BABA FARID

SUGAR MILLS LIMITED





CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED 31 MARCH 2020 (UN-AUDITED)

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CorporateInformation

BoardofDirectors

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

AuditCommittee

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

HumanResources& RemunerationCommittee

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

NominationCommittee

Mr.MalikManzoorHussainHumayoon	(Chairman)
Mr.FaridudDinAhmed	

RiskManagementCommittee

Mr.MalikManzoorHussainHumayoon	(Chairman)
Mr.FaridudDinAhmed	

ChiefFinancialOfficer

Mr.WasifMahmood

CompanySecretary

Mr.MuhammadImran

Auditors

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

Mills

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

Bankers

HabibBankLimited
BankAl-HabibLimited
MCBBankLimited
AskariBankLimited

ShareRegistrar

M/sCorplink(Pvt)Limited
ShareRegistrar,WingsArcade,
1-KCommercialModelTown,Lahore.
Tel:042-35916714,Fax:042-35869037
Email:corplink786@gmail.com

RegisteredOffice

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

LegalAdvisor

M/s.Ahmed&Pansota,
Advocate&LegalConsultants,
20-SirGangaRamMansions,
theMall,Lahore.
Tel:042-37313594-37313520

Directors' Review

The Directors of your Company are pleased to present the Un-Audited Accounts of the Company for the Half Year Ended 31 March 2020 in compliance with the section 237 of the Companies Act, 2017.

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 2019-20, notified support price of sugarcane in Punjab was Rs. 190/- per 40kg.

PERFORMANCE OF THE COMPANY

The Company was able to crush 290,029.359 M. Tons sugarcane and produced 25,159 M. Tons of white refined sugar at an average recovery of 8.700% during the half year ended 31st March 2020 as compared to corresponding period of 31st March 2019 sugarcane crushing of 26,976.308 M. Tons and production of 1,935.600 M. Tons white refined sugar at an average recovery of 5.584%. The improvement in Company's sugar production is mainly due to the efficiency and experience of new management to run the mills.

FINANCIAL HIGHLIGHTS

Net sales were recorded at Rs. 113.388 million during the current period as compared to Rs. 51.115 million during the corresponding period of last year. Company suffered pretax loss of Rs. (121.013) million during the period under review as compared to pretax loss of Rs. (380.828) million in the corresponding period of last year. The decline in Company's losses were attributed to its ability to run the plant at optimum capacity level.

Description	31 March 2020	31 March 2019
	Rupees in Millions	
Sales-Net	113.388	51.115
Gross Profit/(Loss)	0.439	(211.471)
Net Profit/(Loss) before Taxation	(121.013)	(380.828)
Net Profit/(Loss) after Taxation	(117.251)	(421.379)
Earnings/(Loss) Per Share	(12.41)	(44.59)
Gross Profit/(Loss) Ratio	0.004	(4.137)
P/E Ratio	(3.603)	(1.099)
Market Price Per Share	44.71	49.00

As the plant was not maintained as per industry norms at the time of acquisition therefore it needed major repairs to make it fully operational for current year crushing season. All out efforts are being made to remove bottlenecks, utilize optimum capacity and eventually to increase the production and profitability of the company through process efficiency, installing equipment based on modern and latest technology, reducing production cost by ensuring close supervision, developing good quality cane, by providing the latest improved seed varieties, fertilizers, pesticides etc. and facilitating the cane growers regularly, which ultimately will result in higher sugar recovery and also financial benefit to the cane growers.

RESEARCH AND DEVELOPMENT

Agricultural R&D is an integral part of the Group'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

Companyandboostsoverallsugarrecovery,directlyimprovingthebottomlineoftheCompany.

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

FUTUREOUTLOOKANDGOINGCONCERNASSUMPTION

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

The acquisition allows the new management to better meet increasing demand of quality sugar which will bring furtherstrength,experienceandefficiencytotheCompany.Specifically,theacquisitionhasthepotentialtofacilitate expansionandefficientgrowthofbusiness,strengthenthemanagementandfinancesandimprovefinancialplanning; therebyfacilitatingbusinesstobecarriedonmoreadvantageouslyandeconomicallywithenhancedprofitability.Itis expectedtoyieldbetterreturnstotheshareholdersandadditionalbenefitsforotherstakeholders.Itisexpectedthat theCompanyshallbecomefinanciallymoreviableincomparisontoitscurrentstatus.

The Company will have better managerial planning. Consequently, shall be able to pass on parts of the expected benefitstotheotherstakeholderssuchastheGovernment,employees,generalbodyofconsumersandthesociety atlarge.ThenewDirectorsaremuchmoreexperiencedandhavealargeprofessionalmanagementteamtorevive sugarmillsoperationsandexplorenewmarkets.Thenewmanagementisquiteconfidentthatitwillbeabletoexpand theCompany'sbusinessandoperatemoreefficientlyandwillbeabletoconvertintoaprofitablyrunorganizationin longterm.

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 abilitytocontinueasagoingconcern.

CORPORATEGOVERNANCE

BestCorporatePractices

Directorsarecommittedtogoodcorporategovernanceandcomplywiththerequirementsof theListedCompanies (CodeofCorporateGovernance)Regulations,2017andtheRuleBookofPakistanStockExchange.Thestatementof compliancewiththeCCGisenclosed.ThecompositionoftheBoardofDirectors(theBoard")isasfollows:

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

TheBoardhasformedcommitteescomprisingofmembersgivenbelow:

AUDITCOMMITTEE

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

HRANDREMUNERATIONCOMMITTEE

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

NOMINATIONCOMMITTEE

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

RISKMANAGEMENTCOMMITTEE

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

HOLDINGCOMPANY

NaubaharBottlingCompany(Pvt.)Limitedistheholdingcompanywiththe50.8621%OrdinaryShares.

ACKNOWLEDGEMENT

The Directors would like to express their appreciation for the dedication and hard work of the workers, staff and members of the management team. Growers are the key element of our industry and we thank them for their continuedco-operation.TheDirectorsoftheCompanyarealsothankfultothebanksandfinancialinstitutionsforthe financialassistanceandco-operation,whichtheyhaveextendedtotheCompany.

ForandonbehalfoftheBoard
BabaFaridSugarMillsLimited

AdnanAhmedKhan
ChiefExecutive

Mrs.QaiserShamimKhan
Chairperson

Lahore,21May2020

ڈائریکٹرز کی جائزہ رپورٹ

آپ کی کمپنی کے ڈائریکٹرز کمپنیز ایکٹ 2017ء کی دفعہ 237 کی تعمیل میں 31 مارچ 2020 کو ختم ہونے والی ششماہی کے لئے کمپنی کے غیر نظر ثانی شدہ حسابات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

صنعت کا مجموعی جائزہ

زیرِ جائزہ مدت کے دوران گنے کی فصل کا سائز تقریباً 25% کم ہے اور فی ایکڑ پیداوار جو کہ کاشتکاروں کی طرف سے بیان کی وہ بھی نمایاں طور پر کم ہے۔ تاہم، سکروس اجزاء گزشتہ کرشنگ سیزن سے بہتر رہے ہیں۔

موجودہ کرشنگ سیزن 20-2019 کیلئے پنجاب میں گنے کی امدادی قیمت -/190 روپے فی من کا اعلان کیا گیا ہے۔

کمپنی کی کارکردگی

31 مارچ 2020ء کو ختم ہونے والی ششماہی کے دوران کمپنی نے 290,029.359 میٹرک ٹن گنے کی کرشنگ کی اور 8.700 فیصد اوسط ریکوری کے ساتھ 25,159 میٹرک ٹن سفید ریفائنڈ چینی بنائی جبکہ اس کے مقابلے میں گذشتہ ششماہی کے دوران کمپنی نے 26,976.308 میٹرک ٹن گنے کی کرشنگ کی اور 5.584 فیصد اوسط ریکوری کے ساتھ 1,935.600 میٹرک ٹن سفید ریفائنڈ چینی بنائی۔ کمپنی کی چینی کی پیداوار میں بہتری نئی انتظامیہ کی کارکردگی اور تجربہ سے منسوب ہے۔

