BABA FARID
SUGAR MILLS LIMITED

CONDENSED INTERIM FINANCIAL INFORMATION
For the Period Ended June 30, 2022 (Un-audited)



3RD QUARTERLY
REPORT
2022

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mrs. Qaiser Shamim Khan	Chairperson
Mr. Adnan Ahmed Khan	Chief Executive
Mr. Muhammad Shamim Khan	Executive Director
Mr. Nauman Ahmed Khan	Non-Executive Director
Mrs. Sarah Hajra Khan	Non-Executive Director
Mr. Farid ud Din Ahmed	Independent Director
Mr. Malik Manzoor Hussain Humayoon	Independent Director

CHIEF FINANCIAL OFFICER

Mr. Wasif Mahmood

COMPANY SECRETARY

Mr. Muhammad Imran

AUDITORS

BDO Ebrahim & Co.
Chartered Accountants
F-2, First Floor, Grace Centre,
Canal Bank Road, 1-B Canal Park,
Gulberg-II, Lahore
Tel: 042-35875709-10
Fax: 042-35717351
Email: info@bdo.com.pk

MILLS

5 K.M. Faisalabad Road, Okara
Tel: 044-2714418-21
Fax: 044-2522978

BANKERS

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

HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Farid-ud-Din Ahmad	Chairman
Mr. Adnan Ahmed Khan	Member
Mr. Malik Manzoor Hussain Humayoon	Member

AUDIT COMMITTEE

Mr. Farid-ud-Din Ahmad	Chairman
Mrs. Sarah Hajra Khan	Member
Mr. Malik Manzoor Hussain Humayoon	Member

NOMINATION COMMITTEE

Mr. Malik Manzoor Hussain Humayoon	Chairman
Mr. Farid-ud-Din Ahmad	Member

RISK MANAGEMENT COMMITTEE

Mr. Malik Manzoor Hussain Humayoon	Chairman
Mr. Farid-ud-Din Ahmad	Member

SHARE REGISTRAR

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

REGISTERED OFFICE

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

LEGAL ADVISOR

M/S Ahmed & Pansota
Advocate and Legal Consultants
20 - Sir Gangaram Mansions
The Mall Lahore.
Tel: 042-37313549, 37313520
Tel: 042-36672102

DIRECTORS' REVIEW

The Directors of your Company are pleased to present the Un-Audited Accounts of the Company for the period ended June 30, 2022 in compliance with the section 237 of the Companies Act, 2017.

INDUSTRY OVERVIEW

During the period under review, cultivated area of sugarcane crop is expectedly higher and yield per acre being reported by the growers was also reportedly higher as compared to corresponding period of last year. The early start of crushing season also affected the yield and recovery of cane. Sugar recovery in the area as compared to last year is lower due to early harvesting.

For current crushing season 2021-22, notified support price of sugarcane is Rs. 225/- per 40 kg in Punjab & KPK and Rs. 250/- per 40 kg in the province of Sindh. .Due to early start of crushing season from 15 November 2021, the company had to pass through tough competition in cane procurement that resulted into price war like situation in the region. Average sugarcane purchase cost remained higher than the support price and as compared to last year as well.

PERFORMANCE OF THE COMPANY

The Company was able to crush 604,762.396 M. Tons sugarcane and produced 54,026.500 M. Tons of white refined sugar at an average recovery of 8.936% during the period ended June 30, 2022 as compared to corresponding period of last year sugarcane crushing was 457,224.825 M. Tons and production was 41,501.500 M. Tons of white refined sugar at an average recovery of 9.072%.

Net sales were recorded at Rs. 2,865.658 million during the period under review as compared to Rs. 3,498.308 million against the corresponding period of last year and reduction was mainly due reduced sugar quantity sold and partially due to lower sugar prices as compared to last year.

The Company suffered pretax loss of Rs. 189.285 million during the period under review as compared to pretax profit of Rs. 150.286 million in the corresponding period of last year. The increase in loss is due to increased sugarcane procurement cost, lower sugar prices prevalent in the local market along with effect of inflation coupled with increase in financial cost mainly due to substantial rise of Kibor rate.

All out efforts are being made to increase the production and profitability of the Company through process efficiency, installing modern and latest technology, reducing production cost by close supervision, developing good quality cane by providing the latest improved seed varieties, fertilizer, pesticides etc. and facilitating the cane growers constantly, 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 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.

RELATIONSHIP WITH GROWERS

As usual growers' payment has remained our top priority being one of the main keys of our success and we are trying our level best to make growers' payment on priority basis. We regularly provide financial and technical support to our growers.

FUTURE OUTLOOK

According to surveys the sugarcane crop size in current crushing season is estimated to be approx. 20-25% higher than last year and keeping in view the reported increased crop yield, we expect the sugar production of this year will be substantially higher as compared to last year. In this sugar surplus situation in the country, the sugar prices may remained under pressure and many sugar mills will not be able to clear farmer's payments in timely manner unless the sugar export will be allowed to international market. Though allowing sugar exports seems extremely difficult in present political scenario. Although if allowed, this export will also be greatly helpful to the country in this extremely low FCY reserve position. The option of sugar export is not only important for this year rather for next year as well because industry is expecting another bumper cane crop next year.

The increase in discount rate by the State Bank of Pakistan (SBP) by 775 bps has ultimately increased the Kibor rate will result in increasing the financial cost of the Company. Any further increase in mark-up rates will adversely affect the profitability and the liquidity of the Company.

