BABA FARID SUGAR MILLS LIMITED



36th Annual Report

2014

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COMPANY INFORMATION

BOARD OF DIRECTORS	:	Muhammad Sarwar	Chief Executive
		Mr. Shahid Mahmood Quershi	
		Syed Qaissar Abbas Naqvi	
		Mrs. Naheed Roohi	
		Ms. Rafia Aslam	
		Mr. Mirza Maqsood-ul-Hassan	
		Muhammad Ashraf	
AUDIT COMMITTEE	:	Mr. Mirza Maqsood-ul-Hassan	Chairman
		Syed Qaissar Abbas Naqvi	
		Mr. Shahid Mahmood Quershi	
COMPANY SECRETARY	:	Muhammad Ibrahim Rana	
AUDITORS	:	Sheikh & Chaudhri, Chartered Accountants, 166-B, Upper Mall, Lahore	
SHARE REGISTRAR	:	M/s. Corplink (Pvt.) Ltd. Wing Arcade, 1-K, Commercial Model Town, Lahore	
BANKERS	:	Bank Al-Habib Limited United Bank Limited Habib Bank Limited	
REGISTERED OFFICE	:	Suite - T 09, 3rd Floor, Hafeez Centre 75 - E/1, Main Boulevard, Gulberg III Lahore	
MILLS	:	5. K.M. Faisalabad Road, Okara	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty Sixth Annual General Meeting of the members of Baba Farid Sugar Mills Limited will be held on Saturday, 31st January, 2015 at 8.30 A.M. at 42-G, Gulberg-III, Near Firdous Market, Lahore to transact the following business :-

ORDINARY BUSINESS

1 To confirm the minutes of Extra Ordinary General Meeting of the Company held on 10th October, 2014.

2 To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended September 30, 2014 together with Directors' and Auditors' reports thereon.

3 To appoint Auditors for the year ending September 30, 2015 and fix their remuneration. The retiring auditors, M/s Sheikh & Chaudhry, Chartered Accountants, Lahore, being eligible, have offered themselves for re-appointment.

OTHER BUSINESS

1 To transact any other business which may be placed before the meeting with permission of the Chair.

BY ORDER OF THE BOARD

Qaissar Abbas Naqvi
Director

January 9, 2015

Notes:

(1) The Share Transfer Books of the Company will remain closed from January 25, 2015 to January 31, 2015 (both days inclusive). Transfer received at the office of Share Registrar of the Company, i.e. M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore, at the close of business on January 24, 2015 will be considered in time for entitlement to attend the Meeting.

(2) All members should bring their original Computerized National Identity Card at the time of meeting.

(3) All members of the Company are entitled to attend the Meeting and vote thereat in person or through Proxy. A proxy, duly appointed, shall have such rights as respects speaking and voting at the meeting as are available to a member. The proxies shall produce their original CNICs or original Passports at the time of the Meeting.

(4) A member of the Company may appoint another member as his/her Proxy to attend and vote instead of him/her. A Corporation being a member may appoint any person, whether or not a member of the Company, as its Proxy. In the case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, unless provided earlier, shall be submitted to the Company along with the Proxy Form.

(5) Proxy Forms, duly filled and signed, must be received at the Registered Office of the Company, not less than forty eight (48) hours before the Meeting. A blank Proxy Form is annexed with the report.

(6) All those shareholders who have not yet submitted their valid copies of CNIC/National Tax Number are requested to send the copies of the same along with Folio Number at the earliest to the Share Registrar of the Company

VISION STATEMENT

Efficient organization with professional competence of top order is engaged to remain a Market leader in the sugar industry in manufacturing and marketing of white sugar.

- To ensure attractive returns to business associates and shareholders as per their expectations.

MISSION STATEMENT

Quality objectives are designed with a view to enhance customer satisfaction and operational efficiencies.

- To be a good corporate citizen to fulfill the social responsibilities.
- Commitment to building Safe, Healthy and Environment friendly atmosphere.
- We, with our professional and dedicated team, ensure continual improvement in quality and productivity through effective implementation of Quality Management System. Be a responsible employer and reward employees according to their ability and performance.
- We value the social and economic well being of our partners and strive for a harmonious environment conducive to team performance.
- The quality policy also encompasses our long term Strategic Goals and Core Values, which are integral part of our business.

STRATEGIC GOALS

- Providing Customer Satisfaction by serving with superior quality production of white sugar at lowest cost.
- Ensuring Security and Accountability by creating an environment of security and accountability for employees, production facilities and products.
- Expanding Customer Base by exploring new national and international markets and undertaking product research and development in sugar industry.
- Ensuring Efficient Resource Management by managing human, financial, technical and infrastructural resources so as to support all our strategic goals and to ensure highest possible value addition to stakeholders.

CORE VALUES

- Striving for continuous improvement and innovation with commitment and responsibility;
- Treating stakeholders with respect, courtesy and competence;
- Practicing highest personal and professional integrity;
- Maintaining teamwork, trust and support with open and candid communication; and
- Ensuring cost consciousness in all decisions and operations.

DIRECTOR'S REPORT TO THE MEMBERS

On behalf of the Board of Directors,' I am pleased to present the 36th Annual Report of your Company together with the audited financial statements for the year ended 30th September 2014.

OPERATIONAL PERFORMANCE REVIEW

The comparative results of your Company as compared to last year are given

		2013-14	2012-13
Season started		25/Nov/13	18/Nov/13
Season closed		15/Mar/14	26/Mar/13
Crushing days		111	129
Sugarcane crushed	M.Tons	407,635	413,485
Sugar recovery	%	9.60%	9.14%
Sugar produced	M.Tons	39,062	37,742
Molasses recovery	%	4.66%	5.59%
Molasses produced	M.Tons	18,960	23,120

Our members will appreciate that by the grace of Allah, our technical performance for the season 2013-14 is very good and the company has achieved very good sugar recovery. The sugar recovery has been increased from 9.14 % to 9.60%. You will observe that there is an improvement of 5.09% in sugar recovery as compared to last year.

Our share holders are well aware that there is an excess production of sugar against consumption in the country apart from last year carryover of sugar stocks. Government of Pakistan has allowed the export of sugar but due to non availability of incentive for export compared to international prices, reduction in the dollar value, the export of sugar is very limited. Sugar market remained depressed throughout the year.

FINANCIAL RESULTS

There is significant improvement in the financial results of your company as compared to last year. An analysis of the key financial results is given below:

	2013-14	2012-13 Restated
	(Million)	(Million)
Sales	1,754.60	1,995.01
Gross Profit/ (Loss)	266.76	85.92
Net Profit / (Loss) before Taxation	2.84	(135.65)
Net Profit / (Loss) after Taxation	8.72	(132.32)
Earnings per Share / (Loss)	0.92	(14.00)

DIVIDEND

The Directors of the company has/have not recommended any dividend for the year due to accumulated losses of the company.

GOING CONCERN

The Auditors of the Company have raised doubts on the Company's ability to continue as a going concern on the basis of heavy accumulated losses. The management has no doubts about the Company's ability to continue as a going concern and is justify for the preparation of financial statements on going concern basis due to improvement of sugarcane recovery percentage, better sale rate of sugar, increase in gross profit and net profit for the year. As per Special Resolution passed by the Shareholders of the Company, the holding company will acquire 50 M Ordinary Shares of the Company against the long term loan to the extent of Rs.500 M for improving the financial position of the company.

FUTURE PROSPECTS.

The government has increased the minimum support price of sugarcane. The new price is Rs180/= per 40 kg of sugarcane but the growers are still demanding higher price.

Neighboring mills and middlemen have also started unhealthy competition resulting in price hike and disturbed cane supply to the mills. Your management has taken some positive measures to improve cane supply to mill. It is very important for the industry that sugarcane price is contained at the government support price and the role of middlemen be eliminated by introducing previously practiced zone based procurement system.

