ANNUAL REPORT 2019





BABA FARID
SUGAR MILLS LIMITED

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Company Information

BOARDOFDIRECTORS	Mrs.QaiserShamimKhan	Chairperson
	Mr.AdnanAhmedKhan	ChiefExecutive
	Mr.MuhammadShamimKhan	ExecutiveDirector
	Mr.NaumanAhmedKhan	Non-Executive
	Mrs.SarahHajraKhan	Non-Executive
	Mr.FaridudDinAhmed	IndependentDirector
	Mr.MalikManzoorHussainHumayoon	IndependentDirector
AUDITCOMMITTEE	Mr.Farid-ud-DinAhmad	Chairman
	Mrs.SarahHajraKhan	Member
	Mr.MalikManzoorHussainHumayoon	Member
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 United Bank Limited MCB Bank Limited J.S Bank Limited	
HUMANRESOURCES& REMUNERATION COMMITTEE	Mr.Farid-ud-DinAhmad	Chairman
	Mr.AdnanAhmedKhan	Member
	Mr.MalikManzoorHussainHumayoon	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

MohsinTayebaly&Co.
Corporate Legal Consultants (Barrister & Advocates)
HighCourts&SupremeCourts
Lahore Office: 102-C-1, St. John's Park
(Opp. Fortress Stadium), Lahore
Tel:042-36672102
Email:Arshad.mirza@mtclaw.com.pk

Notice of Annual General Meeting

Notice is hereby given that the 41st Annual General Meeting of the Shareholders of the **Baba Farid Sugar Mills Limited** will be held on Monday, the 27th January, 2020 at 11.00 a.m. at Registered Office, 2-D-1, Gulberg III, Lahore to transact the following business:

ORDINARY BUSINESS:

1. Confirmation of the minutes of the 40th Annual General Meeting of the Baba Farid Sugar Mills Limited held on 28-01-2019.

2. To receive, consider and adopt Annual Audited Accounts along with Balance Sheet for the year ended 30th September 2019 together with Auditors' and Directors' reports thereon.

3. To appoint Auditors of the Company for the next financial year 30th September, 2020 and to fix their remuneration. The present Auditors, M/s. BDO Ebrahim & Co. Chartered Accountants, Lahore, retired and being eligible, have offered themselves for reappointment as Auditors of the Company.

4. To consider any other business with the permission of the Chair.

BY ORDER OF THE BOARD

MUHAMMAD IMRAN
Company Secretary

Lahore: 30th December 2019

Note:

1. Closure of Shares Transfer Books:

Share Transfer Books of the Company will remain closed from 21-01-2020 to 27-01-2020 (both days inclusive). No transfer of shares will be accepted for registration during the closed period. However, transfer received at the office of the Company's Share Registrar Office at M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore by the close of business hours on 20th January, 2020 will be treated in time for the entitlement of payout of cash dividend (if any).

2. Participation in the Annual General Meeting

Members are requested to attend in person along with national identity card or appoint some other member as proxy and send their proxy duly witnessed so as to reach at Registered Office, 2D-1 Gulberg III, Lahore not later than 48 hours before the time of holding the meeting.

Copies of Memorandum and Articles of Association of the Company, Listing Regulations of the Stock Exchanges, Companies Act 2017 and other relevant laws/record may be inspected during the business hours on any working day at 2-D-1, Gulberg III, Lahore from the date of the publication of the notice till the conclusion of the general meeting. A Corporate member of the Company may by a resolution of its Board of Directors authorize a person to act as its representative at the meeting.

3. Change of Address:

Shareholders are requested to promptly notify the change in their address, if any to the Company's Share Registrar M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore and also furnish attested photocopy of their computerized National Identity Card as per Listing Regulations, if not provided earlier.

4. FurtherGuidelinesforCDCAccountHolders:

CDC shareholders are requested to bring with them their CNICs, Participants' ID numbers and their account numbers duly verified by the CDC at the time of attending the Annual General Meeting in order to facilitate identification. In case of corporate entity, a certified copy of the resolution passed by the BoardofDirectors/validPowerofAttorneywithspecimensignaturesofthenomineebeproducedatthe timeofmeeting.

5. SubmissionofCopyofCNIC(Mandatory):

PursuanttothedirectivesoftheSecuritiesandExchangeCommissionofPakistan(SECP)throughits Notification No. SRO 831 (1) 2012 dated July 5, 2012 r/w SRO 19(1)/2014 dated January 10, 2014, dividendwarrantscannotbeissuedwithoutvalidCNICs.Alltheshareholderswereadvisedtosubmit copiesoftheirvalidCNICs.Intheabsenceofshareholdersvalid CNICthecompanywillbeconstrained towithholddispatchofdividendtosuchshareholders.Thoseshareholderswhohavenotyetsubmitted theirvalidCNICsareonceagainadvisedtoprovideattestedcopiesoftheirvalidCNICswiththeirfolio numberstothecompany'sShareRegistrariftheyholdphysicalshares,toensuretimelydisbursement ofdividend.

6. RevisionofWithholdingTaxondividendincomeunderSection150ofIncomeTaxOrdinance 2001:

Itisfurtherbeinginformedthatpursuanttotheprovisions of Finance Act, 2017 therateofdeduction of income tax under section 150 of the Income Tax Ordinance 2001 from dividend payment have been revised as: for filers of Income Tax return 15.00% and Non-filers of Income Tax return 30.00% respectively. You are therefore advised to check and ensure your Filer status from Active Tax Payer List (ATL) available to FBR, website www.fbr.gov.pk as well as ensure that your CNIC/ Passport number has beenrecordedbyyourParticipant/InvestorAccountServices(incaseyourshareholdingisinbookentry form) or by Company's Share Registrar M/s. Corplink (Pvt.) Ltd. (in case of physical shareholding).

7. PaymentofDividendElectronically

AccordingtotheprovisionsofSection242oftheCompaniesAct,2017("theAct"),anydividendpayable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Further, rule 3 of the Companies (Distribution of Dividends) Regulations, 2017 provides that the company should make payment of cash dividend within a period of fifteen working days fromthedateofitsdeclaration.Therefore,theregisteredshareholdersoftheCompanyarerequested toprovidethefollowingdetailsinordertocredittheircashdividendsdirectlytotheirinternationalbank accountnumber(IBAN),ifdeclared:

(i) Incaseofbook-entrysecuritiesinCDS,toCDSParticipants;and
(ii) IncaseofphysicalsecuritiestotheCompany'sShareRegistrarasmentionedbelow.

1. NameofShareholder's_____
2. Father's/Husband'sName;_____
3. FolioNumber;_____
4. PostalAddress;_____
5. NameofBank;_____
6. NameofBranch;_____
7. AddressofBranch;_____
8. TitleofBankAccount;_____
9. BankAccountNumber(Completewithcode);_____

10. IBANNumber(Completewithcode);_____
11. CellNumber;_____
12. TelephoneNumber(ifany);_____
13. CNICNumber(attachcopy);_____
14. NTN(incaseofcorporateentity,attachcopy);_____

IBANnumber(InternationalBankAccountNumber)willbeprovidedbyyourbanker,containingalpha, numberandwithoutanyspaceandgap.

To,ShareRegistrar

M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore. Ph. No. 042-35916719,042-35839182,

8. ElectronicTransmissionofAuditedFinancialStatements.

SECP through its Notification SRO No. 787 (1) 2014 dated September 8, 2014 has allowed the circulation of Audited Financial Statements along with Notice of Annual General Meeting to the members of the Company through email. Therefore, all members of the Company who wish to receive soft copy of Annual Report are requested to send their email addresses. The Consent Form for electronic transmission could be downloaded from Company's website: www.bfsml.com. The Company has already dispatched hard copy of the Audited Financial Statement to its shareholders.

9. VideoConferencingFacility:

If the Company receives consent from members holding aggregate 10% or more shareholding, residing in geographical location to participate in the meeting through video conference at least 7 days prior to the date of AGM, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

In this regard, please fill the following and submit to registered address of the company at least 7 days prior to the date of AGM.

I/We,_____of_____,beingamemberoftheBabaFaridSugarMills Limited, holder of _____ ordinary share(s) as per Registered Folio/CDC Account/Sub Account No._____herebyoptforvideoconferencefacilityat_____.

10. ZakatDeclarations(CZ-50)

The Zakat will be deducted from the dividends at source at the rate of 2.5% of the paid-up value of the shares (Rs. 10/-each) under Zakat and Ushar Laws and will be deposited within the prescribed period with the relevant authority, Please submit your Zakat Declarations under Zakat and Ushr Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund) Rules, 1981 CZ-50 form, in case you want to claim exemption, with your brokers or the Central Depository Company Ltd (In case the shares held in Investor Accounts Services on the CDC) or to our Registrars, M/s. Corplink (Pvt.) Limited 1-K, Commercial Model Town, Lahore (In case the shares are held in paper certificate form). The shareholders while sending the Zakat Declarations, as the case may be must quote company name and respective folio numbers.

Director's Report to the Members

The Directors of your Company are pleased to present the 41st Annual Report together with Audited Accounts and Auditor's Report thereon for the financial year ended 30 September 2019.

CHANGE OF MANAGEMENT CONTROL DURING THE YEAR

Naubahar Bottling Company (Private) Limited, Mr. Muhammad Shamim Khan, Mrs. Qaiser Shamim Khan, Mr. Adnan Ahmed Khan and Mr. Nauman Ahmed Khan (the Acquirers) entered into a Share Purchase Agreement dated 23 January 2019 with Ms. Naheed Rohi, Mr. Muhammad Ashraf, Mr. Muhammad Sarwar, Mr. Muhammad Shah Anjum, Ms. Rafia Aslam, Mr. Shahid Mehmood Qureshi, Syed Qaisar Abbas Naqvi, Mr. Maqsood Ul Hassan, Mr. Muhammad Aslam and M/s. Pattoki Sugar Mills Limited (collectively, the "Sponsor Sellers") for the sale and purchase of 9,115,456 Ordinary Shares representing 96.46% of the total issued share capital of the Company. Further, a Public Offer was made on 27 March 2019 by the Acquirers to acquire up to 167,272 Ordinary Shares of the Company constituting 1.77% of the issued share capital of the Company at an offer price of Rupees 52 per Ordinary Share pursuant to Part IX of the Securities Act, 2015 ("Act") and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 ("Regulations").

New management took charge on 13 June 2019, after meeting of board of directors pursuant to completion of all legal and corporate formalities for acquisition of majority shareholding and management control of the Company.

Naubahar Bottling Company (Private) Limited is engaged in beverage business. Mr. Muhammad Shamim Khan, Mrs. Qaiser Shamim Khan, Mr. Adnan Ahmed Khan and Mr. Nauman Ahmed Khan are 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.

During the year under reference, the Company mainly remained under the process of change of management and sponsors, complying with legal & corporate formalities of SECP, Pakistan Stock Exchange and others. The new management is making all out efforts to increase the production capacity, improving profitability of the Company through process efficiency, installing latest technology equipment and reducing costs. The development of quality cane is being pursued by providing the latest improved seed varieties, fertilizers and other inputs to cane growers. We hope that in the longer term this will ultimately result in higher sugarcane crop/yield for the grower's benefit and higher sugar recovery for the Company and also financially beneficial for the shareholders of the Company.

INDUSTRY OVERVIEW

The crop size during the period under review was approximately 25% less and yield per acre being reported by the growers was also considerably lower. However, sucrose contents were better than last crushing season.

For current crushing season 2018-19, notified support price of sugarcane in Punjab was Rs. 180/- per 40 kg. The Federal Government allowed in December 2018 sugar export of 1.1 million tons and an export subsidy of Rs. 5.35/- per kg was also approved by the Punjab Government for a quantity proportionate to provincial share in exports (about 52%).

PERFORMANCE OF THE COMPANY

The Company was able to crush 26,976 M. Tons sugarcane and produced 1,936 M. Tons white refined sugar at an average recovery of 5.58% during the current year ended 30 September 2019 as compared

to last year sugarcane crushing of 208,594 M. Tons and production of 18,262 M. Tons white refined sugar at an average recovery of 8.80%. The decline in Company's sugar production is mainly due to inability of the previous management to run the mills and the operation at optimum level and partially due to overall reduction of sugar production in the country.

FINANCIAL HIGHLIGHTS

Net sales were recorded at Rs. 121.61 million during the current year as compared to Rs. 1,381.82 million during the corresponding period last year. Company suffered pretax loss of Rs. (627.63) million during the period under reference as compared to pretax loss of Rs. (378.29) million in the corresponding period last year. The Company's losses were attributed to its inability to run the plant at optimum capacity level and resultant change of management and control. During the transition phase the operations of the Company remain closed.

After taking over, new management focused on the rehabilitation/maintenance of existing plant to make it capable of achieving its maximum operational efficiency. These efforts ultimately resulted in increased repair & maintenance.

Description	2019 (Rupees in Million)	2018
Sales	121.61	1,381.82
Gross Profit / (Loss)	(357.09)	(163.83)
Net Profit / (Loss) before Taxation	(627.63)	(378.29)
Net Profit / (Loss) after Taxation	(682.63)	(374.07)
Earnings / (Loss) Per Share (Rs.)	(72.24)	(39.58)
Gross Profit / (Loss) Ratio	(293.64%)	(12.49%)
P/E Ratio	(0.68)	(0.96)
Market Price Per Share	49.25	38.00

APPROPRIATION:-

In light of loss suffered by the Company during the year, the Board of Directors have decided not to recommend any cash dividend or bonus shares for the current year (2018: Nil)

DIVIDEND:-

The Directors of the Company have not recommended any dividend for the year due to current year loss as well as accumulated losses of the Company.

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 enhances growers earning and creates more enthusiasm for sowing sugarcane compared to competing crops. It also increases the sugarcane supply to the Company and boosts overall sugar recovery, directly improving the bottom line of the Company.

Based on the above fact, your management has decided to provide new improved varieties of sugarcane seed with high yield/recovery and disease/frost resistance along with fertilizers and pesticides to cane growers on markup free credit basis for Autumn sowing 2019, as well as free of cost timely services of biological laboratory at their door step so that sugarcane procurement for the next crushing season may not suffer.

FUTUREOUTLOOKANDGOINGCONCERNASSUMPTION

The new sponsors have a reputed profile in the industry and not only have managed operations of existing mills but also expanded sugar extraction from sugar beet in KP 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.

This acquisition allows the new management to better meet increasing demand of quality sugar which will bring further strength, experience and efficiency to the Company. Specifically, the acquisition has the potential to facilitate expansion and efficient growth of business, strengthen the management and finances and improve financial planning; thereby facilitating business to be carried on more advantageously and economically with enhanced profitability. It is expected to yield better returns to the shareholders and additional benefits for other stakeholders. It is expected that the Company shall become financially more viable in comparison to its current status.

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.

These 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.

CORPORATEANDFINANCIALREPORTINGFRAMEWORK

1. The Financial Statements prepared by the Company fairly present its state of affairs, the result of operations, cash flows and changes in equity.
2. Proper books of accounts of the Company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards as applicable in Pakistan and the requirements of the Companies Act, 2017 have been followed in preparation of financial statements and there has been no departure therefrom.
5. The system of internal control has been designed and effectively implemented according to the requirement of the industry and on modern managerial principles which are being continuously reviewed and monitored. The review will continue in future for the improvement in control.
6. The Company has appointed M/s CORPLINK (Pvt) Ltd, independent share Registrar in terms of section 195 of the Companies Act, 2017.
7. There is no doubt upon the Company's ability to continue as a going concern.
8. There has been no material departure from the best practices of corporate governance.
9. The key operating and financial data of the last six (06) years is annexed herewith.
10. There are no statutory payments against the Company on account of Taxes, duties, levies and other charges except for those which are being paid in the normal course of business except those as disclosed the note No.32 of the financial statements **(Contingencies&Commitments)**.
11. The Company maintains unfunded gratuity scheme for its permanent employees.
12. Share transactions (if any) have been reported by the Directors, CFO, other Executives, Auditors, Company secretary or their spouses and minor children during the year ended 30 September 2019 are annexed in pattern of shareholding.
13. All the information as required to be placed on Company's website under SRO No. 634(1)2014 is appropriately placed at www.bfsml.com.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

The requirements of the Code of Corporate Governance relevant to the year ended 30 September 2019 have been duly complied with. A statement to this effect is annexed with the review report from the auditors.

BOARD MEETINGS

During the year under review five (05) Meetings of the Board of Directors were held. Participation of Directors is as follows:

Sr. No.	Name of Directors (Old Directors)	Number of Meeting Attended	Name of Directors (Current Directors)	Number of Meeting Attended	Total Meetings
1	Mrs. Naheed Rohi (Chairperson)	3	Mrs. Qaiser Shamim Khan (Chairperson)	2	5
2	Mr. Muhammad Sarwar (Chief Executive)	3	Mr. Adnan Ahmed Khan (Chief Executive)	1	4
3	Syed Qaissar Abbas Naqvi (Director)	3	Mr. Muhammad Shamim Khan (Director)	2	5
4	Mr. Muhammad Shah Anjun (Director)	3	Mr. Nauman Ahmed Khan (Director)	1	4
5	Mr. Shahid Mahmood Qureshi (Director)	3	Mrs. Sarah Hajra Khan (Director)	2	5
6	Ms. Rafia Aslam (Director)	3	Mr. Fareed Ud Din Ahmed (Independent Director)	2	5
7	Mr. Muhammad Ashraf (Independent Director)	3	Mr. Malik Manzoor Hussain Humayun (Independent Director)	2	5

CHANGE IN THE BOARD

New management took charge on 13 June 2019 after meeting of board of directors pursuant to completion of all legal and corporate formalities for acquisition of majority shareholding and management control of the Company. The newly reconstituted Board was informed about various critical items requiring Board's immediate attention and following major decision were taken:

a- As required under section 192 of the Companies Act 2017, Mrs. Qaiser Shamim Khan (Director) was appointment as Chairperson of the Board as a result of vacancy generated due the resignation of former Chairperson, Ms. Naheed Rohi; and

b- Mr. Adnan Ahmed Khan was appointed as Chief Executive Officer as a result of vacancy generated due the resignation of former Chief Executive Officer, Mr. Muhammad Sarwar; and

c- Mr. Muhammad Imran was appointed as Company Secretary as a result of resignation of former Company secretary, Muhammad Ibrahim; and

d- Mr. Wasif Mahmood was appointed as Chief Financial Officer as a result of resignation of former Chief Financial Officer, Mr. Adnan Zulfiqar; and
e- The Registered Officer of the Company was shifted from Suite – T 09, 3rd Floor, Hafeez Centre, 75-E/1, Main Boulevard, Gulberg-III, Lahore to 2-D-1 Gulberg III, Lahore.

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

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

The Board has formed committees comprising of members given below:

AUDIT COMMITTEE

i) Mrs. Sarah Hajra Khan;
ii) Mr. Farid-ud-Din Ahmad (Chairman of the Audit Committee); and
iii) Mr. Malik Manzoor Hussain Humayoon

HR AND REMUNERATION COMMITTEE

i) Mr. Adnan Ahmed Khan;
ii) Mr. Farid-ud-Din Ahmad (Chairman of the HRR Committee); and
iii) Mr. Malik Manzoor Hussain Humayoon.

SHARE TRANSFER

During the year 9,115,456 number of Ordinary Shares representing 96.46% of the total issued share capital of the Company, has been transferred to the following persons. Further, a Public Offer was made on 27 March 2019 by the Acquirers to acquire upto 167,272 Ordinary Shares of the Company constituting 1.77% of the issued share capital of the Company at an offer price of Rupees 52 per Ordinary Share Pursuant To Part IX of the Securities Act, 2015 ("Act") and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 ("Regulations"). Out of which the Acquirer acquired 67,131 Ordinary Share @ Rs. 52/- Per share from General Public.

TheBreakupofShareholdingisgivenbelow:

Naubahar Bottling Co. (Pvt) Limited	4,806,468
Mr.MuhammadShamimKhan	1,640,784
Mrs.QaiserShamimKhan	911,545
Mr.AdnanAhmedKhan	911,545
Mr.NaumanAhmedKhan	911,545
Mr.MalikManzoorHussainHumayun	200
Mr.FaridUdDinAhmed	200
Mrs.SarahHajrahKhan	300

HOLDINGCOMPANY

Naubahar Bottling Company (Pvt.) Limited is the holding company with the 50.8621% Ordinary Shares.

PATTERNOFSHAREHOLDING

Thestatementofpatternofshareholdingalongwithcategoriesofshareholdingofthe Companyasnoted on30September2019requiredundersection227ofthe CompaniesAct,2017andCodeofCorporate Governance is annexed with this report. Statement of transaction in shares of the Company by the Directors,CEO,CFOandCompanySecretaryandtheirspousesandminorchildrenduringtheyear isenclosedinthisreport.

AUDITORS

The present auditors M/s. BDO Ebrahim &Co., Chartered Accountants retired and have offered themselves for re-appointment. The Audit Committee has recommended M/s. BDO Ebrahim & Co., Chartered Accountantsforre-appointmentasauditorforyearendedSeptember30,2020.

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.

