

9.2 Issued,subscribedandpaidupcapital

December31 2020 Numberofordinarysharesof Rs.10/-each	September30 2020			
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

	Note	(Un-Audited) December31, 2020	(Audited) September30, 2020
		.....(Rupees).....	
10. DIRECTORS'LOANS			
Unsecured			
Directors			
Others(otherthanbankingcompanies)			
Openingbalance		1,982,700,000	1,211,500,000
Obtainedduringtheperiod/year			
Mr.MuhammadShamimKhan		-	309,800,000
Mrs.QaiserShamimKhan		-	246,600,000
Mr.NaumanAhmedKhan		-	32,800,000
Mr.AdnanAhmedKhan		10,000,000	182,000,000
		10,000,000	771,200,000
Repaidduringtheperiod/year		-	-
Closingbalance		1,992,700,000	1,982,700,000

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 Charted Accountants of Pakistan.

	Note	(Un-Audited) December31, 2020	(Audited) September30, 2020
		.....(Rupees).....	
11. SURPLUSONREVALUATIONOFFIXEDASSETS			
Balancebroughtforward		2,211,430,165	2,275,667,551
RevaluationduringthePeriod		-	-
Less: Transferred to equity in respect of incrementaldepreciationchargedduring theperiod-(netofdeferredtax)		10,600,114	45,608,544
Relateddeferredtaxliabilityduringtheperiod transferred to profit and loss account		4,329,624	18,628,842
		14,929,738	64,237,386
		2,196,500,427	2,211,430,165
Less: Related deferred tax effect:			
BalanceasatOctober01		278,167,264	296,796,106
Effect of change in rate		-	-
Deferredtaximpactfortheperiod		-	-
Incrementaldepreciationchargedduringthe period transferred to profit and loss account		(4,329,624)	(18,628,842)
		273,837,640	278,167,264
		1,922,662,787	1,933,262,901

	Note	(Un-Audited) December31, 2020	(Audited) September30, 2020
		.....(Rupees).....	
12. LOANFROMASSOCIATE			
Unsecured:			
Naubahar Bottling Company (Private) Limited	12.2	900,000,000	900,000,000
12.1 Fromassociatecompany			
BalanceasatOctober01		900,000,000	965,960,400
Obtainedduringtheperiod		-	100,000,000
Repayments/adjustmentmadeduringtheperiod		-	(165,960,400)
		900,000,000	900,000,000
Currentportionshownundercurrentliabilities		-	-
		900,000,000	900,000,000

12.2 The Company obtained unsecured loan from M/s Naubahar Bottling Company (Private) Limited - the associate company that carries mark-up at the rate of 3 month's KIBOR plus 0.5% per annum. The effective mark-up rate charged by Naubahar Bottling Company (Private) Limited during the period ranging from 7.75% to 7.80% (Sept 2020: 7.53% to 14.36%) per annum. The management for the time being does not intend to repay any amount against these loans until the end of next financial year andhencenocurrentmaturityhasbeenprovided.Thesewillbepaidasandwhenconvenienttothe Company.

	Note	(Un-Audited) December31, 2020	(Audited) September30, 2020
		.....(Rupees).....	
13. SHORTTERMBORROWING			
Secured:			
Salam (Pledge) (Islamic financing)	13.1	215,937,500	105,000,000
CashFinance	13.2	346,575,000	-
		562,512,500	105,000,000

13.1 This represents cash finance facility under Islamic financing arrangement from Askari Bank Limited aggregatedtoRs.500million(2020:Rs.500million)andcarriesmark-upattheratesixmonthKIBOR plus 1% per annum on utilized limits. This facility is secured against white refined sugar bags at 25% margin, personal guarantees of the directors, corporate guarantee of Naubhar Bottling Company (Private) Limited, subordination of loan from related parties and directors.

13.2 This represents cash finance facility from Bank Al-Habib Limited aggregated to Rs. 500 million (2020: Rs. 500 million) to meet the working capital requirements and are secured against first registered hypothecation charge over current and future assets of the Company for Rs. 67 Million, personal guarantees of the directors and pledge of white refined sugar bags at 22% margin . This loan is subject to mark up at the rate of 1 month average KIBOR plus 0.75% . p.a.

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingent liabilities

a) The LTU-FBR has preferred a reference before Income Tax Appellate (ITAT) for the assessment year 1996 - 1997 against the decision of CIT appeals. The department has also filed petition for leave to appeal before the honorable Supreme Court of Pakistan for the assessment year 1999-2000 and tax year 2006 against the order in the favour of the company by the honorable High Court of Sindh.