Pakistan Sugar Mills Association is persuading the Government of Pakistan to consider adoption of a more reliable sugarcane payment system linking the price of cane with the sugar content as being used in Australia and other countries of the world, based on cane quality, a fair deal to growers and millers as well. At present in Pakistan sugarcane is the only crop that gets paid by weight and not by quality. The system does not provide for any incentive to the grower to improve his crop particularly towers the most crucial aspect, the sugar content. Unless such mechanism is not adopted in Pakistan further expansion in the production will remain in jeopardy while all potentials exist to improve yield and recovery and utilize the already built production capacity.

The management of the company is anticipating a tough and challenging season for the sugar industry and is doing its utmost efforts to improve the profitability of the company by focusing on reduction of production cost especially financial cost and improvement in production efficiencies. We have devised a long term strategy to cope with situation to reduce our dependence on the borrowing in the coming years.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

The requirements of the Code of Corporate Governance set out by the Karachi, Lahore and Islamabad Stock Exchanges in their Listing Regulations, relevant to the year ended September 30, 2014 have been duly complied with. A statement to this effect is annexed with the review report from the auditors.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

a) The Board of Directors hereby declares that:

- The financial statements present fairly the state of affairs of the company, the results of its operation, cash flows and changes in equity.
- Proper books of accounts of the company have been maintained.

- Accounting policies as stated in the notes to the financial statements have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, and the requirements of Companies Ordinance 1984 have been followed in preparation of the financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts about the company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.
- Information about taxes and levies is given in the notes to the accounts

b) A statement regarding key financial data for the last six years is annexed to this report

c) Four meetings of the Board of Directors were held during the year which was attended by the members of the Board as follows:

Name of Director	No. of Meetings attended
Muhammad Sarwar	4
Mr. Shahid Mahmood Quershi	4
Mrs. Naheed Roohi	4
Mrs. Rafia Aslam	4
Mr. M. Maqsood ul Hassan	4
Muhammad Ashraf	1
Sayed Qaissar Abbas Naqvi	4

Leave of absence was granted to the directors who could not attend the Board Meetings.

AUDIT COMMITTEE

The Board has constituted an audit committee consisting of three members including chairman of the committee. The committee regularly meets as per requirements of the code.

The committee supervises the internal control procedures through internal audit department and review financial statements periodically, before the same are circulated. The audit committee is also responsible for recommending the appointment of auditors and ensures their independence with regard to services provided by them.

PATTERN OF SHARHOLDING

A statement of pattern of shareholding is annexed.

No trading in the shares of the company was carried out by the Directors, CEO, and CFO, Company Secretary and their spouses and minor children during the year except those that have been duly reported as per law.

AUDITORS

M/s. Shiekh & Chaudhri & Co. Chartered Accountants, will be retired on the date of Annual General Meeting i.e. January 31, 2015.

ACKNOWLEDGEMENT

The Board would like to thank the shareholders and bankers for their trust and continued support extended to the company for its smooth operation. The Board would also like to place on record its appreciation for the efforts, loyalty and hard work of all the workers, staff and management team and hope that the same spirit would continue in future as well.

For and on behalf of the Board

(Muhammad Sarwar)
Chief Executive

Lahore, January 08, 2015

STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CORPORATE GOVERNANCE FOR THE YEAR ENDED SEPTEMBER 30, 2014

The statement is being presented to comply with the Code of Corporate Governance as contained in Regulation No.35, Chapter No. XI of the Listing Regulations of the Karachi Stock Exchange, Lahore Stock Exchange and Islamabad Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance. The company has applied the principles contained in the Code in the following manner:

1 Company encourages the representation of non-executive directors on its Board. At present the Board of Directors includes four independent non-executive directors.

Category	Names
Independent Directors	Mirza Maqsood-ul - Hassan
Executive Directors	Muhammad Sarwar Mr. Shahid Mahmood Quershi Syed Qaisar Abbas Naqvi
Non Executive Directors	Mrs. Naheed Roohi Ms. Rafia Aslam Muhammad Ashraf

2 The members of the Board have confirmed that none of them is serving as a Director in more than ten listed companies including the company.

3 All members of the Board are registered tax-payers and none of them has defaulted in payment of any loan to a banking company, a DFI or a NBFI. None of the director is a member of any stock exchange.

4 Casual vacancy occurring on the Board during the year ended September 30, 2014 was duly filled up by the Directors within 30 days thereof save as restricted by Listed Companies (Substantial Acquisition of Voting Shares and Take-overs) Ordinance, 2002.

5 The meetings of the Board is presided over by the Chairman and, in his absence by a director elected by the Board for this purpose and the Board has met at least once in every quarter. Written notices of the Board meeting, along with agenda, were circulated at least seven days before the meeting. The minutes of the meetings were appropriately recorded and circulated.

6 The Directors have been provided orientation to apprise them of their duties and responsibilities.

7 The company has prepared a "Statement of Ethics and Business Practices" which has been signed by the directors and employees of the company.

8 The company has developed a vision/mission statement, overall corporate strategy and significant policies of the Company duly approved by the Board. A complete record of particulars of significant policies, along with the dates on which they were approved or amended and has been maintained.

9 The Board has approved appointment of CFO, Company Secretary and head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by CEO.

10 The Board has set up an effective internal audit function.

11 The financial statements of the company were duly endorsed by the CEO and CFO before approval of the Board.

12 The Directors report for this year has been prepared in compliance with the requirement of the code and fully describes the salient matters required to be disclosed.

13 The Directors, CEO and executive do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14 The Company has complied with all the corporate and financial reporting requirements of the code.

15 All the powers of the Board have been fully exercised and the Board has taken decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors.

16 The Board has constituted an audit committee. It comprises three members, of whom two are non-executive directors.

17 The meeting of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the code. The terms of reference of the Committee have been formed and advised to the committee for compliance.

18 The statutory auditors have confirmed that they have been given a satisfactory rating under the Quality Control Review Programme of the Institute of Chartered Accountants of Pakistan., that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on the Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan.

19 The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors.

20 We confirm that all other material principles contained in the Code have been complied with.

On behalf of the Board

(Muhammad Sarwar)
Chief Executive

Lahore: January 08, 2015

SIX YEARS' REVIEW AT GLANCE

		2014	2013	2012	2011	2010	2009	2008
Production	M.Tons	39,062	37,742	32,263	28,013	11,249	17,306	31,579
Crushing	M.Tons	407,635	413,485	342,173	310,906	143,576	219,035	422,544
Recovery	%age	9.60%	9.14%	9.43%	9.02%	7.87%	7.91%	7.47%
Support Price	Rupees	170	170	150	125	100	80	60
Operating results (Million)								
Sale		1,754,597,141	1,955,014,141	1,839,791	950,031	657,510	579,326	1,147,881
Gross Profit/(Loss)		266,761,460	86,070,574	52,895	101,869	(196,077)	(26,895)	56,941
Net Profit/(Loss) after Taxation		8,716,880	(132,165,503)	(255,874)	(224,089)	(316,891)	(105,919)	(3,942)
Assets Employed								
Operating assets		2,083,260,383	1,952,253,622	1,898,277	1,917,136	1,026,557	1,075,010	1,129,462
Current assets		917,497,076	591,481,316	753,201	1,028,604	120,245	108,501	130,381
Others		578,575	578,575	578,575	578,575	21,220	25,320	25,299
Ratios								
Gross Profit/(Loss)		15.20%	4.40%	2.88%	10.72%	-29.82%	-4.64%	4.96%

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **BABA FARID SUGAR MILLS LIMITED** ("the Company") to comply with the Listing Regulations of the Karachi, Lahore and Islamabad Stock Exchanges, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

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

Further, Listing Regulations of the Karachi, Lahore and Islamabad Stock Exchanges require the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended September 30, 2014.