مالی جھلکیاں

گزشتہ ششماہی کی اسی مدت کے دوران 51.115 ملین روپے خالص فروخت کے برعکس موجودہ مدت کے دوران 113.388 ملین روپے درج کی گئی۔ کمپنی نے زیرِ جائزہ سہ ماہی کے دوران ٹیکس کے بعد (121.013) ملین روپے نقصان برداشت کیا جبکہ گزشتہ ششماہی کی اسی مدت میں ٹیکس کے بعد نقصان (380.828) ملین روپے تھا۔ کمپنی کے نقصانات میں کمی پلانٹ کو اس کی زیادہ سے زیادہ کپیسٹی سطح پر چلانے کی صلاحیت سے منسوب ہے۔

تفصیل	31 مارچ 2020 مختتمہ ششماہی	31 مارچ 2019 مختتمہ ششماہی
	روپے	روپے
فروخت خالص	113.388	51.115
مجموعی منافع/(نقصان)	0.439	(211.471)
ٹیکس سے قبل خالص منافع/(نقصان)	(121.013)	(380.828)
ٹیکس کے بعد خالص منافع/(نقصان)	(117.251)	(421.379)
آمدنی/(نقصان) فی شیئر	(12.410)	(44.590)
مجموعی منافع/(نقصان) تناسب	0.004	(4.137)
P/E تناسب	(3.603)	(1.099)
مارکیٹ قیمت فی شیئر	44.710	49.000

چونکہ حصول کے وقت پلانٹ کو صنعت کے اصولوں کے مطابق برقرار نہیں رکھا گیا تھا لہٰذا موجودہ کرشنگ سیزن میں اسے مکمل طور پر چلانے کے لئے اسے بڑی مرمت کی ضرورت تھی۔ رکاوٹیں دور کرنے، زیادہ سے زیادہ صلاحیت کو بروئے کار لانے اور کارکردگی کے ذریعے کمپنی کی پیداوار اور منافع میں اضافہ، نئی اور جدید ترین ٹیکنالوجی پر مبنی سامان کی تنصیب، گہری نگرانی کو یقینی بنا کر پیداواری لاگت میں کمی لانے، اچھے معیاری گنے کی تیاری، بیج کی جدید ترین اقسام، کھادیں، کیڑے مار ادویات وغیرہ فراہم کرنے اور گنے کے کاشتکاروں کو باقاعدگی سے سہولیات فراہم کرنے کی تمام تر کوششیں کی جارہی ہیں، جس کے نتیجہ بالآخر چینی کی ریکوری میں اضافہ اور گنے کے کاشتکاروں کو مالی فائدہ بھی حاصل ہوگا۔

تحقیق و ترقی

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

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

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

مستقبل کا نقطہ نظر:

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

یہ ایکوزیشن نئی انتظامیہ کو معیاری چینی کی اس بڑھتی ہوئی طلب کو بہتر پورا کرنے کی اجازت دیتا ہے جو کمپنی کو مزید مضبوط، تجربہ اور کارکردگی کو مزید بہتر بنائے گا۔ خاص طور پر، حصول ممکن ہے کہ کاروبار کو وسعت اور مؤثر نمو کو سہولت فراہم کرنے، انتظامیہ اور مالی حیثیت کو مضبوط بنانے؛ اور مالیاتی منصوبہ بندی کو بہتر بنانے؛ اس طرح کاروباری طور پر بہتر منافع بخش ہونے کے ساتھ ساتھ کاروبار میں زیادہ فائدہ مند اور اقتصادی طور پر سہولت فراہم کرنے میں مدد کرے۔ اس سے حصص داروں کے لئے بہتر ریٹرن 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 طویل مدت میں منافع بخش طریقے سے چلانے کے قابل ہوں گے۔

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

کارپوریٹ گورننس

بہترین کارپوریٹ عوامل

ڈائریکٹرز بہتر کارپوریٹ گورننس پر عملدرآمد اور فہرست کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز، 2017 اور پاکستان اسٹاک ایکسچینج کی رُول بک کی ضروریات کو پورا کرتے ہیں۔ کوڈ آف کارپوریٹ گورننس کے مطابق تعمیل کا بیان منسلک ہے۔ بورڈ آف ڈائریکٹرز (بورڈ) کی تشکیل مندرجہ ذیل ہے:

کیٹگری	نام
آزاد ڈائریکٹرز	جناب فریدالدین احمد جناب ملک منظور حسین ہمایوں
ایگزیکٹو ڈائریکٹرز	جناب عدنان احمد خان (سی ای او) جناب محمد شمیم خان
نان ایگزیکٹو ڈائریکٹرز	محترمہ قیصر شمیم خان جناب نعمان احمد خان محترمہ سارہ ہاجرہ خان

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

آڈٹ کمیٹی

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

ایچ آر اینڈ ریمنریشن کمیٹی

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

نامینیشن کمیٹی

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

رسک مینجمنٹ کمیٹی

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

ہولڈنگ کمپنی

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

اظہارِ تشکر

ڈائریکٹرز کارکنوں، عملے اور انتظامی ٹیم کے ارکان کی لگن اور محنت کا اعتراف کرتے ہیں۔ کاشت کار ہماری صنعت کا کلیدی عنصر ہیں اور ہم ان کے مسلسل تعاون پر ان کا شکریہ ادا کرتے ہیں۔ کمپنی کے ڈائریکٹرز بینکوں اور مالیاتی اداروں کی مالی مدد اور تعاون پر بھی ان کے شکر گزار ہیں۔

منجانب بورڈ
بابا فرید شوگر ملز لمیٹڈ

Qaiser Shamim

محترمہ قیصر شمیم خان
چیئرپرسن

(عدنان احمد خان)
چیف ایگزیکٹو

لاہور: 21 مئی 2020ء

Independent Auditors' Review Report to the Members of Baba Farid Sugar Mills Limited

Report on review of interim financial statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of BABA FARID SUGAR MILLS LIMITED (the "Company") as at March 31, 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flow, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarter ended March 31, 2020 and March 31, 2019 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Emphasis of matters paragraph - Material uncertainty relating to Going Concern

We draw attention to Note 1.5 to the condensed interim financial statements, which indicates that the Company incurred a net loss of Rs. 117.251 million during the period ended March 31, 2020 and, as of that date, the Company's current liabilities exceeded its current assets by Rs. 366.840 million. The accumulated losses have exceeded the issued, subscribed and paid up capital by Rs. 2,418.688 million as at March 31, 2020 and accumulated losses as of that date amounted to Rs. 2,513.188 million. These conditions, along with other matters as set forth in Note 1.5, 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.

Considering the mitigating factors mentioned in the note 1.5, these condensed interim financial statements have been prepared on going concern basis. Our conclusion is not modified in respect of this matter.

The engagement partner on the review resulting in this independent auditor's review report is Muhammad Imran.