Sales tax evasion and undocumented sugar trade were two major challenges being faced by the sugar industry. These issues were the root causes of instability in the prices of sugarcane, sugar and hurdle in planning by the Government for availability of sugar in the country. To curb these issues on 11 November 2021, FBR has issued Sales Tax General Order No. 05 of 2021-22 with subject of Implementation of Track & Trace System. As per order, no sugar bags shall be allowed to be removed from production site or factory without affixation of Tax Stamps / Unique Identification Marking (UTMs) with effect from 11 November 2021, which are to be obtained / procured from FBR Licensed vendor only. FBR has achieved marvelous success in the implementation of Track & Trace System and results are quite satisfactory. This is a milestone achieved by FBR which will result in giving level playing fields to fully compliant sugar mills and substantial increase in the revenue of FBR. Now FBR should also find out practical ways out to document the sugar trade which is another uphill task.

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, 2019 and the Rule Book of Pakistan Stock Exchange.

1. The total number of Directors are seven as per following:
   - Male: Five
   - Female: Two
2. The composition of the Board of Directors ("the Board") is as 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

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

Audit Committee

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

HR and Remuneration Committee

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

Nomination Committee

i) Malik Manzoor Hussain Humayoon. (Chairman)
ii) Mr. Farid-ud-Din Ahmad

Risk Management Committee

i) Mr. Malik Manzoor Hussain Humayoon. (Chairman)
ii) Mr. Farid-ud-Din Ahmad

Adequacy of Internal Financial Controls

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

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 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.

For and on behalf of the Board
Baba Farid Sugar Mills Limited

Adnan Ahmad Khan
Chief Executive

Mrs. Qaisar Shamim Khan
Chairperson

Lahore, 25 July 2022

ڈائریکٹرز کی جائزہ رپورٹ

کمپنی کے ڈائریکٹرز کمپنیز ایکٹ 2017ء کی دفعہ 237 کی تعمیل میں 30 جون 2022ء کو ختم ہونے والی مدت 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 کاشت شدہ رقبہ متوقع طور پر زیادہ ہے اور کاشتکاروں کی طرف سے گزشتہ سال کے مقابلے فی ایکڑ پیداوار بھی زیادہ بتائی گئی ہے۔ کرشنگ سیزن کے جلد آغاز سے گنے کی پیداوار اور ریکوری بھی متاثر ہوئی ہے اور جلد کٹائی کی وجہ سے گزشتہ سال کے مقابلے میں شوگر ریکوری بھی متاثر ہوئی ہے۔

موجودہ کرشنگ سیزن 22-2021 کیلئے پنجاب اور کے پی کے میں گنے کی امدادی قیمت -/225 روپے فی من اور صوبہ سندھ میں -/250 روپے فی من کا اعلان کیا گیا ہے۔ 15 نومبر 2021 سے کرشنگ سیزن کے جلد آغاز کی وجہ سے گنے کی خریداری میں سخت مقابلہ دیکھا گیا جس کے نتیجے خطے میں قیمت جنگ کی صورت حال پائی گئی۔ گنے کی اوسط قیمت خرید امدادی قیمت سے اور گزشتہ سال کے مقابلے زیادہ رہی ہے۔

کمپنی کی کارکردگی

30 جون 2022ء کو ختم ہونے والی مدت کے دوران کمپنی نے 604,762.396 میٹرک ٹن گنے کی کرشنگ کی اور 8.936 فیصد اوسط ریکوری کے ساتھ 54,026.500 میٹرک ٹن سفید ریفائنڈ چینی بنائی جبکہ اس کے مقابلے میں گذشتہ سال 457,224.825 میٹرک ٹن گنے کی کرشنگ کی اور 9.072 فیصد اوسط ریکوری کے ساتھ 41,501.500 میٹرک ٹن سفید ریفائنڈ چینی بنائی۔

گزشتہ سال کی اسی مدت میں 3,498.308 ملین روپے خالص فروخت کے مقابلے زیرِ جائزہ مدت کے دوران 2,865.658 ملین روپے درج کی گئی اور یہ کمی بنیادی طور پر گزشتہ سال کے مقابلے چینی کی فروختہ کم مقدار اور جزوی طور پر چینی کی کم قیمتوں کی وجہ سے تھی۔

کمپنی کو زیرِ جائزہ مدت کے دوران ٹیکس سے قبل 189.285 ملین روپے کا نقصان ہوا جبکہ گزشتہ سال کی اسی مدت میں ٹیکس سے قبل 150.286 ملین روپے کا منافعہ ہوا تھا۔ کمپنی کے نقصانات میں اضافہ شرح سود میں اضافہ، گنے کی قیمت کا بڑھنا، مقامی مارکیٹ میں چینی کی قیمت میں کمی اور افراط زر میں اضافہ کی وجہ سے ہے۔

تمام تر کوششیں عمل کارکردگی بہتر بنانے، جدید ترین ٹیکنالوجی آلات نصب کرنے، کڑی نگرانی کی بدولت پیداواری اخراجات کو کم کرنے، اچھا معیاری گنا حاصل کرنے کے لئے کاشتکاروں کو مسلسل جدید بہتر بیج کی اقسام، کھادیں، ادویات وغیرہ اور دیگر باہم سہولیات پہنچا کر کمپنی کی پیداوار اور منافع کو بڑھانے کے لئے کی جارہی ہیں، جس کے نتیجے بالآخر چینی کی ریکوری زیادہ اور گنے کے کاشتکاروں کو مالی فوائد بھی حاصل ہوں گے۔

تحقیق وترقی

زرعی تحقیق وترقی کمپنی کی پالیسی کا ایک لازمی حصہ ہے جس میں بہترین زرعی طریقوں کے ساتھ ترقی پسند کاشتکاروں کے ذریعے گنے کی مختلف اور نئی اقسام کی شناخت اور اس کے بعد تجارتی پیمانے پر ان کی کاشت شامل ہے۔ یہ نہ صرف گنے کی فی ایکڑ پیداوار بڑھاتی ہے بلکہ کاشتکاروں کی آمدنی میں اضافہ اور مسابقتی فصلوں کے مقابلے میں گنے کی بوائی کے لئے زیادہ شوق پیدا کرتی ہے۔ یہ کمپنی کو گنے کی سپلائی، مجموعی طور پر شوگر کی ریکوری کو بڑھاتی ہے اور براہ راست کمپنی کے منافع کو بہتر بناتی ہے۔