SHEIKH & CHAUDHRI
Chartered Accountants
Audit Engagement Partner: Muhammad Saeed Malik

January 8, 2015
Lahore

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **BABA FARID SUGAR MILLS LIMITED** ("the Company") as at September 30, 2014 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion:

(i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes as stated in note 4.6 to the annexed financial statements with which we concur;

(ii) the expenditure incurred during the year was for the purpose of the Company's business; and

(iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2014 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and

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

Without qualifying our opinion, we draw attention to note 2 to the financial statements. During the current financial year, the Company has earned profit before tax amounting to Rs.2,844,558 (2013: Rs.(135,651,307)) and at balance sheet date its accumulated losses have stood up to Rs.1,101,736,762 (2013: Rs. 1,142,516,857). Further, the Company's equity is in negative and its current liabilities have exceeded its current assets by Rs.788,953,579 (2013: Rs. 796,618,435). These conditions may cast significant doubt on Company's ability to continue as a going concern.

SHEIKH & CHAUDHRI
Chartered Accountants
Audit Engagement Partner: Muhammad Saeed Malik

January 8, 2015
Lahore

BABA FARID SUGAR MILLS LIMITED
BALANCE SHEET AS AT SEPTEMBER 30, 2014

	Note	2014 Rupees	2013 Rupees Restated
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 10,000,000 ordinary shares of Rs.10 each		100,000,000	100,000,000
Issued, subscribed and paid-up capital	5	94,500,000	94,500,000
Accumulated loss		(1,101,736,762)	(1,142,516,857)
		(1,007,236,762)	(1,048,016,857)
Surplus on revaluation of property, plant & equipment	6	1,433,431,861	1,327,289,411
NON CURRENT LIABILITIES			
Long term loans	7	41,666,667	72,222,222
Loan from holding company	8	500,000,000	500,000,000
Deferred liabilities	9	326,445,038	304,140,411
		868,111,705	876,362,633
CURRENT LIABILITIES			
Current portion of long term liabilities	10	78,965,333	73,409,778
Short term finances	11	527,797,959	241,314,905
Due to related party	12	683,195,817	328,966,229
Trade and other payables	13	263,523,925	611,784,247
Interest and mark-up accrued	14	136,474,552	123,884,904
Provision for taxation		16,493,069	8,739,688
		1,706,450,655	1,388,099,751
TOTAL EQUITY & LIABILITIES		3,000,757,459	2,543,734,938
Contingencies and commitments	15		
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	16	2,082,672,808	1,951,666,047
Long term deposits	17	587,575	587,575
		2,083,260,383	1,952,253,622
CURRENT ASSETS			
Stores, spares and loose tools	18	39,366,037	39,665,097
Stock-in-trade	19	604,235,643	344,810,400
Trade debts	20	173,434,138	50,259,797
Advances	21	75,202,185	98,131,538
Trade deposits and short term prepayments	22	21,000,275	22,443,056
Other receivables	23	-	4,560,159
Cash and bank balances	24	4,258,798	31,611,269
		917,497,076	591,481,316
TOTAL ASSETS		3,000,757,459	2,543,734,938

The annexed notes 1 to 44 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

BABA FARID SUGAR MILLS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Note	2014 Rupees	2013 Rupees Restated
Sales - net	25	1,754,597,141	1,955,014,141
Cost of sales	26	1,487,835,681	1,869,093,602
Gross profit		266,761,460	85,920,539
Distribution and selling expenses	27	3,775,474	21,460,486
Administrative expenses	28	32,170,462	34,395,307
Other expenses	29	149,714	1,000,000
		36,095,650	56,855,793
Operating profit		230,665,810	29,064,746
Other income	30	1,632,126	9,927,886
Operating profit before finance cost		232,297,936	38,992,632
Finance cost	31	229,453,378	174,643,939
Profit / (loss) before taxation		2,844,558	(135,651,307)
Taxation	32	(5,872,322)	(3,335,769)
Profit / (loss) for the year		8,716,880	(132,315,538)
Earning / (loss) per share - Basic and diluted	33	0.92	(14.00)

The annexed notes 1 to 44 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

BABA FARID SUGAR MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	2014 Rupees	2013 Rupees Restated
Profit / (loss) for the year	8,716,880	(132,315,538)
Items that will not be subsequently reclassified to profit or loss:		
Remeasurement of net defined benefit liability	(2,828)	150,035
Total comprehensive profit / (loss) for the year	8,714,052	(132,165,503)

The annexed notes 1 to 44 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

BABA FARID SUGAR MILLS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Note	2014 Rupees	2013 Rupees Restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	34	(398,005,067)	709,668,214
Finance cost paid		(216,189,542)	(261,071,613)
Gratuity paid		(278,187)	-
Taxes paid		(12,836,338)	(34,769,336)
Net cash (used in) / generated from operating activities		(627,309,134)	413,827,265
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(15,755,979)	(116,054,216)
Net cash (used in) investing activities		(15,755,979)	(116,054,216)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan		(25,000,000)	100,000,000
Due to related party		354,229,588	16,221,349
Repayment of loan from holding company		-	(150,000,000)
Net cash generated from / (used in) financing activities		329,229,588	(33,778,651)
Net (decrease) / increase in cash and cash equivalents		(313,835,525)	263,994,398
Cash and cash equivalents at the beginning of the year		(209,703,636)	(473,698,034)
Cash and cash equivalents at end of the year	35	(523,539,161)	(209,703,636)

The annexed notes 1 to 44 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

BABA FARID SUGAR MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Issued, subscribed and paid-up capital	Accumulated Loss	Total
	Rupees	Rupees	Rupees
Balance as at October 01, 2012	94,500,000	(1,040,822,593)	(946,322,593)
Current year incremental depreciation - net of deferred tax	-	30,471,239	30,471,239
Total comprehensive loss for the year - restated	-	(132,165,503)	(132,165,503)
Balance as at September 30, 2013	94,500,000	(1,142,516,857)	(1,048,016,857)
Balance as at October 01, 2013	94,500,000	(1,142,516,857)	(1,048,016,857)
Current year incremental depreciation - net of deferred tax	-	32,066,043	32,066,043
Total comprehensive loss for the year	-	8,714,052	8,714,052
Balance as at September 30, 2014	94,500,000	(1,101,736,762)	(1,007,236,762)

The annexed notes 1 to 44 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

BABA FARID SUGAR MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

1. STATUS AND NATURE OF BUSINESS

Baba Farid Sugar Mills Limited ("the Company") was incorporated in 1978 under the Companies Ordinance, 1984 as a Public Limited Company and its shares are quoted at Karachi, Lahore and Islamabad Stock Exchanges. It is engaged in manufacturing and sale of sugar including its by-product i.e. molasses and V. Filter cake. The registered office of the Company is situated at Suite - T 09, 3rd Floor, 75 - E/1, Main Boulevard, Gulberg III, Lahore and its manufacturing facilities are located in the district Okara, Punjab.

2. GOING CONCERN ASSUMPTION

During the current financial year, the Company has earned profit before tax amounting to Rs.2,844,558 (2013: Rs.(135,651,307)) and at balance sheet date its accumulated losses have stood up to Rs.1.101,736,762 (2013: Rs. 1.142,516,857). Further, the Company's equity is in negative and its current liabilities have exceeded its current assets by Rs.788,953,579 (2013: Rs. 796,618,435). These conditions may cast significant doubt on Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the management has taken various measures to improve the financial position of the Company which include the sponsors' continued assurance for arrangement of funds as and when required, prompt discharging of its liabilities including financial obligations, securing growers' commitments for availability of quality sugarcane and hiring of competent management personnel for managing Company's affairs.

The management has firm belief that the above stated measures shall mitigate the doubt about the Company's ability to continue as a going concern and also justifies the preparation of these financial statements on going concern basis.

3. BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the requirements of the said directives shall prevail.

3.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for freehold land, buildings on freehold land and plant & machinery which are stated at revalued amounts.

3.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the Company's functional currency. All financial information presented in Pakistan Rupee has been rounded to the nearest rupee.