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

LAHORE
Dated: 21 May 2020

Condensed Interim Statement of Financial Position (Un-Audited)

As at March 31, 2020

	Note	(Un-Audited) March 31, 2020	(Audited) September 30, 2019
		.....(Rupees)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	8	2,806,072,938	2,815,822,997
Capital work in progress	9	6,282,560	7,170,132
		2,812,355,498	2,822,993,129
Long term deposits	10	174,500	-
		2,812,529,998	2,822,993,129
CURRENT ASSETS			
Stores, spares and loose tools	11	51,720,790	49,585,594
Stock in trade	12	1,755,014,810	-
Trade debts	13	78,782,058	77,491,042
Loans and advances	14	47,150,271	15,136,357
Short term prepayments		174,750	584,822
Other receivables	15	142,719,484	127,260,380
Taxation - net		3,714,290	-
Cash and bank balances	16	143,232,322	26,379,048
		2,222,508,775	296,437,243
TOTAL ASSETS		5,035,038,773	3,119,430,372
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	17.1	700,000,000	700,000,000
Issued, subscribed and paid up capital	17.2	94,500,000	94,500,000
Reserves			
Revenue reserves - accumulated (loss)		(2,513,187,626)	(2,418,741,317)
Directors' loans	18	1,469,500,000	1,211,500,000
Surplus on revaluation of fixed assets		1,956,067,173	1,978,871,445
		1,006,879,547	866,130,128
NON CURRENT LIABILITIES			
Loan from holding company	20	1,055,960,400	965,960,400
Lease liabilities	21	1,199,804	-
Deferred liabilities		381,650,597	386,897,450
		1,438,810,801	1,352,857,850
CURRENT LIABILITIES			
Trade and other payables	22	880,346,991	609,544,364
Unclaimed dividend		255,930	255,930
Due to ex-holding company	23	194,825,904	104,066,694
Short term borrowing	24	1,348,868,717	-
Mark-up accrued		164,505,687	86,562,191
Taxation - net		-	13,215
Current portion of long term liabilities		545,196	100,000,000
		2,589,348,425	900,442,394
CONTINGENCIES AND COMMITMENTS	25		
TOTAL EQUITY AND LIABILITIES		5,035,038,773	3,119,430,372

The annexed notes from 1 to 38 form an integral part of these condensed interim financial statements.

Chief Executive | Director | Chief Financial Officer

CondensedInterimStatementofProfitorLoss (Un-Audited)

FortheHalfYearEndedMarch31,2020

	Note	HalfyearEnded March31, 2020	HalfyearEnded March31, 2019	QuarterEnded March31, 2020	QuarterEnded March31, 2019
		.....(Rupees).....		.....(Rupees).....	
Sales-net	26	113,388,026	51,114,836	112,181,866	27,111,370
Costofsales	27	(112,948,646)	(262,585,779)	(72,854,689)	(143,082,951)
Grossprofit/(loss)		439,380	(211,470,943)	39,327,177	(115,971,581)
Sellinganddistributionexpenses		(5,345,360)	(467,645)	(4,379,192)	(292,144)
Generalandadministrativeexpenses		(30,598,303)	(66,742,985)	(17,314,496)	(56,826,456)
Otheroperatingincome		7,706,940	4,462,846	4,431,050	-
		(28,236,723)	(62,747,784)	(17,262,638)	(57,118,600)
Operatingloss		(27,797,343)	(274,218,727)	22,064,539	(173,090,181)
Financialcharges		(93,215,986)	(106,609,259)	(57,920,187)	(56,378,472)
Lossbeforetaxation		(121,013,329)	(380,827,986)	(35,855,648)	(229,468,653)
Taxation	28	3,762,748	(40,550,529)	3,780,842	(56,638,475)
Lossaftertaxation		(117,250,581)	(421,378,515)	(32,074,806)	(286,107,128)
Losspershare-basicand diluted(Rupees)	29	(12.41)	(44.59)	(3.39)	(30.28)

Theannexednotesfrom1to38formanintegralpartofthesecondensedinterimfinancialstatements.

ChiefExecutuive | Director | ChiefFinancialOfficer

CondensedInterimStatementofComprehensiveIncome (Un-Audited)

FortheHalfYearEndedMarch31,2020

	HalfyearEnded March31,		QuarterEnded March31,	
	2020	2019	2020	2019
	.....(Rupees).....		.....(Rupees).....	
Lossfortheperiod	(117,250,581)	(421,378,515)	(32,074,806)	(286,107,128)
Othercomprehensiveincomefortheperiod	-	-	-	-
Totalcomprehensivelossfortheperiod	(117,250,581)	(421,378,515)	(32,074,806)	(286,107,128)

Theannexednotesfrom1to38formanintegralpartofthesecondensedinterimfinancialstatements.

ChiefExecutuive Director ChiefFinancialOfficer

CondensedInterimStatementofCashFlows (Un-Audited)

FortheHalfYearEndedMarch31,2020

	(Un-Audited) March31, 2020	(Un-Audited) March31, 2019
	.....(Rupees)	
CASHFLOWFROMOPERATINGACTIVITIES		
Lossbeforetaxation	(121,013,329)	(380,827,986)
Adjustmentsforitemsnotinvolvingmovementoffunds:		
Depreciation	46,486,081	36,592,825
Provisionforgratuity	216,715	81,427
Gainonsaleoffixedassets	-	(3,003,422)
Creditorswrittenback	-	(1,459,424)
Provisionfordoubtfulreceivables	-	48,091,156
Financialcharges	93,215,986	106,609,259
Netcashflowbeforeworkingcapitalchanges	18,905,453	(193,916,165)
(Increase)/decreaseincurrentassets		
Storesandspares	(2,135,196)	1,585,374
Stockintrade	(1,755,014,810)	(22,597,480)
Tradedebts	(1,291,016)	137,878,351
Loansandadvances	(32,013,914)	68,863,210
Shorttermprepayments	410,072	(4,000,000)
Otherreceivable	(15,459,104)	-
	(1,805,503,968)	181,729,455
Increase/(decrease)incurrentliabilities		
Tradeandotherpayables	270,681,998	(57,056,190)
Cash(usedin)/generatedfromoperations	(1,515,916,517)	(69,242,900)
Incometaxespaid	(5,428,325)	(12,012,897)
Financialchargespaid	(15,272,490)	(217,070,542)
Netcashusedinoperatingactivities	(1,536,617,332)	(298,326,339)
CASHFLOWFROMINVESTINGACTIVITIES		
Additionstooperatingfixedassets	(35,044,893)	(217,036)
Additionstocapitalworkinprogress	887,572	(50,779,396)
Proceedsfromsaleofoperatingfixedassets	-	3,066,000
Netcashusedininvestingactivities	(34,157,321)	(47,930,432)
CASHFLOWFROMFINANCINGACTIVITIES		
Repaymentoflongtermfinancing	(100,000,000)	(100,000,000)
Duetoexholdingcompany-net	90,759,210	(2,103,534,672)
Loanfromholdingcompany-net	90,000,000	-
Directorcontribution	258,000,000	-
Shorttermborrowings-net	1,348,868,717	2,585,242,852
Netcashgeneratedfromfinancingactivities	1,687,627,927	381,708,180
Netincreaseincashandcashequivalents	116,853,274	35,451,409
Cashandcashequivalentsatthebeginningoftheperiod	26,379,048	(23,761,973)
Cashandcashequivalentsattheendoftheperiod	143,232,322	11,689,436

Theannexednotesfrom1to38formanintegralpartofthesecondensedinterimfinancialstatements.

ChiefExecutuive | Director | ChiefFinancialOfficer

CondensedInterimStatementofChangesinEquity (Un-Audited)

FortheHalfYearEndedMarch31,2020

	Issued, subscribed andpaid-up capital	Surpluson revaluationof fixedassets	Directors'loan	Accumulated loss	Total
	----------(Rupees)----------				
BalanceasatOctober01,2018	94,500,000	1,715,902,655	-	(1,773,303,026)	37,099,629
Transferfromsurplusonrevaluationofproperty, plantandequipment-netofdeferredtax	-	(18,855,280)	-	18,855,280	-
Totalcomprehensivelossfortheperiod	-	-	-	(421,378,515)	(421,378,515)
BalanceasatMarch31,2019	94,500,000	1,697,047,375	-	(2,175,826,261)	(384,278,886)
Transferfromsurplusonrevaluationofproperty, plantandequipment-netofdeferredtax	-	(18,331,522)	-	18,331,522	-
Surplusonrevaluationoffixedassets	-	300,155,592	-	-	300,155,592
Totalcomprehensivelossfortheperiod	-	-	-	(261,246,578)	(261,246,578)
Directorscontributions/loan	-	-	1,211,500,000	-	1,211,500,000
BalanceasatSeptember30,2019	94,500,000	1,978,871,445	1,211,500,000	(2,418,741,317)	866,130,128
Transferfromsurplusonrevaluationofproperty, plantandequipment-netofdeferredtax	-	(22,804,272)	-	22,804,272	-
Directorscontributions/loan	-	-	258,000,000	-	258,000,000
Totalcomprehensivelossfortheperiod	-	-	-	(117,250,581)	(117,250,581)
BalanceasatMarch31,2020	94,500,000	1,956,067,173	1,469,500,000	(2,513,187,626)	1,006,879,547

Theannexednotesfrom1to38formanintegralpartofthesecondensedinterimfinancialstatements.