کاشتکاروں سے تعلقات

ہمیشہ کی طرح کاشتکاروں کی ادائیگی ہماری اولین ترجیح رہی ہے جو ہماری کامیابی کے کلیدوں کرداروں میں سے ایک ہے اور ہم ترجیحی بنیادوں پر کاشتکاروں کی ادائیگی کے لیے پوری کوشش کر رہے ہیں۔ ہم اپنے کاشتکاروں کو باقاعدگی سے مالی اور تکنیکی مدد فراہم کرتے ہیں۔

مستقبل کا نقطہ نظر:

سروے کے مطابق موجودہ کرشنگ سیزن میں گنے کی فصل کا سائز تقریباً گزشتہ سال کی نسبت 25-20 فیصد زیادہ ہونے کا تخمینہ لگایا گیا ہے۔ مزید برآں، بمپر فصل اور بہتر پیداوار کو مدِ نظر رکھتے ہوئے، ہم توقع کر رہے ہیں کہ چینی کی پیداوار پچھلے سال کے مقابلے میں قابلِ ذکر طور پر زیادہ ہوگی۔ اس کے پیش نظر توقع ہے کہ ملک میں چینی کی اس سرپلس حالات میں چینی کی قیمتیں دباؤ میں رہیں گی اور کئی شوگر ملز اس وقت تک کسانوں کی ادائیگیاں بروقت کرنے کے قابل نہیں رہیں گی جب تک کہ انہیں بین الاقوامی مارکیٹ کو شوگر برآمد کرنے کی اجازت نہیں دی جائے گی۔ اگرچہ موجودہ سیاسی منظر نامہ میں چینی برآمد کرنے کی اجازت بہت مشکل دکھائی دے رہی ہے۔ اگر اجازت دے دی گئی، یہ برآمد اس بہت ہی زیادہ کم FCY ذخائر پوزیشن میں ملک کے لئے بہت زیادہ مددگار ہوگی۔ چینی برآمد کرنے کا اختیار نہ صرف اس سال کے لئے بلکہ آئندہ سال کے لئے بھی اہم ہے کیونکہ انڈسٹری اگلے سال گنے کی دوسری بمپر فصل کی توقع کر رہی ہے۔

اسٹیٹ بینک آف پاکستان (SBP) کی طرف سے ڈسکاؤنٹ شرح میں 775 bps کے اضافہ نے شرح سود کو بڑھا دیا جس کے نتیجے کمپنی کی مالی لاگت میں اضافہ ہو جائے گا۔ شرح سود میں مزید اضافہ کمپنی کے منافع اور لیکویڈیٹی کو بری طرح متاثر کر سکتا ہے۔

سیلز ٹیکس کی چوری اور چینی کی غیر دستاویزی تجارت شوگر انڈسٹری کو درپیش دو بڑے چیلنجز تھے۔ یہ مسائل گنے، چینی کی قیمتوں میں عدم استحکام اور ملک میں چینی کی دستیابی کے لیے حکومت کی جانب سے منصوبہ بندی میں رکاوٹ کی بنیادی وجہ تھے۔ ان مسائل کو ختم کرنے کے لئے 11 نومبر 2021 کو، ایف بی آر نے ٹریک اور ٹریس سسٹم کے نفاذ کے حوالہ سے سیلز ٹیکس جنرل آرڈر نمبر 05 آف 22-2021 جاری کیا۔ آرڈر کے مطابق، 11 نومبر 2021 سے مؤثر کسی شوگر بیگ کو ٹیکس اسٹیمپس / یونیک شناختی مارکنگ (UTMs) کے بغیر پروڈکشن سائٹ یا فیکٹری سے منتقل کرنے کی اجازت نہیں ہوگی، جو کہ صرف ایف بی آر کے لائسنس یافتہ وینڈر سے حاصل / خریدی گئی ہیں۔ ایف بی آر نے ٹریک اور ٹریس سسٹم کے نفاذ میں شاندار کامیابی حاصل کی اور نتائج کافی تسلی بخش ہیں۔ یہ ایف بی آر کی جانب سے حاصل کیا گیا ایک سنگ میل ہے جس کے نتیجے میں شوگر ملوں کو مکمل طور پر کمپلائنٹ کرنے کے لیے ہموار میدان ملے گا اور ایف بی آر کی آمدنی میں خاطر خواہ اضافہ ہوگا۔ اب ایف بی آر کو شوگر کی تجارت کو دستاویزی کرنے کے عملی طریقے بھی تلاش کرنے چاہئیں جو ایک اور مشکل کام ہے۔

کارپوریٹ گورننس

بہترین کارپوریٹ عوامل

ڈائریکٹرز بہتر کارپوریٹ گورننس پر عملدرآمد اور فہرستی کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز، 2019 اور پاکستان اسٹاک ایکسچینج کی رُول بک کی ضروریات کو پورا کرتے ہیں۔

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

مرد : 5

خاتون : 2

2۔ بورڈ آف ڈائریکٹرز (بورڈ) کی تشکیل حسبِ ذیل کے مطابق 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

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

آڈٹ کمیٹی

i)۔ جناب فریدالدین احمد (چیئرمین) اور

ii)۔ محترمہ سارہ ہاجرہ خان

iii)۔ جناب ملک منظور حسین ہمایوں

ایچ آر اینڈ ریمنریشن کمیٹی

i)۔ جناب فریدالدین احمد (چیئرمین) اور

ii)۔ جناب عدنان احمد خان

iii)۔ جناب ملک منظور حسین ہمایوں

نامینیشن کمیٹی

i)۔ جناب ملک منظور حسین ہمایوں (چیئرمین)

ii)۔ جناب فرید الدین احمد

رسک مینجمنٹ کمیٹی

i)۔ جناب ملک منظور حسین ہمایوں (چیئرمین)

ii)۔ جناب فرید الدین احمد

مناسب داخلی مالیاتی کنٹرول

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

اظہار تشکر

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

منجانب بورڈ

بابا فرید شوگر ملز لمیٹڈ

Qaiser Shamim

محترمہ قیصر شمیم خان

چیئرپرسن

عدنان احمد خان

چیف ایگزیکٹو

لاہور: 25 جولائی 2022ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-Audited)

