BABA FARID SUGAR MILLS LIMITED

Cost Audit for The Year
Ended 30 September 2025

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
CHARTERED ACCOUNTANTS

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COST AUDITORS' REPORT TO THE DIRECTORS OF BABA FARID SUGAR MILLS LIMITED

We Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, having been appointed to conduct an audit of cost accounts of M/s Baba Farid Sugar Mills Limited (the Company) have examined the books of account and the statements specified under first proviso to sub-section (1) of section 220 of the Companies Act, 2017 and the other relevant record for the year ended on 30 September 2025 and report that. –

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of this audit.

In our opinion –

a. proper cost accounting records as required by first proviso to sub-section (1) of section 220 of the Companies Act, 2017 (XIX of 2017) and as required by these regulations have been kept by the Company;

b. proper returns, statements and schedules for the purpose of audit of cost accounts have been received from branches not visited by us: and

c. the said books and records give the information required by the regulations in the manner so required.

In our opinion and, subject to best of our information-

a. the annexed statements of capacity utilization and stock-in-trade are in agreement with the books of account of the Company and exhibit true and fair view of the Company's affairs; and

b. cost accounting records have been properly kept so as to give a true and fair view of the cost of production, processing, manufacturing, marketing, cost of sales, profit margin on indigenous and export sales and any other information of the undermentioned products of the Company, namely:

   - White Refined Sugar

The matter contained in the Appendix III forms part of this report and approved by the board on 28 MAR 2026.

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS
Engagement Partner: Mr. Adnan Rasheed
Lahore

Dated: 28 MAR 2026

Baba Farid Sugar Mills Limited
Appendix III
For the Year Ended 30 September 2025

1. CAPACITY

a. Capacity:

Basis of Measurement	Year	Unit of Measurement	Installed/ Approved Capacity	Utilized Capacity	% of Installed Capacity
Crushing	2025	M. Tons	*1,100,000	569,620.090	51.80%
Crushing	2024	M. Tons	*1,010,000	524,174.100	51.90%

*The installed/ approved capacity of 1,100,000 M. Ton per annum is based on crushing capacity of 10,000 M. Ton per day communicated by Directorate General of Industries, Prices, Weights and Measures, Punjab through order dated 13 February 2023 to the management and 110 (2024: 101) days of actual crushing period.

*The increase in actual crushing this year compared to the previous year is due to the availability and procurement of sugarcane in higher quantities. Further during the year operating days has been increased from 101 to 110. Taking these factors into account, the percentage of capacity utilization remained almost consistent with the previous year.

b. Other Activities:
The Company is not engaged in any other activity besides the manufacture of the product under reference.

c. The plant is owned by the Company and there were no leasing arrangements in place in relation to capacity.

d.

Basis of Measurement	Year	Unit of Measurement	Installed Capacity per day	Adjustment (Stoppage - days)	No. of days worked	Normal Capacity
Crushing	2025	M.Tons	10,000	9.24	100.76	1,007,600
Crushing	2024	M.Tons	10,000	5.67	95.33	953,300

2. COST ACCOUNTING SYSTEM

The Cost Accounting System was discussed with the management of the Company and reviewed in order to assess the adequacy of the system. The Company is using an integrated Accounting System in which cost accounting functions and financial accounting functions are combined in one system of ledger accounts. This enables the Company to get information regarding cost records at any point of time.

The existing system can generate various cost reports some of which are as follows:

i. Direct department cost.

ii. Distribution of total production cost into raw material and other manufacturing cost.
iii. Detail of direct cost of sugar.
iv. Detail of total cost of sugar.
v. Direct and indirect cost of salaries and wages.
vi. Stock valuation of stores, spares and loose tools.
vii. Direct cost of production departments.
viii. Total cost of production departments.

3. PRODUCTION

a. Production quantities:

Sugar	Production (M.Tons)	
	2025	2024
White refined sugar	54,991.500	52,798.400

b. Percentage of production to installed capacity:

Sugarcane	2025	2024
Installed/ approved Capacity	1,100,000.000 M.Tons	1,010,000.000 M.Tons
Utilized Capacity	569,620.090 M.Tons	524,174.100 M.Tons
% to total installed capacity	51.80%	51.90%

Explanation of variance:

The increase in actual crushing this year compared to the previous year is due to the availability and procurement of sugarcane in higher quantities. Further during the year operating days has been increased from 101 to 110. Taking these factors into account, the percentage of capacity utilization remained almost consistent with the previous year.

c. Addition to production capacity:

The production capacity has remained the same during the season as compared to last year.

d. Comparison of machine hours utilization (during crushing season)

Basis of Measurement	Year	Unit of Measurement	Available Capacity (Crushing period × 24)	Utilized Capacity	% of Available Capacity
Crushing	2025	Machine Hours	2,640:00	2,418:35	91.60%
Crushing	2024	Machine Hours	2,384:60	2,248:50	94.30%

4. RAW MATERIALS:

a. Major raw material consumed:

Sugarcane

Year	Sugarcane consumed (M. Tons)	Value (Rupees)
2025	569,620.090	5,964,858,972
2024	524,174.100	6,056,347,458
2023	455,913.605	3,531,653,352

Year	Sugarcane consumed	Refined Sugar Produced	Sugarcane Consumed Per Ton of Refined Sugar
	M. Tons		
2025	569,620.090	54,991.500	10.36
2024	524,174.100	52,798.400	9.92
2023	455,913.605	45,338.900	10.06

Consumption of raw material per unit of production is dependent on many factors, such as sucrose contents/ sugar recovery percentage, quality of sugarcane, elapsed time between sugarcane harvesting and crushing, distance from sugarcane field and factory site and un-interrupted milling/ crushing etc.

As there are no established standard requirements available, comparison of consumption of raw material per unit of production can only be made with prior years of the Company.

Explanation of variance:

Sugarcane consumption per ton of refined sugar increased to 10.36 tons in 2025 as compared to 9.92 tons in 2024, showing an increase of approximately 0.44 tons of sugarcane required to produce one ton of refined sugar. This indicates a slight decline in the overall sugar recovery efficiency during the current year, resulting in higher sugarcane requirement for producing one ton of refined sugar. The variation may be attributed to differences in the quality of sugarcane, harvesting conditions, and overall crop characteristics during the year. Management continues to focus on improving operational efficiency to enhance recovery levels in the coming periods.

b. Method of accounting:

Sugarcane is procured mainly at the mills directly and partially at depots situated at a number of locations. Cost of purchase of raw material comprises of purchase price, transport, government levies, handling and other costs directly attributable to the acquisition of materials. Purchases of sugarcane are accounted for when they are received at mills/ purchase centers and valued at prevailing rate announced by government for the season. CPRs are issued mentioning quantity and value for each purchase of raw material. Procured sugarcane is directly consumed in production.

c. All raw material was procured through domestic purchase.

Explanation of variance:

The increase in cost per metric ton is mainly attributed to a 20.86% rise in labour costs this year (2024: 27.61%), driven by higher minimum wages, annual increments, and bonuses. Furthermore, the crushing period was extended to 110 (2024: 101) days, and production increased by 4.15% compared to the previous year. This led to the hiring of more daily wage workers, which, in turn, resulted in an additional cost of Rs 567.45 per metric ton (2024: Rs 309.28).

f. The Company has no incentive scheme contributing towards increasing productivity.