ChiefExecutuive Director ChiefFinancialOfficer

Notes to the Condensed Interim Financial Statements (Un-Audited)
For the Half Year Ended March 31, 2020

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-product si.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, Small Industrial Estate Model Town, Gujranwala, Punjab. The Holding Company is engaged in the manufacturing and distribution of Pepsi Cola soft drinks in Pakistan. The Chief Executive of the Holding Company is Mr. Muhammad Shamim Khan.

1.3 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 previous period, 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".

1.4 Acquisition of the Company

Naubahar Bottling Company (Private) Limited and others (the Acquirers/Sponsors/related parties) have purchased shares from Pattoki Sugar Mills Limited and others (collectively, the "Sponsor Sellers") during the previous period. The transaction has been completed during the previous period except some settlement of dues and vacation of charge on assets and guarantees.

1.5 Going concern assumption

The Company incurred a net loss of Rs. 117.251 million during the period ended March 31, 2020 and, as of that date, the Company's current liabilities exceeded its current assets by Rs. 366.840 million. The accumulated losses have exceeded the issued, subscribed and paid up capital by Rs. 2,418.688 million as at March 31, 2020 and accumulated losses as of that date amounted to Rs. 2,513.188 million. These conditions 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 profitable future projections and sponsor's commitment to provide financial support to the Company.

As mentioned in note 1.4 to the condensed interim 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 body of consumers and the society at large. The Sponsors have appointed an experienced Board of Directors and professional management team to revive sugar mill operations and explore new markets. The Sponsors are confident that it will be able to expand the Company's business and operate more efficiently and profitably.

Considering these mitigating factors, these condensed interim financial statements have been prepared on going concern basis.

2. GEOGRAPHICALLOCATIONANDADDRESSESOFBUSINESSUNITS

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

3. BASISOFPREPARATION

3.1 Statementofcompliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standardsasapplicableinPakistanforinterimfinancialreportingcompriseof:

InternationalAccountingStandard(IAS)34,InterimFinancialReporting,issuedbytheInternationalAccounting StandardsBoard(IASB)asnotifiedundertheCompaniesAct,2017;.

IslamicFinancialAccountingStandards(IFAS)issuedbytheInstituteofCharteredAccountantsofPakistanas notifiedundertheCompaniesAct,2017;and

ProvisionsofanddirectivesissuedundertheCompaniesAct,2017.

WhereprovisionsofanddirectivesissuedundertheCompaniesAct,2017differwiththerequirementsofIAS 34,theprovisionsofanddirectivesissuedundertheCompaniesAct,2017havebeenfollowed.

These condensed interim financial statements are unaudited but subject to the limited scope review by the auditorsandisbeingsubmittedtotheshareholdersasrequiredundersection237oftheCompaniesAct,2017 andthelistingregulationsofthePakistanStockExchange.

These condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended September 30, 2019 which have been prepared in accordance with approvedaccountingandreportingstandardsasapplicableinPakistan.

Thecomparativebalancesheetpresentedinthesecondensedinterimfinancialstatementshavebeenextracted fromtheannualauditedfinancialstatementsoftheCompanyfortheyearendedSeptember30,2019,whereas thecomparativecondensedinterimstatementofprofitorloss,condensedinterimstatementofcomprehensive income,condensedinterimstatementofcashflowsandcondensedinterimstatementofchangesinequityare extractedfromtheunauditedcondensedinterimfinancialstatementsforthehalfyearendedMarch31,2019.

3.2 Basisofmeasurement

Thesecondensedinterimfinancialstatementshavebeenpreparedunderthehistoricalcostconvention,except fortherecognitionofcertainstaffretirementbenefitsatpresentvalueandcertainoperatingfixedassetsat revaluedamounts.

Thesecondensedinterimfinancialstatementshavebeenpreparedfollowingaccrualbasisofaccountingexcept forcashflowstatement.

3.3 Functionalandpresentationcurrency

Thesecondensedinterimfinancialstatementshavebeenpresentedin PakRupees,whichisthefunctionaland presentationcurrencyoftheCompany.

4. SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THEREIN

4.1 The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are same as those for the preceding annual financial statements for the year ended September 30, 2019 except as explained in note 4.4 of these condensed interim financial statements.

4.2 The Company has adopted all the new standards and amendments to standards, including any consequential amendments to other standards which are applicable for the financial year beginning on October 1, 2019. The adoption of these new and amended standards did not have material impact on the Company's condensed interim financial statements, except as disclosed in note 4.4. 'There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Company's accounting period beginning on or after October 01, 2019. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have a significant effect on this condensed interim financial statements.

4.3 Except as described below, the accounting policies applied in this condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended September 30, 2019.

4.4 IFRS 16 - Leases

IFRS 16 'Leases' was issued on January 01, 2016. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for accounting periods beginning on or after January 1, 2019. IFRS 16 replaced IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease' The Company applied IFRS 16 with a date of initial application of October 01, 2019.

Transition method and practical expedients utilized

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

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

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

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

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

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

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

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

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

5. SEASONALITY OF OPERATIONS

Due to seasonal nature of sugar business, operating results of the Company are expected to fluctuate in the second half of the year. The sugarcane crushing season normally starts from November and last still April each year.

6. TAXATION

The provisions for taxation for the half year and quarter ended March 31, 2020, have been made using the estimated effective tax rate applicable to expected total annual earnings. The applicable income tax rate is 29% for the Tax Year 2020 as stipulated through Finance Act 2019.

7. ESTIMATES

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended September 30, 2019.

		Note	(Un-Audited) March31, 2020	(Audited) September30, 2019
			(Rupees)	
8.	**OPERATINGFIXEDASSETS**			
	Fixedassets	8.1	2,804,381,809	2,815,822,997
	Rightofuseassets	8.2	1,691,129	-
			2,806,072,938	2,815,822,997
8.1	Openingnetbookvalue(NBV)		2,815,822,997	2,378,527,606
	Additions(atcost)duringtheperiod/year	8.1.1	35,044,893	164,069,026
	Revaluationduringtheyear	8.1.2	-	349,215,869
			2,850,867,890	2,891,812,501
	Disposals(atNBV)duringtheperiod/year	8.1.3	-	(263,158)
	Depreciationchargedduringtheperiod/year		(46,486,081)	(75,726,346)
			(46,486,081)	(75,989,504)
	Closingnetbookvalue(NBV)		2,804,381,809	2,815,822,997
8.1.1	Detailsofadditions(atcost)duringtheperiod/yearareasfollows:			
	Plantandmachinery		29,646,920	162,324,157
	Electricalinstallation		953,901	
	Furniture&fixtures		505,949	219,249
	Toolsandequipment		2,032,960	114,000
	Officeequipment		1,717,128	1,411,620
	Vehicles		188,035	-
			35,044,893	164,069,026
8.1.2	Detailsofrevaluationduringtheperiod/yearareasfollows:			
	Freeholdland		-	180,042,500
	Buildingsonfreeholdland		-	134,522,415
	Plantandmachinery		-	34,650,954
			-	349,215,869
8.1.3	Detailsofdisposals(atNBV)duringtheperiod/yearareasfollows:			
	Vehicles		-	263,158

8.1.4 Fairvaluemeasurement(revaluedproperty,plantandequipment)

TheCompany'sfreeholdland,buildingsonfreeholdland,plantandmachinerywererevaluedbyM/s.Tristar International Consultants (Private) Limited, an independent valuer not connected with the Company and approvedbyPakistanBanks'Association(PBA)asatSeptember30,2019.Thebasisofrevaluationforitems ofthesefixedassetswereasfollows:

8.1.5 Fair value measurement (revalued freehold land)

Fair market value of freehold land was assessed through inquiries to real estate agents and property 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 relevant factors as well. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the evaluation.