In the opinion of the tax advisor the ultimate appellate decision is likely to be in Company's favour, hence no provision is made in these accounts as there will be no tax impact of the matter in view of brought forward tax losses. 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.

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.

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.

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.

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. 9.894 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 reduced 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 reduced 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) Income tax Audit for Tax Year 2016, 2017, 2018 and 2019 u/s 177 of Income Tax Ordinance, 2001 were selected by Commissioner Income Tax through his discretionary powers vested under this section. The DCIR has requested information in this regard and the Company has submitted its response and is confident of favourable outcome.

n) Sales tax Audit for Tax Year 2017, 2018 and 2019 u/s 25 of Sales Tax Act, 1990, were selected by Commissioner Income Tax through his discretionary powers vested under this section. The DCIR has requested information in this regard and the Company has obtained stay order from Honourable High Court of Sindh, Karachi.

o) The Company is facing claims, launched in the labour courts, pertaining to staff retirement benefits, salaries and others related matters. The claims amount can't be quantified due to nature of the claims.

14.2 Commitments

The Company is committed as at the balance sheet date in respect of capital expenditure of Rs. 65.00 million (2020: 80.00 Million).

	Note	(Un-Audited) December 31, 2020	(Un-Audited) December 31, 2019
		.....(Rupees).....	
15. SALES			
Sales			
Manufacturing-local			
Sugar		588,806,886	-
Byproducts sales:			
Molasses		-	1,206,160
V.F.Cake		1,314,438	-
		1,314,438	1,206,160
Less: Sales tax			
Sugar		(85,554,166)	-
Molasses		-	-
V.F.Cake		(190,986)	-
		(85,745,152)	-
		504,376,172	1,206,160

	Note	(Un-Audited) December31, 2020	(Un-Audited) December31, 2019
		.....(Rupees).....	
16. COSTOFSALES			
Rawmaterialsconsumed		887,692,593	308,154,752
Stores,sparesandconsumables		3,298,663	4,046,308
Packingmaterialsconsumed		6,950,995	1,937,136
Chemicalsconsumed		6,096,738	2,086,171
Salaries, wages and other benefits		37,698,297	27,358,568
Fuelandpower		2,732,640	4,970,659
Repairandmaintenance		36,096,916	50,331,334
Depreciation		22,008,117	22,899,780
Vehiclerunningexpenses		1,319,382	964,983
Insurance		56,438	38,211
Feeandsubscription		30,000	46,200
Otherfactoryoverheads		1,760,356	1,950,291
		118,048,542	116,629,641
Workinprocess			
Opening		4,882,467	-
Closing		(38,432,918)	(65,033,580)
		(33,550,451)	(65,033,580)
Costofgoodsmanufactured		972,190,684	359,750,813
Finishedgoods			
Opening		252,091,911	-
Closing		(769,812,079)	(319,656,856)
		(517,720,168)	(319,656,856)
		454,470,516	40,093,957

17. TRANSACTIONSANDBALANCESWITHRELATEDPARTIES

The related parties comprise of associated companies and directors of the Company. Significant transactions and balances with related parties, other than those disclosed elsewhere in these financial statements are as follows:

Nameofparties	Natureof relationship	Natureof balance	(Un-audited) December31 2020 Closing balance	(Audited) September30 Closing balance
Naubahar Bottling Company (Private) Limited	Associated Company	Long term loan	900,000,000	900,000,000
		Mark-up payable	202,316,372	184,669,221
TheThalIndustriesCorporation Limited	Associated Company	Payable-Net	13,418,518	9,252,137
Al-Moiz Industries Limited	Associated Company	Payable-Net	5,067,017	6,200,554
Directors/shareholders				
Mr.MuhammadShamimKhan	Director	Directors'loan	906,300,000	906,300,000
Mrs.QaiserShamimKhan	Director	Directors'loan	839,600,000	839,600,000
Mr.AdnanAhmedKhan	Director	Directors'loan	192,000,000	182,000,000
Mr.NaumanAhmedKhan	Director	Directors'loan	54,800,000	54,800,000

17.1 Basisofrelationshipwiththecompany

Inrespectofassociatedcompaniesandexholdingcompany(NaubaharBottlingCompany(Private) Limited) incorporated inside Pakistan with whom the company had entered into transaction during theperiodsalongwithbasisofrelationshipisasfollows