6. STORES AND SPARES

a. Expenditure per M.Ton of output:

2025		2024	
Total store consumed	**Cost per M.Ton of output**	**Total store consumed**	**Cost per M.Ton of output**
Rupees	Rupees	Rupees	Rupees
96,107,549	1,748.68	97,968,590	1,855.52

b. System of stores accounting:

Store receipts are recorded on the basis of receiving report/ goods inspection note, gate inward passes, purchase order, demand notes etc. Issuances of stores are made on the basis of issue requisitions received from the relevant department.

Receipts of stores and spares:

These are valued at cost comprising of purchase price, import duties, other taxes, and other costs directly attributable to the acquisition of stores and spares except transportation and handling cost which is separately charged to production. Purchase price is determined through vendor invoices and other duties and taxes are recorded on actual basis. Receipts are only recorded when actually received in store and its relevant documents have been generated and authorized i.e. good receipt note (GRN), gate inward pass and inspection report by store incharge.

Issues and balance of stores and spares:

Store requisition slip is generated by relevant department and sent to store for issuance. Store in charge checks the availability in stock and issues the store item at current weighted average rate and if the inventory is not available in store, purchase requisition is generated by store in charge.

Stores and Spares are valued on lower of weighted average cost or net realizable value. Goods in transit are valued at cost plus other charges paid till statement of financial position date. Impairment testing is conducted on regular basis and provisions are recorded for obsolescence, if any.

c. Provision for obsolescence against slow moving items amounted to Rs. 16,041,549/-, (2024: Rs. 16,041,549/-) that is 6.20%, (2024: 7.25%) of closing inventory.

7. DEPRECIATION

a. Method of depreciation:

Depreciation on all operating fixed assets, except ROUA and land is charged on reducing balance method. Depreciation on ROUA is charged on straight line basis while no depreciation is charged on

freehold land. Depreciation on addition is charged from the month the asset is capitalized. No depreciation is charged on disposal from the month the asset is disposed off.

b. Basis of allocation of depreciation on common assets:

Depreciation on assets identifiable to various cost centers is charged on actual basis while depreciation for assets under common use is charged to cost centers on the basis of services rendered to the respective departments.

c. Basis of charging depreciation to cost of product:

The depreciation of depreciable assets relating to units involved in manufacturing of product is charged to the cost of production. Management assessed that depreciable asset involved in production comprise 96.61% of total assets of the Company. Therefore, total depreciation charge for the year is apportioned on the same basis and the portion chargeable to production units is charged to cost of product.

8. OVERHEADS

a. Total amount of overheads:

Sr. #	Overheads	2025	2024	2023
		Rupees		
i.	Factory overheads	619,756,045	592,163,603	529,838,348
ii.	Administration and other operating overheads	250,200,497	162,291,124	244,669,885
iii.	Selling and distribution overheads	61,437,579	29,978,859	37,312,887
iv.	Financial charges	430,442,480	757,533,689	350,433,374
Total		**1,361,836,601**	**1,541,967,275**	**1,162,254,494**

i. Factory overheads:

Sr. #	Particulars	2025	2024	2023
		Rupees		
i.	Stores, spares and consumable	10,522,301	12,314,384	23,530,477
ii.	Packing materials consumed	48,730,923	52,074,032	39,003,164
iii.	Chemicals consumed	36,854,325	33,580,174	34,340,973
iv.	Indirect labour	160,756,686	134,845,624	104,829,697
v.	Fuel and power	35,773,807	32,418,330	28,172,040
vi.	Repair and maintenance	179,919,873	185,579,055	164,128,735
vii.	Depreciation	102,030,910	105,162,888	108,639,490
viii.	Vehicle running expenses	15,146,211	16,049,758	13,451,733
ix.	Fee and subscription	200,000	355,610	90,000
x.	Insurance	1,264,262	1,067,936	1,002,063
xi.	Other factory overheads	28,556,747	18,715,812	12,649,976
Total		**619,756,045**	**592,163,603**	**529,838,348**

ii. **Administrative and other operating overheads:**

Sr. #	Particulars	2025	2024	2023
		Rupees		
i.	Salaries, wages and benefits (Annex 6)	120,505,494	105,964,839	88,695,022
ii.	Director's meeting fee	380,000	690,000	370,000
iii.	Traveling and conveyance	1,239,241	316,259	409,898
iv.	Rent, rates and taxes	408,399	485,517	322,500
v.	Telephone and postage	1,640,011	1,178,451	1,021,149
vi.	Printing and stationery	2,177,971	2,885,357	2,189,460
vii.	Fee and subscription	4,161,628	5,647,276	6,853,485
viii.	Insurance	2,772,913	4,550,573	3,231,377
ix.	Repair and maintenance	5,073,331	5,038,768	4,510,494
x.	Vehicle running expenses	8,663,363	10,140,914	5,800,047
xi.	Entertainment	3,746,695	3,601,993	2,677,457
xii.	Auditors' remuneration	1,696,104	1,676,202	1,441,000
xiii.	Legal and professional charges	2,695,245	3,164,366	9,016,948
xiv.	Charity and donations	8,364,215	2,495,413	2,756,942
xv.	Depreciation	7,089,485	7,061,004	5,447,492
xvi.	Others	5,618,531	7,394,192	109,926,614
xvii.	Workers Profit Participation Fund	52,834,194	-	-
xviii.	Workers Welfare Fund	21,133,677	-	-
Total		**250,200,497**	**162,291,124**	**244,669,885**

iii. **Selling and distribution overheads:**

Sr. #	Particulars	2025	2024	2023
		Rupees		
i.	Salaries, wages and benefits (Annex 6)	11,962,489	5,803,081	3,704,253
ii.	Freight outward	313,916	1,055,962	-
iii.	Other selling expenses related to export	15,228,825	936,603	-
iv.	Stacking/ restacking	25,324,585	16,308,847	12,288,307
v.	Insurance	2,549,300	2,366,766	1,120,008
vi.	Commission on sale of sugar	6,058,464	3,507,600	2,790,200
Total		**61,437,579**	**29,978,859**	**37,312,887**

b. **Reasons for significant variances:**

Factory overheads:

Sr. #	Particulars	2025	2024	2023	2025	2024
		Rupees			Variance increase/ (decrease)	
i	Stores, spares and consumable	10,522,301	12,314,384	23,530,477	(1,792,083)	(11,216,093)

ii	Packing materials consumed	48,730,923	52,074,032	39,003,164	(3,343,109)	13,070,868
iii	Chemicals consumed	36,854,325	33,580,174	34,340,973	3,274,151	(760,799)
iv	Indirect labor	160,756,686	134,845,624	104,829,697	6,457,590	8,093,113
v	Fuel and power	35,773,807	32,418,330	28,172,040	3,355,477	4,246,290
vi	Repair and maintenance	179,919,873	185,579,055	164,128,735	(5,659,182)	21,450,320
vii	Depreciation	102,030,910	105,162,888	108,639,490	(3,131,978)	(3,476,602)
viii	Vehicle running expenses	15,146,211	16,049,758	13,451,733	(903,547)	2,598,025
ix	Fee and subscription	200,000	355,610	90,000	(155,610)	265,610
x	Insurance	1,264,262	1,067,936	1,002,063	196,326	65,873
xi	Other factory overheads	28,556,747	18,715,812	12,649,976	6,058,439	6,065,836
Total		**619,756,045**	**592,163,603**	**529,838,348**		

Explanation of variances:

The increase in factory overheads during the current year is mainly attributable to higher operational activity and inflationary cost pressures. Although production increased by 4.154% compared to the previous year, the Company successfully optimized the utilization of packing material. However, indirect labour cost increased by 19.21%, primarily due to the increase in minimum wages and annual salary increments. In addition, fuel and power costs also increased owing increased production activity. During the previous year, the Company experienced maintenance challenges that resulted in the loss of 136.10 crushing hours. In the current year, improved plant performance and better maintenance planning helped reduce repair and maintenance expenses by 3.05%. This improvement also included the replacement of outdated components with modern equipment to enhance operational efficiency.