8.1.6 Fair value measurement (revalued building on freehold land)

Constructions 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 assessed market value. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the evaluation.

8.1.7 Fair value measurement (revalued plant and machinery)

Suppliers and different sugar plant consultants in Pakistan and abroad were contacted to collect information regarding current prices of comparable sugar plant to determine current replacement value. Fair depreciation factor for each item is applied according to their physical condition, usage and maintenance. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the evaluation.

	Note	(Un-Audited) March 31, 2020	(Audited) September 30, 2019
		.....(Rupees)	
8.2 Right of use assets			
Vehicle			
Opening net book value (NBV)		-	-
Additions during the period/year at cost		1,779,530	-
Depreciation charge for the period/year		(88,401)	-
		1,691,129	-
9. CAPITAL WORK IN PROGRESS			
Building	9.1.1	6,282,560	6,282,560
Plant and machinery	9.1.3	-	887,572
		6,282,560	7,170,132
9.1 Movement of carrying amount is as follows:			
9.1.1 Building			
Opening balance		6,282,560	6,282,560
Additions (at cost)		-	-
Transferred to operating fixed assets		-	-
Closing balance		6,282,560	6,282,560

9.1.2 Building consists of construction of sugar godown, which is still under construction and expected to be completed on August 31, 2020.

	Note	(Un-Audited) March31, 2020	(Audited) September30, 2019
		(Rupees)	
9.1.3 Plantandmachinery			
Openingbalance		887,572	111,182,459
Additions(atcost)		3,252,612	51,666,968
Transferredduringtheperiod/year		(4,140,184)	(161,961,855)
Closingbalance		-	887,572
10. LONGTERMDEPOSITS			
Leaseddeposit		174,500	-
11. STORES,SPARESANDLOOSETOOLS			
Stores		37,094,377	28,047,322
Spares		29,222,426	36,061,783
		66,316,803	64,109,105
Loosetools		445,536	518,038
Less:Provisionforobsoletestoresandspares		(15,041,549)	(15,041,549)
		51,720,790	49,585,594

11.1 Storesandsparesalsoincludeitemswhichmayresultincapitalexpenditurebutarenotdistinguishableatthe timeofpurchase.However,thestoresandsparesconsumptionresultingincapitalexpenditurearecapitalized incostofrespectiveassets.

12. STOCKINTRADE			
Work-inprocess:			
Sugar		4,771,281	-
Molasses		234,464	-
		5,005,745	-
Finishedgoods:			
Sugar		1,615,901,545	-
Molasses		134,107,520	-
V.Fcake		-	-
		1,750,009,065	-
		1,755,014,810	-
13. TRADEDEBTS			
Unsecured			
Consideredgood	13.1&13.2	78,782,058	77,491,042
Considereddoubtful		305,161,478	305,161,478
		383,943,536	382,652,520
Less:Provisionfordoubtfuldebts		(305,161,478)	(305,161,478)
		78,782,058	77,491,042

13.1 This includes Rs. 0.968 million (2019: Nil) receivable from Al-Moiz Industries Limited (related party/ associated).

13.2 This includes Rs. 0.322 million (2019: Nil) receivable from The Thal Industries Corporation Limited (related party/associated).

	Note	(Un-Audited) March31, 2020	(Audited) September30, 2019
		.....(Rupees)	
14. LOANSANDADVANCES			
Advances-(Unsecured-consideredgood)			
Toemployees	14.1	134,100	71,300
Advancetosuppliesandservices(Unsecured)			
Consideredgood			
Advancestocanegrowers	14.2	33,745,551	1,646,318
Advancesforstorepurchases	14.3	13,270,620	13,418,739
		47,016,171	15,065,057
Less:Provisionfordoubtfuladvances	14.4	-	-
		47,150,271	15,136,357

14.1 Theseadvancesareprovidedforgeneralpurposesinaccordancewiththetermsoftheiremployment,whichis notpastdue.Theseadvancesareunsecured,interestfreeandpayableondemand.

14.2 Thisrepresentsprovisionofcaneseeds,pesticidesandfertilizerstocanegrowers.Thebalanceisadjustable againstsupplyofsugarcane.

14.3 This includes advances provided to vendors and service providers and are settled as and when the goods/ servicesaredelivered.Theseadvancesdonotcarryanyinterestormark-up.

14.4 Movementofprovisionfordoubtfuladvancesisasfollows:

Openingbalance		-	5,000,000
Additionduringtheyear		-	-
Writtenoffduringtheyear			(5,000,000)
Closingbalance		-	-
15. OTHERRECEIVABLES			
Consideredgood			
Salestax		36,976,984	21,517,880
Subsidyreceivableonexports	15.1	105,742,500	105,742,500
		142,719,484	127,260,380

15.1 Thisrepresentssubsidyreceivablesfrom GovernmentofPakistanagainstexportofsugarduringthefinancial year2015.Thisisclaimableunderfinancedivision'snotificationNo.1(4)CF-C/2014-114datedFebruary18, 2015intermsofwhichGovernmentofPakistanhasapprovedtotalcashsubsidyattherateofRs.10/-perkg tosugarmillsonexportofsugar,asperthetermsandconditionsmentionedtherein.

	Note	(Un-Audited) March31, 2020	(Audited) September30, 2019
		.....(Rupees)	
16. CASHANDBANKBALANCES			
Cashinhand		24,685,720	530,253
Cashatbanks			
Currentaccounts	16.1	118,546,602	25,848,795
		143,232,322	26,379,048

16.1 Cashwithbankincurrentaccountsdonotcarryanyinterestormark-up.

17. SHARECAPITAL

17.1 Authorizedsharecapital		
70,000,000(September30,2019:70,000,000) ordinarysharesofRs.10/-each	700,000,000	700,000,000
17.2 Issued,subscribedandpaidupsharecapital		
6,400,000(September30,2019:6,400,000) ordinarysharesofRs.10/-each(fullypaidincash)	64,000,000	64,000,000
3,050,000(September30,2019:3,050,000) fullypaidbonussharesofRs.10/-each	30,500,000	30,500,000
	94,500,000	94,500,000

17.3 AsatMarch31,2020M/sNaubaharBottlingCompany(Private)Limited(HoldingCompany)holds4,806,468 (50.862%)sharesofthecompany.Forfurtherdetail,pleaserefertonote1.2.

18. DIRECTORS'LOANS

Unsecured		
Others(otherthanbankingcompanies)		
Directors	1,442,500,000	1,211,500,000
ChiefExecutive	27,000,000	-
	1,469,500,000	1,211,500,000
18.1 Movementofloanisasfollows:		
Openingbalance	1,211,500,000	-
Obtainedduringtheperiod/year		
Mr.MuhammadShamimKhan	132,000,000	596,500,000
Mrs.QaiserShamimKhan	99,000,000	593,000,000
Mr.NaumanAhmedKhan	-	22,000,000
Mr.AdnanAhmedKhan	27,000,000	-
	258,000,000	1,211,500,000
Repaidduringtheperiod/year	-	-
Closingbalance	1,469,500,000	1,211,500,000

18.2 This represents unsecured interest free long term loans from directors of the Company to meet the working capital and long term requirements. These are payable on discretion of the Company and will be paid as and when convenient to the Company. This has been disclosed/classified in accordance with TR-32 "Directors' Loan" clause 3.3 "Contractual Directors' loan that is interest free and repayable at the discretion of the Company, issued by the Institute of Chartered Accountants of Pakistan.