ForandonbehalfofBoard
BabaFaridSugarMillsLimited

AdnanAhmedKhan
ChiefExecutive

Mrs.QaiserShamimKhan
Chairperson

Lahore: 30 December 2019

ڈائریکٹرز کی ارکان کو رپورٹ

کمپنی کے ڈائریکٹرز 30 ستمبر 2019 کو ختم ہونے والے مالی سال کے لئے 41 ویں سالانہ رپورٹ معہ نظر ثانی شدہ حسابات اور اس پر آڈیٹرز کی رپورٹ بخوشی پیش کر رہے ہیں۔

سال کے دوران انتظامی کنٹرول کی تبدیلی

نو بہار بوٹلنگ کمپنی (پرائیویٹ) لمیٹڈ، جناب محمد شمیم خان، محترمہ قیصر شمیم خان، جناب عدنان احمد خان اور جناب نعمان احمد خان (خریدکنندگان) نے محترمہ ناہید روہی، جناب محمد اشرف، جناب محمد سرور، جناب محمد شاہ انجم، محترمہ رفیعہ اسلم، جناب شاہد محمود قریشی، سید قیصر عباس نقوی، جناب مقصود الحسن، جناب محمد اسلم اور میسرز پتوکی شوگر ملز لمیٹڈ (مجموعی طور پر، "سپانسر فروخت کنندگان") کے ساتھ کمپنی کے کل جاری شدہ شیئر کیپٹل کی 96.46% نمائندگی کرنے والے 9,115,456 عام حصص کی فروخت اور خریداری کے لئے مورخہ 23 جنوری 2019 کو ایک شیئر خریدنے کا معاہدہ کیا ہے۔ اس کے علاوہ، سیکورٹیز ایکٹ 2015 (ایکٹ) کے پارٹ IX اور مندرجہ کمپنیز (ووٹنگ شیئرز کے حصول اور ٹیک اوورز سبسٹینشل) قواعد 2017 (ریگولیشن) کی پیروی میں 52 روپے فی شیئر کی پیشکش قیمت پر کمپنی کے جاری شدہ شیئر کیپٹل کی 1.77% مقررہ کمپنی کے 167,272 عام شیئرز تک حاصل کرنے کے لئے خریدکنندگان کی طرف سے 27 مارچ 2019 کو ایک عام پیشکش کی گئی تھی۔

نئی انتظامیہ نے کمپنی کے اکثریتی شیئر ہولڈنگ اور انتظامی کنٹرول کے حصول کے لئے تمام قانونی اور کارپوریٹ تقاضوں کو مکمل کرتے ہوئے بورڈ آف ڈائریکٹرز کے اجلاس کے بعد، 13 جون 2019 کو چارج لیا۔

نو بہار بوٹلنگ کمپنی (پرائیویٹ) لمیٹڈ مشروبات کے کاروبار میں مصروف ہے۔ جناب محمد شمیم خان، محترمہ قیصر شمیم خان، جناب عدنان احمد خان اور جناب نعمان احمد خان چینی، مشروبات، اسٹیل، بجلی، ٹیکسٹائل کے کاروبار میں مصروف ہیں، لہذا کافی متعلقہ تجربہ رکھتے ہیں۔ نو بہار بوٹلنگ کمپنی (پرائیویٹ) لمیٹڈ گروپ میں پیدا ہونے والی مجموعی چینی کی قابل ذکر مقدار استعمال کرتی ہے اور یہ طلب ہر سال میں بڑھنے کی توقع ہے۔

زیرِ جائزہ سال کے دوران، کمپنی بنیادی طور پر انتظامیہ اور سپانسرز کی تبدیلی، SECP، پاکستان اسٹاک ایکسچینج اور دیگر ز کے قانونی اور کارپوریٹ تقاضوں پر عملدرآمد کرنے کے عمل میں رہی ہے۔ نئی انتظامیہ پراسیس کی کارکردگی بہتر بنانے، جدید ترین ٹیکنالوجی آلات نصب کرنے اور پیداواری اخراجات کو کم کر کے کمپنی کی پیداوار اور منافع کو بڑھانے کے لئے کوششیں کر رہی ہے۔ اچھا معیاری گنا حاصل کرنے کے لئے گنے کے کاشتکاروں کو مسلسل جدید بہتر بیج کی اقسام، کھادیں اور دیگر باہم سہولیات پہنچائی جا رہی ہیں۔ ہمیں امید ہے کہ طویل مدت میں اس کے نتیجے میں زیادہ پیداوار کے ذریعے کمپنی کے لئے چینی کی ریکوری زیادہ، گنے کے کاشتکاروں کی فصل / پیداوار میں اضافہ اور کمپنی کے حصص داران کو انفرادی طور پر مالی فوائد بھی حاصل ہوں گے۔

انڈسٹری کا جائزہ

زیرِ جائزہ مدت کے دوران فصل کا سائز تقریباً 25% کم تھا اور کاشتکاروں کی طرف سے بیان کی گئی فی ایکڑ پیداوار بھی قابل ذکر کم تھی۔ تاہم، سکروس کے اجزاء گزشتہ کرشنگ سیزن سے بہتر تھے۔

حالیہ کرشنگ سیزن 19-2018 کیلئے گنے کی کم سے کم قیمت خرید حکومت پنجاب کی طرف سے -/180 روپے فی من برقرار رکھی گئی۔ دسمبر 2018 میں، وفاقی حکومت نے 1.1 ملین ٹن چینی برآمد کرنے کی اجازت دی اور برآمدات میں (تقریباً 52%) صوبائی حصہ کے کوانٹٹی تناسب کے لئے حکومت پنجاب نے -/5.35 روپے فی کلوگرام کی برآمدی سبسڈی کی بھی منظوری دی گئی تھی۔

کمپنی کی کارکردگی

30 ستمبر 2019 کو ختم ہونے والے موجودہ سال کے دوران کمپنی نے 26,976 میٹرک ٹن گنے کی کرشنگ کی اور 5.58 فیصد اوسط ریکوری کے ساتھ 1,936 میٹرک ٹن سفید ریفائنڈ چینی بنائی۔ جبکہ اس کے مقابلے میں گذشتہ سال 208,594 میٹرک ٹن گنے کی کرشنگ کی اور 8.80 فیصد اوسط ریکوری کے ساتھ 18,262 میٹرک ٹن سفید ریفائنڈ چینی بنائی۔ موجودہ سال میں پیداوار بنیادی طور پر اس وجہ سے کم ہوئی کیونکہ گزشتہ انتظامیہ کی نااہلی کی وجہ سے ملز اور آپریشن کو کم از کم سطح پر چلایا گیا اور جزوی طور پر ملک میں چینی کی پیداوار کی مجموعی کمی کی وجہ سے ہوئی۔

مالی جھلکیاں

موجودہ سال کے دوران خالص فروخت 121.61 ملین روپے درج کی گئی جبکہ گزشتہ سال کی اسی مدت کے دوران 1,381.82 ملین روپے تھی۔ زیر جائزہ مدت کے دوران کمپنی کو قبل ازٹیکس نقصان (627.63) ملین روپے ہوا جبکہ گزشتہ سال اسی مدت میں قبل ازٹیکس نقصان (378.29) ملین روپے ہوا تھا۔ کمپنی کے نقصانات پلانٹ کو اس کی کم از کم کپیسٹی سطح پر چلانے کی نااہلیت اور نتیجتاً انتظامیہ اور کنٹرول کی تبدیلی سے منسوب ہیں۔ ٹرانزیشن مرحلہ کے دوران کمپنی کے آپریشنز بندر ہے۔

ٹیکنگ اوور کے بعد، نئی انتظامیہ نے موجودہ پلانٹ کو زیادہ سے زیادہ آپریشنل صلاحیت کے حصول کے قابل بنانے کے لئے اس کی بحالی/ مینٹی نینس پر توجہ مرکوز کی ہے۔ ان کوششوں کے نتیجے مرمت اور بحالی میں اضافہ ہوا۔

روپے ملین میں

تفصیل	2019	2018
فروخت	121.61	1,381.82
مجموعی منافع/(نقصان)	(357.09)	(163.83)
ٹیکس سے پہلے منافع/(نقصان)	(627.63)	(378.29)
ٹیکس کے بعد منافع/(نقصان)	(682.63)	(374.07)
آمدنی/(نقصان) فی شیئر (روپے)	(72.24)	(39.58)
مجموعی منافع/(نقصان) تناسب	(293.64%)	(12.49%)
P/E تناسب	(0.68)	(0.96)
مارکیٹ قیمت فی شیئر	49.25	38.00

تصرفات:

سال کے دوران کمپنی کو نقصان ہونے کی روشنی میں، بورڈ آف ڈائریکٹرز نے موجودہ سال کے لئے کوئی نقد ڈیویڈینڈ یا بونس شیئرز (Nil: 2018) سفارش نہ کرنے کا فیصلہ کیا ہے۔

منافع منقسمہ:

موجودہ سال کے نقصان اور کمپنی کے مجموعی نقصانات کی وجہ سے بورڈ آف ڈائریکٹرز نے موجودہ سال کے لئے کسی منافع منقسمہ کی سفارش نہیں کی ہے۔

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 خزاں 2019 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۔

مستقبل کا نقطہ نظر اور گوئنگ کنسرن 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۔

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 منداور اقتصادی طور پر سہولت فراہم کرنے میں مدد کرے۔ اس سے حصص داروں کے لئے بہتر ریٹرن کی پیداوار 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 جیسے 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 منافع بخش طریقے سے چلانے کے قابل ہوں گے۔

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

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

1۔ کمپنی کی طرف سے تیار کردہ مالیاتی حسابات اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکوئٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔

2۔ کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔

3۔ مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔

4۔ مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات اور کمپنیز ایکٹ 2017 کی ضروریات کی پیروی کی گئی ہے، اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی ہے۔

5۔ اندرونی کنٹرول کا نظام صنعت کی ضروریات اور جدید انتظامی اصولوں کے مطابق ڈیزائن ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔ کنٹرول میں بہتری کے لئے مستقبل میں مسلسل جائزہ لیا جائے گا۔

6۔ کمپنی کمپنیز ایکٹ 2017 کی دفعہ 195 کی شرائط میں میسرز کارپ لنک (پرائیویٹ) لمیٹڈ کو آزاد شیئر رجسٹرار مقرر کیا ہے۔

7۔ کمپنی کے گوئنگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک وشبہات نہیں ہیں۔

8۔ کارپوریٹ گورننس کے بہترین عوامل سے کوئی مادی انحراف نہیں کیا گیا ہے۔

9۔ گزشتہ چھ سال کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔

10۔ ٹیکس، ڈیوٹیز، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگی واجب الادا نہیں ہے جو بقایا ہوں، سوائے ان کے جو معمول کے کاروبار میں ادا کئے جارہے ہیں سوائے جن کا مالیاتی گوشواروں (Contingencies & Commitments) کے نوٹ 32 میں انکشاف کیا گیا ہے۔

11۔ کمپنی اپنے مستقل ملازمین کے لئے غیر فنڈڈ گریجوئٹی سکیم برقرار رکھتی ہے۔

12۔ 30 ستمبر 2019 کو ختم ہونے والے سال کے دوران شیئر ٹرانزیکشنز (اگر کوئی ہو) ڈائریکٹرز، CFO، دیگر ایگزیکٹوز، آڈیٹرز، کمپنی سیکرٹری یا ان کے زوج اور نابالغ بچوں کی طرف سے کی گئیں نمونہء حصص داری میں منسلک ہیں۔

13۔ SRO-634(1) 2014 کے ساتھ تمام درکار معلومات کو بطریق احسن کمپنی کی ویب سائٹ www.bfsml.com پر رکھ دیا گیا ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

30 ستمبر 2019 کو ختم ہونے والے سال سے متعلقہ کوڈ آف کارپوریٹ گورننس کے تقاضوں کی باقاعدہ تعمیل کی گئی ہے۔ اس اثر کا بیان آڈیٹرز کی جائزہ رپورٹ کے ساتھ منسلک ہے۔

بورڈ کے اجلاس

زیرِ جائزہ سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ (5) اجلاس منعقد ہوئے اور بورڈ کے اجلاس میں ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے۔

نمبر شمار	نام ڈائریکٹرز (سابقہ ڈائریکٹرز)	تعداد حاضری	نام ڈائریکٹرز (موجودہ ڈائریکٹرز)	تعداد حاضری	کل اجلاس
1	محترمہ ناہید روہی (چیئرپرسن)	3	محترمہ قیصر شمیم خان (چیئرپرسن)	2	5
2	جناب محمد سرور (چیف ایگزیکٹو)	3	جناب عدنان احمد خان (چیف ایگزیکٹو)	1	4
3	سید قیصر عباس نقوی (ڈائریکٹر)	3	جناب محمد شمیم خان (ڈائریکٹر)	2	5
4	جناب محمد شاہ انجم (ڈائریکٹر)	3	جناب نعمان احمد خان (ڈائریکٹر)	1	4
5	جناب شاہد محمود قریشی (ڈائریکٹر)	3	محترمہ سارہ ہاجرہ خان (ڈائریکٹر)	2	5
6	محترمہ رفیعہ اسلم (ڈائریکٹر)	3	جناب فرید الدین احمد (آزاد ڈائریکٹر)	2	5
7	جناب محمد اشرف (آزاد ڈائریکٹر)	3	جناب ملک منظور حسین ہمایوں (آزاد ڈائریکٹر)	2	5

بورڈ میں تبدیلی

نئی انتظامیہ نے کمپنی کے اکثریتی شیئر ہولڈنگ اور انتظامی کنٹرول کے حصول کے لئے تمام قانونی اور کارپوریٹ تقاضے مکمل کرتے ہوئے بورڈ آف ڈائریکٹرز کے اجلاس کے بعد 13 جون 2019 کو چارج لیا۔ نئے مقررہ بورڈ کو بورڈ کی فوری توجہ طلب مختلف اہم آئٹمز کے بارے میں مطلع کیا گیا اور مندرجہ ذیل اہم فیصلے کئے گئے:

a۔ کمپنیز ایکٹ 2017 کی دفعہ 192 کی شرائط کے مطابق، سابقہ چیئرپرسن محترمہ ناہید روہی کے مستعفی ہونے کے باعث خالی ہونے والی آسامی پر بورڈ کی چیئرپرسن کی حیثیت سے محترمہ قیصر شمیم خان (ڈائریکٹر) کو مقرر کیا گیا، اور

b۔ سابقہ چیف ایگزیکٹو آفیسر، جناب محمد سرور کے مستعفی ہونے کے باعث خالی ہونے والی آسامی پر چیف ایگزیکٹو آفیسر کی حیثیت سے جناب عدنان احمد خان کو مقرر کیا گیا، اور

c۔ سابقہ کمپنی سیکرٹری، جناب محمد ابراہیم کے مستعفی ہونے کے باعث خالی ہونے والی آسامی پر کمپنی سیکرٹری کی حیثیت سے جناب محمد عمران کو مقرر کیا گیا، اور

d۔ سابقہ چیف فنانشل آفیسر، جناب عدنان ذوالفقار کے مستعفی ہونے کے باعث خالی ہونے والی آسامی پر چیف فنانشل آفیسر کی حیثیت سے جناب واصف محمود کو مقرر کیا گیا، اور

e۔ کمپنی کا رجسٹرڈ دفتر از سائٹ 09 T، تیسری منزل، حفیظ سنٹر، 75-E/1، مین بلیوارڈ، گلبرگ III، لاہور سے 2-D-1، گلبرگ III، لاہور پر منتقل ہو گیا 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۔ CCG کی تعمیل کا بیان منسلک ہے۔ بورڈ آف ڈائریکٹرز (بورڈ) کی تشکیل مندرجہ ذیل ہے:

کیٹگری	نام
آزاد ڈائریکٹرز	جناب فرید الدین 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) محترمہ سارہ ہاجرہ خان
- ii) جناب فریدالدین احمد (چیئرمین آڈٹ کمیٹی)
- iii) جناب ملک منظور حسین ہمایوں

ایچ آر اینڈ ریمنریشن کمیٹی

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

حصص کی منتقلی

سال کے دوران کمپنی کے کل جاری شدہ شیئر کیپٹل کے 96.46 فیصد کی نمائندگی کرنے والے 9,115,456 عدد عام حصص درج ذیل افراد کو منتقل کئے گئے۔ اس کے علاوہ، سیکورٹیز ایکٹ 2015 (ایکٹ) کے پارٹ IX اور مندرجہ کمپنیز (ووٹنگ شیئرز اور ٹیک اوورز کے سبسٹینشل حصول) قواعد 2017 (ریگولیشن) کی پیروی میں 52 روپے فی شیئر کی پیشکش قیمت پر کمپنی کے جاری شدہ شیئر کیپٹل کی 1.77% مقررہ کمپنی کے 167,272 عام شیئرز تک حاصل کرنے کے لئے خریدکنندگان کی طرف سے 27 مارچ 2019 کو ایک عام پیشکش کی گئی تھی۔ جس میں سے حاصل کنندہ نے عام پبلک سے -/52 روپے فی شیئر کی شرح پر 67,131 عام شیئر حاصل کئے۔

شیئر ہولڈنگ کا بریک اپ حسبِ ذیل ہے:

نوبہار بوٹلنگ کمپنی (پرائیوٹ) لمیٹڈ	4,806,468
جناب محمد شمیم خان	1,640,784
محترمہ قیصر شمیم خان	911,545
جناب عدنان احمد خان	911,545
جناب نعمان احمد خان	911,545
جناب ملک منظور حسین ہمایوں	200
جناب فریدالدین احمد	200
محترمہ سارہ ہاجرہ خان	300

ہولڈنگ کمپنی

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

نمونہء حصص داری

کمپنی ایکٹ 2017 کی دفعہ 227 اور کوڈ آف کارپوریٹ گورننس کے تحت مطلوبہ 30 ستمبر 2019 کے مطابق کمپنی کی شیئر ہولڈنگ کی کیٹگریز کے ساتھ نمونہء حصص داری کا بیان اس رپورٹ کے ہمراہ منسلک ہے۔ سال کے دوران ڈائریکٹرز، سی ای او، سی ایف او اور کمپنی سیکرٹری اور ان کے شریک حیات اور نابالغ بچوں کے ذریعہ کمپنی کے حصص میں لین دین کا بیان اس رپورٹ کے ہمراہ منسلک ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز بی ڈی اوابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہوگئے اورانہوں نے خودکودوبارہ تقرری کے لئے پیش کیا ہے۔آڈٹ کمیٹی نے میسرز بی ڈی اوابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی 30 ستمبر 2020 کوختم ہونے والے سال کے لئے آڈیٹر کی حیثیت سے دوبارہ تقرری کے لئے سفارش کی ہے۔

اظہارتشکر

ڈائریکٹرز کارکنوں، عملےاورانتظامی ٹیم کے ارکان کی لگن اورمحنت کا اعتراف کرتے ہیں۔کاشت کار ہماری صنعت کا کلیدی عنصر ہیں اور ہم ان کے مسلسل تعاون پران کا شکریہ ادا کرتے ہیں۔کمپنی کے ڈائریکٹرز بینکوں اور مالیاتی اداروں کی مالی مدداورتعاون پر بھی ان کے شکرگزار ہیں۔

منجانب بورڈ

بابافریدشوگرملزلمیٹڈ

Qaiser Shamim

محترمہ قیصرشمیم خان

چیئرپرسن

عدنان احمد خان

چیف ایگزیکٹو

لاہور: 30دسمبر2019ء

7 Years Operting Results

OPERATINGPERFORMANCE:

Description	2019	2018	2017	2016	2015	2014	2013
Sales	121.61	1,381.82	1,932.15	1,264.12	1,638.08	1,754.60	1,955.01
Gross Profit / (Loss)	(357.09)	(163.83)	194.67	139.13	41.87	266.76	85.92
Net Profit / (Loss) before Taxation	(627.63)	(378.29)	23.96	3.24	(204.86)	2.84	(135.65)
Net Profit / (Loss) after Taxation	(682.63)	(374.07)	29.54	12.49	(198.71)	8.72	(132.32)
Earning / (Loss) Per Share	(72.24)	(39.58)	3.13	1.32	(21.03)	0.92	(14.00)
Gross Profit / (Loss) Ratio	(293.64%)	(12.49%)	10.07%	11.00%	2.56%	15.20%	4.39%
P/ERatio	(0.68)	(0.96)	14.34	21.59	(1.30)	28.80	(1.58)
MarketPricePerShare	49.25	38.00	44.88	28.50	27.30	26.50	22.15

FORM-34
THE COMPANIES ACT, 2017
(SECTION 227(2)(F)
PATTERN OF SHAREHOLDING

1. IncorporationNumber **0006535**

2. NameoftheCompany **BABAF ARIDSUGARMILLSLIMITED**

2.1 Patternofholdingoftheshar esheldbytheshar eholdersasat 30/09/2019

2.2 Numberof Shareholders	Shareholdings Fr om	To	Total SharesHeld
629	1	100	15,960
377	101	500	67,298
32	501	1,000	24,755
37	1,001	5,000	89,025
5	5,001	10,000	29,255
1	10,001	15,000	10,500
1	35,001	40,000	37,668
3	910,001	915,000	2,734,635
1	1,640,001	1,645,000	1,640,784
1	4,800,001	4,805,000	4,800,120
1,087			**9,450,000**