Administrative and other operating overheads:

Sr. #	Particulars	2025	2024	2023	2025	2024
		Rupees			Variance Increase/ (decrease)	
i.	Salaries, wages and benefits (Annex 6)	120,505,494	105,964,839	88,695,022	14,540,655	17,269,817
ii.	Director's meeting fee	380,000	690,000	370,000	(310,000)	320,000
iii.	Traveling and conveyance	1,239,241	316,259	409,898	922,982	(93,639)
iv.	Rent, rates and taxes	408,399	485,517	322,500	(77,118)	163,017

v.	Telephone and postage	1,640,011	1,178,451	1,021,149	461,560	157,302
vi.	Printing and stationery	2,177,971	2,885,357	2,189,460	(707,386)	695,897
vii.	Fee and subscription	4,161,628	5,647,276	6,853,485	(1,485,648)	(1,206,209)
viii.	Insurance	2,772,913	4,550,573	3,231,377	(1,777,660)	1,319,196
ix.	Repair and maintenance	5,073,331	5,038,768	4,510,494	34,563	528,274
x.	Vehicle running expenses	8,663,363	10,140,914	5,800,047	(1,477,551)	4,340,867
xi.	Entertainment	3,746,695	3,601,993	2,677,457	144,702	924,536
xii.	Auditors' remuneration	1,696,104	1,676,202	1,441,000	19,902	235,202
xiii.	Legal and professional charges	2,695,245	3,164,366	9,016,948	(469,121)	(5,852,582)
xiv.	Charity and donations	8,364,215	2,495,413	2,756,942	5,868,802	(261,529)
xv.	Depreciation	7,089,485	7,061,004	5,447,492	28,481	1,613,512
xvi.	Other Expenses	5,618,531	7,394,192	109,926,614	(1,775,661)	(102,532,422)
xvii.	Workers Profit Participation Fund	52,834,194	-	-	52,834,194	-
xviii.	Workers Welfare Fund	21,133,677	-	-	21,133,677	-
Total		**250,200,497**	**162,291,124**	**244,669,885**		

Explanation of variances:

Administrative and other operating overheads during 2025 increased by approximately 33.13% as compared to 2024. The increase is mainly due to salaries, wages and benefits which increased by about 13.72% as a result of annual salary increments and employee benefit adjustments. Traveling and conveyance expenses increased significantly by around 291.87% due to higher management and operational travel during the year, while telephone and postage expenses increased by about 39.17% reflecting greater administrative activity. In addition, charity and donations increased by approximately 235.18% to support flood relief activities. However, certain expenses such as director's meeting fee decreased by 44.93%, fee and subscription by 26.31%, insurance by 39.06%, and vehicle running expenses by 14.57%, indicating better cost control in these areas. Overall, despite increases in some administrative costs, the Company maintained reasonable control over administrative and other operating overheads during the year. Furthermore, Workers' Profit Participation Fund (WPPF) and Workers' Welfare Fund (WWF) have been recognized during the current year, which also contributed to the overall increase in administrative and other operating overheads.

Selling and distribution overheads:

Sr. #	Particulars	2025	2024	2023	2025	2024
		Rupees			Variance Increase/ (decrease)	
i.	Salaries, wages and benefits (Annex 6)	11,962,489	5,803,081	4,632,855	6,159,408	1,170,226
ii.	Freight outward	313,916	1,055,962	12,197,430	(742,046)	(11,141,468)
iii.	Other selling expenses related to export	15,228,825	936,603	1,198,348	14,292,222	(261,745)
iv.	Stacking/ restacking	25,324,585	16,308,847	15,186,974	9,015,738	1,121,873
v.	Insurance	2,549,300	2,366,766	1,131,182	182,534	1,235,584
vi.	Commission on sale of sugar	6,058,464	3,507,600	2,966,098	2,550,864	541,502
Total		**61,437,579**	**29,978,859**	**37,312,887**		

Explanation of variances:

Selling and distribution overheads during 2025 increased significantly compared to 2024, mainly due to higher export-related selling expenses and increased employee costs. Salaries, wages and benefits increased by approximately 106.16%, primarily due to the hiring of additional manpower and annual salary increments. Furthermore, other selling expenses related to exports increased substantially by around 1,525%, mainly attributable to a significant rise in export volumes, which increased by 227.55% during the year.

c. Basis of allocation of overheads:

Identifiable costs are separately allocated to each cost center, while common costs are allocated on some rational basis like depreciation expense is allocated on the basis of 96.61% to cost of sales and 3.39% to administrative expenses.

d. Cost of packing material:

Particulars	2025	2024
	Rupees	Rupees
Poly propylene bag	48,174,351	51,567,277
Thread cone (1kg thread white)	504,432	499,803
Thread cone (20/6)	-	5,374
Thread cone (250 g)	52,140	1,578
Stamps	-	-
Total	**48,730,923**	**52,074,032**
Total sugar produced (M.Tons)	**54,991.50**	**52,798.400**
Cost per M.Tons of sugar (Rs/ M.Tons)	**886.15**	**986.28**

9. ROYALTY / TECHNICAL AID PAYMENT

The Company has not paid any amount as royalty/ technical services fees for the year. Therefore, disclosure of total amount and the amount chargeable per unit of the product is not applicable to the Company.

10. ABNORMAL NON-RECURRING FEATURES

a. There were no abnormal features affecting production during the year. Therefore, disclosure of impact on cost of production and allocated cost per unit is not applicable to the Company.

b. The Company manufactures only one product i.e. white refined sugar and there are no special expenses which may be directly attributable to that product.

11. COST OF PRODUCTION (Refer annexure 1)

Cost per unit (during the year):

Product	2025	2024	Increase/ (Decrease)	
	Rupees/ M.Ton	Rupees/ M.Ton	Rupees/ M.Ton	Percentage
White refined sugar	141,777.72	134,157.60	7,620.12	5.67%

Explanation of variance:

The moderate increase is primarily attributable to changes in sugarcane procurement practices during the year. In the previous year, the procurement price of sugarcane was fixed by the Government, whereas during the current year the Company procured sugarcane at various market-based rates. This reduction in the average procurement price helped offset the impact of increases in other cost components, resulting in a relatively lower increase in the overall production cost per ton compared to the previous year.

12. SALES

a. **Sales (Local)**

	2025	2024
Sale of white sugar (Metric ton)	**68,540.55**	**42,453.65**

White refined sugar	2025 (Rupees)		2024 (Rupees)	
	Rupees	Rupees per M.Ton	Rupees	Rupees per M.Ton
Net sale	8,873,625,017	129,465.33	4,958,147,337	116,789.66
Sales tax and FED	1,783,103,239	26,015.30	975,656,521	22,981.69
Gross sale	10,656,728,256	155,480.63	5,933,803,858	139,771.35

The above mentioned sales does not include sales of by products and related sales tax amounting to Rs. 876.328 million and Rs. 135.239 million respectively. It has been observed that there is only one category, variety or quantity of product under reference.

b. **Sales (Export)**

	2025	2024
Sale of white sugar (Metric ton)	**4,513.00**	**1,134.00**

White refined sugar	2025 (Rupees)		2024 (Rupees)	
	Rupees	Rupees per M.Ton	Rupees	Rupees per M.Ton
Net sale	631,454,776	139,919.00	192,780,000	170,000.00
Sales tax	-	-	-	-
Gross sale	631,454,776	139,919.00	192,780,000	170,000.00

Exported products:

During the year, the average cost of production was Rs. 141,777.72 per metric ton; however, after inventory adjustments, the cost of goods sold reduced to Rs. 132,149.33 per metric ton (2024: Rs. 134,597.33). The Company sold 68,540.55 metric tons in the local market at an average price of Rs. 129,464.48 per metric ton (2024: Rs. 116,789.66 per metric ton). Furthermore, export sales of 4,513 metric tons were made at an average price of Rs. 139,919.00 per metric ton.