	Note	(Un-Audited) March 31, 2020	(Audited) September 30, 2019
		(Rupees)	
19 LONG TERM FINANCING			
Secured:			
Banking Companies	19.1	-	-
19.1 From banking companies			
Opening balances		100,000,000	200,000,000
Obtained during the period/year		-	-
Repayments made during the period/year		(100,000,000)	(100,000,000)
		-	100,000,000
Current portion shown under current liabilities		-	(100,000,000)
		-	-

19.2 This represents term finance facility obtained from JS Bank Limited for working capital requirements due to BMR activities carried out for enhancement in production capacity. Its shall be repaid through 6 equal biannually installments 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 and personal guarantees of all directors along with networth statements.

20. LOAN FROM HOLDING COMPANY

Unsecured:			
Naubahar Bottling Company (Private) Limited	20.1	1,055,960,400	965,960,400
From holding company			
Balance as at October 01		965,960,400	-
Obtained during the period/year		90,000,000	965,960,400
Repayments/adjustment made during the period/year		-	-
		1,055,960,400	965,960,400
Current portion shown under current liabilities		-	-
		1,055,960,400	965,960,400

20.1 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 13.91% to 14.36% (2019: 11.02% to 14.35%) 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	(Un-Audited) March31, 2020	(Audited) September30, 2019
		.....(Rupees)	
21. LEASELIABILITIES			
Secured			
Againstrightofuseassets			
Leaseliabilities		1,745,000	-
Less:Currentportionshownundercurrentliabilities		(545,196)	-
		1,199,804	-
21.1 Maturityanalysis-contractualundiscountedcashflow			
Lessthanoneyear		885,960	-
Onetofiveyear		1,240,344	-
Morethanfiveyear		-	-
Totalundiscountedleaseliability		2,126,304	-

21.2 Whenmeasuringleaseliabilities,theCompanydiscountedleasepaymentsusingitsincrementalborrowing ratewhichis20%perannum.

21.3 Theleasefacilityhasbeenobtainedfrom BankAlHabibLimited.Theassetsisownedby theBank.Theabove liabilitieswereobligationsunderleaseswithbankforleaseofvehicle.

22. TRADEANDOTHERPAYABLES

Tradecreditors	22.1&2	348,394,042	245,699,769
Accruedliabilities		15,190,412	13,475,505
Advancesfromcustomers/contractliabilities(unsecured)	22.3	511,452,106	340,197,135
Workers'ProfitParticipationFund	22.4	2,087,998	1,872,644
Taxesanddutiespayable		2,060,167	7,137,046
Salestaxpayable		831,111	831,110
Otherliabilities		331,155	331,155
		880,346,991	609,544,364

22.1 Thisincludes Rs. 33.353 million (2019: Rs. 33.353 million) payable to Imporient Chemicals (Private) Limited (ex-relatedparty)againstpurchaseofchemical.

22.2 Thisincludes Rs. 9.487 million (2019: 0.690 million) payable to Thal Industries Corporation Limited and Nil (2019: 0.337 million) to Al-Moiz Industries Limited (arelated parties) against payment of purchase of plant andmachineryandsteelproducts.

22.3 The advance from customers' balances amounting to Rs. 340.197 million which are long outstanding at thereportingdateareadjustableagainstthepaymenttobemadetotheSponsorSellersaspershareholder agreement. However, due to un-availability of third party confirmation, on produce basis these balance have notbeenadjustedandtheCompanywillcompletetheduelegalprocessbeforeadjustingthesebalances.

	Note	(Un-Audited) March31, 2020	(Audited) September30, 2019
		.....(Rupees)	
22.4 Workers'ProfitParticipationFund			
Balanceatthebeginningoftheperiod/year		1,872,644	1,609,492
Markupchargedduringtheperiod/year		215,354	263,152
Less:Paymentsmadeduringtheperiod/year		-	-
Balanceattheendoftheperiod/year		2,087,998	1,872,644

22.5 InterestonWorkers'profit(participation)fundhasbeenprovidedattherateof11.50%(2019:16.35%).

23. DUETOEX-HOLDINGCOMPANY

Unsecured:			
PattokiSugarMillsLimited(PSML)	23.1	194,825,904	104,066,694

23.1 This represents balance payable to M/s Pattoki Sugar Mills Limited (PSML) - the ex holding company as settlement balance. During the period PSML has paid mark up and principal amount to JS Bank Limited on behalfoftheCompanyasdisclosedundernote19.

24. SHORTTERMBORROWING

Secured:			
Bankingcompanies			
CashFinance			
MCBBankLimited	24.1	200,000,000	-
AskariBankLimited	24.1	500,000,000	-
BankAlHabibLimited	24.1	600,000,000	-
RunningFinance			
BankAlHabibLimited	24.2	48,868,717	-
		1,348,868,717	-

24.1 This represents cash finance facilities from various banks aggregated to Rs. 1,500 million (2019: Nil) and carries mark-up ranging from one month KIBOR plus 0.75% to six months KIBOR plus 1% per annum (2019: Nil) on utilized limits. These facilities are secured against twhite refined sugar bags at 22% to 25% margin, first exclusive charge for Rs. 316 million on pledge of sugar bags, personal guarantees of the directors, corporate guarantee of holding company, subordination of loan from related parties and directors.

24.2 This represents running finance facilities from Bank Al Habib Limited aggregated to Rs. 50 million (2019: Nil) and carries mark-up ranging from one month KIBOR plus 0.75% (2019: Nil) on utilized limits. This facility is secured against on all present and future current assets of the Company for Rs. 67 million and personal guarantees of the directors.

25 CONTINGENCIESANDCOMMITMENTS

25.1 Contingentliabilities

a) The LTU-FBR has preferred a reference before Income Tax Appellate (ITAT) for the assessment year 1996-1997 against the decision of CIT appeals. The department has also filed petition for leave to appeal before the

honorable Supreme Court of Pakistan for the assessment year 1999-2000 and tax year 2006 against the order in the favour of the company by the honorable High Court of Sindh. In the opinion of the tax advisor the ultimate appellate decision is likely to be in Company's favour, hence no provision is made in these accounts as there will be no tax impact of the matter in view of brought forward tax losses. In view of the favorable decision of the higher appellate forums on the like issue in prior years the management is hopeful about favorable outcome in above matters. Hence no provision is made in these accounts as there will be no tax impact of the matter in view of brought forward losses.

b) The Company has filed reference application before the Honorable High Court of Sindh against the decision of ITAT in respect of assessment year 2000-2001, the reference application is pending before the honorable High Court Sindh. The Company has also filed the appeal before the Commissioner of income tax appeals against addition made by the assessing officer for the assessment year 2002 - 2003 which is pending for adjudication. In view of the favorable decision of the higher appellate forums on the like issue in prior years the management is hopeful about favorable outcome in above matters. Hence no provision is made in these accounts as there will be no tax impact of the matter in view of brought forward losses.

c) The Company has filed an appeal before the Tribunal against the order of Commissioner Inland Revenue disallowing refund of further tax on the ground that the incidence of the tax has been passed on the consumers and the Company is not entitled to claim refund in terms of Section 3 (B) of the sales Tax Act, 1990. The management of the Company is of the view that outcome of the suit would be in favour of the company.

d) Demand amounting to Rs.3.825 million has been created by DCIR vide order dated November 03, 2017 against the Company for adjustment of input tax. The Company being aggrieved filed input tax rectification application. The Company expects a favorable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs.3.825 million (2019: Rs.3.825 million).