As at June 30, 2022

	Note	(Un-Audited) June 30, 2022	(Audited) September 30, 2021
		..... (Rupees)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	7	3,041,105,497	2,836,086,866
Capital work in progress	7.3	1,417,793	107,105,808
		3,042,523,290	2,943,192,674
Long term deposits		1,664,850	1,337,050
		3,044,188,140	2,944,529,724
CURRENT ASSETS			
Stores, spares and loose tools		101,990,055	128,614,530
Stock in trade		1,550,656,342	4,336,426
Trade debts		18,408,293	4,576,692
Short term Investment		-	100,355,619
Loans and advances		181,586,325	135,380,853
Short term prepayments and deposits		1,244,736	1,707,038
Other receivables		113,617,614	126,937,594
Taxation - net		3,155,223	7,169,497
Cash and bank balances		318,754,921	26,945,258
		2,289,413,509	536,023,507
TOTAL ASSETS		5,333,601,649	3,480,553,231
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	8.1	700,000,000	700,000,000
Issued, subscribed and paid up capital	8.2	94,500,000	94,500,000
Reserves			
Revenue reserves - accumulated losses		(2,717,716,753)	(2,494,620,374)
Directors' loans	9	3,002,700,000	2,302,700,000
Surplus on revaluation of fixed assets	10	1,861,278,290	1,890,862,444
		2,240,761,537	1,793,442,070
NON CURRENT LIABILITIES			
Lease liability		6,201,265	6,791,989
Loan from Associate	11	-	300,000,000
Long term Loan (Banking Companies)	12	269,286,900	-
Deferred liabilities		408,352,554	377,296,536
		683,840,719	684,088,525
CURRENT LIABILITIES			
Trade and other payables		632,157,876	416,521,603
Unclaimed dividend		255,930	255,930
Due to Pattoki Sugar Mills Limited (PSML)		13,821,698	14,426,698
Short term Borrowing	13	1,395,668,468	20,295,945
Mark-up accrued		331,584,445	247,610,328
Taxation - net		-	-
Current portion of long term liabilities		35,510,976	303,912,132
		2,408,999,393	1,003,022,636
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		5,333,601,649	3,480,553,231

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-Audited)

For the Period Ended June 30, 2022

	Note	Nine Month Ended June 30,		Quarter Ended June 30,	
		2022	2021	2022	2021
		..... (Rupees)		..... (Rupees)	
Sales- Net	15	2,865,658,034	3,498,308,564	1,764,917,021	2,241,564,062
Cost of sales	16	(2,824,977,250)	(3,194,967,635)	(1,776,727,729)	(2,023,033,027)
Gross Profit / (Loss)		40,680,784	303,340,929	(11,810,708)	218,531,035
Selling and distribution expenses		(17,383,779)	(12,291,549)	(5,563,303)	(4,162,852)
General and administrative expenses		(76,785,014)	(58,571,896)	(25,200,089)	(18,499,955)
Other income		25,856,659	20,821,185	6,170,490	7,489,859
		(68,312,134)	(50,042,260)	(24,592,902)	(15,172,948)
Operating Profit / (Loss)		(27,631,350)	253,298,669	(36,403,610)	203,358,087
Financial charges		(161,654,111)	(103,012,560)	(79,529,822)	(36,279,030)
Profit / (Loss) before taxation		(189,285,461)	150,286,109	(115,933,432)	167,079,057
Taxation		(63,395,072)	(37,653,944)	(9,222,098)	(21,404,572)
Profit / (Loss) after taxation		(252,680,533)	112,632,165	(125,155,530)	145,674,485
Earning / (Loss) per share - Basic and diluted (Rupees)		(26.74)	11.92	(13.24)	15.42

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

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)

For the Period Ended June 30, 2022

	Note	Nine Month Ended June 30,		Quarter Ended June 30,	
		2022	2021	2022	2021
		..... (Rupees)		..... (Rupees)	
Profit / (Loss) after taxation for the period		(252,680,533)	112,632,165	(125,155,530)	145,674,485
Items that may be reclassified to the statement of profit or loss in subsequent periods		-	-	-	-
Total comprehensive Income / (loss) for the period		(252,680,533)	112,632,165	(125,155,530)	145,674,485

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited)

For the Period Ended June 30, 2022

	Issued, subscribed and paid-up capital	Surplus on revaluation of fixed assets	Directors' loan	Revenue Reserves	Total
	Ordinary Shares			Accumulated loss	
	----------(Rupees)----------				
Balance as at October 01, 2020	94,500,000	1,933,262,901	1,982,700,000	(2,659,091,730)	1,351,371,171
Total comprehensive loss for the period					
Transfer from surplus on revaluation of Property, Plant	-	-	-	-	-
and equipment- net of deferred tax	-	(31,800,343)	-	31,800,343	-
Director contribution / loan	-	-	320,000,000	-	320,000,000
Total comprehensive income / (loss) for the period	-	-	-	112,632,165	112,632,165
	-	(31,800,343)	320,000,000	144,432,508	432,632,165
Balance as at June 30, 2021	94,500,000	1,901,462,558	2,302,700,000	(2,514,659,222)	1,784,003,336
Transfer from surplus on revaluation of Property, Plant	-	-	-	-	-
and equipment- net of deferred tax	-	(10,600,114)	-	10,600,114	-
Remeasurement of defined benefit liability - net	-	-	-	(147,950)	(147,950)
Director contribution / loan	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-		9,586,684	9,586,684
	-	(10,600,114)	-	20,038,848	9,438,734
Balance as at September 30, 2021	94,500,000	1,890,862,444	2,302,700,000	(2,494,620,374)	1,793,442,070
Transfer from surplus on revaluation of	-	-	-	-	-
fixed assets incremental depreciation-net of deferred tax	-	(29,584,154)	-	29,584,154	-
Director contribution	-	-	700,000,000	-	700,000,000
Total comprehensive income / (loss) for the period	-	-	-	(252,680,533)	(252,680,533)
	-	(29,584,154)	700,000,000	(223,096,379)	447,319,467
Balance as at June 30, 2022	94,500,000	1,861,278,290	3,002,700,000	(2,717,716,753)	2,240,761,537