2.3	Categoriesofshar eholders	SharesHeld	Per centage
2.3.1	Directors, Chief Executive Officers, andtheirspouseandminorchildr en	4,376,119	46.3081%
2.3.2	AssociatedCompanies, undertakingsandr elated parties.(Par entCompany)	4,806,468	50.8621%
2.3.3	NITandICP	1,000	0.0106%
2.3.4	BanksDevelopment FinancialInstitutions,Non BankingFinancialInstitutions.	100	0.0011%
2.3.5	InsuranceCompanies	0	0.0000%
2.3.6	ModarabasandMutual Funds	0	0.0000%
2.3.7	Shareholdersholding10%ormor e	6,447,252	68.2249%
2.3.8	GeneralPublic a.Local b. Foreign	 257,065 0	 2.7203% 0.0000%
2.3.9	Others (to be specified) Joint Stock Companies	9,248	0.0979%

Categories of Share Holders
As on 30th September 2019

S.No.	NAME	HOLDING	%AGE
DIRECTORS, CEO THEIR SPOUSE AND MINOR CHILDREN			
1	MR.MUHAMAMDSHAMIMKHAN(CDC)	1,640,784	17.3628
2	MRS.QAISERSHAMIMKHAN(CDC)	911,545	9.6460
3	MR.ADNANAHMEDKHAN(CDC)	911,545	9.6460
4	MR.NAUMANAHMEDKHAN(CDC)	911,545	9.6460
5	MALIK MANZOOR HUSSAIN HUMAYUN	200	0.0021
6	MR. FARID UL DIN AHMED	200	0.0021
7	MRS.SARAHHAJRAHKHAN	300	0.0032
		4,376,119	46.3081
ASSOCIATED COMPANIES			
1	NAUBAHAR BOTTING COMPANY (PVT) LIMITED	6,348	0.0672
2	NAUBAHAR BOTTING COMPANY (PVT) LIMITED (CDC)	4,800,120	50.7949
		4,806,468	50.8621
NIT & ICP			
1	M/S INVESTMENT CORPORATION OF PAKSTAN	1,000	0.0106
		1,000	0.0106
BANKS, DEVELOPMENTS, FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS			
1	M/S FIDELITY INVESTMENT BANK LTD.	100	0.0011
		100	0.0011
JOINT STOCK COMPANIES			
1	CENTRAL DEPOSITORY COMPANY OF PAKISTAN LTD.(CDC)	25	0.0003
2	MAPLE LEAF CAPITAL LIMITED (CDC)	1	0.0000
3	SALIM SOZER SECURITIES (PVT.) LTD. (CDC)	5,222	0.0553
4	SARFRAZ MAHMOOD (PRIVATE) LTD. (CDC)	500	0.0053
5	SANDIA LIMITED (CDC)	3,500	0.0370
		9,248	0.0979
SHARES HELD BY THE GENERAL PUBLIC (FOREIGN)		0	0.0000
SHARES HELD BY THE GENERAL PUBLIC (LOCAL)		257,065	2.7203
		257,065	2.7203
	TOTAL:	**9,450,000**	**100.0000**

S.No.	NAME	HOLDING	%AGE
SHAREHOLDERSHOLDING10%ORMOREOFTOTALCAPITAL			
1	NAUBAHAR BOTTING COMPANY (PVT) LIMITED	4,806,468	50.8621
2	MR.MUHAMAMDSHAMIMKHAN(CDC)	1,640,784	17.3628
3	MRS.QAISERSHAMIMKHAN(CDC)	911,545	9.6460
4	MR.ADNANAHMEDKHAN(CDC)	911,545	9.6460
5	MR.NAUMANAHMEDKHAN(CDC)	911,545	9.6460
		9,181,887	97.1628

During the financial year the trading in shares of the company by the Directors, CEO, CFO, Company Secretaryand theirspousesandminorchildrenisasfollows

S.No.	NAME	SALE	PURCHASE
1	MR.MUHAMAMDSHAMIMKHAN(CDC)	0	1,640,784
2	MRS.QAISERSHAMIMKHAN(CDC)	0	911,545
3	MR.ADNANAHMEDKHAN(CDC)	0	911,545
4	MR.NAUMANAHMEDKHAN(CDC)	0	911,545
5	MALIK MANZOOR HUSSAIN HUMAYUN	0	200
6	MR. FARID UL DIN AHMED	0	200
7	MRS.SARAHHAJRAHKHAN	0	300

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

The Baba Farid Sugar Mills Limited ("the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") in the following manner:

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

   a. Male: 05
   b. Female: 02

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

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

   There are two Independent directors, however, as required fraction is not rounded up as one as this "clause" was added in the new regulation issued on September 25, 2019, and the Board was constituted before that date and the Regulation has provided relaxation that for the purpose of electing independent director, the Boards hall be reconstituted not later than expiry of its current terms;

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the board/shareholders as empowered by the relevant provisions of the Act and these regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recordings and circulating minutes of meeting of the board.

8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. The Board arranged orientation courses for its directors (as and when needed) to apprise them of their duties and responsibilities. One of the directors namely, Miss. Sarah Hajra Khan have already acquired certification under Director training programs conducted by Executive development center of The University of Lahore, a duly approved training institution by Security and Exchange Commission of Pakistan. Four directors are exempted from such training as they have fourteen years of education and fifteen years of experience on the board of the listed company. Two directors have obtained training subsequent to the reporting date.

10. The Board has approved appointment of chief financial officer, company Secretary and Head of Internal Audit, includingtheirremunerationandtermsandconditionsofemploymentandcompliedwithrelevantrequirements oftheRegulations.

11. Chief financial officer and chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. TheBoardhasformedcommitteescomprisingofmembersgivenbelow:

AUDITCOMMITTEE

Mr. Farid ud Din Ahmad (Chairman) – Independent Director
Mrs. Sarah Hajra Khan – Non- Executive Director
Mr. Malik Manzoor Hussain Hamayoon – Independent Director

HRANDREMUNERATIONCOMMITTEE

Mr. Farid ud Din Ahmad (Chairman) – Independent Director
Mr. Adnan Ahmed Khan – Chief Executive
Mr. Malik Manzoor Hussain Hamayoon – Independent Director

NOMINATIONCOMMITTEE

MalikManzoorHussainHumayoon(Chairman)
Mr.FaridudDinAhmed

RISKMANAGEMENTCOMMITTEE

MalikManzoorHussainHumayoon(Chairman)
Mr.FaridudDinAhmed

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committeeforcompliance;

14. Thefrequencyofmeetingsoftheaforesaidcommitteeswereasperfollowing:

a) AuditCommittee:(6)meetingsheldduringtheyear.
b) HRandRemunerationCommittee:Oneheldduringtheyear.
c) Nomination committee – one held during the year
d) RiskManagementCommittee-Oneheldduringtheyear

15. The Board has set up an effective internal audit function supervised by a qualified Head of Internal Audit, who is considered suitably qualified and experienced for the purpose and are conversant with policies and proceduresoftheCompany;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the qualitycontrolreviewprogramoftheInstituteofCharteredAccountantsofPakistanandregisteredwithAudit OversightBoardofPakistan,thattheyandalltheirpartnersareincompliancewithinternationalfederationof accountant(IFAC)guidelinesoncodeofethicsasadoptedbyInstituteofcharteredaccountantsofPakistanand that they and partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretaryordirectorofthecompany;

17. Thestatutoryauditorsorthepersonsassociatedwiththemhavenotbeenappointedtoprovideotherservices exceptinaccordancewiththeAct,theseRegulationsoranyotherregulatoryrequirementandtheauditorshave confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of the Regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations have been compliedwith,expectforIndependentdirectorinwhichfractionisnotroundedupasoneasthis"clause"was addedinthenewregulationissuedonSeptember25,2019,andtheBoardwasconstituedbeforethatdate andtheRegulationhasprovidedrelaxationthatforthepurposeofelectingindependentdirector,theBoard shallbereconstitutednotlaterthanexpiryofitscurrentterms.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8 27, 32, 33, and 36 are below:

- As per regulation 35, "Disclosure of significant policies on website" the Company may post thefollowingonitswebsite:

Key element of its significant policies

BriefsynopsisoftermsofreferenceoftheBoardCommittees
Keyelementofthedirectors'remunerationpolicy

However, these have not been posted on the website as Baba Farid Sugar Mills Limited has been acquired by newmanagementduringtheyearandupdationofwebsiteisinprogress.

ForandonbehalfofBoardofDirectors,
BabaFaridSugarMillsLimited

Mr.AdnanAhmedKhan
ChiefExecutive

Mrs.QaiserShamimKhan
Chairperson

Lahore: 30 December 2019

Independent Auditor's Review Report

To the Members of Baba Farid Sugar Mills Limited

Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Baba Farid Sugar Mills Limited (the Company) for the year ended September 30, 2019 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended September 30, 2019.

Further we highlight below instances of non-compliance with the requirement of the regulations as reflected in the paragraph reference where it is stated in the statement of Compliance:

Paragraph Reference		Description
I	18	Independent director in which fraction is not rounded up as "One".
II	19	Disclosure of significant policies have not been posted on the Company website.

BDO EBRAHIM & CO.
Chartered Accountants
Engagement Partner: Muhammad Imran

LAHORE: DECEMBER 30, 2019

Independent Auditor's Report

To the Members of Baba Farid Sugar Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **BABA FARID SUGAR MILLS LIMITED (the Company)**, which comprise the statement of financial position as at September 30, 2019, and statement of profit or loss, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2019 and of the loss and other comprehensive income, its cash flows and the changes in equity for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to Going Concern

We draw attention to Note 4 to the financial statements, which indicates that the Company incurred a net loss of Rs. 682.625 million during the year ended September 30, 2019 and, as of that date, the Company's current liabilities exceeded its current assets by Rs. 604.005 million. The accumulated losses have exceeded the issued, subscribed and paid up capital by Rs. 2,324.241 million as at September 30, 2019 and accumulated losses as of that date amounted to Rs. 2,418.741 million. These conditions, along with other matters as set forth in Note 4, indicate the existence of a material uncertainty which may cast doubt about the Company's ability to continue as a going concern. However, these financial statements have been prepared on a going concern basis based on the sponsors' commitment to provide financial support to the Company and other mitigating factors mentioned in the note 4.

Considering the mitigating factors mentioned in the note 4, these financial statements have been prepared on going concern basis. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

FollowingaretheKeyauditmatters:

Sr.No	Keyauditmatters	Howthematterwasaddressedinouraudit
1.	**First time adoption of IFRS 9 Financial Instruments** The Company adopted IFRS 9 "Financial Instruments" with effect from October 1, 2018 and this new standard supersedes the requirements of IAS 39 "Financial instruments -Recognition and Measurement". IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting and a new impairment model for financial assets. Management has determined that the most significant Impact of the new standard on the Company financial statements relates to the calculation of the allowance for the impairment of accounts receivables. As at September 30, 2019 the carrying value of accounts receivables amounted to Rs. 77.491 million (2018: Rs. 492.485 million unadjusted) and the allowance for impairment of accounts receivables amounted to Rs. 305.161. During the year an amount of Rs. 12.505 million and as at October 01, 2018 Rs. 292.656 million has been charged as impairment under this IFRS. The Company assesses at each reporting date whether the financial assets carried at amortized cost are credit impaired. The Company's management has applied a simplified expected credit loss ("ECL") model to determine the allowance for impairment of trade receivables. The ECL model involves the use of various assumptions, macro-economic factors and study of historical trends relating to the Company's history of collection of trade receivables. We considered this as key audit matter due to the judgements and estimates involved in the application of the expected credit loss model. Refer to notes 6.1, 8.17, 14, and 49 to the financial statements for accounting policies and the relevant detailed disclosures, respectively.	We developed an understanding of the relevant business process and performed the following procedures: • Specifically considered the validity of management's conclusion that the main area of impact was in respect of trade receivables impairment, using our experience and knowledge of similar entities; • Verified whether the ECL model developed by management is consistent with the requirements of IFRS 9; • Tested the accuracy and completeness of underlying data used in the model and the arithmetical accuracy of the computation of ECL; • Tested key assumptions and judgments, such as those used to calculate the likelihood of default and loss on default by comparing to historical data. We also considered the appropriateness of forward-looking factors (macroeconomic factors) used to determine expected credit losses; and • Involved our accounting specialists to review the methodology used in the ECL model. • We also reviewed the adequacy of the Company's disclosures included in notes 6.1, 8.17, 14, and 49 to the accompanying financial statements.

Sr.No	Keyauditmatters	Howthematterwasaddressedinouraudit
2.	**Contingencies** As disclosed in note 32.1 to the financial statements, the Company is involved in certain legal and tax proceedings against the Company. The appeals were filed by the Company against these orders at respective forum. Management judgement is involved in assessing the accounting for claims, and in particular in considering the probability of a claim being successful and we have accordingly designated this as a focus area of the audit. The risk related to the claims is mainly associated with the completeness of the disclosure, and the completeness of the provisions in the financial statements. No provision has been made in the financial statements for the liability that may arise in the event of a decision against the Company as the management is of the opinion, based on advice of legal and tax advisor that the decision is likely to be in the favor of the Company. There are significant uncertainties attached to the future outcome of these pending matters and, therefore, are considered as key audit matters.	In response to the risk of completeness of the disclosures and the completeness of the provisions in the financial statements, we obtained external confirmations directly from legal and tax advisors. We undertook number of procedures to verify the appropriateness of contingencies in the financial statements. This included, among others: • We discussed the cases with management, and reviewed correspondence and other documents exchanged between the Company and the other parties involved in the disputes. • We read the minutes of the Board meetings, and inspected the company's legal expenses, in order to ensure all cases have been identified. • We tested provisions recorded in the accounting records, and reviewed the disclosures for completeness based on our procedures detailed above. • We followed the progress of each case and the Company's estimate of the cost to be incurred; • We considered the impact on future case costs from changes arising in the regulatory environment; • We obtained confirmations from legal advisors for current status on pending previous cases and any new case filed during the year; • Checked orders by relevant authority on previous lawsuits / cases appearing in the financial statements; and • Obtained legal advice on the above cases with the legal advisors to ensure that the outflow is possible and not probable.

Sr.No	Keyauditmatters	Howthematterwasaddressedinouraudit
3	**Revenuerecognition** TheCompanyfocusesonrevenueasakey performance measure which could create an incentive for revenue to be recognized before the control of the goods have been transferred to customers and the customer candirecttheuseofandsubstantiallyobtain all the benefits from the goods, resulting in a significant risk associated with revenue from anauditperspective. The Company adopted IFRS 15 "Revenue from Contracts with Customers" with effect fromOctober1,2018. The adoption of new standard involved the exercise of a number of key judgements and estimates around the identification of transaction price as a result of variable considerationincludedtherein. Due to the significant risk associated with revenue recognition and the work effort from theauditteam,therecognitionofrevenueis consideredtobeakeyauditmatter. Refer to note 6.2 and 8.21 to the financial statements for accounting policies and the relevantdetaileddisclosuresrespectively.	Our audit procedures included considering the appropriateness of the Company's revenue recognition accounting policies and assessing compliancewiththepoliciesinaccordancewith the applicable financial reporting framework. We developed an understanding of relevant business process and performed the following procedures: • Control testing over the point of transfer of control of the goods to customers and the customers can direct the use of and substantially obtain all the benefits from the goods, was supported by substantive audit proceduresincluding,amongstothers: • Performing predictive analytical tests on the different revenue streams. • Testing a sample of sales transactions around year end to ensure inclusion in the correctperiod. • Testing of a sample of sales and trade receivablesatyearendbyagreeingasample ofopeninvoicesatyearendtosubsequent receiptsfromcustomers.

InformationOtherthantheFinancialStatementsandAuditor'sReportThereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any formofassuranceconclusionthereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

ResponsibilitiesofManagementandBoardofDirectorsfortheFinancialStatements

Management is responsible for the preparation and fair presentation of the financial statements in accordancewiththeaccountingandreportingstandardsasapplicableinPakistanandtherequirementsof Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraudorerror.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirementsregardingindependence,andtocommunicatewiththemallrelationshipsandothermatters thatmayreasonablybethoughttobearonourindependence,andwhereapplicable,relatedsafeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key auditmatters.Wedescribethesemattersinourauditor'sreportunlesslaworregulationprecludespublic disclosureaboutthematterorwhen,inextremelyrarecircumstances,wedeterminethatamattershould notbecommunicatedinourreportbecausetheadverseconsequencesofdoingsowouldreasonablybe expected to outweigh the public interest benefits of such communication.

ReportonOtherLegalandRegulatoryRequirements

Basedonouraudit,wefurtherreportthatinouropinion:

a) properbooksofaccounthavebeenkeptbytheCompanyasrequiredbytheCompaniesAct,2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreementwiththebooksofaccountandreturns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purposeoftheCompany'sbusiness;and

d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of1980).

Othermatter

The financial statements of the Company for the year ended September 30, 2018 were audited by another firm of chartered accountants who had expressed an unmodified opinion with emphasis of matter paragraphongoingconcernthereonvidetheirreportdatedJanuary04,2019.

Theengagementpartnerontheauditresultinginthisindependentauditor'sreportisMuhammadImran.

BDOEBRAHIM&CO.
CHARTEREDACCOUNTANTS

LAHORE: DECEMBER 30, 2019

Statement of Financial Position

As At 30 September 2019

	Note	2019 Rupees	2018 Rupees
ASSETS			
NONCURRENTASSETS			
Property,plantandequipment			
Operating fixed assets	9	2,815,822,997	2,378,527,606
Capitalworkinprogress	10	7,170,132	117,465,019
		2,822,993,129	2,495,992,625
Long term deposits	11	-	587,575
		2,822,993,129	2,496,580,200
CURRENTASSETS			
Stores,sparesandloosetools	12	49,585,594	43,621,327
Stockintrade	13	-	51,731,844
Tradedebts	14	77,491,042	492,485,573
Loans and advances	15	15,136,357	109,752,981
Shorttermprepayments	16	584,822	-
Otherreceivables	17	127,260,380	105,742,500
Cashandbankbalances	18	26,379,048	2,220,193
		296,437,243	805,554,418
TOTALASSETS		3,119,430,372	3,302,134,618
EQUITYANDLIABILITIES			
SHARECAPITALANDRESERVES			
Authorizedsharecapital	19.1	700,000,000	700,000,000
Issued,subscribedandpaidupcapital	19.2	94,500,000	94,500,000
Reserves			
Revenuereserves-accumulatedlosses		(2,418,741,317)	(1,480,646,743)
Directors'loans	20	1,211,500,000	-
Surplus on revaluation of fixed assets	21	1,978,871,445	1,715,902,655
		866,130,128	329,755,912
NONCURRENTLIABILITIES			
Long term financing	22	-	100,000,000
Loan from ex -holding company	23	-	500,000,000
Loan from holding company	24	965,960,400	-
Deferredliabilities	25	386,897,450	288,233,669
		1,352,857,850	888,233,669
CURRENTLIABILITIES			
Tradeandotherpayables	26	609,544,364	619,496,337
Unclaimeddividend		255,930	255,930
Duetoexholdingcompany	27	104,066,694	1,154,442,231
Temporarybankoverdraft	28	-	25,982,166
Mark-upaccrued	29	86,562,191	154,058,109
Taxation-net	30	13,215	4,910,264
Currentportionoflongtermliabilities	31	100,000,000	125,000,000
		900,442,394	2,084,145,037
CONTINGENCIESANDCOMMITMENTS	32		
TOTALEQUITYANDLIABILITIES		3,119,430,372	3,302,134,618

The annexed notes from 1 to 59 form an integral part of these financial statements.

CHIEFEXECUTIVE **DIRECTOR** **CHIEFFINANCIALOFFICER**

Statement of Profit or Loss

For the year ended 30 September 2019

	Note	2019 Rupees	2018 Rupees
Sales	33	121,607,382	1,381,820,573
Costofsales	34	(478,699,099)	(1,545,649,532)
Grossloss		(357,091,717)	(163,828,959)
Sellinganddistributionexpenses	35	(471,827)	(2,283,934)
Generalandadministrativeexpenses	36	(30,665,594)	(41,844,351)
Otheroperatingexpenses	37	(86,201,097)	(560,000)
Otherincome	38	22,997,483	-
		(94,341,035)	(44,688,285)
Operatingloss		(451,432,752)	(208,517,244)
Financialcharges	39	(176,192,506)	(169,775,372)
Loss before taxation		(627,625,258)	(378,292,616)
Taxation	40	(54,999,835)	4,226,425
Loss after taxation		(682,625,093)	(374,066,191)
Loss per share - Basic and diluted (Rupees)	44	(72.24)	(39.58)

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

The annexed notes from 1 to 59 form an integral part of these financial statements.