3.4 Use of estimates and judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision 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 - gratuity
- Provision for taxation
- Residual values and useful lives of depreciable assets
- Provisions and contingencies

3.5 Standards, interpretations and amendments to published approved accounting standards

3.5.1 New standards, amendments to approved accounting standards and interpretations, which became effective during the year ended September 30, 2014

There are certain new standards, amendments to the approved accounting standards and new interpretations issued by the International Financial Reporting Interpretations Committee, which became effective during the year but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed in these financial statements.

3.5.2 New standards, amendments to approved accounting standards and new interpretations, which are not yet effective

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after October 01, 2014 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set-out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Property, plant and equipment and depreciation

Owned assets

Property, plant and equipment except freehold land, buildings on freehold land and plant and machinery are stated at cost less accumulated depreciation and impairment losses, if any. Buildings on freehold land and plant and machinery are stated at revalued amounts less accumulated depreciation and impairment losses, if any. Freehold land is stated at revalued amount and actual cost to date respectively.

Subsequent cost

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the part so replaced is derecognized. The cost of the day-to-day servicing of property, plant and equipment are recognized in profit and loss account as incurred.

Depreciation

Depreciation is charged to profit and loss account applying the reducing balance method over its estimated useful life at the rates specified in note 16.1 to the financial statements. Depreciation on additions to property, plant and equipment is charged from the month in which property, plant and equipment become available for use while no depreciation is charged for the month in which property, plant and equipment is disposed off.

Assets residual values, if significant and useful lives are reviewed and adjusted, if appropriate at each balance sheet date. Gains or losses on disposal of property, plant and equipment are recognized in profit and loss account.

Surplus on revalued property, plant and equipment

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

Impairment

Where the carrying amount of asset exceeds its estimated recoverable amount it is written down immediately to its recoverable amount.

Leased assets

Leases in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance lease. Asset acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of minimum lease payments at the inception of the lease less accumulated depreciation and impairment losses, if any.

Depreciation is charged on the same basis as used for owned asset. Financial charges are allocated to accounting period in a manner so as to provide a constant rate of charge on outstanding liability.

4.2 Stores and spares and loose tools

Stores, spares and loose tools are valued at lower of weighted average cost and net realizable value, less provision for impairment if any. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Provision for obsolete and slow moving stores, spares and loose tools is determined based on management's estimate regarding their future usability.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs necessary to be incurred to make the sale.

Spare parts of capital nature which can be used only in connection with an item of property, plant and equipment are classified as tangible fixed assets under the 'plant and machinery' category and are depreciated over a time period not exceeding the useful life of the related assets.

4.3 Stock-in-trade

These are valued at the lower of cost and net realizable value. Cost is computed applying the

Raw material	- at weighted averaged cost
Work-in-process	- at manufacturing average cost
Finished goods	- at lower of cost and net realizable value
Molasses	- at net realizable value

Cost in relation to finished goods and work-in-process represents the average manufacturing cost which consists of prime cost and appropriate production overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

4.4 Trade debts and other receivables

These are initially stated at fair value and subsequently measured at amortized cost using effective interest rate method less provisions for any uncollectible amounts. An estimate is made for doubtful receivables when collection of the amount is no longer probable. Debts considered irrecoverable are written off.

4.5 Cash and cash equivalents

Cash and cash equivalents are carried at cost in the balance sheet. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks and short term finances.

4.6 Staff retirement benefits (defined benefit plan)

The Company operates an un-funded retirement gratuity scheme for its eligible employees. Provision for gratuity is made annually to cover obligation under the scheme in accordance with the actuarial recommendations. Latest actuarial valuation was conducted on September 30, 2014 on the basis of the projected unit credit method by an independent Actuary.

IAS 19 (Revised) 'Employee Benefits' amends the accounting for the Company's defined benefit plan. The revised standard has been applied retrospectively in accordance with the transition provisions of the standard. The impact of the adoption of IAS 19 (revised) has been in the following areas:

Effects of change in accounting policy are as follows:

	2013 Before restatement	2013 As restated	2013 Restatement
Deferred liabilities	304,140,411	304,140,411	-
Accumulated loss	(1,142,516,857)	(1,142,516,857)	-
Loss before tax	(135,501,272)	(135,651,307)	(150,035)
Other comprehensive loss	-	150,035	150,035
Opening accumulated loss	(1,040,822,593)	(1,040,822,593)	-

4.7 Trade and other payables

Liabilities for trade and other payables are carried at cost, which is the fair value of consideration to be paid in the future for goods and services received, whether or not billed to the Company.

4.8 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at fair value, less attributable transaction cost. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

4.9 Taxation

- **Current**

Provision for current year's taxation is determined in accordance with the prevailing law of taxation on income enacted or substantively enacted by the end of the reporting period and is based on current rates of taxation being applied on the taxable income for the year, after taking into account tax credits and rebates available, if any, and taxes paid under the Final Tax Regime.

- **Deferred**

Deferred tax is provided using the balance sheet liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted at the balance sheet date.

Deferred tax liabilities are recognized for all taxable temporary differences. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

4.10 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed-out in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.11 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable on the following basis:

- Local sales are recognized when goods are dispatched to customers.
- Export sales are booked on shipment of goods.
- Return on bank deposits is accounted for on 'accrual basis'.

4.12 Provisions

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

4.13 Impairment

The carrying amount of the Company's assets is reviewed at each balance sheet date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the asset or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss account.

4.14 Financial instruments

(i) Financial assets

Significant financial assets include advances, trade debts, trade deposits and prepayments and bank balances. Loan and advances and receivables are stated at their nominal value as reduced by provision for doubtful finances and receivable, while other financial assets are stated at cost.

(ii) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities include long term loans, lease finances, interest and mark up accrued, trade and other payables and short term finances. Markup based financial liabilities are recorded at gross proceeds received. Other liabilities are stated at their nominal value.

(iii) Recognition and derecognition

All the financial assets and financial liabilities are recognized at the time when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognized when the Company looses control of the contractual rights that comprise of the financial assets. Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to profit and loss account.

4.15 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and only the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognized amount and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

4.16 Foreign currency translations

Transactions in foreign currencies are accounted for in Pak Rupees at the exchange rates prevailing on the date of transactions. Assets and liabilities in foreign currencies are translated in Pak Rupees at the exchange rates prevailing on the balance sheet date except where forward exchange rates are booked, which are translated at the contracted rates. Exchange differences, if any, are taken to profit and loss account.

5. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	2014 Rupees	2013 Rupees
5.1 Authorized capital		
10,000,000 (2013: 10,000,000) ordinary shares of Rs.10 each	100,000,000	100,000,000
5.2 Issued, subscribed and paid up capital		
6,400,000 (2013: 6,400,000) ordinary shares of Rs.10 each	64,000,000	64,000,000
3,050,000 (2013: 3,050,000) bonus shares of Rs.10 each	30,500,000	30,500,000
	94,500,000	94,500,000

As at the September 30, 2014 M/s Pattoki Sugar Mills Limited (the holding company) holds 7,696,072 (81.44%) shares of the Company.

6. SURPLUS ON REVALUATION OF PROPERTY, PLANT & EQUIPMENT

The company, during the financial year ended September 30, 2006, revalued its freehold land. Thereafter, freehold land, buildings on freehold land and plant & machinery were revalued during the financial years ended September 30, 2008, September 30, 2011 and September 30, 2014. The latest revaluation exercise was carried out by the independent valuers - K.G Traders (Private) Limited (Approved Valuer of Pakistan Bank Association) on the basis of depreciated market value

Balance at beginning of the year	1,327,289,411	1,349,797,462
Add: surplus arisen on the revaluation carried-out during the year	183,278,940	-
Less: transferred to accumulated loss on account of incremental depreciation for the year	(47,859,765)	(46,168,544)
	135,419,175	(46,168,544)
Less: deferred tax on:		
- surplus on revaluation of property, plant and equipment during the year	52,571,950	-
- incremental depreciation	(15,793,722)	(15,697,305)
	36,778,228	(15,697,305)
Resultant adjustment due to reduction in tax rate	7,501,503	7,963,188
	1,433,431,861	1,327,289,411

7. LONG TERM LOANS

	Note	2014 Rupees	2013 Rupees
Bank Al Habib Limited	7.1	75,000,000	100,000,000
Less: Current portion	10	(33,333,333)	(27,777,778)
		41,666,667	72,222,222

7.1 This represents term finance facility obtained from Bank Al Habib Limited for purchase of plant and machinery and increasing godown capacity. It shall be repaid through 36 equal monthly installments starting from December 2013. It carries mark up at the rate of average 6 month KIBOR plus 1.75% per annum, mark up shall be serviced on quarterly basis. It is secured by way of first charge over plant and machinery of the Company amounting to Rs. 170 million and personal guarantees of directors and corporate guarantee of M/s Pattoki Sugar Mills Limited.