e) Demand amounting to Rs.2.528 million has been created by DCIR vide order dated November 07, 2018 against the Company for adjustment of input tax for the period of January 2018. The Company being aggrieved filed input tax rectification application. The Company expects a favorable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 2.528 million (2019: Rs.2.528 million).

f) Demand amounting to Rs.12.648 million has been created by DCIR vide order dated December 16, 2018 against the Company for adjustment of input tax for the period of February 2018. The Company being aggrieved filed input tax rectification application. The Company expects a favorable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 12.648 million (2019: Rs. 12.648 million).

g) Demand amounting to Rs.9.894 million has been created by DCIR vide order dated December 20, 2018 against the Company for adjustment of input tax for the period of March 2018. The Company being aggrieved filed input tax rectification application. The Company expects a favorable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 12.648 million (2019: Rs. 12.648 million).

h) Demand amounting to Rs. 41.616 million has been created by DCIR vide order dated August 04, 2017 against the Company on account of sales tax audit for the tax year 2014 and certain amount were held recoverable. The Company being aggrieved filed appeal before CIR(A). CIR(A) remanded back the case for fresh adjudication. Thereafter in fresh proceedings an amount of Rs. 3.416 million has been established vide order dated March 28, 2019. This has also been challenged before CIR Appeals. The Company expects a favorable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 3.416 million.

i) Demand amounting to Rs. 10.137 million has been created by DCIR vide order dated November 12, 2018 against the Company on account of inadmissible input tax adjustment for the period July 2016 to November 2017. The Company being aggrieved filed appeal before CIR (A). CIR (A) remanded back the case for fresh adjudication. The case decided against the Company and an amount of Rs. 10.211 million has been paid to the Department under protest and also appeal has been filed against this order. The Company expects a favorable outcome of the proceedings.

j) As per SRO of 77(1)2013 dated February 07, 2013, the Federal Government allowed reduced rate @.0.5% FED on local sales of white crystalline sugar equivalent to the quantity actually exported by the sugar manufacturer as per quota allotted. Sales tax and Federal Excise returns for the tax periods from November 2013 to June 2014 were analysed by the Commissioner Inland Revenue and it was observed that registered person had declared local sales on which Company was required to charge and pay FED @ 8% in VAT mode under the provision of section 3 and 7 of the Federal Excise Act, 2005. The Commissioner Inland Revenue created a demand amounting to Rs. 65.084 million along with default surcharge and penalty of Rs. 3.254 million on short payment of FED based that Company charged and paid FED at the rate of 0.5% without fulfilling the conditions as mentioned in SRO 77(1)2013. Being aggrieved with the order passed by the Deputy Commissioner Inland Revenue, the Company preferred appeal before the Commissioner Inland Revenue (Appeals-I), Karachi. The CIR (A) vide order in appeal No. STA/91/LTU/2019/09 vacated order of Deputy Commissioner and passed order in favour of the Company. The department has filed an appeal against this order to Appellate Tribunal IR. The Company expects a favourable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 68.338 million.

k) As per SRO of 77(1)2013 dated February 07, 2013 read with the SRO 1072(1)/2013 dated December 27, 2013, the Federal Government allowed 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(1)2013. Being aggrieved with the order passed by the Deputy Commissioner Inland Revenue, the Company preferred appeal before the Commissioner Inland Revenue (Appeals-I), Karachi. The CIR (A) vide order in appeal No. STA/90/LTU/2019/06 vacated order of Deputy Commissioner and passed order in favour of the Company. The department has filed an appeal against this order to Appellate Tribunal IR. The Company expects a favourable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 16.163 million.

l) Demand amounting to Rs. 10.163 million has been created by DCIR against the Company on account of some discrepancies were observed in the sales tax returns for the period from July 2016 to November 2017. The Company being aggrieved filed appeal before CIR (A). CIR (A) remanded back the case for fresh adjudication. Thereafter in fresh proceedings an amount of Rs. 10.163 million has been demanded by DCIR. This has also been challenged before CIR Appeals. The CIR (A) vide order in Appeal No. STA/40/LTU/2019/07 dated September 26, 2019 annulled order of DCIR. Being aggrieved with the order department has filed second appeal to Appellate Tribunal IR. The Company expects a favourable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 10.163 million.

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

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

o) The long term assets of the company by amounting Rs. 294 million is also pledged with Samba Bank Limited against loan facility to Pattoki Sugar Mills Limited. This charge has been vacated subsequent to the reporting period.

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

25.2 Commitments

The Company is committed as at the balance sheet date in respect of capital expenditure of Rs. 3.00 million.

	Half year Ended March 31,		Quarter Ended March 31,	
	2020	2019	2020	2019
	.....(Rupees).....		.....(Rupees).....	
26. SALES				
Sales				
Manufacturing-local				
Sugar	23,880,239	54,218,114	23,880,239	28,834,827
Byproductssales				
Molasses	92,892,480	-	91,686,320	-
V.F.Cakes	99,549	2,385,000	99,549	-
	116,872,268	56,603,114	115,666,108	28,834,827
Less:Salestax	(3,484,242)	(5,488,278)	(3,484,242)	(1,723,457)
	113,388,026	51,114,836	112,181,866	27,111,370
27. COSTOFSALES				
Rawmaterialsandexpensesthereon	1,621,152,385	127,325,930	1,312,997,633	46,741,517
Otheroverheads:				
Salaries,wagesandotherbenefits	68,206,534	27,526,549	40,847,966	12,680,220
Chemicalconsumed	10,851,274	1,241,536	8,765,103	783,668
Packingmaterialconsumed	11,826,048	713,731	9,888,912	469,284
Storesandsparesconsumed	7,789,101	7,043,315	3,742,793	5,765,547
Repairandmaintenance	81,886,288	77,061,192	31,554,954	56,922,315
Otherfactoryoverheads	2,974,180	1,361,698	1,023,889	614,466
Vehiclerunningexpenses	2,049,586	1,179,146	1,084,603	222,371
Feeandsubscription	49,700	-	3,500	-
Insurance	38,211	-	-	-
Depreciation	46,070,470	36,263,458	23,170,690	18,046,665
Fuelandpower	15,069,679	5,466,704	10,099,020	4,010,096
	246,811,071	157,857,329	130,181,430	99,514,632
Openingworkinprocess	-	33,866,520	65,033,580	54,716,844
Closingworkinprocess	(5,005,745)	-	(5,005,745)	-
	(5,005,745)	33,866,520	60,027,835	54,716,844
Costofgoodsmanufactured	1,862,957,711	319,049,779	1,503,206,898	200,972,993
Openingstockoffinishedgoods	-	17,865,324	319,656,856	16,439,282
Closingstockoffinishedgoods	(1,750,009,065)	(74,329,324)	(1,750,009,065)	(74,329,324)
	(1,750,009,065)	(56,464,000)	(1,430,352,209)	(57,890,042)
	112,948,646	262,585,779	72,854,689	143,082,951
28. TAXATION				
Current	1,700,820	694,721	1,682,726	694,721
Deferred	(5,463,568)	39,855,808	(5,463,568)	55,943,754
	(3,762,748)	40,550,529	(3,780,842)	56,638,475

28.1 AsatMarch31,2020,deferredtaxassetamountingRs.404.546million(2019:Rs.374.963million)onunused taxlosses,impairmentlossandgratuityhavenotbeenrecognisedinthefinancialstatementsasamatterof prudenceasintheopinionofthemanagementthereisnocertaintyregardingrealisabilityoftheamount.The managementintendstore-assesstherecognitionofdeferredtaxassetasatSeptember30,2020.Thelosscan becarryforwardedupto5years.