13. PROFITABILITY

Profit/ (Loss) per unit (M.Ton):

Description	2025		2024	
	Rupees	Rupees Per M.Ton	Rupees	Rupees Per M.Ton
Gross sugar sales (own manufactured)	11,288,183,032	154,518.34	6,126,583,858	140,557.79
Total cost to make and sell (Annexure-1)	10,396,058,579	142,307.37	6,816,585,067	156,387.99
Profit/ (loss) (owned manufactured)	892,124,453	12,210.97	(690,001,209)	(15,830.20)

The above does not include profitability of by-products.

Profitability per machine hour	2025	2024
	Rupees	
Profit/ (loss) (owned manufactured)	892,124,453	(690,001,209)
Machine Hours of actual crushing	2418:35	2,248:50
Profit/ (loss)/ Machine hour	368,897.98	(306,871.78)

Comments:

The profitability of the Company is primarily influenced by the market price of sugar and the support price of sugarcane determined by the Government. During the current year, the selling price per metric ton increased by 9.93%. Moreover, the sales volume also increased significantly by 67.6% compared to the previous year. In addition, the cost of production moderate increased by 5.67% as compared to last year due to improved operational efficiency and better cost management. As a result of higher selling prices, increased sales volume, and moderate increased production costs, the Company recorded a substantial improvement in profitability, leading to a significant increase in net profit per metric ton compared to the previous year. This increase in profit is primarily attributable to improved selling prices and higher sales volume during the year. Although the cost of sugarcane procurement increased by approximately 5.67% compared to the previous year, the overall cost structure was partially offset by a significant increased of 67.6% increase in the sales volume. Consequently, the combined effect of better pricing, increased sales volume, and efficient management of certain production costs contributed to the improvement in the Company's profitability..

It has been observed that there is only one category, variety or quality of the product under reference.

To maximize profit, the Company should focus on managing its purchase costs by providing advances to growers and negotiating better prices with them, which would allow the Company to acquire sugarcane at lower prices. Additionally, the company should aim to increase both sales volume and sales prices.

14. RELATED PARTY TRANSACTIONS

a. Sale of items

Name	Address	Goods given	Quantity	Value (Transfer price)	Market price/ Normal price
				Rupees	
Naubahar Bottling Company (Private) Limited	38/40 Small Industrial Estate, Model Town, Gujranwala.	Sale of sugar (bags)	197,750 (50 kgs bag)	1,743,399,967	1,743,399,967
Almoiz Industries Limited	2-D/ 1, Gulberg III, Lahore.	Scrap sale	106,680 kgs	15,468,000	15,468,000
		Store items	3,841 kgs	1,974,170	1,974,170

b. Purchase of items

Name	Address	Goods received	Quantity	Value (Transfer price)	Market price/ Normal price
				Rupees	
The Thal Industries Corporation Limited 2-D/ 1, Gulberg III, Lahore.		Bio Fertilizer Granual (Bag)	4,000	6,000,000	6,000,000
		Trichogramma card (No)	200,000	870,000	870,000
		Store Items	1	2,360,000	2,360,000
Almoiz Industries Limited	2-D/ 1, Gulberg III, Lahore.	Deformbar	17,500 kgs	4,178,500	4,178,500

15. DISTRIBUTION OF EARNING/ (LOSS)

The earnings were distributed to the following parties:

Particulars	Rupees
Employees as salaries and wages, retirement benefits etc	410,664,751
Shareholders as dividends	-
Company as retained earnings	814,797,360
Governments as taxes	167,918,641
Extra ordinary expenses	-

16. ADJUSTMENT OF COST VARIANCES:

The Company maintains cost records on actual basis therefore, there are no variances between actual cost and the Company maintained records.

17. COST AUDITORS' OBSERVATIONS AND CONCLUSIONS

In the course of our examination of the cost accounts of **BABA FARID SUGAR MILLS LIMITED** for the year ended 30 September 2025, certain weaknesses in the procedures, internal controls and accounting methods came to our notice. We are giving below our observations and conclusions to draw attention to these matters. The responsibility for maintenance of an adequate system of internal controls as well as for prevention and detection of irregularities and frauds rests with the management.

Our audit involves evaluating only those systems and internal controls in the organization upon which we rely for the purpose of determining our audit procedures. Accordingly, our audit may not have identified, and the comments in this report may not be a comprehensive record of all the weaknesses that may exist. However, our audit was planned so that we would have a reasonable expectation of detecting material misstatements in the accounts.

a. Matters which appear clearly wrong in principle

There was no such matter. However, we have noted certain opportunities for improvement which are reported in suggestions for improvement in performance.

b. Usage of the Company's funds

There was no such observation/ finding where the Company's funds have been used in a negligent or inefficient manner.

c. Controlling factors

No instances were observed where factors which could have been controlled, but were not controlled, resulting in increase in cost of production. There is an adequate budgeting and control system. The Company has an effective internal audit and control function. The Board of Directors has constituted an audit committee, the meetings of which are held on regular basis.

d. Suggestion for improvement in performance

i. Cost reduction and increased productivity:

The Company can optimize production capacity by building strong pre-season relationships with growers and providing advances, such as sugarcane seeds. This strategy will ensure a

steady supply of high-quality sugarcane at lower prices, ultimately boosting the production of white bagged sugar at a reduced cost.

ii. **Key limiting factors causing production bottle-necks:**

The utilization of installed capacity is dependent upon availability of sugarcane of desired quantity and quality. As a part of long term planning, the Company should start increasing its relationship with growers to ensure regular supply of desired quality sugarcane to fully utilize the production capacity.

18. Reconciliation with financial statements:

Sr. No	Particulars	2025	2024
		Rupees	
1	(Loss)/ profit per cost accounting records	814,797,360	(623,366,533)
2	Add: incomes not considered in cost accounts	-	-
3	Less: expenses not considered in cost accounts	-	-
4	Add: undervaluation of opening stock in financial accounts	-	-
5	Less: overvaluation of opening stocks in financial accounts	-	-
6	Less: undervaluation of closing stocks in financial accounts	-	-
7	(Loss)/ profit as per financial accounts	**814,797,360**	**(623,366,533)**

19. Cost statement:

Copies of all the cost statements on the formats specified in Schedule 1 to cost audit regulations, duly authenticated by the director and chief financial officer of the Company, and verified by us are appended to the report.