CHIEFEXECUTIVE DIRECTOR CHIEFFINANCIALOFFICER

Statement of Comprehensive Income

For the year ended 30 September 2019

		2019 Rupees	2018 Rupees
(Loss after taxation for the year		(682,625,093)	(374,066,191)
Othercomprehensiveincome			
Items that will not be reclassified to the statement of profit or loss			
Remeasurement of defined benefit liability	25.3	-	617,565
Related tax effect		-	-
		-	617,565
Surplus on revaluation of operating fixed assets	21	349,215,869	-
Related tax effect		(49,060,277)	-
		300,155,592	-
Items that may be reclassified to the statement of profit or loss in subsequent periods		-	-
Totalcomprehensivelossfortheyear		(382,469,501)	(373,448,626)

The annexed notes from 1 to 59 form an integral part of these financial statements.

CHIEFEXECUTIVE **DIRECTOR** **CHIEFFINANCIALOFFICER**

Statement of Cash Flows

For the year ended 30 September 2019

	Note	2019 Rupees	2018 Rupees
Cash flows from operating activities			
Loss before tax		(627,625,258)	(378,292,616)
Adjustments for items not involving movement of funds:			
Depreciation	9.6	75,726,346	75,435,154
Provision for staff retirement gratuity	25.3	170,460	1,227,664
Gain on sale of fixed assets	37 & 38	(3,622,818)	-
Doubtful advances written off	14	65,034,841	-
Doubtful other receivable written off	15	7,249,736	-
Provision for doubtful debts	36	12,505,195	-
Liabilities written back		(13,965,934)	-
Long term deposit written off		587,575	-
Gratuity balance written back	25	(3,742,680)	-
Provision for obsolete stores and spares	12	15,041,549	-
Financial charges	39	176,192,506	169,775,372
Net cash flow before working capital changes		(296,448,482)	(131,854,426)
Decrease/(increase) in current assets			
Stores, spares and loose tools		(21,005,816)	(6,349,586)
Stock in trade		51,731,844	481,302,846
Trade debts		109,833,053	(29,955,432)
Loans and advances		29,581,783	29,918,430
Trade deposits and short term prepayments		(584,822)	-
Other receivables		(28,767,616)	-
		140,788,426	474,916,258
Increase/(decrease) in current liabilities			
Trade and other payables		2,989,673	(81,965,174)
Cash (used in)/generated from operations		(152,670,383)	261,096,658
Taxes paid		(1,810,896)	(1,406,973)
Financial charges paid		(243,688,424)	(66,202,334)
Net cash (used in)/generated from operating activities		(398,169,703)	193,487,351
Cash flows from investing activities			
Additions to operating fixed assets		(2,107,171)	(53,057,011)
Additions to capital work in progress		(51,666,968)	-
Net cash used in investing activities		(53,774,139)	(53,057,011)
Cash flows from financing activities			
Repayments of long term financing		(100,000,000)	(100,000,000)
Due to ex holding company		(1,575,375,537)	24,194,869
Loan from holding company		965,960,400	-
Directors' contribution		1,211,500,000	-
Net cash generated from / (used in) financing activities		502,084,863	(75,805,131)
Net increase in cash and cash equivalents		50,141,021	64,625,209
Cash and cash equivalents at the beginning of the year		(23,761,973)	(88,387,182)
Cash and cash equivalents at the end of the year	42	26,379,048	(23,761,973)

The annexed notes from 1 to 59 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

Statement of Changes in Equity

For the year ended 30 September 2019

		Issued, subscribed andpaid-up capital	Surpluson revaluation of fixed assets	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						
Loss for the year		-	-	-	(374,066,191)	(374,066,191)
Remeasurement of defined benefit liability-net		-	-	-	617,565	617,565
Transferfromsurplusonrevaluationof fixed assets incremental depreciation-net ofdeferredtax		-	(39,728,935)	-	39,728,935	-
Surplus on revaluation of fixed assets relatedtoratechange		-	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-Impactof changeinaccountingpolicy	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						
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	-
Directorcontribution	20	-	-	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

The annexed notes from 1 to 59 form an integral part of these financial statements.

CHIEFEXECUTIVE **DIRECTOR** **CHIEFFINANCIALOFFICER**

Notes to the Financial Statements

For the year ended 30 September 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Baba Farid Sugar Mills Limited ("the Company") was incorporated in 1978 under the Companies Act 1913 (now Companies Act, 2017) as a Public Limited Company and its shares are quoted at Pakistan Stock Exchange. It is principally engaged in the manufacturing and sale of sugar including its by-products i.e. molasses and V.Filter cake.

1.2 4,806,468 (2018: Nil) ordinary shares of the Company which represent 50.862% (2018: Nil) of the issued, subscribed and paid up share capital of the Company are held by Naubahar Bottling Company (Private) Limited which is incorporated / registered in Pakistan under Pakistani laws. The registered address of the Holding Company is 38-40 Grand Trunk Road, Industrial Estate Model Town, Gujranwala, Punjab. The Holding Company is engaged in the manufacturer and distributor of Pepsi Cola soft drinks in Pakistan. The Chief Executive of the Holding Company is Mr. Muhammad Shamim Khan.

As at September 30, 2018 M/s Pattoki Sugar Mills Limited (the Ex-holding Company) holds 7,696,072 (81.44%) shares of the Company. During the year, as explained in note 3, the shares has been acquired by the Naubahar Bottling Company (Private) Limited (Holding Company) and other shareholders. M/s Pattoki Sugar Mills Limited has been mentioned in these financial statements as "Ex-holding Company".

2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at 2-D/1, Gulberg III, Lahore. During the period the Company has changed its registered address from Suit-T-09, 3rd Floor, 75-E/1 Main Boulevard, Gulberg III, Lahore to 2-D/1, Gulberg III, Lahore. The manufacturing facility of the Company is located at 5KM Faisalabad Road, district Okara, Punjab.

3. ACQUISITION OF THE COMPANY

Naubahar Bottling Company (Private) Limited, Mr. Muhammad Shamim Khan, Mrs. Qaiser Shamim Khan, Mr. Adnan Ahmed Khan and Mr. Nauman Ahmed Khan (the Acquirers/Sponsors/related parties) have entered into a Share Purchase Agreement dated 23 January 2019 with Ms. Naheed Rohi, Mr. Muhammad Ashraf, Mr. Muhammad Sarwar, Mr. Muhammad Shah Anjum, Ms. Rafia Aslam, Mr. Shahid Mehmood Qureshi, Syed Qaisar Abbas Naqvi, Mr. Maqsood Ul Hassan, Mr. Muhammad Aslam and Pattoki Sugar Mills Limited (collectively, the "Sponsor Sellers") for the sale and purchase of 9,115,456 Ordinary Shares representing 96.46% of the total issued share capital of the Company, at an aggregate sale price of Rupees 474,003,712 calculated at the rate of Rs. 52 per share. Further, a Public Offer was made on March 27, 2019 by the Acquirers to acquire upto 167,272 Ordinary Shares of the Company constituting 1.77% of the issued share capital of the Company at an offer price of Rupees 52 per Ordinary Share Pursuant To Part IX of the Securities Act, 2015 ("Act") and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 ("Regulations"). Transaction has been completed during the year except some settlement of dues and vacation of charge on assets and guarantees.

4. GOING CONCERN ASSUMPTION

The Company incurred a net loss of Rs. 682.625 million during the period ended September 30, 2019 and, as of that date, the Company's current liabilities exceeded its current assets by Rs. 604.005 million. The accumulated losses have exceeded the issued, subscribed and paid up capital by Rs. 2,324.241 million as at September 30, 2019 and accumulated losses as of that date amounted to

Rs.2,418.741million.Theseconditionsindicatetheexistenceofamaterialuncertaintywhichmay cast doubt about the Company's ability to continue as a going concern. However, these financial statementshavebeenpreparedonagoingconcernbasisbasedonthesponsor'scommitmentto provide financial support to the Company.

As mentioned in note 3 to these financial statements the acquisition will further bring strength, experience and efficiency to the Company. Specifically, the acquisition has the potential to: facilitate expansion and efficient growth of business; strengthen the management and finances; and improve financial planning; thereby facilitating business to be carried on more advantageously and economically with enhanced profitability. It is expected to yield better returns to the shareholders and additional benefits for other stakeholders. It is expected that the Company shall become more financially viable in comparison to its current status. It is also expected that the Acquirers will have better managerial planning. Consequently, the Acquirers may be able to pass on parts of the expected benefits to the other stakeholders such as the Government, employees, general bodyofconsumersandthesocietyatlarge.TheSponsorshaveappointedanexperiencedBoard ofDirectorsandprofessionalmanagementteamtorevivesugarmillsoperationsandexplorenew markets. The Sponsors are confident that it will be able to expand the Company's business and operate more efficiently and profitably.

5. BASISOFPREPARATION

5.1 Statementofcompliance

These financial statements have been prepared in accordance with the accounting and reporting standardsasapplicableinPakistan.Theaccountingandreportingstandardsapplicableinpakistan 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, the provisions of and directives issued under the Companies Act, 2017 have been followed.

5.2 Accountingconvention

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.

The preparation of financial statements in conformity with approved financial reporting standards requires management to make estimates, assumptions and use judgments that effect the application of policies and reported amounts, of assets and liabilities and income and expenses. Estimates, assumptionsandjudgmentsarecontinuallyevaluatedandarebasedonhistoricalexperienceand otherfactors,includingreasonableexpectationsoffutureevents.Revisionstoaccountingestimates arerecognizedprospectivelycommencingfromtheperiodofrevision.

Judgments and estimates made by the management that may have a significant risk of material adjustments to the financial statements in subsequent years are disclosed in note 41.

5.3 Functionalandpresentationcurrency

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

6. CHANGE IN ACCOUNTING POLICES - IFRS 9 FINANCIAL INSTRUMENTS AND IFRS 15 REVENUEFROMCONTRACTSWITHCUSTOMERS

6.1 IFRS9:FinancialInstruments

IFRS9'FinancialInstruments'wasissuedonJuly24,2017.Thisstandardisadoptedlocallybythe Securities and Exchange Commission of Pakistan through its S.R.O. 229 (I)/2019 and is effective for accountingperiod/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 receivablesandavailableforsale.

The details of new significant accounting policies and the nature and effect of the changes to previousaccountingpoliciesaresetoutbelow.

i. Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities.

The revised provisions on the classification and measurement of financial assets (applicable mainly to trade receivables and other receivables) and financial liabilities (mainly trade creditors and interest-bearing debt) have not affected Company's financial information. Consequently, the comparative figures have not been restated on the introduction of IFRS 9.

Theaccompanyingnoteat49explaintheoriginalmeasurementcategoriesunderIAS39andthe new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities as at October 1, 2018. These financial assets classified as 'loans and receivables' have been classified as amortised cost.

ii. Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposedtoanincurredcreditlossmodelunderIAS39.Theexpectedcreditlossmodelrequiresan entitytoaccountforexpectedcreditlossesandchangesinthoseexpectedcreditlossesateach reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessaryforacrediteventtohaveoccurredbeforecreditlossesarerecognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since

initialrecognition.Underthegeneralapproach,therearetwomeasurementbases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.

- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurredonanindividualorcollectivebasis.

The Company's financial assets include mainly trade debts, deposits, advances, other receivables andbankbalances.

The Company's trade receivables do not contain a significant financing component (as determined intermsoftherequirementsofIFRS15"RevenuefromContractswithCustomers"),therefore,the Company is using simplified approach, that does not require the Company to track the changes in credit risk, but, instead, requires to recognise a loss allowance based on lifetime ECLs at each reportingdate.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetimeexpectedcreditlossprovisionfortradereceivables.Tomeasureexpectedcreditlosseson acollectivebasis,tradereceivablesaregroupedbasedonsimilarcreditriskandaging.

TheexpectedlossratesarebasedontheCompany'shistoricalcreditlossesexperiencedoverthe threeyearperiodpriortotheperiodend.Thehistoricallossratesarethenadjustedforcurrentand forward-looking information on macroeconomic factors affecting the Company's customers. The Company has identified the gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt instruments classified as FVOCI, but not to investments inequityinstruments.UnderIFRS9,creditlossesarerecognizedearlierthanIAS39.TheCompany applies the IFRS 9 simplified approach to measure the expected credit losses which uses a lifetime expectedlossallowance.Managementusesactualcreditlossexperienceoverpastyearstobase the calculation of ECL.

GiventheCompany'sgoodcollectionhistorywithnohistoricallossrates/baddebtsandnormal receivable ageing, the move from an incurred loss model to ECL has not had an impact on the financial statements of the Company. The Company has determined that the application of IFRS 9's impairmentrequirementsatOctober01,2018resultsinanadditionalallowanceforimpairmentas follows.

	(Rupees)
Loss allowance at September 30, 2018 under IAS 39	-
AdditionalimpairmentrecognizedatOctober01,2018on:	(292,656,283)
Loss allowance at October 01, 2018:	(292,656,283)
TradereceivablesasatSeptember30,2018	492,485,573
Loss allowance at October 01, 2018 under IFRS 9	(292,656,283)
NetreceivablesasatOctober01,2018	199,829,290

iii. Transition

TheCompanyhasusedtheexemptionnottorestatecomparativeperiodsandanyadjustmentson adoptionofIFRS9aretoberecognizedinstatementofchangesinequityasonOctober1,2018.

The Company has adopted modified retrospective restatement for adopting IFRS 9 and accordingly, allchangesarisingonadoptionofIFRS9havebeenadjustedatthebeginningofthecurrentyear. The effect of change in accounting policy is as follows:

	As reported as at September 30, 2018	Change	Restated as at 01, October 2018
		Rupees	
Impact on statement of financial position - trade debts	492,485,573	(292,656,283)	199,829,290
Impact on statement of financial position - Deferred tax	-	-	-
Impactonstatementofchangesinequity	(1,480,646,743)	(292,656,283)	(1,773,303,026)
Impact on statement of profit or loss	-	-	-
Impactonstatementofothercomprehensiveincome	-	-	-
Impact on statement of cash flows	-	-	-

Detail accounting policies under IFRS-9 are set out in note 8.17 to the financial statements.

Deferred tax asset amounting Rs. 84.870 million on impairment loss has not been recognised in the financial statements as a matter of prudence as in the opinion of the management there is no certaintyregardingrealisabilityoftheamount.

6.2 IFRS15'RevenuefromContractswithCustomers'

IFRS 15 'Revenue from Contracts with Customers' is effective for accounting period beginning on orafterJuly1,2018.ThisstandardhasreplacedIAS18Revenueandrelatedinterpretationsandit appliestoallrevenuearisingfromcontractswithcustomers.

The IFRS 15 establish a five-steps mode to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to whichanentityexpectstobeentitledinexchangefortransferringgoodsorservicestoacustomer. Thestandardrequirestheentitiestoexercisejudgment,takingintoconsiderationallofthe relevant factsandcircumstanceswhenapplyingeachstepofthemodeltocontractswiththecustomers. TheCompanyhasconcludedthattheimpactofadoptionofrevenuerecognitionmodelaslaiddown inIFRS15isnotmaterial.

There is no material impact of transition to IFRS 15 on the financial position of the Company and there is no effect on the accounting policies of the Company in respect of revenue from contracts withcustomers.

7. NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED STANDARDS

7.1 Amendments that are effective in current year and relevant to the Company

The Company has adopted the amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year from the dates mentioned below againsttherespectivestandard:

		Effective date (annualperiods beginningonorafter)
ConceptualFrameworkforFinancialReporting2018-OriginalIssue		March01,2018
IFRS2	Share-basedPayment-amendmentstoclarifythe classification and measurement of share-based payment transactions	January01,2018
IFRS4	InsuranceContracts-amendmentsregardingthe interactionofIFRS4andIFRS9	January01,2018
IFRS5	Additionalhedgeaccountingdisclosures(and consequentialamendments)resultingfromthe introductionofthehedgeaccountingchapterinIFRS9	July01,2018
IFRS8	Amendmentsregardingtheinteractionof IFRS4andIFRS9	January01,2018
IFRS7	FinancialInstruments:Disclosures-additionalhedge accountingdisclosures(andconsequentialamendments) resultingfromtheintroductionofthehedgeaccounting chapterinIFRS9	July01,2018
IFRS9	FinancialInstruments-reissuetoincorporateahedge accountingchapterandpermittheearlyapplicationof therequirementsforpresentinginothercomprehensive income the 'own credit' gains or losses on financial liabilitiesdesignatedunderthefairvalueoption withoutearlyapplyingtheotherrequirementsofIFRS9	July01,2018
IFRS 9	Financial Instruments - finalised version, incorporating requirements for classification and measurement, impairment,generalhedgeaccountingandderecognition	July01,2018
IFRS15	Originalissue	July01,2018
IFRS 15	Clarifications to IFRS 15	July 01, 2018
IAS39	FinancialInstruments:RecognitionandMeasurements-amendmentstopermitanentitytoelecttocontinue toapplythehedgeaccountingrequirementsinIAS39for afairvaluehedgeoftheinterestrateexposureofa portion of a portfolio of financial assets or financial liabilities whenIFRS9isapplied,andtoextendthefairvalueoption tocertaincontractsthatmeetthe'ownuse'scopeexception	July01,2018
IAS40	InvestmentProperty-amendmentstoclarifytransfersof propertyto,orfrom,investmentproperty	January01,2018

Otherthantheamendmentstostandardsmentionedabove,therearecertainannualimprovements made to IFRS that became effective during the year:

		Effective date (annualperiods beginningonorafter)
Annual Improvements to IFRSs (2014 – 2016) Cycle:		
IFRS1	First-timeAdoptionofInternationalFinancial ReportingStandards	January01,2018
IAS 28	Investments in Associates and Joint Ventures	January 01, 2018

7.2 Amendments not yet effective

Thefollowingamendmentstotheapprovedaccountingstandardsasapplicablein Pakistanwould be effective from the dates mentioned below against the respective standard:

		Effective date (annualperiods beginningonorafter)
AmendmentstoIFRS2,IFRS3,IFRS6,IFRS14,IAS1,IAS8, IAS34,IAS37,IAS38,IFRIC12,IFRIC19,IFRIC20,IFRIC22, andSIC-32toupdatethesepronouncementswithregardto referencestoandquotesfromtheframeworkortoindicatewhere they refer to different version of the Conceptual Framework.		January 01, 2020
IFRS3	BusinessCombinations-amendmentstoclarifythe definition of a business	January 01, 2020
IFRS8	Amendmentsregardingprepaymentfeatureswithnegative compensation and modifications of financial liabilities	January 01, 2019
IFRS9	FinancialInstruments-amendmentsregarding prepaymentfeatureswithnegativecompensationand modifications of financial liabilities negative compensation and modifications of financial liabilities	January 01, 2019
IAS1	PresentationofFinancialStatements-amendments regarding the definition of materiality	January 01, 2020
IAS8	AccountingPolicies,ChangesinAccountingEstimates and Errors - amendments regarding the definition of materiality	January 01, 2020
IAS 19	Employee benefits - amendments regarding plan amendments,curtailmentsorsettlements	January01,2019
IAS17	Amendmentsregardingplanamendments,curtailments orsettlements	January01,2019
IAS 28	Investments in Associates and Joint Ventures - amendments regardinglong-terminterestsinassociatesandjointventures	January01,2019

The annual improvements to IFRSs that are effective from the dates mentioned below against respectivestandards:

		Effective date (annualperiods beginningonorafter)
AnnualimprovementstoIFRSs(2015–2017)Cycle:		
IFRS3	BusinessCombinations	January01,2019
IFRS11	JointArrangements	January01,2019
IAS12	IncomeTaxes	January01,2019
IAS23	BorrowingCosts	January01,2019

7.3 Standards or interpretations not yet effective

Thefollowingnewstandardshavebeenissuedbythe InternationalAccountingStandardsBoard (IASB),whichhavebeenadoptedlocallybytheSecuritiesandExchangeCommissionofPakistan effective from the dates mentioned against the respective standard:

IFRS 16	Leases	January 01, 2019

The effects of IFRS 16 - Leases are still being assessed, as these new standards may have a significant effect on the Company's future financial statements.

Thefollowingnewstandardsandinterpretationshavebeenissuedbythe InternationalAccounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange CommissionofPakistan(SECP):

IFRS1	FirstTimeAdoptionofInternationalFinancialReportingStandards
IFRS14	RegulatoryDeferralAccounts
IFRS17	InsuranceContracts

The Company expects that the adoption of the other amendments and interpretations of the standards will not have any material impact and therefore will not affect the Company's financial statementsintheperiodofinitialapplication.

8. SIGNIFICANTACCOUNTINGPOLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below.Thesepolicieshavebeenconsistentlyappliedtoalltheyearspresentedexceptasdisclosed in note 6.1 and 6.2 to these financial statements.

8.1 Property,plantandequipment

a) Ownedassets

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any,exceptforfreeholdland,buildingsonfreeholdland,andplant&machinerywhichiscarriedat revaluedamountandcapitalwork-in-progresswhichisstatedatcostlessimpairmentlosses.

Depreciation is charged on all fixed assets by applying the reducing balance method at the rates specified in note 9. The rates are determined to allocate the cost of an asset less estimated residual value, if not insignificant, over its useful life.