29. LOSS PER SHARE - BASIC AND DILUTED

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

	Half year Ended March 31,		Quarter Ended March 31,	
	2020	2019	2020	2019
	.....(Rupees).....		.....(Rupees).....	
Loss after taxation	(117,250,581)	(421,378,515)	(32,074,806)	(286,107,128)
Weighted average number of ordinary shares	9,450,000	9,450,000	9,450,000	9,450,000
Loss per share - basic and diluted - (Rs.)	(12.41)	(44.59)	(3.39)	(30.28)

30. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participations at the measurement date.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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 value are observable, either directly or indirectly.
Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

There were no financial instruments held by the Company which are measured at fair value as of March 31, 2020 and September 30, 2019.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred. However, there were no transfers between levels of fair value hierarchy during the year.

31. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

There have been no significant changes in the risk management policies since the year end.

The condensed interim financial statements does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended September 30, 2019.

The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements for the year ended September 30, 2019.

32. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

During the period the company obtained new borrowings from, various banks, holding company and directors.

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

33. CORRESPONDINGFIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparisonandbetterpresentation.However,nosignificantreclassificationhasbeenmadeduringtheperiod exceptforbyproductsales(V.F.Cake)amountingtoRs.2.038millionhasbeenreclassifiedinthesalesrather asdeductionfromcostofsalesforconsistencywithannualauditedfinancialstatements.

34. TRANSACTIONSANDBALANCESWITHRELATEDPARTIES

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

Nameofparties	Natureof relationship	Natureoftransactions	Note	March31,2020		March31,2019	
				Transactions duringthe period	Closing balance	Transactions duringthe year	Closing balance
				----------Rupees----------			
PattokiSugarMillsLimited	Ex-Parent	Longtermloans-paid/adjusted	34.1	-	-	-	120,690,011
		Fundstransferred/adjusted		-	-	2,507,844,661	-
		Fundsreceived		-	-	544,782,452	-
		Mark-upchargedonadvances		-	-	82,994,510	-
		Mark-uppayable					38,522,753
		Mark-uppayable-paid/adjusted		-	-	192,200,650	-
ImporientChemicals(Private)Limited	Ex-Ultimate Parent	Payablebalance	34.1	-	-	-	33,353,666
		Fundspaid		-	-	10,275,000	-
		Chemicalpurchase		-	-	41,443,770	-
ExporientKnitters(Private)Limited	Ex-Associate		34.1				-
		Fundsreceived		-	-	3,469,766	-
		AdjustmentagainstImporient		-	-	(3,469,766)	-
NaubaharBottlingCompany (Private)Limited	Holding Company	Longtermloans		90,000,000	1,055,960,400	-	-
		Mark-uppayable		-	164,505,687	-	-
		Mark-upchargedonadvancesobtained		68,719,806	-	-	-
TheThalIndustriesCorporationLimited	Associated	Tradereceivable		-	322,043	-	-
	Associated	Payable		-	9,487,644	-	-
		Salesofchemicals		322,043	-	-	-
		Purchases-machinerypartsandothers		9,487,644	-		
Al-MoizIndustriesLimited		Tradereceivable		-	968,969	-	-
	Associated	Saleofscrapandprocesschemicals		9,834,154		-	-
				-	-	-	-
Directors/shareholders							
Mr.MuhammadShamimKhan		Directors'contribution/loan		13,200,000	728,500,000	-	-
Ms.QaiserShamimKhan		Directors'contribution/loan		99,000,000	692,000,000	-	-
Mr.NaumanAhmedKhan		Directors'contribution/loan		-	22,000,000	-	-
Mr.AdnanAhmedKhan		Directors'contribution/loan		27,000,000	27,000,000	-	-
Executives	Key management personnel	Remunerationpaid		1,456,068	-	4,160,000	-

34.1 Basisofrelationshipwiththecompany

InrespectofassociatedcompaniesandholdingcompanyincorporatedinsidePakistanwithwhomthecompanyhadentered intotransactionduringthefinancialyearalongwithbasisofrelationshipisasfollows:

Nameofrelatedparty	Countryof Incorporation/origin	Relationship	Basisof Association	Shareholdings
PattokiSugarMillsLimited	Pakistan	Ex-Parentcompany	Note34.2	Nil
ImporientChemicals(Private)Limited	Pakistan	Ex-Associate/ultimate parentcompany	Note34.2	Nil
ExporientKnitters(Private)Limited	Pakistan	Ex-Associate	Note34.2	Nil
NaubaharBottlingCompany(Private)Limited	Pakistan	Holding	Shareholding	50.86%
Al-MoizIndustriesLimited	Pakistan	Associated	Commonmanagement	Nil
MoizTextileLimited	Pakistan	Associated	Commonmanagement	Nil
TheThalIndustriesCorporationLimited	Pakistan	Associated	Commonmanagement	Nil
Mr.MuhammadShamimKhan	Pakistan	Director	Shareholding	17.36%
Mrs.QaiserShamimKhan	Pakistan	Director	Shareholding	9.64%
Mr.AdnanAhmedKhan	Pakistan	ChiefExecutive	Shareholding	9.64%
Mr.NaumanAhmedKhan	Pakistan	Director	Shareholding	9.64%
MalikManzoorHussainHumayun	Pakistan	Director	Shareholding	0.0021%
Mr.FariduldinAhmed	Pakistan	Director	Shareholding	0.0021%
MrsSarahHajraKhan	Pakistan	Director	Shareholding	0.0032%

34.2 Thisreferstonote1.4,theseentitiesweretherelatedpartiesuntilJune13,2019,thereforecurrentbalancesandtransactions havenotdisclosedintherelatedpartytransactions.

35. FINANCIAL INSTRUMENTS BY CATEGORY

	Original carrying			Fair value			
	Financial assets at amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
	---------- Rupees ----------						
On-Balance sheet financial instruments							
As at March 31, 2020							
Financial assets							
At cost or amortised cost							
Trade debtors	78,782,058	-	78,782,058	-	-	-	-
Loans and advances	134,100	-	134,100	-	-	-	-
Cash and bank balances	143,232,322	-	143,232,322	-	-	-	-
	222,148,480	-	222,148,480	-	-	-	-
Financial liabilities at amortised cost							
Directors' loan	-	1,469,500,000	1,469,500,000	-	-	-	-
Long term financing	-	-	-	-	-	-	-
Loan from holding company	-	1,055,960,400	1,055,960,400	-	-	-	-
Lease liabilities	-	1,745,000	1,745,000				
Due to exholding company	-	194,825,904	194,825,904	-	-	-	-
Trade and other payables	-	363,915,609	363,915,609	-	-	-	-
Short term borrowing	-	1,348,868,717	1,348,868,717	-	-	-	-
Mark-up accrued	-	164,505,687	164,505,687	-	-	-	-
	-	4,599,321,317	4,599,321,317	-	-	-	-
On-Balance sheet financial instruments							
As at September 30, 2019							
Financial assets							
At cost or amortised cost							
Trade debtors	77,491,042	-	77,491,042	-	-	-	-
Loans and advances	71,300	-	71,300	-	-	-	-
Cash and bank balances	26,379,048	-	26,379,048	-	-	-	-
	103,941,390	-	103,941,390	-	-	-	-
Financial liabilities at amortised cost							
Long term financing	-	100,000,000	100,000,000	-	-	-	-
Loan from holding company	-	965,960,400	965,960,400	-	-	-	-
Due to exholding company	-	104,066,694	104,066,694	-	-	-	-
Trade and other payables	-	259,506,429	259,506,429	-	-	-	-
Mark-up accrued	-	86,562,191	86,562,191	-	-	-	-
	-	1,516,095,714	1,516,095,714	-	-	-	-

35.1 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.

35.2 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.

36. EVENTS AFTER THE BALANCE SHEET DATE

There are no material subsequent events occurred after the date of statement of financial 'position.

37. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial statements were authorized for issue on 21 May 2020 by the Board of Directors of the Company.

38. GENERAL

38.1 Amounts have been rounded off to the nearest rupee unless otherwise stated.

38.2 The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarter ended March 31, 2020 and 2019 were not subject to limited scope review by the auditors as scope of review covered only cumulative figures.

Chief Executuive | Director | Chief Financial Officer

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