BABA FARID SUGAR MILLS LIMITED

1. STATEMENT OF CAPACITY UTILIZATION FOR THE YEAR ENDED 30 SEPTEMBER 2025

a. Capacity (Machine Hours)

Basis of Measurement	Year	Unit of Measurement	Available Capacity (Crushing period × 24)	Utilized Capacity	% of Available Capacity
Crushing	2025	Machine Hours	2,640:00	2,418:35	91.60%
Crushing	2024	Machine Hours	2,384:60	2,248:50	94.30%

Explanation of variance:

Available hours are dependent upon the crushing period i.e. 110 (2024: 101) days. Sugar mills remained temporarily shut down for maintenance purposes and due to non-availability of sugarcane during the manufacturing season. This year the Company remained stopped for less period as compared to last year i.e. 9.24 days (2024: 5.67 days) thus decreasing the percentage of utilization in relation to available capacity by 2.70%.

b. Capacity (Production unit):

Basis of Measurement	Year	Unit of Measurement	Installed/ Approved Capacity	Utilized Capacity	% of Installed Capacity
Crushing	2025	M. Tons	*1,100,000	569,620.090	51.80%
Crushing	2024	M. Tons	1,010,000	524,174.100	51.90%

*The installed/ approved capacity of 1,100,000 M. Ton per annum is based on crushing capacity of 10,000 M. ton per day communicated by Directorate General of Industries, Prices, Weights and Measures, Punjab through order dated 13 February 2023 to the management and 110 (2024: 101) days of actual crushing period.

Explanation of variance:

The increase in actual crushing this year compared to the previous year is due to the availability and procurement of sugarcane in higher quantities. Further, during the year operating days has been increased from 101 to 110. Taking these factors into account, the percentage of capacity utilization remained almost consistent with the previous year.

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BABA FARID SUGAR MILLS LIMITED

2. STATEMENT OF STOCK IN TRADE FOR THE YEAR ENDED 30 SEPTEMBER 2025

Raw Material:

Particulars	2025		2024	
	Quantity M.Tons	Amount Rupees	Quantity M.Tons	Amount Rupees
Raw Material	-	-	-	-

Work in Progress:

Particulars	2025		2024	
	Quantity M.Tons	Amount Rupees	Quantity M.Tons	Amount Rupees
Sugar	91.803	9,860,387	98.453	10,314,607
Molasses	44.840	1,524,560	50.386	1,410,808

Finished Goods:

Particulars	2025		2024	
	Quantity M.Tons	Amount Rupees	Quantity M.Tons	Amount Rupees
Sugar	324.40	35,131,799	18,386.45	1,926,348,367
Molasses	880.645	29,941,930	162.825	4,559,100
Press Mud	3,212.063	8,425,083	-	-

STORES, SPARES AND LOOSE TOOLS

Particulars	2025 Rupees	2024 Rupees
Stores	171,408,701	130,834,596
Spares	87,415,410	90,440,299
Loose Tools	2,580,693	2,570,476
Less: Provision for obsolescence	(16,041,549)	(16,041,549)
Total	**245,363,255**	**207,803,822**

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Baba Farid Sugar Mills Limited
A - Company Information
For The Year Ended: 30 September 2025

1.	Name of the Company	Baba Farid Sugar Mills Limited
2.	Date of incorporation	06 November 1978
3.	Location of registered office	2-D-1, Gulberg III, Lahore
4.	Location of factory	5-KM, Faisalabad Road, District Okara, Punjab
5.	Products other than Sugar being manufactured	By-products: Molasses, Bagasse and Filter cake
6.	Installed cane crushing capacity in Tonnes	10,000 M. Ton per day

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Baba Farid Sugar Mills Limited
B - Production Data
For The Year Ended: 30 September 2025

S.No.	Particulars	2025	2024
1.	***a) CANE CRUSHED***		
	Date started	**20-Nov-24**	25-Nov-23
	Date finished	**09-Mar-25**	04-Mar-24
	Duration of run days	**110**	101
	Total number of hours in duration	**2640-0**	2384-6
	Total number of hours of actual crushing	**2418-35**	2248-50
	Total number of hours lost	**221-25**	136-10
	Total cane milled (tonnes)	**569,620.090**	524,174.100
	Converted monds	**14,240,502.250**	13,104,352.500
	Total mixed juice obtained (tonnes)	**574,096.050**	535,770.115
	b)GUR MELTED		
2.	***JUICE AND ADDED WATER***		
	Average mixed juice % cane	**100.786**	102.212
	Average added water % cane	**29.262**	30.583
3.	***SUGAR MADE***		
	Total sugar bagged of all grade (50 kg) Nos.	**1,099,830**	1,055,968
	Sugar bagged (tonnes)	**54,991.500**	52,798.400
	Sugar in process (tonnes)	**91.803**	98.453
4.	***MOLASSES EXTRACTED***		
	Total molasses sent out (tonnes)	**23,650.000**	22,345.000
	Molasses in process (tonnes)	**44.840**	50.386
5.	***RECOVERY %***		
	Average recovery of marketable white sugar % cane	**9.653**	10.068
	Average production of final molasses % cane	**4.151**	4.258
6.	***BY - PRODUCTS***		
	Bagasse % cane (calculated) (tonnes)	**28.476**	28.371
	V.F.Cake % cane (tonnes)	**3.000**	3.000
7.	***CLARIFICATION PROCESS***		
	- Defecation Remelt And Phosphitation		

CHIEF EXECUTIVE OFFICER

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Stamped for Identification RSRIR CAs

Baba Farid Sugar Mills Limited
Statement Of Cost Of Production And Sale Of White Bagged Sugar
For The Year Ended: 30 September 2025

Annexure 1

	2025 (M.Ton)	*2024 (M.Ton)*
Quantitative Data - Bagged Sugar		
Opening stock	*18,386.45*	*9,175.70*
Production	*54,991.50*	*52,798.40*
Closing stock	*324.40*	*18,386.45*
Sales	*73,053.55*	*43,587.65*

