QUARTERLY REPORT 2024

CONDENSED INTERIM FINANCIAL INFORMATION
For the 1st Quarter Ended 31 December 2023
(Un-audited)



BABA FARID
SUGAR MILLS LIMITED



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COMPANY INFORMATION

BOARDOFDIRECTORS

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

CHIEFFINANCIALOFFICER

Mr.WasifMahmood

COMPANYSECRETARY

Mr.MuhammadImran

AUDITORS

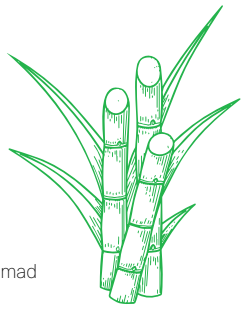
M/sBDOEbrahim&Co.
CharteredAccountants
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Email: info@bdo.com.pk

MILLS

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

BANKERS

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



HUMANRESOURCES&REMUNERATION COMMITTEE

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

AUDITCOMMITTEE

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

NOMINATIONCOMMITTEE

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

RISKMANAGEMENTCOMMITTEE

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

SHAREREGISTRAR

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

REGISTEREDOFFICE

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

LEGALADVISOR

M/sAhmed&Pansota
Advocate and Legal Consutants
20 - Sir Gangaram Mansions
The Mall Lahore
Tel: 042-37313549, 37313520
Tel: 042-36672102

VISION & MISSION STATEMENTS

OUR VISION



We shall build on our core competencies and achieve excellence in performance to become a leading producer of best quality sugar. In doing so we aim to meet or accede theexpectationsofallourstakeholders.

Our goal is not only to attain technological advancements in the field of sugar but also to inculcate the most efficient, ethical and time tested business practices in our management.

Furthermore, we shall strive to innovate the ways for the improvement and increase in per acre yield of sugarcane and introduce improved varieties of sugarcane having better yield characters, high sucrose contents, disease and drought resistant and better ratooning crop in the region. We shall introduce the mechanized sugarcane cultivation mehtod to the growers and to educate regarding latest developments of agriculture technology and free consultancy ofprofessionals.

OUR MISSION

We aim to be a leading producer and supplier of quality sugar by adopting the most technological advancement. Weintendtoplayapivotalroleinthe economicdevelopmentofPakistan.



DIRECTORS' REVIEW

On behalf of the Board of Directors of BABA FARID SUGAR MILLS LIMITED, we are pleased to present the un audited Interim Financial Information of the Company for the Quarter ended December 31, 2023.

BUSINESSENVIRONMENTREVIEW

First quarter of FY24 was influenced by the spillover effect of last year. Inflation and interest rates remained high. Local currency showed stable trend. Economic activity on overall basis is still waiting for revival. Post elections environment will determine future course of economy.

INDUSTRYOVERVIEW

The sugarcane crop size during current season is expected to remain lesser than the last year. For current crushing season 2023-24, notified support price of sugarcane in Punjab was Rs. 400/- per 40 kg.

PERFORMANCEOFTHECOMPANY

The Company was able to crush 190,258.445 M. Tons sugarcane and produced 18,219.500 M. Tons of white refined sugar at an average recovery of 9.860% during the period ended 31 December 2023 as compared to sugarcane crushing of 186,319.230 M. Tons and production of 17,077.500 M. Tons white refined sugar at an average recovery of 9.531% in quarter ended 31 December 2022.

Sales for the quarter increased by 79.88% over the same period last year. Net sales were recorded at Rs. 1,238.129 million during the first quarter of current financial year as compared to Rs. 688.298 million during the corresponding period of last year.

The Company posted a pretax profit of Rs. 173.874 million during the quarter under review as compared to pretax loss of Rs. 76.650 million in the corresponding period of last year. The increase in profit is mainly because of better sales in the quarter.