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-Audited)

For the Period Ended June 30, 2022

	Nine Month Ended June 30, 2022	2021
	..... (Rupees)	
Cash flows from operating activities		
Profit / (Loss) before tax	(189,285,461)	150,286,109
Adjustments for items not involving movement of funds:		
Profit on Investment	10,848,927	-
Depreciation	77,034,799	68,726,875
Provision for gratuity	4,435,580	2,731,172
Loss on sale of store items	-	278,368
Financial charges	161,654,111	103,012,560
Net cash flow before working capital changes	64,687,956	325,035,084
Decrease / (increase) in current assets		
Stores, spares and loose tools	26,624,475	(35,037,848)
Stock in trade	(1,546,319,916)	(50,521,611)
Trade debts	(13,831,601)	5,783,447
Loans and advances	(46,205,472)	(53,558,384)
Short term prepayments and deposits	462,302	709,023
Other receivables	13,319,980	(3,170,824)
	(1,565,950,232)	(135,796,197)
Increase / (decrease) in current liabilities		
Trade and other payables	215,636,273	(96,277,473)
Cash used in from operations	(1,285,626,003)	92,961,414
Taxes paid	(43,899,174)	(43,872,477)
Gratuity Paid	(630,700)	(58,254)
Financial charges paid	(77,677,581)	(46,362,227)
Net cash used in from operating activities	(1,407,833,458)	2,668,456
Cash flows from investing activities		
Additions to operating fixed assets	(276,922,620)	(43,804,684)
Transfer / (Addition) to capital work in progress	105,688,015	(42,946,954)
Redemption of Short term Investment	100,000,000	-
Long term deposits	(327,800)	(1,050,700)
Net cash used in investing activities	(71,562,405)	(87,802,338)
Cash flows from financing activities		
Due to Pattoki Sugar Mills Limited (PSML)	(605,000)	(29,052,987)
Loan from Associate	(600,000,000)	(300,000,000)
Long term Loan (Banking Companies)	299,956,000	-
Short term Borrowing- Net	1,375,372,523	(105,000,000)
Lease liability paid	(3,517,997)	(1,587,876)
Directors' contribution	700,000,000	320,000,000
Net cash generated from financing activities	1,771,205,526	(115,640,863)
Net (decrease) / increase in cash and cash equivalents	291,809,663	(200,774,745)
Cash and cash equivalents at the beginning of the Period	26,945,258	356,447,809
Cash and cash equivalents at the end of the Period	318,754,921	155,673,064

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-Audited)

For the Period Ended June 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

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.

1.1 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at 2-D/1, Gulberg III, Lahore. The manufacturing facility of the Company is located at 5 KM Faisalabad Road, district Okara,

2 GOING CONCERN ASSUMPTION

'The Company incurred a net loss of Rs. 252.681 million during the period ended June 30, 2022 and, as of that date, the Company's current liablities exceeded its current assets by Rs. 119.586 million. The accumulated losses have exceeded the issued, subscribed and paid up capital by Rs. 2,623.217 million as at June 30, 2022 and accumulated losses as of that date amounted to Rs. 2,717.717 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, the Company's current ratio has been improved as compared to previous year i.e. 0.95 (2021: 0.53), on the other hand the company has made net revenue from sales of Rs. 2,865.658 million resultantly earned gross profit of Rs. 40.681 million as compared to corresponding period of last year gross profit of Rs. 303.341 million. However, these financial statements have been prepared on a going concern basis based on the sponsor's commitment to provide financial support to the Company.

3 BASIS OF PREPARATION

The condensed interim financial information is not audited and has been presented in condensed form and does not include all the information as is required to be provided in a full set of annual financial statements. This condensed interim financial information should be read in conjunction with the audited financial statements of the company for the year ended 30 September 2021.

The comparative figures as at 30 September 2021 in the condensed interim statement of financial position and the related notes to the condensed interim financial information are based on audited financial statements. The comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and related notes to the condensed interim financial information for the period ended June 30, 2022 are based on un-audited condensed interim financial information. These condensed interim statements for the period ended June 30, 2022 and June 30, 2021 are neither audited nor reviewed.