Nameofrelatedparty	Countryof Incorporation/ origin	Relationship	Basisof Association	Shareholdings
Naubahar Bottling Company (Private) Limited	Pakistan	Associated	Common management	Nil
Al-Moiz Industries Limited	Pakistan	Associated	Common management	Nil
Moiz Textile Limited	Pakistan	Associated	Common management	Nil
The Thal Industries Corporation Limited	Pakistan	Associated	Common management	Nil
Mr. Muhammad Shamim Khan	Pakistan	Director	Shareholding	29.1623%
Mrs Qaiser Shamim Khan	Pakistan	Director	Shareholding	28.0002%
Mr. Adnan Ahmed Khan	Pakistan	Chief Executive	Shareholding	20.0002%
Mr. Nauman Ahmed Khan	Pakistan	Director	Shareholding	20.0002%
Malik Manzoor Hussain Humayun	Pakistan	Director	Shareholding	0.0021%
Mr. Farid ul din Ahmed	Pakistan	Director	Shareholding	0.0021%
Mrs Sarah Hajra Khan	Pakistan	Director	Shareholding	0.0032%

17.2

NameofRelatedParty	Relationship	Basisof Relationship	Quarterended	
			31December 2020	31December 2019
NaubaharBottlingCoPvtLimited	Associated	Common Diretorship		
Saleofgoods			-	-
Loan Received			-	10,000,000
AlmoizIndustriesLimited	Associated	Common Diretorship		
Saleofscrap			5,302,530	3,832,791
PurchaseofGoods			-	-
TheThalIndustriesCorporation Limited	Associated	Common Diretorship		
Saleofgoods			-	-
PurchaseofGoods			4,153,500	642,094

Thecompanycontinuestohaveapolicywherebyalltransactionswithrelatedpartiesandassociated undertakingsarepricedatcomparableuncontrolledmarketprice.

Naubahar Bottling Company (Pvt.) Limited, ex-holding company divested its all stake i.e., 50.8621% in the Company during current period. All shares by Naubahar Bottling Company (Pvt.) Limited were purchasedbysponsordirectors.

18. FINANCIAL INSTRUMENTS BY CATEGORY

	Note	Original carrying			Fair value			
		Financial assets at amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
		---------- Rupees ----------						
On-Balance sheet financial instruments								
As at December 31, 2020								
Financial assets								
At amortised cost								
Long term deposits		811,700	-	811,700	-	-	-	-
Trade debtors		6,281,873	-	6,281,873	-	-	-	-
Loans and advances		183,882	-	183,882	-	-	-	-
Short term deposits		2,430,000	-	2,430,000	-	-	-	-
Cash and bank balances		192,405,451	-	192,405,451	-	-	-	-
		202,112,906	-	202,112,906	-	-	-	-
Financial liabilities at amortised cost								
Loan from Associate	12	-	900,000,000	900,000,000	-	-	-	-
Lease liability		-	7,769,924	7,769,924				
Due to exholding company		-	15,976,698	15,976,698	-	-	-	-
Unclaimed dividend		-	255,930	255,930				
Trade and other payables		-	212,505,113	212,505,113	-	-	-	-
Short term borrowing		-	562,512,500	562,512,500				
Mark-up accrued		-	204,928,123	204,928,123	-	-	-	-
		-	1,903,948,288	1,903,948,288	-	-	-	-
On-Balance sheet financial instruments								
As at September 30, 2020								
Financial assets at amortised cost								
Long term deposits		174,500	-	174,500	-	-	-	-
Trade debtors		8,668,169	-	8,668,169	-	-	-	-
Loans and advances		138,598	-	138,598	-	-	-	-
Short term deposits		2,430,000	-	2,430,000	-	-	-	-
Other receivables		968,352	-	968,352	-	-	-	-
Cash and bank balances		356,447,809	-	356,447,809	-	-	-	-
		368,827,428	-	368,827,428	-	-	-	-
Financial liabilities at amortised cost								
Loan from Associate Co.	12	-	900,000,000	900,000,000	-	-	-	-
Lease liability		-	1,520,453	1,520,453	-	-	-	-
Due to exholding company		-	43,829,685	43,829,685	-	-	-	-
Unclaimed dividend		-	255,930	255,930	-	-	-	-
Trade and other payables		-	115,474,026	115,474,026	-	-	-	-
Short term borrowing		-	105,000,000	105,000,000	-	-	-	-
Mark-up accrued		-	185,753,366	185,753,366	-	-	-	-
		-	1,351,833,460	1,351,833,460	-	-	-	-

18.1 The Company has valued certain fixed assets at fair value and classified under property, plant and equipment. The carrying value and level of fair value of these non - financial assets have been disclosed in the relevant note to the financial statements.