CORPORATEGOVERNANCE

BestCorporatePractices

Directors are committed to good corporate governance and comply with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 and the Rule Book of Pakistan Stock Exchange. The composition of the Board of Directors (the Board") is as follows:

The total number of Directors are seven as per following:

- Male: Five
- Female: Two

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

The Board has formed committees comprising of members given below:

AuditCommittee

The Board has constituted an Audit Committee consisting of three members including Chairman of the Committee as mentioned below. The committee regularly meets as per requirement of the code. The committee assists the Board in reviewing internal audit manual and internal audit system.

i) Mr. Farid-ud-Din Ahmad (Chairman); and

ii) Mr. Malik Manzoor Hussain Humayoon

iii) Mrs. Sarah Hajra Khan;

HRandRemunerationCommittee

The Board has constituted a Human Resource Committee consisting of three members including Chairman of the committee as mentioned below, in compliance with the Code of Corporate Governance.

i) Mr. Farid-ud-Din Ahmad (Chairman); and

ii) Mr. Malik Manzoor Hussain Humayoon.

iii) Mr. Adnan Ahmed Khan;

NominationCommittee

The Board has constituted a Nomination Committee consisting of two members including Chairman of the committee as mentioned below, in compliance with the Code of Corporate Governance.

i) Mr. Malik Manzoor Hussain Humayoon. (Chairman)

ii) Mr. Farid-ud-Din Ahmad

RiskManagementCommittee

The Board has constituted a Risk Management Committee consisting of two members including Chairman of the committee in compliance with the Code of Corporate Governance.

i) Mr. Malik Manzoor Hussain Humayoon. (Chairman)

ii) Mr. Farid-ud-Din Ahmad

FUTUREOUTLOOK

The Company continues to face challenges of high inflation, higher interest rates, increased sugarcane procurement prices as compared to support price notified by the Government of Punjab.

Considering the prevalent condition of the industry and overall macro-economic instability, the profitability of the company may be affected.

The government must ensure the price of sugar is reflective of the price of sugarcane and other costs in line with prevailing inflation to create a conducive business environment for the industry as well as develop policies to promote agriculture by providing seeds to farmers those are better in yield and recovery.

Going forward the Company is expected to perform better. Though the impact of higher sugarcane prices, higher interest rates and inflationary pressure may subdue the profitability while sugar prices to determine the extent of profitability.

ACKNOWLEDGEMENT

The Directors wish to acknowledge the devotion of the employees and are appreciative of their dedication and commitment. They also extend heartfelt appreciation to the Company's suppliers, customers, and bankers for their continued confidence and support. Like

ForandonbehalfoftheBoard
BabaFaridSugarMillsLimited

Mr.MuhammadShamimKhan
Director

Mrs.QaiserShamimKhan
Chairperson

Lahore: 29th January 2024

ڈائریکٹرز کی جائزہ رپورٹ

بابا فرید شوگر ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے، ہم 31 دسمبر 2023 کو ختم ہونے والی پہلی سہ ماہی کے لئے کمپنی کے غیر نظر ثانی شدہ حسابات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

کاروباری ماحول کا جائزہ

مالی سال 24 کی پہلی سہ ماہی پچھلے سال کے اثرات سے متاثر رہی۔ افراط زر اور شرح سود زیادہ رہی۔ مقامی کرنسی میں استحکام کا رجحان پایا گیا۔ مجموعی طور پر معاشی سرگرمیاں اب بھی بحالی کی راہ پر گامزن ہیں۔ معیشت کے مستقبل کا تعین انتخابات کے بعد کا ماحول کرے گا۔

صنعت کا مجموعی جائزہ

رواں سیزن کے دوران گنے کی فصل کا سائز گزشتہ سال سے کم رہنے کی توقع ہے۔ رواں کرشنگ سیزن 24-2023 کے لئے، پنجاب میں گنے کی امدادی قیمت -/400 روپے فی 40 کلوگرام مقرر کی گئی۔

کمپنی کی کارکردگی

کمپنی نے 31 دسمبر 2023 کو ختم ہونے والی پہلی سہ ماہی کے دوران 190,258.445 میٹرک ٹن گنے کی کرشنگ کی اور 9.860 فیصد اوسط ریکوری کے ساتھ 18,219.500 میٹرک ٹن سفید ریفائنڈ چینی بنائی جبکہ اس کے مقابلے 31 دسمبر 2022 کو ختم ہونے والی پہلی سہ ماہی کے دوران 186,319.230 میٹرک ٹن گنے کی کرشنگ کی اور 9.531 فیصد اوسط ریکوری کے ساتھ 17,077.500 میٹرک ٹن سفید ریفائنڈ چینی بنائی۔