4 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of :

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act , 2017; and
- Provisions of and directives issued under the Companies Act, 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 USE OF ESTIMATES AND JUDGMENT

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

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

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

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

6 SIGNIFICANT ACCOUNTING POLICIES

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

6.1 Accounting convention

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

6.2 Functional and presentation currency

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

7 OPERATING FIXED ASSETS	Note	(Un-Audited) June 30 2022 Rupees	(Audited) September 30 2021 Rupees
Operating fixed assets	7.1	3,027,469,150	2,825,949,119
Right of use assets	7.2	13,636,347	10,137,747
		3,041,105,497	2,836,086,866

		Note	(Un-Audited) June 30 2022 Rupees	(Audited) September 30 2021 Rupees
7.1	Opening net book value (NBV)		2,825,949,119	2,763,082,443
	Addition (at cost) during the period / year	7.1.1	276,922,620	154,370,931
			3,102,871,739	2,917,453,374
	Disposal (at NBV) during the period / year	7.1.2	-	(48,805)
	Depreciation charged during the period/ year		(75,402,589)	(91,455,450)
			(75,402,589)	(91,504,255)
	Closing net book value (NBV)		3,027,469,150	2,825,949,119
7.1.1	Details of additions (at cost) during the period / year are as follows:			
	Building on freehold land		27,822,441	-
	Plant & machinery		233,005,702	144,844,458
	Electric installation		4,180,010	5,091,628
	Furniture & fixture		326,400	284,300
	Tools & equipment		9,901,263	3,757,000
	Office equipment		1,342,360	393,545
	Vehicles		344,444	-
			276,922,620	154,370,931
7.1.2	Details of disposal (at NBV) during the period / year are as follows:			
	Vehicles		-	48,805
			-	48,805
7.2	Right of use assets			
	The following is the statement of right of use assets:			
	Vehicle			
	Net carrying value basis			
	Opening net book value		10,137,747	1,513,176
	Addition during the period / year		5,130,810	10,499,880
	Depreciation charged during period / year		(1,632,210)	(1,875,309)
			13,636,347	10,137,747
	Gross carrying value basis			
	Cost		17,410,220	12,279,410
	Accumulated depreciation		(3,773,873)	(2,141,663)
	Net book value		13,636,347	10,137,747
	Depreciation rate % per annum		20%	20%

		(Un-Audited) June 30 2022 Rupees	(Audited) September 30 2021 Rupees
7.3	CAPITAL WORK IN PROGRESS		
	This comprises of:		
	Building	1,417,793	12,775,893
	Plant and machinery	-	94,329,915
		1,417,793	107,105,808

8 SHARE CAPITAL

8.1 Authorized share capital

June 30 2022	September 30 2021		
Number of ordinary shares of Rs. 10/- each			
70,000,000	70,000,000	700,000,000	700,000,000

8.2 Issued, subscribed and paid up capital

June 30 2022	September 30 2021		
Number of ordinary shares of Rs. 10/- each			
6,400,000	6,400,000	64,000,000	64,000,000
3,050,000	3,050,000	30,500,000	30,500,000
9,450,000	9,450,000	94,500,000	94,500,000

9 DIRECTORS' LOANS

Unsecured		
Directors		
Others (other than banking companies)		
Opening balance	2,302,700,000	1,982,700,000
Obtained during the period/year		
Mr. Muhammad Shamim Khan	290,000,000	160,000,000
Mrs. Qaiser Shamim Khan	210,000,000	150,000,000
Mr. Nauman Ahmed Khan	25,000,000	-
Mr. Adnan Ahmed Khan	175,000,000	10,000,000
	700,000,000	320,000,000
Repaid during the period / year	-	-
Closing balance	3,002,700,000	2,302,700,000

9.1 This represents unsecured interest free long term loans from directors of the Company to meet the working capital and long term requirements. These are payable on discretion of the Company and will be paid as and when convenient to the Company. This has been disclosed/classified in accordance with TR -32 "Directors' Loan" clause 3.3 "Contractual Directors' loan" that is interest free and repayable at the discretion of the Company, issued by the Institute of Chartered Accountants of Pakistan. The Director's loan is subordinated to financial institutions against banking facilities to the extent mentioned in respective financing agreements.

		Note	(Un-Audited) June 30 2022 Rupees	(Audited) September 30 2021 Rupees
10	SURPLUS ON REVALUATION OF FIXED ASSETS			
	Balance brought forward		2,151,711,212	2,211,430,165
	Revaluation during the Period		-	-
	Less: Transferred to equity in respect of incremental depreciation charged during the period - (net of deferred tax)		29,584,154	42,400,457
	Related deferred tax liability during the period transferred to profit and loss account		12,083,669	17,318,496
			41,667,823	59,718,953
			2,110,043,389	2,151,711,212
	Less: Related deferred tax effect:			
	Balance as at October 01		260,848,768	278,167,264
	Effect of change in rate		-	-
	Deferred tax impact for the period		-	-
	Incremental depreciation charged during the period transferred to profit and loss account		(12,083,669)	(17,318,496)
			248,765,099	260,848,768
			1,861,278,290	1,890,862,444
11	LOAN FROM ASSOCIATE			
	Unsecured:			
	Naubahar Bottling Company (Private) Limited	11.1	-	300,000,000
11.1	From associate company			
	Balance as at October 01		600,000,000	900,000,000
	Obtained during the period		-	-
	Repayments/adjustment made during the period		(600,000,000)	(300,000,000)
			-	600,000,000
	Current portion shown under current liabilities		-	(300,000,000)
			-	300,000,000

11.2 The Company obtained unsecured loan from M/s Naubahar Bottling Company (Private) Limited - the associate company that carries mark-up at the rate of 3 month's KIBOR plus 0.5% per annum. The effective mark-up rate charged by Naubahar Bottling Company (Private) Limited during the period ranging from 8.28% to 12.39% (2021: 7.75% to 7.89%) per annum.

		Note		
12	LONG TERM LOAN (BANKING COMPANIES)			
	Secured:			
	Bank Al Habib Limited	12.1	269,286,900	-
12.1	From Banking company			
	Balance as at October 01		-	-
	Obtained during the period		299,956,000	-
	Repayments/adjustment made during the period		-	-
			299,956,000	-
	Current portion shown under current liabilities		(30,669,100)	-
			269,286,900	-

12.2 The Company obtained secured loan from Bank Al Habib Limited of Rs. 300 million (2021: Nil) that carries mark-up at the rate of 3 month Average KIBOR plus 1% per annum. This loan is secured against the personal Gurantees of Directors, Corporate Gurantee of M/s Al- Moiz Industries Limited (Associated Company) for Rs. 1,150 million. Ist Mortgage charge over Land, Building, Plant & machinery for Rs. 667 Million to be registered with SECP over owned manufacturing unit 5 km Faisalabad Road Okara. Land measuring 576 Kanal 01 Marla 08 Sarsai.