S.No.	PARTICULARS	2025 Amount	2025 Cost per Ton of sugar	2024 Amount	2024 Cost per Ton of sugar
		Rupees		Rupees	
1.	***Raw Materials:***				
	(a) Sugarcane (Annexure 3)	**6,081,257,892**	**110,585.42**	6,164,666,681	116,758.59
	(b) Sugar-Beet (Annexure 4)	-	-	-	-
	(c) Gur	-	-	-	-
	(d) Raw sugar	-	-	-	-
	(e) Process material (Annexure 5)	**36,854,325**	**670.18**	33,580,174	636.01
2.	*Salaries/ wages and benefits (Annexure 6)*	**160,756,686**	**2,923.30**	134,845,624	2,553.97
3.	*Consumable stores*	**10,522,301**	**191.34**	12,314,384	233.23
4.	*Repairs and maintenance*	**125,854,807**	**2,288.62**	145,988,561	2,765.02
	Utilities:				
5.	*Steam (Annexure 7)*	**786,147,308**	**14,295.80**	593,124,283	11,233.75
6.	*Electric power (Annexure 8)*	**740,232,925**	**13,460.86**	573,992,102	10,871.39
7.	*Vehicle running*	**3,370,622**	**61.29**	3,886,560	73.61
8.	*Insurance*	**1,264,262**	**22.99**	1,067,936	20.23
9.	*Depreciation*	**102,030,910**	**1,855.39**	105,162,888	1,991.78
10.	*Other factory overheads (Annexure 9)*	**28,556,747**	**519.29**	18,715,812	354.48
11.	***Total cost***	**8,076,848,785**	**146,874.49**	7,787,345,005	147,492.06
12.	***Add: opening work in process***				
	- Sugar	**10,314,607**	**104,767.00**	9,404,221	76,989.12
	- Molasses	**1,410,808**	**28,000.00**	2,935,690	38,000.00
13.	***Less: closing work in process***				
	- Sugar	**(9,860,387)**	**(107,408)**	(10,314,607)	(104,767.00)
	- Molasses	**(1,524,560)**	**(34,000)**	(1,410,808)	(28,000.00)
14.	***Total cost of goods manufactured***	**8,077,189,253**	**146,880.69**	7,787,959,501	147,503.70
15.	***Less: Realisable value of by-products***				
	- Molasses	**(733,856,833)**	**(13,344.91)**	(703,368,930)	(13,321.78)
	- Mud	**(44,404,929)**	**(807.49)**	(28,462,655)	(539.08)
	- Baggasse	**(1,469,432,036)**	**(26,721)**	(1,080,654,205)	(20,468)
16.	***Net cost of goods manufacturing***	**5,829,495,455**	**106,007.21**	5,975,473,711	113,175.28
17.	*Add: packing material and handling*	**48,730,923**	**886.15**	52,074,032	986.28
18.	***Net cost of bagged sugar***	**5,878,226,378**	**106,893.36**	6,027,547,743	114,161.56
19.	*Add: excise duty / sales tax*				
	- Sugar	**1,783,103,239**	**32,425.07**	975,656,521	18,478.90
	- Molasses	**112,273,013**	**2,041.64**	69,224,210	1,311.10
	- Mud	**8,007,447**	**145.61**	5,132,610	97.21
	- Baggasse	**14,959,289**	**272.03**	5,745,568	108.82
20.	***Total cost of bagged sugar***	**7,796,569,366**	**141,777.72**	7,083,306,652	134,157.60
21.	***Add: opening finished goods***				
	- Sugar	**1,926,348,367**	**104,770**	714,322,740	77,849.40
	- Molasses	**4,559,100**	**28,000**	59,470	38,000.00
	- Press mud	-	-	-	-
22.	***Less: closing finished goods***				
	- Sugar	**(35,131,800)**	**(108,298)**	(1,926,348,367)	(104,770.00)
	- Molasses	**(29,941,930)**	**(34,000)**	(4,559,100)	(28,000.00)
	- Press mud	**(8,425,081)**	**(2,623)**	-	-
23.	***Cost of goods sold***	**9,653,978,022**	**132,149.33**	5,866,781,395	134,597.33
24.	*Administrative and other operating expenses (Annexure 10)*	**250,200,497**	**3,424.89**	162,291,124	3,723.33
25.	*Selling and distribution expenses (Annexure 11)*	**61,437,579**	**840.99**	29,978,859	687.78
26.	*Financial charges*	**430,442,480**	**5,892.15**	757,533,689	17,379.55
27.	*Other charges*	-	-	-	-
	Total cost to make and sell	**10,396,058,578**	**142,307.37**	6,816,585,067	156,387.99

CHIEF EXECUTIVE OFFICER

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CHIEF FINANCIAL OFFICER

Baba Farid Sugar Mills Limited
Statement Showing Cost Of Sugar Cane Produced
For The Year Ended: 30 September 2025

Annexure-2

S.No.	Particulars	2025		2024	
		Rupees	Per metric ton	Rupees	Per metric ton
1	***Seeds & other inputs:***				
	Seed				
	Fertilizers, herbicides etc.				
	Insecticides				
	Abiana/ water charges				
	Total cost of inputs				
2	***Labour cost:***				
	Land preparation				
	Plantation	NOT APPLICABLE			
	Maintenance of cane crop/ rations				
	Operation of tractors				
	Harvesting				
	Total labour cost				
3	***Other cost:***				
	Fuel for tractors operation				
	Maintenance and over haul of tractors				
	Insurance				
	Interest expenses				
	Description of equipments				
	Rent of agriculture equipments (if any)				
	Total other costs				
	Total cost of own production (1+2+3)				
	Sales value at controlled price				
	Profit/ loss on own production				

The Company did not cultivate sugarcane on own farms for profit purposes during the year as well as in previous year.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

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Baba Farid Sugar Mills Limited
Statement Of Cost Of Sugarcane Crushed
For The Year Ended: 30 September 2025

Annexure 3

S.No.	Particulars	2025 Quantity M. Ton	2025 Rate Rs./M.Ton	2025 Amount Rs.	2024 Quantity M. Ton	2024 Rate Rs./M.Ton	2024 Amount Rs.
1.	**Total Sugarcane purchased at Government fixed rate**	**569,620.09**	**10,464.63**	**5,960,861,102**	524,174.10	11,540.40	6,049,179,187
	Sugarcane produced from own farm (Annexure 2)	-	-	-	-	-	-
	Less: Loss in Transit	-	-	-	-	-	-
2.	**Sugarcane received at factory gate**	**569,620.09**	**10,464.63**	**5,960,861,102**	524,174.10	11,540.40	6,049,179,187
3.	**Commission**	-	-	-	-	-	-
4.	**Quality premium**	**569,620.09**	**7.02**	**3,997,870**	524,174.10	13.68	7,168,271
5.	**Loading/ unloading charges**	**569,620.09**	**1.13**	**645,618**	524,174.10	1.02	532,645
6.	**Cane development expenses:**						
	a) Salaries and wages of supply and development staff	**569,620.09**	**92.22**	**52,528,986**	524,174.10	87.89	46,071,396
	b) Sugarcane development research	**569,620.09**	**10.30**	**5,869,894**	524,174.10	11.95	6,262,525
	c) Supply staff and transportation expenses	**569,620.09**	**24.78**	**14,116,940**	524,174.10	29.64	15,538,058
	d) Other expenditure	**569,620.09**	**1.95**	**1,112,881**	524,174.10	2.04	1,069,868
7.	**Taxes and levies:**						
	c) Cane cess/ purchase tax	-	-	-	-	-	-
	b) Market committee fee	**569,620.09**	**10.00**	**5,696,201**	524,174.10	10.00	5,241,741
	c) Road cess	**569,620.09**	**62.50**	**35,602,129**	524,174.10	62.50	32,761,548
	d) Octroi	-	-	-	-	-	-
	e) Other levies	-	-	-	-	-	-
8.	**Transportation charges:**						
	a) Transport expenses	**569,620.09**	**0.52**	**296,141**	524,174.10	0.43	226,658
	b) Loading unloading	**569,620.09**	**0.47**	**267,095**	524,174.10	0.39	206,949
9.	**Other expenditures at cane collection centres:**						
	a) Salaries and wages	-	-	-	-	-	-
	b) Repairs and maintenance	**569,620.09**	**0.46**	**263,035**	524,174.10	0.78	407,835
	c) Others	-	-	-	-	-	-
	Total cost of "SUGARCANE" transferred to production processes (Annexure 1)	**569,620.09**	**10,675.99**	**6,081,257,892**	524,174.10	11,760.72	6,164,666,681

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Stamped for Identification RSRIR CAs

Baba Farid Sugar Mills Limited
Statement Showing Cost Of Beet Consumed
For The Year Ended: 30 September 2025

Annexure-4

S.No.	Particulars	2025			2024		
		Metric tons	Per metric ton	Rupees	Metric tons	Per metric ton	Rupees
1	***Total beet purchased at govt. fixed rate***						
	Less: loss in transit						
	Beet received at factory gate						
2	*Commission paid*						
3	*Loading un-loading*						
4	*Beet development expenses*						
	a. Salaries and wages of supply and development Staff						
	b. Sugar development research						
	c. Supply staff and transportation expenses						
	d. Other expenditures						
5	***Taxes and Levies (if any)***						
	a. Purchase tax						
	b. Market committee fee						
	c. Road cess						
	d. Octoroi						
	e. Other levies						
6	***Transportation charges:***						
	a. Delivery expenses/ Travelling from purchases center to mill gate						
	b. Transport subsidy						
	c. Others						
7	***Other expenditures at best collection centers:***						
	a. Salaries and wages						
	b. Stores						
	c. Repair and maintenanc						
	d. Others						
	Total cost of "beet" transferred to production process (Annexure-1)						