Depreciation on assets is charged from the month of addition while no depreciation is charged for the month in which assets are disposed off.

Increases in the carrying amounts arising on revaluation of fixed assets is recognised, net of tax, in other comprehensive income and accumulated revaluation surplus in shareholders' equity and value of fixed assets. If an assets' carrying amount is increased as a result of revaluation, the increase will be recognized in other comprehensive income. However, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss. If an assets' carrying amount is decreased as a result of revaluation, the decrease shall be recognized in profit or loss. However, the decrease shall be recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that assets.

Maintenance and normal repairs are charged to income as and when incurred while cost of major replacements and improvements, if any, are capitalized.

Gains and losses on disposal and retirement of an asset are included in the the statement of profit or loss.

Surplus on revaluation of operating fixed assets

Surplus arising on revaluation is credited to surplus on revaluation of property plant and equipment. This surplus on revaluation, to the extent of incremental depreciation is transferred to accumulated profit, net of deferred tax.

b) Leased assets

Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Assets subject to finance lease are stated at the lower of present value of minimum lease payments under the lease agreement and the fair value of the assets acquired on lease. Outstanding obligations under the lease less finance charges allocated to future periods are shown as liability. Finance costs under lease agreements are allocated to the period during the lease term so as to produce a constant periodic rate of financial cost on the remaining balance of principal liability for each period.

Assets acquired under a finance lease are depreciated over the useful life of the asset on reducing balance method at the rates given in note 9. Depreciation on leased assets is charged to the the statement of profit or loss.

Depreciation on additions to leased assets is charged from the month in which an asset is acquired while no depreciation is charged for the month in which asset is disposed off.

c) Capital work in progress

Capital work-in-progress are stated at cost less impairment losses, if any, and consists of expenditure incurred, advances made and other costs directly attributable to operating fixed assets in the course of their construction and installation. Cost also includes applicable borrowing costs. Transfers are made to relevant operating fixed assets category as and when assets are available for use intended by the management.

d) Impairment of non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indications

exist,theassets'recoverableamountsareestimatedinordertodeterminetheextentofimpairment loss,ifany.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that is largely independent from other assets and group. Impairment losses are recognized as expense in the statement of profit or loss. The recoverable amount is the higher of anasset'sfairvaluelesscoststosellandvalueinuse.Whereanimpairmentlossisrecognized,the depreciationchargeisadjustedinthefutureperiodstoallocatetheasset'srevisedcarryingamount overitsestimatedusefullife.

Impaired assets are reviewed for possible reversal of the impairment at each statement of financial position date. Reversal of the impairment losses are restricted to the extent that asset's carrying amountdoesnotexceedthecarryingamountthatwouldhavebeendetermined,netofdepreciation, ifnoimpairmentlosseshadbeenrecognized.Areversalofimpairmentlossisrecognizedinthethe statement of profit or loss.

8.2 Intangibleassets

Costs that are directly associated with identifiable software products controlled by the Company and have probable economic benefits beyond one year are recognized as intangible assets. These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is providedonastraightlinebasisovertheasset'sestimatedusefullives.

8.3 Investmentproperty

Investmentpropertyispropertywhichisheldeithertoearnrentalincomeorforcapitalappreciation orforboth.Investmentpropertyisinitiallyrecognizedatcost,beingthefairvalueoftheconsideration given.Subsequenttoinitialrecognitioninvestmentpropertyiscarriedatfairvalue.Thefairvalueis determinedannuallybyanindependentapprovedvaluer.Thefairvaluesisbasedonmarketvalue being the estimated amount for which a property could be exchanged on the date of valuation betweenknowledgeableandwillingbuyerandsellerinanarmslengthtransaction.

Anygainorlossarisingfromachangeinfairvalueisrecognizedintheincomestatement.

Rentalincomefrominvestmentpropertyisaccountedforasdescribedinnote8.21.

When an item of property, plant and equipment is transferred to investment property following a change in its use, differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognized in surplus on revaluation of property, plantandequipment,ifitisagain.Upondisposaloftheitemtherelatedsurplusonrevaluationof property,plantandequipmentistransferredtoretainedearnings.Anylossarisinginthismanneris recognizedimmediatelyintheincomestatement.

For a transfer from inventories to investment property that will be carried at fair value any difference between the fair value of the property at that date and its previous carrying amount shall be recognizedintheincomestatement.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

8.4 Investmentinassociates

Investment in associates where the Company holds 20% or more of the voting power of the investee companies and where significant influence can be established are accounted for using the equity method. Investment in associates other than those described as above are classified as “Fair value throughOCI”.

Incaseofinvestmentsaccountedforundertheequitymethod,themethodisappliedfromthedate when significant influence is established until the date when that significant influence ceases.

8.5 Investmentsinsubsidiary

Investment in unquoted subsidiary is initially valued at cost. At subsequent reporting dates, the Companyreviewsthecarryingamountoftheinvestmenttoassesswhetherthereisanyindication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amountisestimatedinordertodeterminetheextentoftheimpairmentloss,ifany.

8.6 Stores,sparesandloosetools

Thesearevaluedatlowerofweightedaveragecostandnetrealizablevaluelessimpairment,ifany, exceptforitemsintransit,whicharevaluedatcostcomprisingofinvoicevalueplusothercharges paid thereon till the statement of financial position date. The Company reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence if there is any changeinusagepatternandphysicalformofrelatedstores,sparesandloosetools.Foritemswhich are slow moving and / or identified as surplus to the company’s requirements, adequate provision is madeforanyexcessbookvalueoverestimatedrealisablevalue.

Sparespartsofcapitalnaturewhichcanbeusedonlyinconnectionwithanitemofproperty,plant and equipment are classified as tangible fixed assets under the plant and machinery category and aredepreciatedonoveratimeperiodnotexceedingtheusefullifeofrelatedassets.

8.7 Stock-in-trade

Thesearevaluedatlowerofcostandnetrealizablevalue.Costisdeterminedasfollows:

Rawandpackingmaterials	-	Weightedaveragecost
Materialsintransit	-	Invoicevalueplusotherexpensesincurredthereon
Workinprocess	-	Costofmaterialasaboveplusproportionateproductionoverheads
Finishedgoods	-	Averagecostofmanufacturewhichincludesproportionateproduction overheadsincludingdutiesandtaxespaidthereon,ifany.
Byproducts	-	Atnetrealizablevalue

Adequateprovisionismadeforslowmovingandobsoleteitems.

Netrealizablevaluerepresentstheestimatedsellingpricesintheordinarycourseofbusinessless expensesincidentaltomakethesale.

8.8 Tradedebtsandotherreceivables

Tradedebtsandotherreceivablesarerecognizedandcarriedatoriginalinvoicedamountwhichis thefairvalueoftheconsiderationtobereceivedinfutureforgoodssoldlessprovisionfordoubtful amounts. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off

when the Company has no reasonable expectations of recovering a financial asset in its entirety or aportionthereof.

8.9 Taxation

a) Current

Thechargeforcurrentyearishigheroftheamountcomputedontaxableincomeatthecurrentrates oftaxationaftertakingintoaccounttaxcreditsandrebates,ifany,andminimumtaxcomputedat theprescribedrateonturnoveroralternativecorporatetax.Thechargeforcurrenttaxalsoincludes adjustments,whereconsiderednecessary,toprovisionfortaxmadeinpreviousyearsarisingfrom assessmentsframedduringtheyearforsuchyears.

b) Deferred

Deferred tax is provided using the liability method for all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In this regard, the effects on deferred taxation of the portion of income subject to final taxregimeisalsoconsideredinaccordancewiththerequirementofTechnicalRelease-27ofthe InstituteofCharteredAccountantsofPakistan.

Deferred tax asset is recognised for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised.

Deferredtaxassetsandliabilitiesaremeasuredatthetaxratesthatareexpectedtoapplytothe periodwhentheassetsarerealisedortheliabilitiesaresettled,basedontaxratesthathavebeen enactedorsubstantivelyenactedatthebalancesheetdate.Deferredtaxischargedorcreditedto the the statement of profit or loss, except in case of items charged or credited directly to equity in whichcaseitisincludedinthestatementofcomprehensiveincome.

8.10 Borrowings

Loans and borrowings are recorded at the proceeds received. Finance cost are accounted for on accrualbasisandareshownasinterestandmark-upaccruedtotheextentoftheamountremaining unpaid.

Short term borrowings are classified as current liabilities unless the Company has unconditional righttodefersettlementoftheliabilityforatleasttwelvemonthsafterthebalancesheetdate.

Borrowing cost on long term finances and short term borrowings which are obtained for the acquisitionofqualifyingassetsarecapitalizedaspartofcostofthatasset.Allotherborrowingcosts are charged to the statement of profit or loss in the period in which these are incurred. Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent that theyareregardedasanadjustmenttointerestcostasalloweduderIAS23“Borrowingcost”.

8.11 Tradeandotherpayables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the considerationtobepaidinthefutureforgoodsandservicesreceived.

8.12 Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

8.13 Leases

Finance lease

Leases that transfer substantially all the risks and rewards incidental to ownership of an asset is classified as finance lease. Assets on finance lease are capitalised at the commencement of the lease term at the lower of the fair value of leased assets and the present value of minimum lease payments. Finance costs under lease arrangements are allocated to the periods during the lease term so as to produce a constant periodic rate of finance cost on the remaining balance of principal liability for each period.

Operating lease/Ijarah

Operating lease / ijarah in which a significant portion of the risks and rewards of ownership are retained by the lessor / Muj'ir (lessor) are classified as operating leases/Ijarah. Payments made during the period are charged to profit and loss on a straight-line basis over the period of the lease /Ijarah.

The SECP has issued directive (vide SRO 431(I)/2007 dated May 22, 2007) that Islamic Financial Accounting Standard 2 (IFAS-2) shall be followed in preparation of the financial statements by companies while accounting for Ijarah (Lease) transactions as defined by said Standard. The Company has adopted the above said standard.

8.14 Cash and bank balances

Cash in hand and at banks are carried at nominal amount.

8.15 Cash and cash equivalents

For the purposes of cash flow statement, cash and cash equivalents consist of cash in hand, cheques in hand and balances with banks net of borrowings not considered as being in the nature of financing activities.

8.16 Dividend and appropriation to reserve

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved.

8.17 Financial instruments

8.17.1 Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Company as at statement of financial position date are carried at amortized cost.

Amortizedcost

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through profit or loss:

- itisheldwithinabusinessmodelwhoseobjectiveistoholdassetstocollectcontractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principalandinterestontheprincipalamountoutstanding.

DebtInstrument-FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- itisheldwithinabusinessmodelwhoseobjectiveisachievedbybothcollectingcontractual cash flows and selling financial assets;

- its contractual terms give rise on specified dates to cash flows that are solely payments of principalandinterestontheprincipalamountoutstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Othernetgainsandlossesarerecognizedin OCI.Onderecognition,gainsandlossesaccumulated in OCI are reclassified to profit or loss.

EquityInstrument-FVOCI

Oninitialrecognitionofanequityinvestmentthatisnotheldfortrading,theCompanymayirrevocably electtopresentsubsequentchangesintheinvestment'sfairvalueinOCI.Thiselectionismadeon aninvestment-by-investmentbasis.

These assets are subsequently measured at fair value. Dividends are recognized as income in profit orlossunlessthedividendclearlyrepresentsarecoveryofpartofthecostoftheinvestment.Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Theseassetsaresubsequentlymeasuredatfairvalue.Netgainsandlosses,includinganyinterest or dividend income, are recognized in profit or loss.

Impairment

The Company recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contractassets.

The Company recognizes loss allowance for Expected Credit Losses (ECLs), except for the following, which are measured at 12-month ECLs, on financial assets measured at amortized cost and contract assets. The Company measures loss allowance at an amount equal to lifetime ECLs.

- debtsecuritiesthataredeterminedtohavelowcreditriskatthereportingdate;and
- otherdebtsecuritiesandbankbalancesforwhichcreditrisk(i.e.theriskofdefaultoccurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12monthsafterthereportingdate(orashorterperiodiftheexpectedlifeoftheinstrumentisless than12months).

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual periodoverwhichtheCompanyisexposedtocreditrisk.

At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informedcreditassessmentandincludingforward-lookinginformation.

The Company applies the IFRS 9 simplified approach to measure the expected credit losses which uses a lifetime expected loss allowance. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Management uses actual credit loss experience over a past years to base the calculation of ECL.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset haveoccurred.

8.17.2 Financialliabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractualprovisionsoftheinstrument.

8.17.3 Recognitionandmeasurement

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular measurement methodsadoptedaredisclosedintheindividualpolicystatementsassociatedwitheachitem.

8.17.4 Derecognition

The financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial assets. The financial liabilities are de-recognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

8.18 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognized amounts and intends either tosettleonanetbasisortorealizetheassetandsettletheliabilitysimultaneously.

8.19 Foreigncurrencytransactionsandtranslation

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange approximating those prevailing on the date of transactions or at the contract rate. Monetary assetsandliabilitiesinforeigncurrenciesaretranslatedintoPakRupeesattheratesofexchange approximatingthoseprevailingatthebalancesheetdateoratthecontractrate.Exchangegains and losses are included in the statement of profit or loss currently.

8.20 Employee benefits

The Company's employees benefits comprise of gratuity scheme and compensated absences for eligibleemployees.

8.20.1 Staff retirement benefits

Defined benefit plan (Gratuity Fund)

TheCompanyoperatesanun-fundedgratuityschemeforallitspermanentemployeeswhohave attainedretirementage,diedorresignedduringserviceperiodandhaveservedfortheminimum qualification period. Provision is based on the actuarial valuation of the scheme carried out as at September30,2019usingtheProjectedUnitCreditMethodinaccordancewithIAS-19"Employee Benefits" and resulting vested portion of past service cost has been charged to income in the current year. The remeasurement gains / losses as per actuarial valuation done at financial year end arerecognizedimmediatelyinothercomprehensiveincomeandallotherexpensesarerecognized in accordance with IAS 19 "Employee Benefits" in the statement of profit or loss.

8.20.2 Compensatedabsences

The Company accounts for these benefits in the period in which the absences are earned.

8.21 Revenuerecognition

Revenuecomprisesthefairvalueforthesaleofgoodsnetofsalestaxesanddiscounts.Revenue from the sale of goods is recognized when control of the goods passes to customers and the customers can direct the use of and substantially obtain all the benefits from the goods.

Revenue is recognized when specific criteria have been met for each of the Company's activities as describedbelow.

Revenuefromcontractswithcustomers

Saleofgoods

- Sale of goods is recognized when the Company has transferred control of the products to the customers and there is no unfulfilled obligation that could affect the customer's acceptanceoftheproducts.

Contractassets

Contract assets arise when the Company performs its performance obligations by transferring goodstoacustomerbeforethecustomerpaysitsconsiderationorbeforepaymentisdue.

Contractliabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before theCompanytransfersgoods,acontractliabilityisrecognizedwhenthepaymentismade.Contract liabilitiesarerecognizedasrevenuewhentheperformsitsperformanceobligationsunder thecontract.

Others

- Scrapsalesarerecognizedondeliverytocustomersatrealizedamounts.
- Return on deposit is accrued on time proportion basis by reference to the principle outstandingandtheapplicablerateofreturn.
- Rentalincomeisrecognizedonaccrualbasis.
- Allotherincomeisrecognizedonaccrualbasis.
- Dividendonequityinvestmentsisrecognizedasincomewhentherighttoreceivepayment isestablished.

8.22 Relatedpartytransactions

Transactions and contracts with the related parties are based on the policy that all transactions between the Company and related parties are carried out at an arm's length. These prices are determinedinaccordancewiththemethodsprescribedintheCompaniesAct,2017.

8.23 Borrowingcosts

Interestandcommitmentchargesonlongtermloansarecapitalizedfortheperioduptothedate ofcommencementofcommercialproductionoftherespectiveplantandmachineryacquiredoutof theproceedsofsuchloans.Allotherinterestandchargesaretreatedasexpensesduringtheyear.

8.24 Segmentreporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' results are

reviewed regularly by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Company has only one reportable segment.

8.25 Contingencies

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

8.26 Share capital

Share capital is classified as equity and recognized at the face value. Incremental costs, net of tax, directly attributable to the issue of new shares are shown as a deduction in equity.

8.27 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares.
Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

9. OPERATING FIXED ASSETS

The following is the statement of property, plant and equipment:

Description	Freehold land	Buildings on freehold land	Plant and machinery	Electric installation	Tools and equipment	Vehicles	Furniture and fixtures	Office and other equipments	Total
	(Rupees)								
Net carrying value basis year ended September 30, 2019									
Opening net book value (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 (at cost)	-	-	162,324,157	-	114,000	-	219,249	1,411,620	164,069,026
Revaluation during the year	180,042,500	134,522,415	34,650,954						349,215,869
Disposals (NBV)	-	-	-	-	-	(263,158)	-	-	(263,158)
Depreciation charge	-	(15,442,954)	(59,557,407)	(49,821)	(83,106)	(100,817)	(61,450)	(430,791)	(75,726,346)
Closing net book value	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
Gross carrying value basis year ended September 30, 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
Accumulated depreciation	-	(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)
Net book value	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
Net carrying value basis year ended September 30, 2018									
Opening net book value (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 (at cost)	-	-	52,598,604	-	-	23,284	-	435,123	53,057,011
Adjustment against land during year	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Disposals / transfers (NBV)	-	-	-	-	-	-	-	-	-
Depreciation charge	-	(17,158,838)	(57,483,896)	(55,356)	(91,285)	(191,061)	(58,783)	(395,935)	(75,435,154)
Closing net book value	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
Gross carrying value basis year ended September 30, 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
Accumulated depreciation	-	(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)
Net book value	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
Depreciation rate % per annum	-	10	5	10	10	20	10	10	

9.1 Freehold land of the Company is located at 5-km Faisalabad Road, District Okara, Punjab with an area covering 72.011 acres (2018: 72.011). The building on freehold land and other immovable assets of the Company are constructed/located at above mentioned freehold land and address.

9.2 Plant and machinery includes transfer from capital work-in-progress amounting to Rs. 161.961 million (2018: Nil).

9.3 Freehold land, buildings, plant & machinery were revalued by independent valuers M/s. Tristar International Consultants (Private) Limited as at September 30, 2019 on the basis of market value. The revaluation resulted in surplus aggregating to Rs. 349.215 million. Had there been no revaluation on that date, the book value of operating fixed assets would have been lower by Rs. 1,978.871 million (2018: Rs. 1,715.903 million).

9.4 Had there been no revaluation, the net book value of the assets as at September 30, 2019 would have been as under.

	Note	2019 Rupees	2018 Rupees
Land		7,959,798	7,959,798
Building		12,196,121	13,551,245
Plant and machinery		512,878,031	371,823,333
		533,033,950	393,334,376

9.5 The forced sale value of free hold land, building and plant & machinery is Rs. 1,071.163 million, 218.807 million and 956.250 million, respectively.