	Note	(Un-Audited) June 30 2022 Rupees	(Audited) September 30 2021 Rupees
13 SHORT TERM BORROWING			
Secured:			
Cash Finance (Conventional/ Islamic financing)	13.1	1,348,635,610	-
Running Finance	13.2	47,032,858	20,295,945
		1,395,668,468	20,295,945

13.1 These loans have been obtained from various banks under conventional and islamic financing arrangements. These loans carry markup ranging from 1MK to 6MK KIBOR plus 0.75% to 2% p.a. (2021: same) These loan are secured against the pledge of White refined sugar, personal gurantees of Directors, subordination of director's loan and the corporate gurantees of Associated Companies.

13.2 During the year the Company had availed a running finance facility from Bank Al Habib Limited aggregated to Rs. 50 million (2021: Rs. 50 million) and carries mark-up at the rate one month KIBOR plus 0.75% (2021: same) on utilized limits. This facility was secured against all present and future current assets of the Company for Rs. 67 million and personal guarantees of the directors.

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingent liabilities

The status of other contingencies as at June 30, 2022 is the same as reported in the annual financial statements for the year ended September 30, 2021 except for the following:

a). The FBR had opened the proceeding against the Company u/s 161/205 for the tax year 2018. The department has raised the demand of Rs. 17,585,134/-. Being aggreived from the decision of the assesing officer, the Company had filed an appeal against the said order in Inland Revenue Appelette Tribunal. The Company is confident to defend the case.

b). The FBR had opened the proceeding against the Company u/s 161/205 for the tax year 2019. The department has raised the demand of Rs. 12,546,195/-. Being aggreived from the decision of the assesing officer, the Company had filed an appeal against the said order in Inland Revenue Appelette Tribunal. The Company is confident to defend the case.

c). The FBR issued an assesment order against the Company under the Sales Tax Act, 1990 by mentioning that the Company had claimed Input tax in voilation of Section 8 of the Act, and raised a liability of Rs. 25,321,669/-. Being aggreived from the decision of the assessing officer, the Comapny had filed an appeal before the CIR (A). The Comapny is confident to defend the case on

14.2 Commitments

The Company is committed as at the balance sheet date in respect of lease payment of Rs. 3,517,997/-.

		Nine Month Ended		Quarter Ended	
		June 30,		June 30,	
		2022	2021	2022	2021
		(Rupees)		(Rupees)	
15	SALES				
	Manufacturing - local				
	Sugar	2,646,800,109	3,673,708,400	1,857,592,148	2,402,441,534
	By products sales:				
	Molasses	585,561,434	365,918,722	190,225,018	194,694,310
	Baggasse	31,043,630	-	-	-
	V.F.Cake	23,464,779	13,462,101	17,499,021	5,026,108
		3,286,869,952	4,053,089,223	2,065,316,187	2,602,161,952
	Less: Sales tax				
	Sugar	(395,270,112)	(533,787,719)	(280,498,206)	(349,072,701)
	Molasses	(18,021,776)	(19,036,909)	(17,358,368)	(10,794,900)
	Baggasse	(4,510,611)	-	-	-
	V.F.Cake	(3,409,419)	(1,956,031)	(2,542,592)	(730,289)
		(421,211,918)	(554,780,659)	(300,399,166)	(360,597,890)
		2,865,658,034	3,498,308,564	1,764,917,021	2,241,564,062
16	COST OF SALES				
	Raw materials consumed and expenses thereon	3,890,066,722	2,931,733,073	1,621,981	2,554,829
	Other Overheads:				
	Salaries, wages and other benefits	134,985,125	108,242,030	34,043,221	27,361,665
	Chemicals consumed	43,178,461	15,202,520	200	-
	Packing materials consumed	35,825,016	21,367,175	78,215	29,083
	Stores, spares and consumables	24,441,699	7,004,975	8,581,139	1,350,096
	Repair and maintenance	140,174,000	74,050,770	43,441,639	15,764,288
	Other factory overheads	5,661,184	4,348,701	3,078,471	1,160,727
	Vehicle running expenses	4,736,661	3,725,962	1,188,274	980,545
	Fee and subscription	30,000	30,000	-	-
	Insurance	1,707,141	56,438	683,347	-
	Depreciation	74,682,527	66,798,223	26,355,474	22,466,835
	Fuel and power	15,808,630	12,929,379	4,840,509	1,830,463
		481,230,444	313,756,173	122,290,489	70,943,702
	Work in process				
	Opening	4,301,029	4,882,467	5,154,302	4,144,452
	Closing	(5,222,822)	(4,175,358)	(5,222,822)	(4,175,358)
		(921,793)	707,109	(68,520)	(30,906)
	Cost of goods manufactured	4,370,375,373	3,246,196,355	123,843,950	73,467,625
	Finished goods				
	Opening	35,397	252,091,911	3,198,317,299	2,252,886,033
	Closing	(1,545,433,520)	(303,320,631)	(1,545,433,520)	(303,320,631)
		(1,545,398,123)	(51,228,720)	1,652,883,779	1,949,565,402
		2,824,977,250	3,194,967,635	1,776,727,729	2,023,033,027