8. LOAN FROM HOLDING COMPANY

Pattoki Sugar Mills Limited		525,000,000	525,000,000
Less: Current portion	10	(25,000,000)	(25,000,000)
		500,000,000	500,000,000

8.1 The Company obtained unsecured loan from M/s Pattoki Sugar Mills Limited (PSML) - the holding company that carries mark-up at the rate of 3 month's KIBOR plus 2% per annum. The effective mark-up rate charged by PSML during the year ranged from 11.39% to 12.17% (2013: 11.16% to 12.27%) per annum and this loan is subordinate to the loan from Bank AL Habib Limited.

9. DEFERRED LIABILITIES

			Restated
Deferred taxation	9.1	325,668,534	303,575,290
Staff retirement benefits - gratuity	9.2	776,504	565,121
		326,445,038	304,140,411

9.1 Deferred liability on temporary differences:

Taxable temporary differences		
Surplus on revaluation of property, plant and equipment	284,327,832	255,051,108
Accelerated tax depreciation	43,613,092	39,849,538
Finance lease arrangements	22,018,560	24,248,983
	349,959,484	319,149,629
Deductible temporary differences		
Provision for gratuity	(256,246)	(192,141)
Unabsorbed tax depreciation	(23,704,704)	(15,042,198)
Provision for doubtful advances	(330,000)	(340,000)
	(24,290,950)	(15,574,339)
	325,668,534	303,575,290

As at September 30, 2014, deferred tax asset amounting Rs.166.013 million (2013: Rs.199.858 million) on unused tax losses has not been recognised in the financial statements on the grounds of prudence. The management intends to re-assess the recognition of deferred tax asset as at September 30, 2015.

Deferred tax liability at the respective year-end represents deferred tax on surplus on revaluation of property, plant and equipment.

9.2 Staff retirement benefits - gratuity	2014 Rupees	2013 Rupees
The amount recognized in the balance sheet is as follows:		
Present value of defined benefit obligation	776,504	565,121
Unrecognized actuarial loss	-	-
Net liability at end of the year	776,504	565,121
Net liability at beginning of the year	565,121	224,111
Charge to profit and loss account	486,742	491,045
Net remeasurements for the year	2,828	(150,035)
Payments made during the year	(278,187)	-
Net liability at end of the year	776,504	565,121
The movement in the present value of defined benefit obligation is as follows:		
Opening balance	565,121	224,111
Current service cost	437,749	465,272
Interest cost	48,993	25,773
Benefits paid	(278,187)	-
Actuarial (gain) / loss	2,828	(150,035)
Closing balance	776,504	565,121
Expense recognized in profit and loss account		
Current service cost	437,749	465,272
Interest cost	48,993	25,773
Charge for the year	486,742	491,045
Expense recognized in other comprehensive income		
Actuarial (gain) / loss	2,828	(150,035)

Comparison of present value of defined benefit obligation and experience adjustment on obligation for five years is as follows:

	2014	2013	2012	2011	2010
	.....	.....	Rupees	.....	.....
Present value of defined benefit obligation	776,504	565,121	224,111	-	-
Experience adjustment on obligation	2,828	(150,035)	-	-	-

The future contribution rates of this scheme include allowance for deficit and surplus. Projected unit credit method, based on the following significant assumptions, is used for valuation:

	2014	2013
- discount rate	13.50%	11.50%
- expected rate of growth per annum in future salaries	12.50%	10.50%
- average expected remaining working life time of employee	12 years	12 years

10. CURRENT PORTION OF LONG TERM LIABILITIES

	Note	2014 Rupees	2013 Rupees
Long term loans	7	33,333,333	27,777,778
Loan from holding company	8	25,000,000	25,000,000
Lease liability - overdue	10.1	20,632,000	20,632,000
		78,965,333	73,409,778

10.1 The company has a dispute with BRR Guardian Modarba "the leasing company" regarding the settlement of securities provided for the subject facility. The company has officially lodged a complain in Consumer Protection Department of State Bank of Pakistan against the leasing company for release of the delivery orders, return of the post dated cheques and discharge of the personal guarantee of the directors.

11. SHORT TERM FINANCES

Bank Al-Habib Limited

Cash finance - secured	11.1	527,797,959	240,362,000
Temporary bank overdraft - unsecured	11.2	-	952,905
		527,797,959	241,314,905

11.1 Short term finance facilities available from Bank Al Habib Limited under mark-up arrangements aggregate Rs.676.267 million (2013: Rs.594.64 million). These facilities, during the year, carried mark-up at the rates 3 months KIBOR plus 1.5%. Mark-up is payable on quarterly basis.

Facilities available for opening letters of credit aggregate / guarantee amounting Rs.24.8 million (2013: Rs.36.47 million) and are secured against the securities as detailed below.

The aggregate facilities are secured against pledge of sugar bags, first charge over receivables and second charge over stocks of Rs. 55 million, personal guarantees of the directors amounting to Rs. 500 million, corporate guarantee of the holding company M/S Pattoki Sugar Mills Ltd amounting to Rs. 500 million.

11.2 This represents temporary overdraft due to cheques issued by the Company in excess of balance with banks which will be presented for payment in subsequent period.

12. DUE TO RELATED PARTY

The Company has obtained unsecured short term loan from M/s Pattoki Sugar Mills Limited (PSML) - the holding company that carries mark-up at the rate of 3 month's KIBOR plus 1.5% per annum. The effective mark-up rate charged by PSML during the year ranged from 10.89% to 11.67% (2013: 11.16% to 12.27%) per annum.

13. TRADE AND OTHER PAYABLES

Trade creditors		202,777,922	137,364,368
Due to related parties	13.1	4,277,243	-
Advances from customers		5,430,896	450,195,108
Accrued expenses		16,974,498	8,426,989
Unclaimed dividend		2,597,511	2,597,511
Workers profit participation fund		149,714	-
Taxes and duties payable		25,947,403	1,212,082
Other payables		5,368,738	11,988,189
		263,523,925	611,784,247

	Note	2014 Rupees	2013 Rupees
13.1 Due to related parties Imporient Chemicals (Pvt) Ltd		4,277,243	-

This represents payable to Imporient Chemicals (Private) Limited against purchase of chemical.

14. INTEREST AND MARK-UP ACCRUED

On long term loan	2,619,936	2,750,904
On loan from holding company	114,237,584	106,960,229
On short term finances	19,617,032	14,173,771
	136,474,552	123,884,904

15. CONTINGENCIES AND COMMITMENTS

Contingencies

- 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.
- The Company has filed reference application before the Honorable High Court of Sindh against the decision of ITAT in respect of assessment year 2000 -2001, the reference application is pending before the honorable High Court Sindh. The Company has also filed the appeal before the Commissioner of income tax appeals against addition made by the assessing officer for the assessment year 2002 - 2003 which is pending for adjudication.
-

  In view of the favorable decision of the higher appellate forums on the like issue in prior years the management is hopeful about favorable outcome in above matters. Hence no provision is made in these account as there will be no tax impact of the matter in view of brought forward losses.
- 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.
- Please refer to note 10.1 The company has firm belief that matter will be resolved in its favour.