9.6 The depreciation charge for the year has been allocated as follows:

	Note	2019 Rupees	2018 Rupees
Cost of sales	34	75,050,182	74,789,375
General and administrative expenses	36	676,164	645,779
		75,726,346	75,435,154

9.7 The following operating fixed assets were disposed off during the year:

Description	Cost	Accumulated depreciation	Net Book value	Adjustments (Note 9.7)	Gain/ (Loss)	Mode of disposal	Particulars of buyers
			(Rupees)				
Vehicles							
Tractor-OKA-7792	175,000	174,765	235	246,250	246,015	Negotiation	Aleem Akbar
Tractor-OKA-7796	175,000	174,765	235	246,250	246,015	Negotiation	Aleem Akbar
Tractor-OKA-7794	65,000	64,913	87	246,250	246,163	Negotiation	Aleem Akbar
Tractor-OKA-7793	180,000	179,698	302	246,250	245,948	Negotiation	Aleem Akbar
Tractor-OKA-7797	175,000	174,707	293	246,250	245,957	Negotiation	Aleem Akbar
Tractor-OKA-8805	175,000	174,707	293	246,250	245,957	Negotiation	Aleem Akbar
Tractor-OKA-8802	175,000	174,707	293	246,250	245,957	Negotiation	Aleem Akbar
Tractor-OKA-5156	800,000	752,354	47,646	246,250	198,604	Employee settlement	Faizan Farukh Lashari
Trolley 8 Wheeler	460,000	459,535	465	710,909	710,444	Negotiation	Muhammad Javaid
Trolley 8 Wheeler	200,000	199,732	268	309,091	308,823	Negotiation	Muhammad Javaid
Motorcycle-OK-6354	20,000	19,945	55	5,429	5,374	Negotiation	Ishtiaq Parvez S/O Muhammad Yaqoob
Motorcycle-OKB-1432	20,000	19,945	55	5,429	5,374	Negotiation	Ishtiaq Parvez S/O Muhammad Yaqoob
Motorcycle-OKB-1433	20,000	19,945	55	5,429	5,374	Negotiation	Ishtiaq Parvez S/O Muhammad Yaqoob
Motorcycle-OKA-6351	18,000	17,974	26	5,429	5,403	Negotiation	Ishtiaq Parvez S/O Muhammad Yaqoob
Motorcycle-OKB-7130	30,000	29,797	203	5,429	5,226	Negotiation	Ishtiaq Parvez S/O Muhammad Yaqoob
Motorcycle-OKD-6929	46,000	44,145	1,855	5,429	3,574	Negotiation	Ishtiaq Parvez S/O Muhammad Yaqoob
Motorcycle-OKD-7030	46,000	44,145	1,855	5,429	3,574	Negotiation	Ishtiaq Parvez S/O Muhammad Yaqoob
Motorcycle-OKD-1431	46,000	44,145	1,855	5,429	3,574	Negotiation	Ishtiaq Parvez S/O Muhammad Yaqoob
Motorcycle-OK-1429	20,000	19,945	55	5,429	5,374	Negotiation	Ishtiaq Parvez S/O Muhammad Yaqoob
Motorcycle-OKB-6352	20,000	19,945	55	5,429	5,374	Negotiation	Ishtiaq Parvez S/O Muhammad Yaqoob
Motorcycle-OK-1430	20,000	19,945	55	5,429	5,374	Negotiation	Ishtiaq Parvez S/O Muhammad Yaqoob
Motorcycle-OK-8326	21,000	20,963	37	5,429	5,392	Negotiation	Ishtiaq Parvez S/O Muhammad Yaqoob
Motorcycle-OK-7030	50,000	46,850	3,150	5,429	2,279	Negotiation	Ishtiaq Parvez S/O Muhammad Yaqoob
Motorcycle-OKD-1431	50,000	46,850	3,150	5,429	2,279	Negotiation	Ishtiaq Parvez S/O Muhammad Yaqoob
Motorcycle-LEV-7510	68,500	54,135	14,365	68,508	54,143	Employee Settlement	Nazar Hussain
Motorcycle-LEP-5342	68,500	54,135	14,365	68,508	54,143	Employee Settlement	Syed Irfan Ali
Motorcycle-LEP-7560	68,500	54,135	14,365	68,500	54,135	Employee Settlement	Abdul Haq
Motorcycle-LEV-7553	68,500	54,135	14,365	68,500	54,135	Employee Settlement	Muhammad Akram
Motorcycle-LEV-7685	68,500	54,135	14,365	68,508	54,143	Employee Settlement	Umer Farooq
Motorcycle-LEV-7524	68,500	54,135	14,365	68,500	54,135	Employee Settlement	Mazar Iqbal
Motorcycle-LEQ-2278	68,500	54,135	14,365	68,500	54,135	Employee Settlement	Muhammad Sarwar
Motorcycle-LEP-5381	68,500	54,135	14,365	68,500	54,135	Employee Settlement	Abdul Rauf
Motorcycle-LEV-7594	68,500	54,135	14,365	68,500	54,135	Employee Settlement	Rana Mushtaq Ahmad
Motorcycle-LEV-7647	68,500	54,135	14,365	68,500	54,135	Employee Settlement	Nabeel Amjad
Motorcycle-LEV-7564	68,500	54,135	14,365	68,500	54,135	Employee Settlement	Hassan Tariq
Motorcycle-LEV-1784	66,500	23,935	42,565	66,446	23,881	Employee Settlement	Shafqat cheema
Total-2019	3,827,000	3,563,842	263,158	3,885,976	3,622,818		
Total-2018	-	-	-	-	-		

9.8 Proceeds/adjustment against these assets has been adjusted against payable balances of these parties.

9.9 Fair value measurement (revalued property, plant and equipment)

9.9.1 Fairvaluemeasurementoffreeholdlandisbasedonthevaluationscarriedoutbyanindependent valuer M/s. Tristar International Consultants (Private) Limited as at September 30, 2019 on the basis ofmarketvalue.

9.9.2 Fairvaluemeasurementofrevaluedlandisbasedonassumptionsconsideredtobelevel2inputs.

9.9.3 Valuationtechniquesusedtoderivelevel2fairvalues-Land

Fairvalueoflandhasbeenderivedusingasalescomparisonapproach.Salepricesofcomparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input in this valuation approach is price / rate per canal in particular locality. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputsusedinthevaluation.

10. CAPITALWORKINPROGRESS

	2019 Rupees	2018 Rupees
Thiscomprisesof:		
Building	6,282,560	6,282,560
Plantandmachinery	887,572	111,182,459
	7,170,132	117,465,019

10.1 Movementofcarryingamount

	Building	Plantand machinery	Total
	Rupees	Rupees	Rupees
YearendedSeptember30,2019			
Openingbalance	6,282,560	111,182,459	117,465,019
Additions(atcost)	-	51,666,968	51,666,968
Transferred to operating fixed assets	-	(161,961,855)	(161,961,855)
Closingbalance	6,282,560	887,572	7,170,132
YearendedSeptember30,2018			
Openingbalance	6,282,560	31,894,571	38,177,131
Additions(atcost)	-	79,287,888	79,287,888
Transferred to operating fixed assets	-	-	-
Closingbalance	6,282,560	111,182,459	117,465,019

10.2 Buildingconsistsofconstructionofsugargodown,whichisstillunderconstructionandexpected tobecompletedonAugust31,2020.

	Note	2019 Rupees	2018 Rupees
11. LONG TERM DEPOSITS			
Long term deposit	11.1	-	587,575
11.1 Movement of carrying amount			
Opening balance		587,575	587,575
Written off during the year	11.2	(587,575)	-
		-	587,575

11.2 Long term deposits have been written off during the year as there is no chance of recoveries of these deposits being as doubtful.

	Note	2019 Rupees	2018 Rupees
12. STORES, SPARES AND LOOSE TOOLS			
Stores			
in hand	12.1	28,047,322	19,068,626
in transit		-	-
		28,047,322	19,068,626
Spares:			
in hand	12.1	36,061,783	24,304,850
in transit		-	-
		36,061,783	24,304,850
		64,109,105	43,373,476
Loose tools		518,038	247,851
Less: Provision for obsolete stores and spares	12.2	(15,041,549)	-
		49,585,594	43,621,327

12.1 Stores and spares also include items which may result in capital expenditure but are not distinguishable at the time of purchase. However, the stores and spares consumption resulting in capital expenditure are capitalized in cost of respective assets.

	2019 Rupees	2018 Rupees
12.2 Movement of provision for obsolete stores and spares		
Opening balance	-	-
Provision during the year	15,041,549	-
Reversal during the year	-	-
Written off during the year	-	-
	15,041,549	-

		Note	2019 Rupees	2018 Rupees
13.	**STOCKINTRADE**			
	Workinprocess			
	-Sugar	34	-	31,895,978
	-Molasses		-	1,970,542
			-	33,866,520
	FinishedGoods			
	-Sugar	34	-	235,171
	-Molasses		-	-
	- V.F Cake		-	17,630,153
			-	51,731,844
14.	**TRADEDEBTS**			
	Unsecured			
	Consideredgood		77,491,042	492,485,573
	Considereddoubtful	14.1	305,161,478	-
			382,652,520	492,485,573
	Less: Provision for doubtful debts	14.1	(305,161,478)	-
			77,491,042	492,485,573
14.1	Movementofprovisionfordoubtfuldebtsisasfollows:			
	Openingbalance		-	-
	IFRS9-FinancialInstruments-Impactofchange inaccountingpolicy(Note6.1)		292,656,283	-
	BalanceasatOctober1,2018		292,656,283	-
	Adjustmentonaccountof:			
	Doubtful debts written off		-	-
	Recoveryofdoubtfuldebts		-	-
	Provisionmadefordoubtfuldebts		12,505,195	-
	Netadjustment		12,505,195	-
	Closingbalance		305,161,478	-
15.	**LOANSANDADVANCES**			
	Advances-(Unsecured-consideredgood)			
	Toemployees	15.1	71,300	457,240
	Advancetosuppliesandservices(Unsecured)			
	Consideredgood			
	Advancestocanegrowers	15.2	1,646,318	35,048,416
	Advanceforstorepurchases	15.3	13,418,739	74,247,325
			15,065,057	109,295,741
	Considereddoubtful			
	Advancestocanegrowers		-	5,000,000
	Less: Provision for doubtful advances		-	(5,000,000)
			-	-
			15,136,357	109,752,981

15.1 This represents advance given to employees against salary and expenses. These advances are provided for general purposes in accordance with the terms of their employment, which is not past due. These advances are unsecured, interest free and receivable on demand.

15.2 This include advances to various sugarcane growers in the form of fertilizers and pesticides. These advances are unsecured, interest free and will be adjusted in sugarcane payment.

15.3 This includes advances provided to employees to meet business expenses and are settled as and when the expenses are incurred. These advances do not carry any interest or mark-up.

15.4 Financial asset under this caption is advance to employees which are trivial for the decision making of users of the financial statements hence no impact on measurement has been considered.

	Note	2019 Rupees	2018 Rupees
15.5 Movement of provision for doubtful debts is as follows:			
Opening balance		5,000,000	5,000,000
Addition during the year		-	-
Written off during the year		(5,000,000)	-
Closing balance		-	5,000,000
16. SHORT TERM PREPAYMENTS			
Prepayments			
Expenses		500,534	-
Insurance		84,288	-
		584,822	-
17. OTHER RECEIVABLES			
(Considered good)			
Sales tax		21,517,880	-
Subsidy receivable on exports	17.1	105,742,500	105,742,500
		127,260,380	105,742,500

17.1 This represents subsidy receivables from Government of Pakistan against export of sugar during the financial year 2016. This is claimable under finance division's notification No. 1(4) CF-C/2014-114 dated February 18, 2015 in terms of which Government of Pakistan has approved total cash subsidy at the rate of Rs. 10/- per kg to sugar mills on export of sugar, as per the terms and conditions mentioned therein.

	Note	2019 Rupees	2018 Rupees
18. CASH AND BANK BALANCES			
Cash in hand		530,253	69,889
Cash at banks			
Current accounts	18.1	25,848,795	2,150,304
		26,379,048	2,220,193

18.1 Cash with bank in current accounts do not carry any interest or mark-up. There is no impact on measurement of bank balances due to implementation of IFRS 9.

18.2 In some bank accounts, the Company has not conducted any transactions since long and the bank had marked account as dormant. The Company is unable to operate these accounts and banks have not provided bank statements under these accounts, therefore, on prudence basis an impairment amounting to Rs. 0.0240 million has been recognised in these financial statements during the year.

19. SHARE CAPITAL

19.1 Authorized share capital

2019 Number of ordinary shares of Rs.10/-each	2018		2019 Rupees	2018 Rupees
70,000,000	70,000,000	Ordinary shares of Rs.10/-each	700,000,000	700,000,000

19.2 Issued, subscribed and paid up capital:

6,400,000	6,400,000	Fully paid in cash	64,000,000	64,000,000
3,050,000	3,050,000	Fully paid bonus shares	30,500,000	30,500,000
9,450,000	9,450,000		94,500,000	94,500,000

	2019 Number of Shares	2018 Rupees
19.2.1 Movement of share capital is as follows:		
Opening balance	9,450,000	94,500,000
Bonus shares issued during the year	-	-
Closing balance	9,450,000	94,500,000

19.2.2 There is no shareholder agreement for voting rights, board selection, rights of first refusal and block voting.

19.2.3 As at September 30, 2019 M/s Naubahar Bottling Company (Private) Limited (Holding Company) holds 4,806,468 (50.862%) shares of the company. Pattoki Sugar Mills Limited (ex-holding company) holds 7,696,072 (81.44%) shares of the Company as at September 30, 2018.

	2019 Rupees	2018 Rupees
20. DIRECTORS'LOANS		
Unsecured		
Directors		
Others(otherthanbankingcompanies)		
Openingbalance	-	-
Obtainedduringtheperiod/year		
Mr.MuhammadShamimKhan	596,500,000	-
Mrs.QaiserShamimKhan	593,000,000	-
Mr.NaumanAhmedKhan	22,000,000	-
	1,211,500,000	-
Repaidduringtheperiod/year	-	-
Closingbalance	1,211,500,000	-

20.1 This represents unsecured interest free long term loans from directors of the Company to meet theworkingcapitalandlongtermrequirements.Thesearepayableondiscretionofthe 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 andrepayableatthediscretionoftheCompany",issuedbytheInstituteofCharteredAccountants ofPakistan.

21. SURPLUSONREVALUATIONOFFIXEDASSETS		
Balancebroughtforward	1,978,827,460	2,034,783,706
Revaluationduringtheyear	349,215,869	-
Less: Transferred to equity in respect of incremental depreciationchargedduring theyear-(netofdeferredtax)	37,186,802	39,728,935
Relateddeferredtaxliabilityduringtheyear transferred to profit and loss account	15,188,976	16,227,311
	52,375,778	55,956,246
	2,275,667,551	1,978,827,460
Less: Related deferred tax effect:		
BalanceasatOctober01	262,924,805	288,778,051
Effect of change in rate	-	(9,625,935)
Deferredtaximpactfortheperiod	49,060,277	-
Incrementaldepreciationchargedduringthe year transferred to profit and loss account	(15,188,976)	(16,227,311)
	296,796,106	262,924,805
	1,978,871,445	1,715,902,655

21.1 TheCompany'sfreeholdland,buildingsonfreeholdland,plantandmachineryhavebeenrevalued by Tristar International Consultants (Private) Limited, an independent valuer not connected with the CompanyandapprovedbyPakistanBanks'Association(PBA).Thebasisofrevaluationforitemsof these fixed assets were as follows:

Freeholdland

Fairmarketvalueoffreeholdlandwasassessedthroughinquiriestorealestateagentsandproperty dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered all relevantfactorsaswell.

Buildingsonfreeholdland

Construction specifications were noted for each building and structure and new construction rates are applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessedmarketvalue.

Plantandmachinery

Suppliers and different sugar plant consultants in Pakistan and abroad were contacted to collect informationregardingcurrentpricesofcomparablesugarplanttodeterminecurrentreplacement value.Fairdepreciationfactorforeachitemisappliedaccordingtotheirphysicalcondition,usage andmaintenance.

21.2 Had there been no revaluation, the net book value of the specific classes of operating assets would havebeenasfollows:

	Note	2019 Rupees	2018 Rupees
Freeholdland		7,959,798	7,959,798
Buildingsonfreeholdland		12,196,121	13,551,245
Plantandmachinery		512,878,031	371,823,333

22. LONGTERMFINANCING

Secured:			
BankingCompanies	22.1	-	100,000,000
22.1 Frombankingcompanies			
Openingbalances		200,000,000	200,000,000
Obtainedduringtheyear		-	-
Repaymentsmadeduringtheyear		(100,000,000)	-
		100,000,000	200,000,000
Currentportionshownundercurrentliabilities		(100,000,000)	(100,000,000)
		-	100,000,000

22.2 This represents term finance facility obtained from JS Bank Limited for working capital requirements duetoBMRactivitiescarriedoutforenhancementinproductioncapacity.Itshallberepaidthrough 6 equal biannually instalments along with mark up. 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 andpersonalguaranteesofalldirectorsalongwithnetworthstatements.

	Note	2019 Rupees	2018 Rupees
23. LOAN FROM EX-HOLDING COMPANY			
Unsecured:			
Pattoki Sugar Mills Limited (PSML)	23.1	-	500,000,000
23.1 From holding company			
Balance as at October 01		525,000,000	525,000,000
Obtained during the year		-	-
Repayments/adjustment made during the year		(525,000,000)	-
		-	525,000,000
Current portion shown under current liabilities		-	(25,000,000)
		-	500,000,000

23.2 The Company obtained unsecured loan from M/s Pattoki Sugar Mills Limited (PSML) - the ex-holding company that carries mark-up at the rate of 3 month's KIBOR plus 2% per annum. The effective mark-up rate charged by PSML during the year ranging from 10.88% to 12.55% (2018: 8.15% to 8.93%) per annum.

	Note	2019 Rupees	2018 Rupees
24. LOAN FROM HOLDING COMPANY			
Unsecured:			
Naubahar Bottling Company (Private) Limited	24.1	965,960,400	-
24.1 From holding company			
Balance as at October 01		-	-
Obtained during the year		965,960,400	-
Repayments/adjustment made during the year		-	-
		965,960,400	-
Current portion shown under current liabilities		-	-
		965,960,400	-

24.2 The Company obtained unsecured loan from M/s Naubahar Bottling Company (Private) Limited - the holding 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 year ranging from 11.02% to 14.35% (2018: Nil) 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 and hence no current maturity has been provided. These will be paid as and when convenient to the Company.

	Note	2019 Rupees	2018 Rupees
25. DEFERRED LIABILITIES			
Deferred taxation	25.1	386,808,417	284,572,416
Provision for gratuity	25.3	89,033	3,661,253
		386,897,450	288,233,669

	2019 Rupees	2018 Rupees
25.1 Deferredtaxation		
Deferredtaxliabilitycomprisesasfollows:		
Taxable temporary differences		
Surplus on revaluation of fixed assets	296,796,106	262,924,805
Taxdepreciationallowances	90,012,311	73,748,982
Deductible temporary differences		
Provisionforgratuity	-	(1,061,763)
Unabsorbedtaxdepreciation	-	(51,039,608)
	386,808,417	284,572,416

25.2 Thegrossmovementinthedeferredtaxliabilityduringtheyearisasfollow:

BalanceasatOctober1,	284,572,416	-
IFRS9-FinancialInstruments-Impactofchange inaccountingpolicy(Note6.1)	-	-
	284,572,416	-
Charge to profit the statement of profit or loss	53,175,724	-
Chargetoothercomprehensiveincome	49,060,277	-
	386,808,417	-

25.2.1 As at September 30, 2019, deferred tax asset amounting Rs. 374.963 million (2018: Rs. 88.87 million) on unused tax losses, impairment loss and gratuity have not been recognised in the financial statements as a matter of prudence as in the opinion of the management there is no certainty regarding realisability of the amount. The management intends to re-assess the recognition of deferredtaxassetasatSeptember30,2020.Thelosscanbecarryforwardedupto5years.

25.3 Provisionforgratuity

25.3.1 Generaldescription

The scheme provides for terminal benefits for all its permanent employees who qualify for the scheme. The defined benefit payable to each employee at the end of his service comprises of total number of years of his service multiplied by last drawn basic salary including cost of living allowance.

Annualchargeisbasedonactuarialvaluationcarriedoutbyanindependentapprovedvaluer M/S NaumanAssociatesasatSeptember30,2019usingtheProjectedUnitCreditmethod.

TheCompanyfacesthefollowingrisksonaccountofgratuity:

Final salary risk - The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macro-economic factors), the benefit amount would also increase proportionately.

Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference tocorporatebondyields.Adecreaseincorporatebondyieldswillincreaseplanliabilities,although this will be partially offset by an increase in the value of the current plans' bond holdings.

Demographic Risks: Mortality Risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distributionisonthehigherside.

Withdrawal Risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

	2019 Percentage Perannum	2018 Percentage
25.3.2 Significant actuarial assumptions		
Following are significant actuarial assumptions used inthevaluation:		
Discountrate	12.50	10
Expectedrateofincreaseinsalary	11.50	9
Expectedaverageremainingworkinglifetimeofemployees	6years	6years

	Note	2019 Rupees	2018 Rupees
25.3.3 Reconciliation of payable to defined benefit plan			
Presentvalueofobligation			
Liability recognized in balance sheet		89,033	3,661,253
25.3.4 Movementoftheliabilityrecognizedinthe statement of financial position			
Openingnetliability		3,661,253	3,051,154
Chargefortheyear		170,460	1,227,664
Remeasurementchargeabletoother comprehensiveincome		-	(617,565)
Writtenbackduringtheyear	25.3.12	(3,742,680)	-
Closingnetliability		89,033	3,661,253
25.3.5 Movement in present value of defined benefit obligations			
Presentvalueofobligationatthestartoftheyear		3,661,253	3,051,154
Currentservicecost		300,059	555,606
Pastservicecost		-	460,200
Interestcost		50,308	211,858
Gainsandlossesarisingonplansettlements		(179,907)	-
Remeasurements:			
Actuarial(gain)/lossesfromchangesin demographicassumption		-	-
Actuarial(gain)/lossesfromchangesin financial assumption		-	14,161
Experienceadjustments		-	(631,726)
Benefit due but not paid (payable)	25.3.12	(3,742,680)	-
Closing present value of defined benefit obligations		89,033	3,661,253

	2019 Rupees	2018 Rupees
25.3.6 Charge for the year		
Current service cost	300,059	555,606
Past service cost	-	460,200
Interest cost	50,308	211,858
Gains and losses arising on plan settlements	(179,907)	-
Charge for the year	170,460	1,227,664

25.3.7 The expected charge in respect of defined benefit plan for the year ending September 30, 2020 will be 0.433 million.