NOT APPLICABLE

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

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Baba Farid Sugar Mills Limited
Statement Of Cost Of Process Material Consumed
For The Year Ended: 30 September 2025

Annexure 5

S.No.	Particulars	2025 Amount	2025 Cost Per Ton of Sugar	2024 Amount	2024 Cost Per Ton of Sugar
		---------- Rupees ----------		---------- Rupees ----------	
	Total Sugar Produced (M.Ton)	*54,991.50*		*52,798.40*	
1.	Phosphoric Acid	6,174,843	112.29	4,278,346	81.03
2.	Hydrochloric Acid (HCl)	170,520	3.10	147,000	2.78
3.	Kafzol	118,300	2.15	155,750	2.95
4.	Acid Inhibitor	32,625	0.59	156,616	2.97
5.	Bleaching Powder	1,064,375	19.36	761,500	14.42
6.	BIO CIDE (Preventol ZL)	361,219	6.57	530,954	10.06
7.	Accofloc Poly Electrolyte (Chemfloc 57/56 HP)	611,856	11.13	634,699	12.02
8.	Decolorizer (Colour Quest 55)	7,401,682	134.60	9,730,568	184.30
9.	Formic Acid (Chem Float - 100)	1,943,639	35.34	2,076,161	39.32
10.	Juice Floculant (Accofloc A-110PWG)	1,735,361	31.56	1,722,390	32.62
11.	Anti Foam Slay (Chemrite FD 30 DC)	26,333	0.48	-	-
12.	Formaline	70,185	1.28	75,840	1.44
13.	Quick Lime	9,187,640	167.07	7,050,767	133.54
14.	Soda Ash	887,902	16.15	647,060	12.26
15.	Caustic Soda	5,523,425	100.44	4,189,629	79.35
16.	Tri Sodium Phosphate(Chem Float A 100)	21,250	0.39	23,750	0.45
17.	Iso-propyle Alcohol	1,012,761	18.42	641,421	12.15
18.	Potassium (Lab chemical)	3,920	0.07	34,919	0.66
19.	Filter Media	471,477	8.57	659,748	12.50
20.	Amonia Liquid	1,175	0.02	-	-
21.	Boiler Water Treatment Chemical	-	-	63,056	1.19
22.	Sodium	880	0.02	-	-
23.	Tube cleaning brush	4,488	0.08	-	-
24.	Copper Sulphate Crystal	1,470	0.03	-	-
25.	Ethanol Absolute	1,568	0.03	-	-
26.	Phenophtlene	1,176	0.02	-	-
27.	Sodium Hydroxide	1,560	0.03	-	-
28.	Methylene	5,900	0.11	-	-
29.	HCL Pure	3,525	0.06	-	-
30.	Oxalic Acid	1,470	0.03	-	-
31.	Bromothymol	11,800	0.21	-	-
	Total	*36,854,325*	*670.18*	*33,580,174*	*636.01*
	Is allocated to:				
(a)	Electricity generation	-	-	-	-
(b)	Steam generation	-	-	-	-
(c)	Raw material	-	-	-	-
(d)	Admin. expenses	-	-	-	-
(e)	Selling and distribution expenditure	-	-	-	-
(f)	Store consumption	-	-	-	-
	Balance transferred to production process (Annex 1)	*36,854,325*	*670.18*	*33,580,174*	*636.01*

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Stamped for Identification RSRIR CAs

Baba Farid Sugar Mills Limited
Statement Of Cost Of Salaries, Wages And Benefits
For The Year Ended: 30 September 2025

Annexure 6

S.No.	Particulars	2025 Amount	2025 Cost Per Ton of Sugar	2024 Amount	2024 Cost Per Ton of Sugar
		Rupees		Rupees	
	Total Sugar Produced (M.Ton)	54,991.50		52,798.40	
	Cost:				
1.	**Salaries/ Wages:**				
(i)	Officers and other staff	**108,824,279**	**1,978.93**	97,094,084	1,838.96
(ii)	Seasonal employees	**209,938**	**3.82**	234,144	4.43
(iii)	Daily waged and contract labour	**230,795,621**	**4,196.93**	194,032,781	3,674.97
(iv)	Bonuses	**28,626,278**	**520.56**	10,323,734	195.53
(v)	Extra duty time	**13,387,735**	**243.45**	10,270,220	194.52
2.	***Benefits***				
(i)	Medical expenses	**414,610**	**7.54**	546,915	10.36
(ii)	Education cess	-	-	-	-
(iii)	Gratuity	**9,386,333**	**170.69**	14,771,634	279.77
(iv)	Staff welfare	**1,464,952**	**26.64**	1,664,459	31.52
(v)	Social security	**11,783,097**	**214.27**	10,539,437	199.62
(vi)	Employee old-age benefits institution (E.O.B.I)	**3,938,791**	**71.63**	3,676,839	69.64
(vii)	Uniform and liveries	**281,478**	**5.12**	633,117	11.99
(viii)	Retention Benefits	**373,137**	**6.79**	299,531	5.67
(ix)	Other benefits	**1,178,502**	**21.43**	459,903	8.71
	Total	**410,664,751**	**7,467.79**	344,546,798	6,525.71
	Less allocated to:				
(a)	Electricity generation	**28,652,289**	**521.03**	29,281,532	554.59
(b)	Steam generation	**36,258,807**	**659.35**	22,580,326	427.67
(c)	Raw material	**52,528,986**	**955.22**	46,071,396	872.59
(d)	Admin expenses	**120,505,494**	**2,191.35**	105,964,839	2,006.97
(e)	Selling and distribution expenses	**11,962,489**	**217.53**	5,803,081	109.91
(f)	Any other	-	-	-	-
	Balance transferred to production process (Annexure 1)	**160,756,686**	**2,923.30**	134,845,624	2,553.97

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Stamped for Identification RSRIR CAs

Baba Farid Sugar Mills Limited
Statement Of Cost Of Steam Purchased/ Generated And Consumed
For The Year Ended: 30 September 2025

Annexure 7

S.No.	Particulars	Units	2025	2024	Variance
	Types of steam boilers used: drum water tubes	Nos.	**3**	3	-
1.	*No. of days worked*	Days	**110**	101	9
2.	*Installed capacity (steam in tonnes)*	Tonnes	**462,000**	424,200	37,800
3.	*Utilized capacity (steam in tonnes)*	Tonnes	**277,192**	268,533	8,659
4.	*Production:*		**-**		
	(a) High pressure steam		**-**	-	-
	(b) Medium pressure steam	Tonnes	**277,192**	268,533	8,659
	(c) Low pressure steam		**-**	-	-
	(d) Less: transit losses	Tonnes	**2,771**	2,685	86
	Total	Tonnes	**274,421**	265,848	8,573
5.	Percentage of capacity utilisation (3/2*100)	%	**60.00**	63.30	(3.31)