Commitments

- Letters of credit for capital expenditure amounting to Rs. Nil (2013: Rs. 12.989 million).
- Counter guarantee in favour of Trading Corporation of Pakistan amounting to Rs. 20.00 million.

16. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	**16.1**	2,078,716,672	1,931,400,154
Capital work in progress	**16.2**	3,956,136	20,265,893
		2,082,672,808	1,951,666,047

16.1 Operating fixed assets

	OWNED ASSETS								LEASED ASSETS	GRAND TOTAL
	Land - Freehold	Buildings on freehold land	Plant and machinery	Electric Installation	Tools	Vehicles	Furniture and fixture	Equipment	Total	Plant and machinery	
	RUPEES										
Net carrying value as at October 01, 2013											
Opening net book value	840,150,000	135,452,858	853,689,146	834,275	1,391,325	2,518,529	816,692	4,594,792	1,839,447,617	91,952,537	1,931,400,154
Surpus arised during the year	23,970,000	63,166,649	96,142,291						183,278,940	-	183,278,940
Additions	-	1,826,213	30,124,878	-	-	-	-	114,645	32,065,736	-	32,065,736
Depreciation for the year	-	(16,344,633)	(45,809,092)	(83,428)	(139,133)	(503,706)	(81,669)	(468,870)	(63,430,531)	(4,597,627)	(68,028,158)
Closing net book value	**864,120,000**	**184,101,087**	**934,147,223**	**750,847**	**1,252,192**	**2,014,823**	**735,023**	**4,240,567**	**1,991,361,762**	**87,354,910**	**2,078,716,672**
Gross carrying value as at September 30, 2014											
Cost	864,120,000	310,516,483	1,473,566,788	9,674,395	4,280,715	21,953,628	5,729,082	13,130,321	2,702,971,412	181,169,497	2,884,140,909
Accumulated depreciation	-	(126,415,396)	(539,419,565)	(8,923,548)	(3,028,523)	(19,938,805)	(4,994,059)	(8,889,754)	(711,609,650)	(93,814,587)	(805,424,237)
	864,120,000	**184,101,087**	**934,147,223**	**750,847**	**1,252,192**	**2,014,823**	**735,023**	**4,240,567**	**1,991,361,762**	**87,354,910**	**2,078,716,672**
Net carrying value as at October 1, 2012											
Opening net book value	840,150,000	149,551,947	774,641,006	926,972	1,545,917	3,148,161	874,081	4,507,478	1,775,345,562	96,792,144	1,872,137,706
Additions	-	898,718	120,425,426	-	-	-	32,700	570,850	121,927,694	-	121,927,694
Depreciation for the year	-	(14,997,807)	(41,377,286)	(92,697)	(154,592)	(629,632)	(90,089)	(483,536)	(57,825,639)	(4,839,607)	(62,665,246)
Closing net book value	**840,150,000**	**135,452,858**	**853,689,146**	**834,275**	**1,391,325**	**2,518,529**	**816,692**	**4,594,792**	**1,839,447,617**	**91,952,537**	**1,931,400,154**
Gross carrying value as at September 30, 2013											
Cost	840,150,000	245,523,621	1,347,299,619	9,674,395	4,280,715	21,953,628	5,729,082	13,015,676	2,487,626,736	181,169,497	2,668,796,233
Accumulated depreciation	-	(110,070,763)	(493,610,473)	(8,840,120)	(2,889,390)	(19,435,099)	(4,912,390)	(8,420,884)	(648,179,119)	(89,216,960)	(737,396,079)
	840,150,000	135,452,858	853,689,146	834,275	1,391,325	2,518,529	816,692	4,594,792	1,839,447,617	91,952,537	1,931,400,154
Rate (% age)	**N/A**	**10%**	**5%**	**10%**	**10%**	**20%**	**10%**	**10%**		**5%**	

16.2 Had there been no revaluation the carrying value of revalued assets as at September 30, 2014 would have been as under:

	Note	2014 Rupees	2013 Rupees
Land		7,959,798	7,959,798
Building		20,654,237	21,106,030
Plant and Machinery		235,994,581	217,885,657
		264,608,616	**246,951,485**

16.3 Depreciation charge for the year has been allocated as follows:

Cost of sales	26	62,376,286	57,286,705
Administrative expenses	28	5,651,872	5,378,541
		68,028,158	62,665,246

	Note	2014 Rupees	2013 Rupees
16.2 Capital work in progress			
Plant and machinery		-	18,311,995
Building on freehold land		3,956,136	1,537,658
Equipment		-	416,240
		3,956,136	20,265,893
17. LONG TERM DEPOSITS			
Security deposits - others		587,575	587,575
18. STORES, SPARES AND LOOSE TOOLS			
Stores		17,323,276	16,961,993
Spares		21,834,950	22,502,464
Loose tools		207,811	200,640
		39,366,037	39,665,097
19. STOCK-IN-TRADE			
Work-in-Process			
- Sugar		3,532,221	2,791,131
- Molasses		509,100	199,665
		4,041,321	2,990,796
Finished Goods			
- Sugar		598,587,076	339,570,066
- V.F Cake		1,607,247	2,249,538
		600,194,323	341,819,604
		604,235,643	344,810,400

19.1. The entire stock of sugar is pledged as security with banks.

20. TRADE DEBTS			
Unsecured and considered good		173,434,138	50,259,797

21. ADVANCES	Note	2014 Rupees	2013 Rupees
Unsecured but considered good:			
Advances to cane growers	21.1	27,622,696	34,506,731
Advances to staff		162,795	168,140
Advances to related parties	21.2	-	20,820,384
Advance for store purchases		10,697,687	9,402,114
Advance income tax		36,719,007	33,234,169
		75,202,185	98,131,538
Unsecured but considered doubtful:			
Advances to cane growers		1,000,000	1,000,000
		76,202,185	99,131,538
Provision for doubtful advances	21.3	(1,000,000)	(1,000,000)
		75,202,185	98,131,538

21.1 This represents provision of cane seeds, pesticides and fertilizers to cane growers. The balance is adjustable against supply of sugarcane.

21.2 This represents advance given to Imporient Chemicals (Private) Limited against purchase of chemical.

21.3 Reconciliation of provision for doubtful advances

Opening balance	1,000,000	-
Provision made during the year	-	1,000,000
Closing balance	1,000,000	1,000,000

22. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS		
Security deposit - Lease key money	20,632,000	20,632,000
Prepayments	316,334	1,759,115
Bank guarantee margin	51,941	51,941
	21,000,275	22,443,056

23. OTHER RECEIVABLES		
Others	-	41,116
Sales tax refundable	-	4,519,043
	-	4,560,159

24. CASH AND BANK BALANCES		
At banks		
- In current accounts	3,900,735	30,726,194
In hand		
- Cash	358,063	885,075
	4,258,798	31,611,269

	Note	2014 Rupees	2013 Rupees Restated
25. SALES - NET			
Sugar - Local		1,820,141,085	1,047,881,580
- Export		-	957,221,003
Less: Federal excise duty		(65,543,944)	(50,088,442)
		1,754,597,141	1,955,014,141
26. COST OF SALES			
Cost of sugarcane consumed (including procurement and other costs)		1,774,580,865	1,824,908,269
Salaries, wages and other benefits.	26.1	45,886,299	54,982,491
Stores, spares and loose tools consumed		4,986,873	10,565,752
Chemicals consumed		17,232,776	15,415,857
Packing material consumed		19,048,492	15,817,718
Fuel and power		7,223,154	13,125,635
Repair and maintenance		23,637,877	24,308,481
Vehicle running expenses		4,006,227	307,651
Depreciation	16.3	62,376,286	57,286,705
Other factory overheads		870,608	7,363,153
		1,959,849,457	2,024,081,712
Work in process			
Opening		2,990,796	1,142,981
Closing		(4,041,321)	(2,990,796)
		(1,050,525)	(1,847,815)
		1,958,798,932	2,022,233,897
Finished goods			
Opening		341,819,604	383,014,294
Closing		(600,194,323)	(341,819,604)
		(258,374,719)	41,194,690
Sale of By products			
Molasses		(209,444,790)	(194,334,985)
V.F.Cake		(3,143,743)	-
		(212,588,533)	(194,334,985)
		1,487,835,681	1,869,093,602