17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Name of parties	Nature of relationship	Nature of balance	(Un- Audited) June 30 2022		(Un- Audited) June 30 2021	
			Transaction during the period	Closing balance	Transaction during the period	Closing balance
Naubahar Bottling Company (Private) Limited	Associated Company	Trade Payable- Net		9,479,667	-	-
		Long term loan obtained	-		-	600,000,000
		Long term loan repaid	600,000,000		300,000,000	
		Mark up charged	16,094,685		50,856,540	
		Mark-up payable		264,084,254	-	235,525,761
		Sale of Sugar	438,687,000	-		
The Thal Industries Corporation Limited	Associated Company	Trade Payable-Net		16,698,514		6,211,997
		Sale of store items	517,140		15,248,100	-
		Purchase of store items	14,206,341		8,289,032	-
		Purchase of Plant & machinery	3,009,314		2,076,465	-
Al-Moiz Industries Limited	Associated Company	Trade Payable-Net		2,486,836		4,997,249
		Purchase of Steel	7,995,000		3,631,601	
		Sale of scrap	8,382,874		10,491,037	
		Purchase-others	-		454,740	
		Adjustment	-		4,169,000	
Directors/shareholders						
Mr. Muhammad Shamim Khan	Director	Directors' loan	290,000,000	1,356,300,000	160,000,000	1,066,300,000
Mrs.Qaiser Shamim Khan	Director	Directors' loan	210,000,000	1,199,600,000	150,000,000	989,600,000
Mr. Adnan Ahmed Khan	Director	Directors' loan	175,000,000	367,000,000	-	192,000,000
Mr.Nauman Ahmed Khan	Director	Directors' loan	25,000,000	79,800,000	10,000,000	54,800,000
Executive			26,177,439	-	10,909,181	-

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

17.1 Basis of relationship with the company

In respect of associated companies incorporated inside Pakistan with whom the company had entered into transaction during the period along with basis of relationship is as follows:

Name of related party	Country of Incorporation/ori	Relationship	Basis of Association	Shareholdings
Naubahar Bottling Company (Private) Limited	Pakistan	Associated	Common management	Nil
Al-Moiz Industries Limited	Pakistan	Associated	Common management	Nil
Moiz Textile Limited	Pakistan	Associated	Common management	Nil
The Thal Industries Corporation Limited	Pakistan	Associated	Common management	Nil
Mr. Muhammad Shamim Khan	Pakistan	Director	Shareholding	29.1623%
Mrs Qaiser Shamim Khan	Pakistan	Director	Shareholding	28.0002%
Mr. Adnan Ahmed Khan	Pakistan	Chief Executive	Shareholding	20.0002%
Mr. Nauman Ahmed Khan	Pakistan	Director	Shareholding	20.0002%
Malik Manzoor Hussain Humayun	Pakistan	Director	Shareholding	0.0169%
Mr. Farid ul din Ahmed	Pakistan	Director	Shareholding	0.0021%
Mrs Sarah Hajra Khan	Pakistan	Director	Shareholding	0.0032%

18 FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

These condensed interim financial statements do not include all financial risk, management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2021. There have been no changes in any risk management policies since the year end. The carrying values of all financial and non-financial assets and liabilities are measured at other than amortized cost in these condensed interim financial statements to approximate their fair values.

18.1 FINANCIAL INSTRUMENTS BY CATEGORY

		Carrying amount			Fair value			
	Note	Financial assets at amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level	Total
On-Balance sheet financial instruments								
As at June 30, 2022								
Financial assets								
At amortised cost								
Long term deposits		1,664,850	-	1,664,850	-	-	-	-
Trade debtors		18,408,293	-	18,408,293	-	-	-	-
Loans and advances		290,359	-	290,359	-	-	-	-
Short term Investment		-	-	-	-	-	-	-
Cash and bank balances		318,754,921	-	318,754,921	-	-	-	-
		339,118,423	-	339,118,423	-	-	-	-
Financial liabilities at amortised cost								
Loan from Associate Company		-	-	-	-	-	-	-
Lease liability		-	11,043,141	11,043,141				
Trade and other payables		-	632,157,876	632,157,876	-	-	-	-
Unclaimed dividend		-	255,930	255,930				
Due to Pattoki Sugar Mills Limited (PSML)		-	13,821,698	13,821,698	-	-	-	-
Short term borrowing		-	1,395,668,468	1,395,668,468				
Mark-up accrued		-	331,584,445	331,584,445	-	-	-	-
		-	2,384,531,558	2,384,531,558	-	-	-	-
On-Balance sheet financial instruments								
As at September 30, 2021								
Financial assets at amortised cost								
Long term deposits		1,337,050	-	1,337,050	-	-	-	-
Trade debtors		4,576,692	-	4,576,692	-	-	-	-
Loans and advances		107,105	-	107,105	-	-	-	-
Short term Investment		100,355,619		100,355,619	100,355,619	-	-	100,355,619
Cash and bank balances		26,945,258	-	26,945,258	-	-	-	-
		133,321,724	-	133,321,724	100,355,619	-	-	100,355,619
Financial liabilities at amortised cost								
Loan from Associate Company	11	-	600,000,000	600,000,000	-	-	-	-
Lease liability		-	10,704,125	10,704,125	-	-	-	-
Trade and other payables			139,137,334	139,137,334				
Unclaimed dividend			255,930	255,930				
Trade and other payables		-	14,426,698	14,426,698	-	-	-	-
Short term borrowing		-	20,295,945	20,295,945	-	-	-	-
Mark-up accrued		-	247,610,328	247,610,328	-	-	-	-
		-	1,032,430,360	1,032,430,360	-	-	-	-

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

18.3 Due to the Company's long standing business relationships with these counter-parties and after giving due consideration to their strong financial standing, management does not expect non performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

19 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.

20 SEASONALITY

Due to the seasonal availability of sugarcane, the production of sugar is carried out during the period of availability of sugarcane and costs incurred / accrued up to the reporting date have been accounted for. Accordingly, the costs incurred / accrued after the reporting date will be reported in the subsequent condensed interim financial statements. Due to seasonal nature the entire cane crushing and manufacturing of sugar is done from November to the following March. Sugar sales are made throughout the year.

21 DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorized for issue on July 25, 2022 by the Board of Directors of the Comany.

22 GENERAL

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

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

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