25.3.8 Total remeasurement charge in other comprehensive income

Remeasurement of plan obligation		
Actuarial (gain)/losses from changes in demographic assumption	-	-
Actuarial (gain)/losses from changes in financial assumption	-	14,161
Experience adjustment	-	(631,726)
	-	(617,565)

25.3.9 Sensitivity analysis

The impact of 1% change in following variables on defined benefit obligation is as follows:

	Increase in assumption	Decrease in assumption
Discount rate +100 bps	85,915	2,960,941
Discount rate -100 bps	92,519	3,318,230
Salary increase +100 bps	92,595	3,323,821
Salary increase -100 bps	85,794	2,952,750

	2019 Rupees	2018 Rupees
25.3.10 Maturity profile		
Time in year		
1	-	511,028
2	48,949	435,086
3	574,600	285,243
4	63,272	439,292
5-11 onwards	34,339,782	16,819,116

The average duration of the defined benefit obligation is 4 years.

25.3.11 Yearwisecomparisonisasfollows:

	2019	2018	2017	2016	2015
			Rupees		
Present value of defined benefit obligation	89,033	3,661,253	3,051,154	2,050,989	1,412,063
Experienceadjustmentonobligation	-	(617,565)	378,046	31,357	487,860

25.3.12 These liabilities have been written back as the final settlement has been made with these employees andacknowledgementhasbeenobtainedthatnoduesarependingattheCompany.Accordingly thesehavebeenwrittenbacktootherincome.

	Note	2019 Rupees	2018 Rupees
26. TRADEANDOTHERPAYABLES			
Tradecreditors	26.1&2	245,699,769	180,184,246
Accruedliabilities		13,475,505	28,271,372
Advancesfromcustomers(unsecured)	26.4	340,197,135	343,376,929
Workers' Profit Participation Fund	26.5	1,872,644	1,609,491
Taxesanddutiespayable		7,137,046	2,359,634
Salestaxpayable		831,110	37,498,444
Otherliabilities		331,155	26,196,221
		609,544,364	619,496,337

26.1 ThisincludesRs.33.353million(2018:Rs.2.184million)payabletoImporientChemicals(Private) Limited (Ex related party) against purchase of chemical.

26.2 This includes Rs. 0.690 million (2018: Nil) payable to Thal Industries Corporation Limited and Rs. 0.337 million (2018: Nil) to Al-Moiz Industries Limited (a related parties) against payment of purchaseofplantandmachineryandsteelproducts.

26.3 The maximum amount due to Thal Industries Corporation Limited and Al-Moiz Industries Limited attheendofanymonthduringtheyearwasRs.0.690million(2018:Nil)andRs.0.337(2018:Nil) respectively.

26.4 Theadvancefromcustomers'balancesamountingtoRs.340.197millionwhicharelongoutstanding at the reporting date are adjustable against the payment to be made to the Sponsor Sellers as per shareholder agreement. However, due to un-availability of third party confirmation, on produce basisthesebalancehavenotbeenadjustedandtheCompanywillcompletetheduelegalprocess beforeadjustingthesebalances.

26.5 Workers' Profit Participation Fund

BalanceasatOctober01,		1,609,492	1,442,714
Interestatprescribedrate	26.7	263,152	166,778
Less: Amount paid to fund		-	-
		1,872,644	1,609,492
Current year's allocation at 5%	37	-	-
		1,872,644	1,609,492

26.6 The Company retains the allocation of this fund for its business operations till the amounts are paid.

26.7 Interest on Workers' profit (participation) fund has been provided at the rate of 16.35% (2018: 11.56%).

	Note	2019 Rupees	2018 Rupees
27. DUE TO EX-HOLDING COMPANY			
Unsecured:			
Pattoki Sugar Mills Limited (PSML)	28.1	104,066,694	1,154,442,231

27.1 The Company has obtained unsecured short term loan from M/s Pattoki Sugar Mills Limited (PSML) - the ex-holding company that carries mark-up at the rate of 3 month's KIBOR plus 2% per annum. The effective mark-up rate charged by PSML during the year ranging from 10.88% to 12.55 % (2018: 8.15% to 8.93%) per annum.

28. TEMPORARY BANK OVERDRAFT			
Temporary bank overdraft-unsecured	28.1	-	25,982,166

28.1 This represents temporary credit balances, which occurred due to outstanding cheques at the period end, issued in anticipation of deposits. Subsequent to period end, this amount has been fully adjusted.

29. MARKUP ACCRUED			
Secured			
Long term financing		12,641,413	6,329,216
Long term financing from holding company and ex holding		73,920,778	147,728,893
Short term borrowings		-	-
		86,562,191	154,058,109
30. TAXATION - NET			
Advance income tax		1,810,896	7,102,633
Less: Provision for taxation	40	(1,824,111)	(12,012,897)
		(13,215)	(4,910,264)
31. CURRENT PORTION OF LONG TERM LIABILITIES			
Long term financing	22	100,000,000	100,000,000
Loan from ex-holding company	23	-	25,000,000
		100,000,000	125,000,000

32. CONTINGENCIES AND COMMITMENTS

32.1 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 account 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 account 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 (2018: 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 (2018: 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 (2018: 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 (2018: 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(I)/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(I)/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(I)/2013 dated February 07, 2013 read with the SRO 1072(I)/2013 dated December 27, 2013, the Federal Government allowed recued 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(I)/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

hasbeendemandedbyDCIR.ThishasalsobeenchallengedbeforeCIRAppeals.TheCIR(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,itmayresultintaxpayableofRs.10.163million.

m) The company (Baba Farid Sugar Mills Limited - BFSML) has issued a corporate guarantee for Rs. 300 million (2018: Rs. 300 million) in favour of Bank Alfalah Limited on behalf of Pattoki Sugar Mills Limited. This has been vacated subsequent to the balance sheet date.

n) 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 andexpectingofvacationofthesechargesduringthenextyear.

o) Thelongtermandcurrentassetsofthecompanybyamounting Rs.2,068millionisalsopledged with MCB Bank Limited against loan facility to Pattoki Sugar Mills Limited. The Company is pursuing thematterandexpectingofvacationofthesechargesduringthenextyear.

p) Thelongtermassetsofthecompanybyamounting Rs.294millionisalsopledgedwithSamba Bank Limited against loan facility to Pattoki Sugar Mills Limited. The Company is pursuing the matterandexpectingofvacationofthesechargesduringthenextyear.

32.2 Commitments

TheCompanyiscommittedasatthebalancesheetdateinrespectofcapitalexpenditureof Rs. 6.00million(2018:Nil).

	2019 Rupees	2018 Rupees
33. SALES		
Sales		
Manufacturing-local		
Sugar	114,874,295	1,439,473,139
Byproductssales:		
Molasses	16,389,999	69,762,612
V.F.Cake	2,385,000	1,006,408
	18,774,999	70,769,020
Less: Sales tax		
Sugar	(9,313,920)	(128,244,000)
Molasses	(2,381,453)	(31,355)
V.F.Cake	(346,539)	(146,231)
	(12,041,912)	(128,421,586)
	121,607,382	1,381,820,573

	Note	2019 Rupees	2018 Rupees
34. COST OF SALES			
Raw materials consumed			
Opening stock		-	-
Purchases		122,252,719	882,081,661
		122,252,719	882,081,661
Closing stock		-	-
		122,252,719	882,081,661
Stores, spares and consumables		8,895,560	2,813,592
Packing materials consumed		713,731	6,812,980
Chemicals consumed		1,241,536	5,520,016
Salaries, wages and other benefits	34.1	40,634,486	53,404,810
Fuel and power		11,414,524	17,568,809
Repair and maintenance		147,760,390	19,564,596
Depreciation	9.6	75,050,182	74,789,375
Vehicle running expenses		2,182,603	1,561,392
Fee and subscription		115,000	60,000
Provision for slow moving stores and spares		15,041,549	-
Other factory overheads		1,664,975	169,455
		304,714,536	182,265,025
Work in process			
Opening		33,866,520	30,439,554
Closing	13	-	(33,866,520)
		33,866,520	(3,426,966)
Cost of goods manufactured		460,833,775	1,060,919,720
Finished goods			
Opening		17,865,324	502,595,136
Closing	13	-	(17,865,324)
		17,865,324	484,729,812
		478,699,099	1,545,649,532

34.1 This amount includes Nil (2018: Rs. 0.352 million) in respect of employees' retirement benefits.

35. SELLING AND DISTRIBUTION EXPENSES

Salaries, wages and other benefits	35.1	400,728	841,779
Stacking, restacking and carriage		71,099	1,442,155
		471,827	2,283,934

35.1 This amount includes Nil (2018: Rs. 0.509 million) in respect of employees' retirement benefits.

	Note	2019 Rupees	2018 Rupees
36. GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	36.1	15,869,758	25,771,331
Travelingandconveyance		78,798	6,150
Rent,ratesandtaxes		2,245,112	600
Telephoneandpostage		184,815	138,215
Printingandstationery		1,083,881	411,471
Feeandsubscription		3,874,281	1,290,719
Insurance		463,818	2,371,259
Repairandmaintenance		1,147,756	46,550
Vehicle running expenses		2,819,619	4,027,803
Entertainment		1,082,963	685,781
Legal and professional charges		463,000	569,917
Charityanddonations	36.2	119,310	323,160
Depreciation	9.6	676,164	645,779
Penalty		-	5,387,138
Miscellaneous		556,319	168,478
		30,665,594	41,844,351

36.1 ThisamountincludesRs.0.170million(2018:Rs.0.824million)inrespectofemployees'retirement benefits.

36.2 Donations

36.2.1 Thisrepresentsamountspaidforsidqasetc.Donationsotherthanmentionedabovewerenotmade toanydoneeinwhichanydirectoroftheCompanyorhisspousehadanyinterestatanytimeduring theyear.

37. OTHEROPERATINGEXPENSES			
Auditors'remuneration			
Auditfee		500,000	500,000
Halfyearlyreviewfee		248,750	50,000
Reviewofcodeofcorporategovernance		50,000	10,000
Outofpocketexpenses		25,000	-
		823,750	560,000
Security deposits written off		587,575	-
Provisionfordoubtfuldebts		12,505,195	-
Advances written off	37.1	65,034,841	-
Other receivable written off	37.1	7,249,736	-
		86,201,097	560,000

37.1 This represents doubtful advances and other receivables written off during the year on prudence basisaschancesofrecoveriesareremote.

	Note	2019 Rupees	2018 Rupees
38. OTHERINCOME			
Income from non- financial assets			
Gain on sale of fixed assets		3,622,818	-
Saleofscrap		1,666,051	-
Liabilities no longer payable written back	37.1 & 2	17,708,614	-
		22,997,483	-

38.1 This includes gratuity amounting to Rs. 3.743 million (2018: Nil) written back due final settlement of employeesduringtheyear.

38.2 This also includes creditors amounting to Rs. 12.506 million (2018: Nil) written back for excess balances which is not confirmed by them.

39. FINANCIALCHARGES			
Mark-up/intereston:			
Long term financing		19,114,969	24,689,567
Loan from ex -holding company		85,160,793	144,810,241
Loan from holding company		71,572,815	-
Worker's profit participation fund		263,152	166,778
		176,111,729	169,666,586
Bankchargesandcommission		80,777	108,786
		176,192,506	169,775,372
40. TAXATION			
Current	40.1	1,824,111	12,012,897
Deferredtax		53,175,724	(16,239,322)
		54,999,835	(4,226,425)

40.1 As the tax charge represent alternates minimum tax (turnover) under the income Tax Ordinance, 2001, numerical reconciliation between the average effective tax rate and the applicable tax rate is notpreparedandpresented.

40.2 The rate of tax has been fixed at 29% for Tax Year 2019 and onwards by taxation authorities.

40.3 Comparisonoftaxprovisionagainsttaxassessments

Years	Note	Excess/ (Short)	Tax provision (Rupees)	Taxassessment/ taxreturn
2017-18	40.4	-	12,012,897	12,012,897
2016-17	40.4	(670)	21,662,092	21,662,762
2015-16	40.4	-	11,831,378	11,831,378

40.4 Minimum tax for tax year 2016, 2017 and 2018 of Rs. 44.095 million, Rs. 47.191 million andRs.62.772millionwasfullyadjustedagainstthetaxcreditsundersection65B.

41. ACCOUNTINGESTIMATESANDJUDGMENTS

The Company's main accounting policies affecting its result of operations and financial conditions are set out in note 6. Judgments and assumptions have been required by the management in applying the Company's accounting policies in many areas. Actual results may differ from estimates calculated using these judgments and assumptions. Key sources of estimation, uncertainty and criticalaccountingjudgmentsareasfollows:

a) Incometaxes

TheCompanytakesintoaccountrelevantprovisionsofthecurrentincometaxlawswhileproviding for current and deferred taxes as explained in note 8.10 to these financial statements.

b) Defined benefit plan

Certain actuarial assumptions have been adopted by external professional valuer (as disclosed in note 24.3) for valuation of present value of defined benefit obligations. Any changes in these assumptions in future years might affect unrecognized gains and losses in those years.

c) Property,plantandequipment

The estimates for revalued amounts, if any, of different classes of property, plant and equipment, are based on valuation performed by external professional valuers and recommendation of technical teamsoftheCompany.Further,theCompanyreviewsthevalueoftheassetsforpossibleimpairment onanannualbasis.

Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment. As explained in note 9 to these financial statements, the Company has revalued its free holdlandasonSeptember30,2019.

d) Storesandspares

Managementhasmadeestimatesforrealizableamountofslowmovingandobsoletestoresand sparesitemstodetermineprovisionforslowmovingandobsoleteitems.Anyfuturechangeinthe estimated realizable amounts might affect carrying amount of stores and spares with corresponding affect on amounts recognized in profit and loss account as provision / reversal.

e) Financialinstrument

The fair value of the financial instrument that are not traded in an active market is determined by usingvaluationtechniquesbasedonassumptionthataredependentonconditionsexistingatthe balancesheet.

f) Provisionfordoubtfulreceivables

The Company uses a provision matrix to calculate ECLs for trade receivables and other receivables. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-lookinginformation.Forinstance,ifforecasteconomicconditions(i.e.,grossdomesticproduct)are expectedtodeteriorateoverthenextyearwhichcanleadtoanincreasednumberofdefaultsinthe manufacturingsector,thehistoricaldefaultratesareadjusted.Ateveryreportingdate,thehistorical observeddefaultratesareupdatedandchangesintheforward-lookingestimatesareanalysed.

g) Fair value measurement

A number of assets and liabilities included in the financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Establishment's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilised are (the fair value hierarchy):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

h) Provision and contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on its judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the balance sheet date.

i) Impairment of assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated using criteria given in respective accounting standards to determine the extent of impairment loss, if any.

42. CASH AND CASH EQUIVALENTS

	2019 Rupees	2018 Rupees
Temporary bank overdraft	-	(25,982,166)
Cash and bank balances	26,379,048	2,220,193
	26,379,048	(23,761,973)

43. TRANSACTIONSANDBALANCESWITHRELATEDPARTIES

The related parties comprise of ultimate parent company and parent company, 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	Natureofrelationship	Natureoftransactions	September302019		September302018	
			Transactions duringtheperiod	Closing balance	Transactions duringtheyear	Closing balance
			----------Rupees----------			
Pattoki Sugar Mills Limited	Ex- Parent	Long term loans - paid/adjusted	(525,000,000)	-	-	525,000,000
		Shorttermloans-paid/adjusted	(1,170,332,079)	104,066,694	-	1,154,442,231
		Fundsreceived	16,359,000	-	-	-
		Sales	(77,392,720)	-	-	-
		Amount paid by PSML on behalf of BFSML	180,990,262	-	-	-
		Mark-uppayable	85,160,793	2,347,963	-	147,728,891
		Mark-uppaid/adjusted	(230,541,721)	-	-	-
ImporientChemicals (Private) Limited	Ex-Ultimate Parent	Payablebalance	-	33,353,666	-	2,184,896
		Funds paid	(10,275,000)	-	-	-
		Amount paid by ICL on behalf of BFSML	6,097,641	-	-	-
		Fundreceived	3,548,124	-	-	-
		Chemicalpurchase	31,798,005	-	-	-
		Receivablebalance	4,875,766	-	-	26,222,648
		Adjustment against PSML	(31,098,414)			
ExporientKnitters(Private) Limited	Ex-Associate	Receivablebalance	-	-	-	3,469,766
		Funds received	-	-	3,469,766	3,469,766
		AdjustmentagainstImporient	(3,469,766)	-		-
Naubahar Bottling Company (Private) Limited	Holding Company	Long term loans	965,960,400	965,960,400	-	-
		Mark-up payable	-	71,572,815	-	-
		Mark-upchargedonadvancesobtained	71,572,815	-	-	-
TheThalIndustries Corporation Limited	Associated	Payable	-	690,094	-	-
		Purchases	690,094	-	-	-
Al-Moiz Industries Limited	Associated	Payable	-	337,500	-	-
		Purchases-Steelitems	337,500	-	-	-
Directors/shareholders						
Mr.MuhammadShamimKhan		Directors'contribution/loan	596,500,000	596,500,000	-	-
Mrs.QaiserShamimKhan		Directors'contribution/loan	593,000,000	593,000,000	-	-
Mr.NaumanAhmedKhan		Directors'contribution/loan	22,000,000	22,000,000	-	-
Executives	Key management personnel	Remunerationpaid	1,997,060	-	5,156,258	-

43.1 Basisofrelationshipwiththecompany

Inrespectofassociatedcompaniesandholdingcompanyincorporatedinside Pakistanwithwhom the company had entered into transaction during the financial year along with basis of relationship isasfollows:

Nameofrelatedparty	Countryof Incorporation	Relationship	Basisof Association	Shareholdings
Pattoki Sugar Mills Limited	Pakistan	Ex- Parent company	Note 43.4	Nil
Imporient Chemicals (Private) Limited	Pakistan	Ex-Associate/ ultimateparent company	Note 43.4	Nil
Exporient Knitters (Private) Limited	Pakistan	Ex-Associate	Note 43.4	Nil
Naubahar Bottling Company (Private) Limited	Pakistan	Holding	Shareholding	50.86%
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	17.36%
Mrs Qaiser Shamim Khan	Pakistan	Director	Shareholding	9.64%
Mr. Adnan Ahmed Khan	Pakistan	Chief Executive	Shareholding	9.64%
Mr. Nauman Khan	Pakistan	Director	Shareholding	9.64%
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%

43.2 Thedetailsofcompensationpaidtokeymanagementpersonnelareshownunderthe headingof "RemunerationofChiefExecutive,DirectorsandExecutive(note48)".Thereareno transactions with key management personnel other than under their terms of employment except otherwise stated.

43.3 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of its management team, including the Chief Executive Officer and the Directors to be key management personnel.

43.4 Thisreferstonote3,theseentitieswerethe relatedpartiesfortheperiodfromOctober01,2018to June13,2019.

44. LOSSPERSHARE-BASICANDDILUTED

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

	2019	2018
Profit after taxation	(682,625,093)	(374,066,191)
Weightedaveragenumberofordinaryshares	9,450,000	9,450,000
Earningspershare-(Rupees)	(72.24)	(39.58)

45. RECONCILIATIONOFMOVEMENTOFLIABILITIESANDEQUITIESTOCASHFLOWSARISING FROMFINANCINGACTIVITIES

	Liabilities			
	Longterm Loan	Directors contribution	Holding company	Total
	(Rupees)			
BalanceasatOctober1,2018	200,000,000	-	1,679,442,231	1,879,442,231
Contribution/borrowingsobtained	-	1,211,500,000	965,960,400	2,177,460,400
Repayment of financing	(100,000,000)	-	-	(100,000,000)
Payment/adjustment	-	-	(1,575,375,537)	(1,575,375,537)
	(100,000,000)	1,211,500,000	(609,415,137)	502,084,863
BalanceasatSeptember30,2019	100,000,000	1,211,500,000	1,070,027,094	2,381,527,094

45.1 There is no movement in the dividend during the year, therefore no reconciliation has been prepared.

45.2 There is Rs.108.491 million as non cash transactions in the financing activities against Pattoki Sugar Mills Limited during the year. These are adjusted through related party receivable balance and sale madeduringtheyear.

46. FINANCIALINSTRUMENTS

Financialriskmanagement

The Company has exposures to the following risks from its use of financial instruments:

-Creditrisk
- Liquidity risk
-Marketrisk

TheBoardofDirectorshasoverallresponsibilityfortheestablishmentandoversightofCompany's risk management framework. The Board is also responsible for developing and monitoring the Company'sriskmanagementpolicies.

46.1 Creditrisk

Credit risk represents the accounting loss that would be recognized at the reporting date if the counter party fail completely to perform as contracted and arise principally from trade debts, loans and advances, trade deposits, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximumexposuretocreditriskatthereportingdateisasfollows:

	2019 Rupees	2018 Rupees
Long term deposits	-	587,575
Tradedebts-netofprovision	77,491,042	492,485,573
Loans and advances - net of provision	71,300	457,240
Bankbalances	25,848,795	2,150,304
	103,411,137	495,680,692

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Credit terms are approved by the approval committee. Where considered necessary, advance payments are obtained from certain parties. The management has set a maximum credit period of 30 days to reduce the credit risk.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

The maximum exposure to credit risk for trade debts at the balance sheet date by geographic region is as follows:

	2019 Rupees	2018 Rupees
Export	-	-
Domestic	77,491,042	492,485,573
	77,491,042	492,485,573

Trade receivables by geographical split is as follows:

	Sales			Trade debts	
	LC	Others	Total	Outstanding balance (Rupees)	
		(Rupees)		2019	2018
Country					
Pakistan	-	121,607,382	121,607,382	77,491,042	492,485,573
Total	-	121,607,382	121,607,382	77,491,042	492,485,573

The maximum exposure to credit risk for trade debts at the balance sheet date by type of customer is as follows:

This was included balance amounting to Rs. 26.222 million receivable from Imporient Chemicals (Private) Limited (group company) which was not past due and adjusted during the year.