26.1 Salaries, wages and other benefits include staff retirement benefits amounting to Rs. 321,300 (2013:Rs.442,692).

27. DISTRIBUTION AND SELLING EXPENSES			
Salaries, wages and other benefits	27.1	483,156	346,527
Stacking, restacking and carriage		2,479,879	2,462,512
Freight on sugar sale		-	550,000
Other expenses - exports		-	17,671,769
Miscellaneous		812,439	429,678
		3,775,474	21,460,486

27.1 Salaries, wages and other benefits include staff retirement benefits amounting to Rs. 35,000 (2013:Rs. 19,341)

28. ADMINISTRATIVE EXPENSES	Note	2014 Rupees	2013 Rupees Restated
Salaries, wages and other benefits	28.1	18,501,017	19,650,218
Traveling and conveyance		68,048	12,095
Rent, rates and taxes		50,000	100,000
Telephone and postage		120,515	196,747
Printing and stationery		116,021	379,978
Fee and subscription		1,349,806	2,795,035
Insurance		1,487,297	1,595,487
Repair and maintenance		34,810	133,955
Vehicle running expenses		2,435,906	1,789,996
Entertainment		515,029	397,076
Advertisement expenses		338,830	171,080
Auditors' remuneration	28.2	640,000	640,000
Legal and professional charges		123,000	255,191
Donations	28.3	318,735	257,000
Depreciation	16.3	5,651,872	5,378,541
Miscellaneous		419,576	642,908
		32,170,462	34,395,307

28.1 Salaries, wages and other benefits include staff retirement benefits amounting to Rs. 130,434 (2013:Rs. 29,012)

28.2 Auditors' remuneration

Annual audit fee	500,000	500,000
Review of code of corporate governance	10,000	10,000
Review of half year financial statements	50,000	50,000
	560,000	560,000
Cost audit fee	80,000	80,000
	640,000	640,000

28.3 The company has not paid donation to any organization in which any director or his spouse has any interest.

29. OTHER EXPENSES		
Workers profit participation fund	149,714	-
Provision for doubtful advances	-	1,000,000
	149,714	1,000,000

30. OTHER INCOME		
Gain on foreign currency transactions	1,625,736	9,919,786
Miscellaneous Income	6,390	8,100
	1,632,126	9,927,886

	Note	2014 Rupees	2013 Rupees
31. FINANCE COST			
Mark up on:			
- long term loan		10,542,360	3,522,822
- loan from holding company		159,077,355	112,484,479
- short term finances		59,159,475	58,195,520
Commission and bank charges		674,188	441,118
		229,453,378	174,643,939
32. TAXATION			
- Current		16,493,069	8,739,688
- Prior		611,812	-
- Deferred		(22,977,203)	(12,075,457)
		(5,872,322)	(3,335,769)

Numeric tax rate reconciliation between the average tax rate and applicable tax rate has not been presented in these financial statements as the Company is chargeable to minimum tax under section 113 of the Income Tax Ordinance, 2001.

33. EARNING / (LOSS) PER SHARE			
Profit / (Loss) for the year		8,716,880	(132,315,538)
		(Number of shares)	
Weighted average number of shares outstanding during the year		9,450,000	9,450,000
		Rupees	**Rupees Restated**
Earning / (Loss) per share - basic		0.92	(14.00)

33.1 Diluted loss per share has not been presented as the Company does not have any convertible instruments in issue as at September 30, 2014 and September 30, 2013, which would have any effect on the loss per share of the Company if the option to convert is exercised.

34. CASH GENERATED FROM OPERATIONS			
Profit / (Loss) before taxation		2,844,558	(135,651,307)
Adjustment for non cash charges and other items:			
Depreciation on property, plant and equipment		68,028,158	62,665,246
Finance costs		228,779,190	174,202,821
Provision for doubtful advances		-	1,000,000
Provision for workers profit participation fund		149,714	-
Provision for gratuity		486,742	491,045
Working capital changes	34.1	(698,293,429)	606,960,409
		(400,849,625)	845,319,521
		(398,005,067)	709,668,214

34.1 Working capital changes			
(Increase) / decrease in current assets			
Stores, spares and loose tools		299,060	18,324,668
Stock-in-trade		(259,425,243)	39,346,875
Trade debts		(123,174,341)	165,694,774
Advances		26,414,191	(16,585,029)
Trade deposits and short term prepayments		1,442,781	7,037,343
Other receivables		4,560,159	(95,128)
Increase in current liabilities			
Trade and other payables		(348,410,036)	393,236,906
		(698,293,429)	606,960,409

35. CASH AND CASH EQUIVALENTS			
Short term finances	11	(527,797,959)	(241,314,905)
Cash and bank balances	24	4,258,798	31,611,269
		(523,539,161)	(209,703,636)

36 Financial instruments

36.1 Financial risk factors

The Company's activities expose it to a variety of financial risks, market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Company is exposed to foreign currency exchange risk in respect of commitments against letters of credit in foreign currency. The management does not view hedging as being financially feasible.

The following significant exchange rate has been applied:

	Average rate		Reporting date rate	
	2014 Rupees	2013 Rupees	2014 Rupees	2013 Rupees
US $ to PKR	104.225	98.88	102.60	105.85

The weakening of the PKR against US Dollar would have had an equal but opposite impact on the post tax profit / (loss).

The sensitivity analysis prepared is not necessarily indicative of the effects on profit / (loss) for the year and assets / liabilities of the Company.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The company is not exposed to other price risk.

(iii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk.

At the balance sheet date, the interest rate profile of the Company's interest bearing financial instruments was:

Floating rate instruments	2014 Rupees	2013 Rupees
Financial liabilities		
Long term loans	75,000,000	100,000,000
Loan from holding company	525,000,000	525,000,000
Finance lease	20,632,000	20,632,000
Due to related party	683,195,817	328,966,229
Short term finances	527,797,959	241,314,905
	1,831,625,776	1,215,913,134

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the Company.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Company's credit risk is primarily attributable to its trade debts and its balances at banks. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Long term deposits	587,575	587,575
Trade debts	173,434,138	50,259,797
Advances	75,202,185	98,131,538
Bank balances	3,900,735	30,726,194
	253,124,633	179,705,104

The aging of trade receivable at the reporting date is as under:

Not past due		
Past due 0 - 180 days	168,021,817	48,128,171
Past due 181 - 365 days	5,412,321	2,131,626
	173,434,138	50,259,797

The credit quality of cash and bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating			
	Short term	Long term		
Bank Al-Habib Ltd.	A1+	AA+	239,351	12,077,689
United Bank Ltd.	A-1+	AA+	363,686	9,245,900
MCB Bank Ltd.	A1+	AAA	894,330	5,050,409
National Bank of Pakistan	A-1+	AAA	79,736	79,736
Habib Bank Ltd.	A-1+	AAA	594,155	3,714,083
Habib Metropolitan Bank Ltd.	A1+	AA+	1,684,177	504,155
Summit Bank Ltd	A-3	A-	19,680	
Bank Al Falah Ltd	A1+	AA	25,620	54,222
			3,900,735	30,726,194

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and bank balances and the availability of funding through an adequate amount of committed credit facilities. At September 30, 2014, the Company had borrowing limits available from financial institutions.