18.2 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 counterparties on their obligations to the Company. Accordingly, the credit risk is minimal.

19. REMUNERATIONOFCHIEFEXECUTIVE,DIRECTORSANDEXECUTIVES

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

	Quarter Ended 31 December 2020				Quarter Ended 31 December 2019			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	----------(Rupees)----------							
Managerial remuneration	-	-	3,796,284	3,796,284	-	-	1,706,522	1,706,522
House rent allowance	-	-	1,518,530	1,518,530	-	-	-	-
Medical expenses	-	-	-	-	-	-	-	-
Bonus	-	-	632,742	632,742	-	-	-	-
Utilities	-	-	379,570	379,570	-	-	-	-
Gratuity	-	-	-	-	-	-	-	-
	-	-	6,327,126	6,327,126	-		1,706,522	1,706,522
Number of persons	-	-	10	10	-	-	5	5

20. CORRESPONDINGFIGURES

Corresponding figures have been rearranged and reclassified, whenever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan.

21. SEASONALITY

The company's business is seasonal in nature. Entire cane crushing and manufacturing of sugar is done during season from November to the following March. Sugar sales are made throughout the year.

22. DATEOFAUTHORIZATIONOFISSUE

These financial statements were authorized for issue on 23 January, 2021 by the Board of Directors of the Company.

23. GENERAL

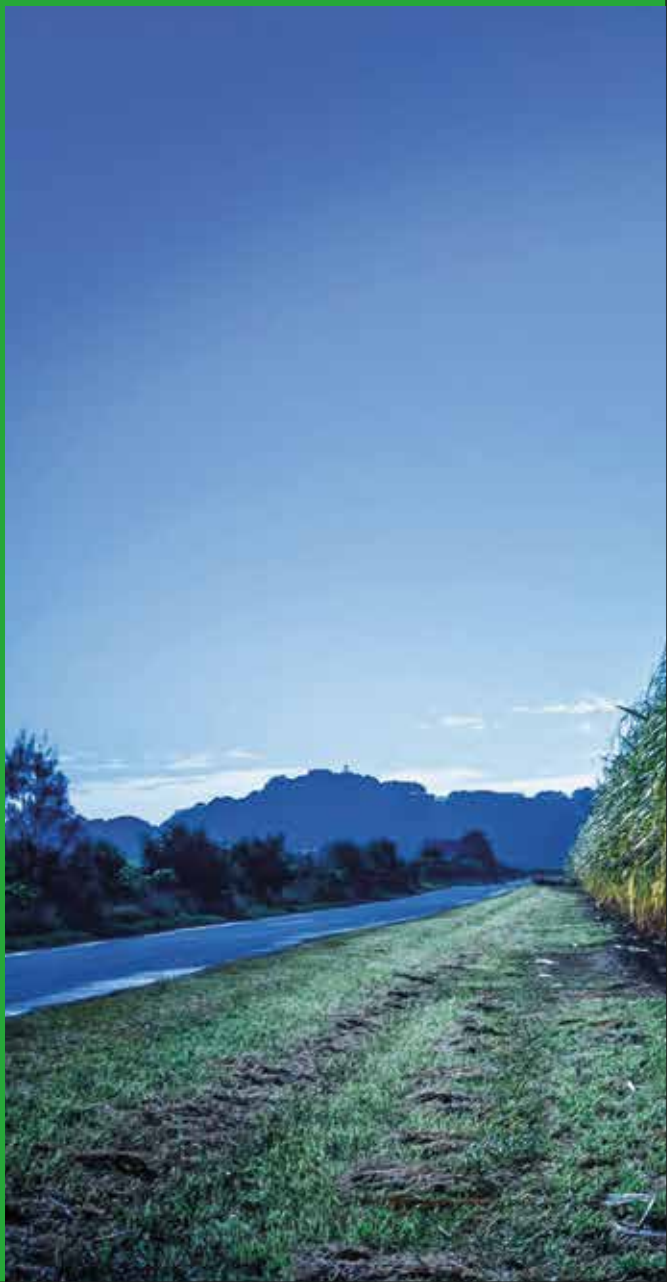
Figures have been rounded off to the nearest rupees unless stated otherwise.

CHIEFEXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

BOOK POST

PRINTED MATTER

UPC



IFUNDELIVERED,PLEASERETURNTO

BABAFARID SUGARMILLSLIMITED

2-D-1,GULBERGIII,LAHORE