The maximum amount due from Imporient Chemicals (Private) Limited at the end of any month during the year was Rs. 31.098 million.

	2019 Rupees	2018 Rupees
Dealers/industries	77,491,042	492,485,573
End-user customers	-	-
	77,491,042	492,485,573

Theagingoftradereceivable(netofprovisions)atthereportingdateis:

	2019 Rupees	2018 Rupees
1-30days	-	-
30-180days	77,491,042	125,560,763
Morethan180days	-	366,924,810
	77,491,042	492,485,573

The company's most significant customers, are dealers from whom the receivable was Rs. 77.491 million(2018:Rs.435.396)million.

Based on the past experience, consideration of financial position, past track records and recoveries, theCompanybelievesthatimpairmentallowanceisnecessaryinrespectoftradedebtorspastdue, accordinglyasmentionedinnote14,37and6.1appropriateimpairmentlosshasbeenrecordedin these financial statements.

OntheprudencebasisanamountofRs.12.505million(2018:Nil)hasbeenchargedtostatement of profit or loss during the year.

The Company's bank balances can be assessed with reference to external credit ratings as follows:

	Rating Agency	Ratings Short Term	Long Term	2019 Rupees	2018 Rupees
Bank Al-Habib Limited	PACRA	A1+	AA+	7,553,481	21,362
Bank Al-Habib Limited	PACRA	A1+	AA+	18,214,979	-
Bank Al-Habib Limited	PACRA	A1+	AA+	599	-
United Bank Limited	JCR-VIS	A-1+	AAA	-	335,164
MCB Bank Limited	PACRA	A1+	AAA	-	125,473
NationalBankofPakistan	PACRA	A1+	AAA	79,736	79,736
Habib Bank Limited	JCR-VIS	A-1+	AAA	-	153,967
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	-	763
Summit Bank Limited	JCR-VIS	A-1	A-	-	635
Bank Alfalah Limited	PACRA	A1+	AA	-	381,131
JS Bank Limited	PACRA	A1+	AA-	-	35,342
TheBankofPunjab	PACRA	A1+	AA	-	10,580
Askari Bank Limited	PACRA	A1+	AA+	-	975,040
Apna Microfinance Bank Limited	PACRA	A3	BBB+	-	27,443
Meezan Bank Limited	JCR-VIS	A-1+	AA	-	3,668
				25,848,795	2,150,304

46.2 Liquidityrisk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they falldue.TheCompany'sapproachtomanagingliquidityistoensureasfaraspossibletoalways have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, withoutincurringunacceptablelossesorriskingdamagetotheCompany'sreputation.

	Carrying amount	Contractual cash flow	Oneto twelve months	Oneto two years	Twoto five years
	----------	----------(Rupees)----------			
2019					
Financialliabilities					
Long term financing	100,000,000	114,590,000	114,590,000	-	-
Loan from holding company	965,960,400	1,089,120,351	-	-	1,089,120,351
Mark-upaccrued	86,562,191	86,562,191	86,562,191	-	-
Tradeandotherpayables	259,506,429	259,506,429	259,506,429	-	-
Unclaimeddividend	255,930	255,930	255,930	-	-
	1,412,284,950	1,550,034,901	460,914,550	-	1,089,120,351
2018					
Financialliabilities					
Long term financing	200,000,000	200,000,000	100,000,000	100,000,000	-
Loan from ex -holding company	525,000,000	525,000,000	500,000,000	25,000,000	-
Duetoexholdingcompany	1,154,442,231	1,154,442,231	1,154,442,231	-	-
Tradeandotherpayables	234,651,839	234,651,839	234,651,839	-	-
Mark-upaccrued	154,058,109	154,058,109	154,058,109	-	-
Unclaimeddividend	255,930	255,930	255,930	-	-
Temporarybankoverdraft	25,982,166	25,982,166	25,982,166	-	-
	2,294,390,275	2,294,390,275	2,169,390,275	125,000,000	-

46.3 Marketrisk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. The company is exposed to currency risk and interest rate risk only.

a) Currencyrisk

The Company is exposed to currency risk on trade debts, import of raw materials and stores and spares and export sales that are denominated in a currency other than the respective functional currency of the Company, primarily in U.S. dollar. The Company's exposure to foreign currency risk is as follows:

	Note	2019 Rupees	2018 Rupees
Tradedebts		-	-
Grossbalancesheetexposure		-	-
Outstandinglettersofcredit	32.2	-	-
Netexposure		-	-

The following significant exchange rates applied during the year:

	Average rate		Reporting date rate	
	2019	2018	2019	2018
USD to PKR	143.05	113.50	164.50	121.60

Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the US dollar with all other variables held constant, post tax profit for the year would have been lower by the amount shown below.

	2019 Rupees	2018 Rupees
Effect on profit or loss		
Loss	-	-

The weakening of the PKR against US dollar would have had an equal but opposite impact on the post tax profits / loss.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from long term loans and short term borrowings. These are benchmarked to variable rates which expose the Group to cash flow interest rate risk. At the balance sheet date the interest rate profile of the Group's interest - bearing financial instruments is as follows:

	2019 Effective rate	2018	2019 Carrying amount	2018
Financial liabilities			Rupees	Rupees
Variable rate instruments:				
Long term financing	14.59%	11.59%	100,000,000	200,000,000
Loan from ex -holding company	11.715%	8.540%	-	525,000,000
Loan from holding company	12.715%	-	965,960,400	-
			1,065,960,400	725,000,000

Effective interest rates are also mentioned in the respective notes to the financial statements.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased/(increased) loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2018.

	Profit and loss	
	100bp increase	100bp decrease
AsatSeptember30,2019		
Cash flow sensitivity - Variable rate financial liabilities	(10,659,604)	10,659,604
AsatSeptember30,2018		
Cash flow sensitivity - Variable rate financial liabilities	(7,250,000)	7,250,000

The sensitivity analysis prepared is not necessarily indicative of the effects on (loss) / profit for the yearandassets/liabilitiesoftheCompany.

46.4 Otherpricerisk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is not exposed to any price risk as there are no financial instruments at the reporting date that are sensitive to price fluctuations.

47. FAIRVALUEOFFINANCIALINSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the financial statements approximatetheirfairvalues.Fairvalueisthepricethatwouldbereceivedtosellanassetorpaid totransferaliabilityinanorderlytransactionbetweenmarketparticipationsatthemeasurement date.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instrumentsbyvaluationtechnique:

Level 1: Quoted prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair valueareobservable,eitherdirectlyorindirectly.
Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that arenotbasedonobservablemarketdata.

There were no financial instruments held by the Company which are measured at fair value as of September30,2019andSeptember30,2018.

Transferbetweenlevelsofthefairvaluehierarchyarerecognisedattheendofthereportingperiod duringwhichthechangeshaveoccurred.However,therewerenotransfersbetweenlevelsoffair valuehierarchyduringtheyear.

Thefollowingiscategorizationofassetsmeasuredatfairvalueat September 30, 2019:

	2019			
	Level1	Level2	Level3	Total
	Rupees			
Assets:				
Freeholdland	-	1,260,192,500	-	1,260,192,500
Buildings	-	273,509,000	-	273,509,000
Plantandmachinery	-	1,275,000,000	-	1,275,000,000

	2019			
	Level1	Level2	Level3	Total
	Rupees			
Assets:				
Freeholdland	-	1,080,150,000	-	1,080,150,000
Buildings	-	154,429,539	-	154,429,539
Plantandmachinery	-	1,137,582,296	-	1,137,582,296

There were no transfers between Levels 1 and 2 & Levels 2 and 3 during the year and there were no changesinvaluationtechniquesduringtheperiods.

48. REMUNERATIONOFCHIEFEXECUTIVE,DIRECTORSANDEXECUTIVES

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:

	ChiefExecutive		Directors		Executives	
	2019	2018	2019	2018	2019	2018
	----------(Rupees)----------					
Managerialremuneration	-	-	-	-	1,997,060	5,156,258
Houserentallowance	-	-	-	-	-	2,577,742
Medicalexpenses	-	-	-	-	-	-
Bonus(performance)	-	-	-	-	-	-
Reimbursableexpenses	-	-	-	-	-	-
Gratuity	-	-	-	-	-	-
	-	-	-	-	1,997,060	7,734,000
Numberofpersons	1	1	7	7	3	8

48.1 The Company also provides the Executives with Company maintained house. Additionally the Executives were provided free use of Cellular phone and company maintained cars in 2018 in accordancewiththeirtermsofemployment.

48.2 TheChiefexecutiveanddirectorsofthecompanyhavewaivedtheirrightstoreceivemeetingfee.

49. FINANCIALINSTRUMENTSBYCATEGORY

	Note	Original classification under IAS39	New classification underIFRS9	2019									
				Originalcarryingamountunder IAS39 Carryingamount			Newcarryingamountunder IFRS9			Fairvalue			
				Loansand receivablesat amortizedcost	Financialliabilities atamortizedcost	Total	Amortised cost	Amortisedcost	Total	Level1	Level2	Level3	Total
				----------Rupees----------									
On-Balance sheet financial instruments													
AsatSeptember30,2019													
Financialassets													
Atcostoramortisedcost													
Tradedebtors	14	Tradedebtors	Amortisedcost	77,491,042	-	77,491,042	77,491,042	-	77,491,042	-	-	-	-
Loans and advances	15	Loans and receivables	Amortised cost	71,300	-	71,300	71,300	-	71,300	-	-	-	-
Cash and bank balances	18	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	-	-	-	-
Financialliabilitiesatamortisedcost													
Long term financing	22	Amortised cost	Amortised cost	-	100,000,000	100,000,000	-	100,000,000	100,000,000	-	-	-	-
Loan from holding company	24	Amortised cost	Amortised cost	-	965,960,400	965,960,400	-	965,960,400	965,960,400	-	-	-	-
Duetoexholdingcompany	27	Amortisedcost	Amortisedcost	-	104,066,694	104,066,694	-	104,066,694	104,066,694	-	-	-	-
Tradeandotherpayables	26	Amortisedcost	Amortisedcost	-	259,506,429	259,506,429	-	259,506,429	259,506,429	-	-	-	-
Mark-upaccrued	29	Amortisedcost	Amortisedcost	-	86,562,191	86,562,191	-	86,562,191	86,562,191	-	-	-	-
				-	1,516,095,714	1,516,095,714	-	1,516,095,714	1,516,095,714	-	-	-	-

	Note	Original classification under IAS39	New classification underIFRS9	2018									
				Originalcarryingamountunder IAS39 Carryingamount			Newcarryingamountunder IFRS9			Fairvalue			
				Loansand receivablesat amortizedcost	Financialliabilities atamortizedcost	Total	Amortised cost	Amortisedcost	Total	Level1	Level2	Level3	Total
				----------Rupees----------									
On-Balance sheet financial instruments													
AsatSeptember30,2018/October01,2018													
Loans and receivables at cost or amortised cost													
Long-term deposits	11	Loans and receivables	Amortised cost	587,575	-	587,575	587,575	-	587,575	-	-	-	-
Trade debts - net of provisions	14	Loans and receivables	Amortised cost	492,485,573	-	492,485,573	492,485,573	-	492,485,573	-	-	-	-
Loans and advances	15	Loans and receivables	Amortised cost	457,240	-	457,240	457,240	-	457,240	-	-	-	-
Cash and bank balances	18	Loans and receivables	Amortised cost	2,220,193	-	2,220,193	2,220,193	-	2,220,193	-	-	-	-
				495,750,581	-	495,750,581	495,750,581	-	495,750,581	-	-	-	-
Financialliabilitiesatamortisedcost													
Long term financing	22	Amortised cost	Amortised cost	-	200,000,000	200,000,000	-	200,000,000	200,000,000	-	-	-	-
Loan from ex -holding company	27	Amortised cost	Amortised cost	-	1,679,442,231	1,679,442,231	-	1,679,442,231	1,679,442,231	-	-	-	-
Tradeandotherpayables	26	Amortisedcost	Amortisedcost	-	234,651,839	234,651,839	-	234,651,839	234,651,839	-	-	-	-
Mark-upaccrued	29	Amortisedcost	Amortisedcost	-	154,058,109	154,058,109	-	154,058,109	154,058,109	-	-	-	-
Temporarybankoverdraft	28	Amortisedcost	Amortisedcost	-	25,982,166	25,982,166	-	25,982,166	25,982,166	-	-	-	-
				-	2,294,134,345	2,294,134,345	-	2,294,134,345	2,294,134,345	-	-	-	-

49.1 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.

49.2 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.

49.3 These financial assets classified as 'loans and receivables' have been classified as amortised cost.

50. RECOVERABLE AMOUNTS AND IMPAIRMENTS

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless otherwise stated in financial statements.

51. CAPACITY AND PRODUCTION

	Installed capacity Tonnes		Actual production Tonnes		Reason for shortfall
	2019	2018	2019	2018	
Crushing capacity					The Capacity is under utilized due to frequent plant breakdown during the last year. However, during the year most of the time plant had been shutdown.
Sugarcane crushed	480,000	480,000	26,976	208,594	
Sugar production	-	-	1,936	18,262	
Days	160	160	22	93	

	2019 Number	2018 Number
52. NUMBER OF EMPLOYEES		
Number of employees at September 30		
Permanent		
Head office	2	2
Factory	5	144
Contractual/temporary		
Head office	-	-
Factory	247	123
Average number of employees during the year		
Permanent		
Head office	2	2
Factory	57	140
Contractual/temporary		
Head office	-	-
Factory	149	120

53. CAPITAL RISK MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also monitor the level of dividend to ordinary shareholders. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

The Company's objectives when managing capital are:

(i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The management at all times seeks to earn returns higher than its weighted average cost of capital, by increasing efficiencies in operations, so as to increase profitability.

	2019 Rupees	2018 Rupees
The proportion of debt to equity at the year end was:		
Total Borrowings (notes 21, 22 and 23)	2,277,460,400	725,000,000
Less: Balances with banks (note 18)	(26,379,048)	(23,761,973)
Net debt	2,303,839,448	748,761,973
Total equity - including surplus on fixed asset	866,130,128	329,755,912
Total capital	3,169,969,576	1,078,517,885
Gearing ratio	73%	69%

In accordance with the terms of agreement with the lenders of long term finances (as referred to in note 22 to these financial statements), the Company is required to comply with certain financial covenants in respect of capital requirements which the Company has compiled with throughout the reporting period.

54. CORRESPONDING FIGURES

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. Following reclassification have been made for better presentation.

Description	From	To	2018 Rupees
Balancesheet			
Advance income tax	Loan and advance	Taxation - net	7,102,633
Provisionfortaxation	Provisionfortaxation	Taxation-net	(12,012,897)
Advancefromcustomers	Tradedebts	Tradeand otherpayable	341,207,543
Statement of profit or loss			
Auditors'remuneration	Generaland administrativeexpenses	Otheroperating expenses	560,000
Byproductssales	Costofsales	Sales	70,591,434

Thirdyearbalancesheethasnotbeenpresentedasthereisnoimpactonbeginningofthepreceding period.

55. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIALPOSITIONANDPERFORMANCE

55.1 DuringtheyeartheCompanyhaspaidloantoex-holdingcompanyandobtainednewborrowings fromnewholdingcompanyanddirectors.

55.2 DuringtheyeartheCompanyhasbeenacquiredbyothergroupofcompanyasexplainedinnote 3 to the financial statements.

55.3 ChangeinaccountingpoliciesinrespecttoadoptionofIFRS-9FinancialInstrumentsandIFRS-15 Revenuefromcontractswithcustomers.

55.4 All other significant transactions and events that have affected the Company's financial position and performance during the year have been adequately disclosed in the notes to these financial statements.

56. NON-ADJUSTINGEVENTSAFTERTHEBALANCESHEETDATE

Therearenoreportableeventsafterthebalancesheetdate.

57. OPERATINGSEGMENTS

These financial statements have been prepared on the basis of single reportable segments.

Sugar Sales represents 86.80% (2018: 94.89%) of the total sales of the company.

TheCompany'ssalesrelatetothecustomersinPakistan.

Allnon-currentassetsofthecompanyasatSeptember30,2019arelocatedinPakistan.

Sale to the customers accounts for more than 10% of the sales of the company was to Pattoki Sugar Mills Limited Rs. 75.011 million (61.68%) (2018: Nil).

58. DATEOFAUTHORIZATIONOFISSUE

These financial statements were authorized for issue on 30 December 2019 by the Board of Directors oftheCompany.

59. GENERAL

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

CHIEFEXECUTIVE **DIRECTOR** **CHIEFFINANCIALOFFICER**

Proxy Form

No.ofShares

FolioNo./CDCParticipantID

I/We _____

of_____

Being member of BABA FARID SUGAR MILLS LIMITED hereby appoint

Mr./Miss/Mrs._____

offailinghim/her_____

beingamemberofthecompanyamy/ourproxytoattend,actandvoteforme/usandonmy/usandonmy/orbehalf, at the 41st Annual General Meeting of the company to be held Registered Office, 2-D-1, Gulberg III, Lahore on Monday,the27thJanuary,2020at11.00a.m.andeveryadjournmentthereof:

Aswitnessmyhandthis_____dayof_____2020

Signedbythesaid_____of_____

1.Witness'sSignature
Name:_____
CNICNo._____
Address:_____

Member'sSignature

2.Witness'sSignature
Name:_____
CNICNo._____
Address:_____

RevenueStamp
Rs.5/-

Date_____

Place_____

Notes:_____

1. This form of proxy, in order to be effected must be deposited duly completed at the registered office 2-D-1, Gulberg III, Lahore, notlessthan48hoursbeforethetimeforholdingthemeeting.

2. AProxymustbeamemberofthecompany.

3. Signatureshouldagreewiththespecimenregisteredwiththecompany.

4. CDCshareholder'sentitledtoattendandvoteatthismeetingmustbringwiththemtheirComputerized NationalIdentityCard/passportinoriginaltoprovidehis/heridentity.

بابا فرید شوگر ملز لمیٹڈ

مختار نامہ

میں/ہم----------کا / کے----------

بحیثیت رکن بابا فرید شگر ملز لمیٹڈ اور حال حصص، بمطابق شیئر رجسٹر فولیو نمبر----------

اور/یا سی ڈی سی پارٹیسپینٹ (شرکت آئی ڈی نمبر----------

اور سب اکاؤنٹ ذیلی کھاتہ نمبر----------

مختر م/ مختر مہ----------

کو اپنے/ہمارے ایماء پر---------- مورخہ 27 جنوری 2020ء بروز پیر بوقت 11:00 بجے ----------

کو منعقد ہونے کمپنی کے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت اپنا/ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں/ کرتے ہیں۔

آج بروز----------بتاریخ ----------2020ء کو دستخط کیے گئے۔

گواہان

-1

دستخط:----------

نام:----------

پتہ:----------

کمپیوٹرائزڈ شناختی کارڈ نمبر:----------

پانچ روپے کے رسید ٹکٹ پر دستخط

-2

دستخط:----------

نام:----------

پتہ:----------

کمپیوٹرائزڈ شناختی کارڈ نمبر:----------

دستخط کمپنی کے نمونہ دستخط سے مماثل ہونے چاہئیں

نوٹ:

1- ایک ممبر (رکن) جو اجلاس میں شرکت نہیں کرسکتا وہ اس فارم کو مکمل کرے اور دستخط کرنے کے بعد اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل رجسٹرڈ آفس کے پتے پر ارسال کرے۔

2- سی ڈی سی شیئر ہولڈر ہونے کی صورت میں درج بالا کے علاوہ ذیل میں درج ہدایات پر بھی عمل کرنا ہوگا۔

الف۔ فرد ہونے کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا وہ جس کی سیکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد وضوابط کے مطابق اپ لوڈ ہوں انہیں کمپنی کی جانب سے دی گئی ہدایت کی روشنی میں پراکسی فارم جمع کرانا ہوگا۔

ب۔ مختار نامے پر بطور گواہان دو افراد کے دستخط ہونے چاہئیں اور ان کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم پر درج ہوں۔

ج۔ بینفشل اونرز (مستفید ہونے والے فرد) کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول بھی منسلک کرنی ہوگی جسے نائب مختار نامہ کے ہمراہ پیش کرے گا۔

د۔ اجلاس کے وقت نائب کو اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔

و۔ کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر (رکن) بورڈ آف ڈائریکٹرز قرارداد/مع نامزد کردہ شخص/اٹارنی کے نمونہ دستخط پاور آف اٹارنی (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختار نامہ) کے ہمراہ کمپنی میں جمع کرانا ہوگا۔

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IFUNDELIVERED PLEASERETURN TO

BABAFARIDSUGARMILLSLIMITED

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