The following are the contractual maturities of financial liabilities as at September 30, 2014:

	Carrying amount	Less than one year	More than one year
	---------- Rupees ----------		
Long term loans	75,000,000	33,333,333	41,666,667
Loan from holding company	525,000,000	25,000,000	500,000,000
Lease finances	20,632,000	20,632,000	-
Short term finances	527,797,959	527,797,959	-
Due to related party	683,195,817	683,195,817	
Trade and other payables	263,523,925	263,523,925	-
Interest and mark-up accrued	136,474,552	136,474,552	-
	2,231,624,253	1,689,957,586	541,666,667

The following are the contractual maturities of financial liabilities as at September 30, 2013:

Long term loans	100,000,000	-	100,000,000
Loan from holding company	525,000,000	25,000,000	500,000,000
Lease finances	20,632,000	20,632,000	-
Short term finances	241,314,905	241,314,905	-
Due to related party	328,966,229	328,966,229	-
Trade and other payables	611,784,247	611,784,247	-
Interest and mark-up accrued	123,884,904	123,884,904	-
	1,951,582,285	1,351,582,285	600,000,000

36.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

36.3 Capital risk management

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and / or issue new shares.

There was no change to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements except for the maintenance of debt to equity ratio under the financing agreements.

37. REMUNERATION TO THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

37.1 The aggregate amount charged in the financial statements for the year against remuneration, including certain benefits, to the full time working directors and executives of the Company is as follows:

	Managerial remuneration	Allowances, utilities etc	Number of persons
Chief Executive	---------- Rupees ----------		
2014	-	-	-
2013	-	-	-
Directors			
2014	-	-	-
2013	-	-	-
Executives			
2014	800,040	399,960	1
2013	800,040	399,960	1

37.2 The chief executive and the directors of the company have waived their right to receive meeting fee. Additionally, executive is provide with free use of cellular phone and company maintained car.

38. TRANSACTION WITH RELATED PARTIES

Related parties include associated companies, directors of the Company, companies where directors also hold directorship, related group companies, key management personnel and staff retirement funds. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions, and at prices agreed based on inter company prices using admissible valuation modes.

Detail of transactions with related parties is as follows:

Name of related party	Nature of relationship	Basis of relationship	Nature of transaction	2014 Amount (Rupees)
Imporient Chemicals (Pvt) Limited	Associate	Common directorship	Purchase of chemical	19,843,995
Pattoki Sugar Mills Limited	Associate	Holding company	Loan including markup	1,322,433,401

Name of related party	Nature of relationship	Basis of relationship	Nature of transaction	2013 Amount (Rupees)
Imporient Chemicals (Pvt) Limited	Associate	Common directorship	Purchase of chemical	16,329,616
Pattoki Sugar Mills Limited	Associate	Holding company	Loan including markup	960,926,458

38.1 Purchase of chemical are based on commercial terms and at market prices which are approved by the Board of Directors.

39. CAPACITY AND PRODUCTION

	2014		2013	
	Days	M.Tonnes	Days	M.Tonnes
Crushing capacity	160	480,000	160	480,000
Sugarcane crushed	111	407,635	129	413,485
Sugar production	-	39,062	-	37,742

The low production was due to limited availabilty of raw material.

40. OPERATING SEGMENTS

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

40.1 Sugar Sales represents 89% (2013: 91%) of the total sales of the company.

40.2 Company's sales during the year relate to the customers in Pakistan.

40.3 All non - current assets of the company as at September 30, 2014 are located in Pakistan.

41. CORRESPONDING FIGURES

Corresponding figures have been rearranged / regrouped wherever necessary for the purpose of better comparison.

42. NUMBER OF EMPLOYEES

	2014	2013
	Number of employees	
Number of persons employed as at September 30,		
- permanent	150	191
- contractual	116	182
Average number of employees during the year		
- permanent	171	170
- contractual	149	99

43. EVENTS AFTER THE BALANCE SHEET DATE

There are no reportable events after balance sheet date.

44. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on January 08, 2015 by the Board of Directors of the Company.

CHIEF EXECUTIVE **DIRECTOR**

PATTERN OF SHAREHOLDINGS

1 Incorporation Number

2 Name Of the Company BABA FARID SUGAR MILLS LIMITED

3 Pattern of holding of shares held by shareholders as at September 30, 2014

4	SHAREHOLDING NO. OF	FROM	To	TOTAL SHARES
	735	1	100	22,479
	392	101	500	70,953
	36	501	1,000	27,740
	43	1,001	5,000	101,768
	7	5,001	10,000	44,916
	2	35,001	40,000	77,668
	1	50,001	55,000	50,853
	1	135,001	140,000	136,995
	1	445,001	450,000	441,601
	1	915,001	920,000	916,000
	1	7,555,001	7,560,000	7,559,077
	1,220			**9,450,050**

5	Categories of Shareholde	Shares Held	Percentage
5.1	Directors, Chief Executive Officers,	1,419,284	15.0189%
5.2	Associated Companies, undertakin	7,696,072	81.4399%
5.3	NIT and ICP	1,000	0.0106%
5.4	Bank Development Financial	100	0.0011%
5.5	Insurance Companies	0	0.0000%
5.6	Modarabas and Mutual Funds	0	0.0000%
5.7	Share holders holding 10%	7,696,072	81.4399%
5.8	General Public		
	a) Local	332,937	3.5231%
	b) Foreign	0	0.0000%
5.9	Others (to be specified)		
	Joint Stock Companies	607	0.0064%

6 Signature of Company Secretary

7	Name Of Signatory	Muhammad Ibrahim Raza
8	Designation	Company Secretary
9	NIC Number	35201-8459576-7
10	Date	30/Sep/14

Categories Of Shareholding Required Under Code Of Corporate Governance (Ccs)
As On September 30, 2013

Sr. NO	Name	No. Of Shares	Percentage
Associated Companies, Undertakings and Related Parties (Names Wise Detail):			
1	M/s Pattoki Sugar Mills LTD.	7,696,072	81.4399
Mutual Funds (Name Wise Detail)			-
Directors and their Spouse and Minor Children (Name wise Detail):			
1	Muhammad Sarwar (CEO)	47,593	0.5036
2	Mrs. Naheed Roohi	2,500	0.0265
3	Miss. Rafia Aslam	2,500	0.0265
4	M. Maqsood ul Hassan	441,601	4.6730
5	Muhammad Ashraf	2,500	0.0265
6	Mr. Shahid Mahmood Quershi	2,500	0.0265
7	Sayeed Qaissar Abbas Naqvi	4,090	0.0433
8	Muhammad Aslam H/O Mrs. Naheed Roohi	916,000	9.6931
Executives:			
Public Sector Companies & Corporations:			
Banks, Development Finance Institutions, Non Banking		100.00	0.0033
Shareholders holding five percentor more voting interestin the listed company (Name wise Detail)			
1	M/S Pattoki Sugar Mills LTD.	7,696,072	81.4399
2	Muhammad Aslam	916,000	9.6931

All tradersin the share of the listed company, carried out by its Directors, Executives and their spouses and minor children shall be disclosed:

Sr. NO	Name	Sales	Purchase

FORM OF PROXY

I/We, _____ being member of Baba Farid Sugar Mills Limited, holder of _____ ordinary Shares as per Share Register. Filo No._____ ands / or CDC participant I.D. No._____ Account No._____ hereby appoint _____of _____ who is also member of Baba Farid Sugar Mills Limited vide Folio No._____ or CDC participant I.D. No._____ Account No._____ or failing him / her _____. of _____ who is also member of Baba Farid Sugar Mills Limited vide Folio No._____ or CDC participant I.D. No._____ Account No._____ as my / our proxy to attend, speak and vote for me / us and on my / our behalf at the Annual General Meeting of the company to be held on 31st January, 2015 and at any adjournment thereof.

As witness my / our hand this _____ day of _____ 2015.

Signed by the said _____

in the presence of _____.

Signature on Rs. 5/- Revenue Stamps

Notes:

(1) The Proxy is in order to be valid must be duly stamped, signed and witnessed and be deposited with the Company not later than 48 hours before the time of holding of meeting.

(2) The proxy must be a member of the Company.

(3) Signature should agree with the specimen signature, registered with the Company.

(4) CDC Shareholders entitled to attend and vote at this meeting, must bring with them their National Identity Card / Passport in original to prove his / her identity, and in case of Proxy must enclose an attested copy of his / her NIC or Passport.

(5) Representative of corporate members should bring the usual documents required for such purpose.