S. No.	Particulars	UOM	2025 Quantity	2025 Rate per M.Ton (Rupees)	2025 Amount (Rupees)	2024 Quantity	2024 Rate per M.Ton (Rupees)	2024 Amount (Rupees)
1.	*Water And Fuels:*							
	(a) Bagasse							
	(i) Own	M.Tons	**152,937.00**	**8,966.87**	**1,371,365,589**	144,297.00	7,228.07	1,042,988,817
	(ii) Purchased	M.Tons	-	-	-	-	-	-
	(b) Maize Straw	(M.Tons)	-	-	-	-	-	-
	(c) Boora	(M.Tons)	-	-	-	-	-	-
	(d) Furnace oil	(Liter)	**2,760.00**	**156.78**	**432,711**	2,915.00	197.16	574,721
	(e) Rice husk consumed	(M.Tons)	-	-	-	-	-	-
	(f) Bagasse handling and fly ash charges		-	-	**8,570,932**	-	-	8,425,834
	(g) Fuel for generator	(Liter)	**17,000.00**	**264.04**	**4,488,604**	8,000.00	282.81	2,262,492
	(h) Fire wood consumed	M.Tons	**89.62**	**23,395.56**	**2,096,710**	49.08	20,328.04	997,700
	(i) Chemical consumed (Annexure 5)	Liter	-	-	-	-	-	-
	(J) Electricity duty		-	-	-	-	-	-
2.	*Quantity of waste heat from the plant, if any*		-	-		-	-	-
3.	*Consumable stores*		-	-	-	-	-	-
4.	*Direct salaries, wages and benefits (Annexure 6)*		-	-	**36,258,807**	-	-	22,580,326
5.	*Repairs and maintenance*		-	-	**32,553,336**	-	-	20,487,800
6.	*Other direct expenses (e.g. Boiler inspection fee etc.)*		-	-	**65,000**	-	-	60,000
7.	*Insurance*		-	-	-	-	-	-
8.	*Depreciation*		-	-	-	-	-	-
9.	*Total cost of steam raised*		**274,421.00**	**5,305.10**	**1,455,831,688**	265,848.00	4,131.60	1,098,377,690
	Less : outside sale		-	-	-	-	-	-
10.	*Total cost of steam for self consumption*		**274,421.00**	**5,305.10**	**1,455,831,688**	265,848.00	4,131.60	1,098,377,690
	Add: cost of steam purchased		-	-	-	-	-	-
11.	*Total cost of steam consumed*		**274,421.00**	**5,305.10**	**1,455,831,688**	265,848.00	4,131.60	1,098,377,690
12.	*Allocation*							
	Total of item 11 allocated to:							
	(i) White bagged sugar (Annexure 1)		**148,187.00**	**5,305.10**	**786,147,308**	143,558.00	4,131.60	593,124,283
	(ii) Electric power house (Annexure 8)		**126,234.00**	**5,305.10**	**669,684,380**	122,290.00	4,131.60	505,253,407
	(iii) Others		-	-	-	-	-	
	(a) Staff colony		-	-	-	-	-	-
	(b) Office building etc.		-	-	-	-	-	-
	Total		**274,421.00**	**5,305.10**	**1,455,831,688**	265,848.00	4,131.60	1,098,377,690

CHIEF EXECUTIVE OFFICER

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Baba Farid Sugar Mills Limited
Statement Of Other Factory Overheads
For The Year Ended: 30 September 2025

Annexure 9

S.No.	Particulars	2025 Amount	2025 Cost Per Ton of Sugar	2024 Amount	2024 Cost Per Ton of Sugar
		---------- Rupees ----------		---------- Rupees ----------	
	Total Sugar Produced (M.Ton)	**54,991.50**		52,798.40	
	Cost:				
1.	Rent, rates and taxes	-	-	-	-
2.	Printing and stationery	-	-	-	-
3.	Postage and telegram	-	-	-	-
4.	Telephone fax and telex	-	-	-	-
5.	Travelling and conveyance	-	-	-	-
6.	Subscription, books and periodicals	-	-	-	-
7.	Entertainment/ Ceremonial	**536,141**	**9.75**	440,996	8.35
8.	Security	-	-	-	-
9.	Fee and subcription	**105,000**	**1.91**	265,610	5.03
10.	Freight and store handling charges	**3,677,497**	**66.87**	4,008,672	75.92
11.	Other expenses	**24,238,109**	**440.76**	14,000,534	265.17
	Total	**28,556,747**	**519.29**	18,715,812	354.48
	Allocated to:				
	i) White bagged sugar (Annexure 1)	**28,556,747**	**519.29**	18,715,812	354.48
	ii) Electric power house	-	-	-	-
	iii) Steam generation	-	-	-	-
12.	**Total**	**28,556,747**	**519.29**	18,715,812	354.48

CHIEF EXECUTIVE OFFICER

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Baba Farid Sugar Mills Limited
Statement Of Administrative And Other Operating Expense
For The Year Ended: 30 September 2025

Annexure 10

S.No.	Particulars	2025 Amount	2025 Cost Per Ton of Sugar	2024 Amount	2024 Cost Per Ton of Sugar
		---------- Rupees ----------		---------- Rupees ----------	
1.	*Total Sugar Sold (M.Ton)*	73,053.55		43,587.65	
2.	*Cost:*				
	Salaries, wages and benefits (Annexure 6)	**120,505,494**	**1,649.55**	105,964,839	2,431.07
	Director's meeting fee	**380,000**	**5.20**	690,000	15.83
	Traveling and conveyance	**1,239,241**	**16.96**	316,259	7.26
	Rent, rates and taxes	**408,399**	**5.59**	485,517	11.14
	Telephone and postage	**1,640,011**	**22.45**	1,178,451	27.04
	Printing and stationery	**2,177,971**	**29.81**	2,885,357	66.20
	Fee and subscription	**4,161,628**	**56.97**	5,647,276	129.56
	Insurance	**2,772,913**	**37.96**	4,550,573	104.40
	Repair and maintenance	**5,073,331**	**69.45**	5,038,768	115.60
	Vehicle running expenses	**8,663,363**	**118.59**	10,140,914	232.66
	Entertainment	**3,746,695**	**51.29**	3,601,993	82.64
	Auditors' remuneration	**1,696,104**	**23.22**	1,676,202	38.46
	Legal and professional charges	**2,695,245**	**36.89**	3,164,366	72.60
	Charity and donations	**8,364,215**	**114.49**	2,495,413	57.25
	Depreciation	**7,089,485**	**97.05**	7,061,004	162.00
	Others	**5,618,531**	**76.91**	7,394,192	169.64
	Workers' Profit Participation Fund (WPPF)	**52,834,194**	**723.23**	-	-
	Workers' Welfare Fund (WWF)	**21,133,677**	**289.29**	-	-
	Total *(Annexure 1)*	**250,200,497**	**3,424.892**	162,291,124	3,723.33

CHIEF EXECUTIVE OFFICER

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Baba Farid Sugar Mills Limited
Statement Of Selling And Distribution Expenses
For The Year Ended: 30 September 2025

Annexure 11

S.No.	Particulars	2025 Amount	2025 Cost Per Ton of Sugar	2024 Amount	2024 Cost Per Ton of Sugar
		---------- Rupees ----------		---------- Rupees ----------	
1.	*Total Sugar Sold (M.Ton)*	*73,053.55*		*43,587.65*	
2.	*Cost:*				
	Salaries, wages and benefits (Annexure 6)	**11,962,489**	**163.75**	5,803,081	133.14
	Frieght outward	**313,916**	**4.30**	1,055,962	24.23
	Other selling expenses related to export	**15,228,825**	**208.46**	936,603	21.49
	Stacking/ restacking	**25,324,585**	**346.66**	16,308,847	374.16
	Insurance	**2,549,300**	**34.90**	2,366,766	54.30
	Commission on sale of sugar	**6,058,464**	**82.93**	3,507,600	80.47
	Total *(Annexure 1)*	**61,437,579**	**840.99**	29,978,859	687.78

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