سہ ماہی کی فروخت گزشتہ سال کی اسی مدت سے 79.88 فیصد زیادہ ہوئی۔ گزشتہ سال کی اسی مدت کے دوران 688.298 ملین روپے کے مقابلے حالیہ مالی سال کی پہلی سہ ماہی کے دوران خالص فروخت 1,238.129 ملین روپے درج کی گئی۔

کمپنی نے زیر جائزہ سہ ماہی کے دوران ٹیکس سے قبل 173.874 ملین روپے درج کیا جبکہ گزشتہ سال کی اسی مدت میں ٹیکس سے قبل 76.650 ملین روپے کا نقصان ہوا تھا۔ کمپنی کے منافع میں اضافہ بنیادی طور پر سہ ماہی میں بہتر فروخت کی وجہ سے ہوا ہے۔

کارپوریٹ گورننس

بہترین کارپوریٹ عوامل

ڈائریکٹرز بہتر کارپوریٹ گورننس پر مملد رآمد اور فہرستی کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز 2017 اور پاکستان اسٹاک ایکسچینج کی رُول بک کی ضروریات کو پورا کرتے ہیں۔

بورڈ آف ڈائریکٹرز (بورڈ) کی تشکیل مندرجہ ذیل ہے:

ڈائریکٹرز کی کل تعداد مندرجہ ذیل کے مطابق سات ہے:

مرد: 5

خواتین: 2

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

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

آڈٹ کمیٹی

بورڈ نے مندرجہ ذیل کے مطابق کمیٹی کے چیئرمین سمیت تین ارکان پر مشتمل آڈٹ کمیٹی تشکیل دی ہے۔ کمیٹی باقاعدگی سے ضابطہ کے تقاضوں کو پورا کرتی ہے۔ کمیٹی انٹرنل آڈٹ مینوئل اور انٹرنل آڈٹ سسٹم کے جائزہ میں بورڈ کی مدد کرتی ہے۔

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

ایچ آر اینڈ ریمونریشن کمیٹی

بورڈ نے کوڈ آف کارپوریٹ گورننس کی تعمیل میں، مندرجہ ذیل کے مطابق کمیٹی کے چیئرمین سمیت تین ارکان پر مشتمل ہیومن ریسورس کمیٹی تشکیل دی ہے۔

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

نامینیشن کمیٹی

بورڈ نے کوڈ آف کارپوریٹ گورننس کی تعمیل میں، مندرجہ ذیل کے مطابق کمیٹی کے چیئرمین سمیت دو ارکان پر مشتمل نامینیشن کمیٹی تشکیل دی ہے۔

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

رسک مینجمنٹ کمیٹی

بورڈ نے کوڈ آف کارپوریٹ گورننس کی تعمیل میں، مندرجہ ذیل کے مطابق کمیٹی کے چیئرمین سمیت دو ارکان پر مشتمل رسک مینجمنٹ کمیٹی تشکیل دی ہے۔

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

مستقبل کا نقطہ نظر

کمپنی کو زیادہ افراط زر، بلند شرح سود، حکومت پنجاب کی جانب سے اعلان کردہ امدادی قیمت کے مقابلے گنے کی خریداری کی زیادہ قیمتوں کے چیلنجز کا سامنا ہے۔
صنعت کی موجودہ حالت اور مجموعی میکرو اقتصادی عدم استحکام کو مدنظر رکھتے ہوئے، کمپنی کا منافع متاثر ہو سکتا ہے۔

حکومت لازماً اس بات کو یقینی بنائے کہ چینی کی قیمت موجودہ مہنگائی کے مطابق گنے کی قیمت اور دیگر اخراجات کی عکاسی کرتی ہے تاکہ صنعت کے لئے سازگار کاروباری ماحول پیدا کیا جا سکے اور کاشتکاروں کو بیج فراہم کر کے زراعت کو فروغ دینے کے لئے ایسی پالیسیاں تیار کی جائیں جو پیداوار اور ریکوری میں بہتر ہوں۔

آگے بڑھتے ہوئے، کمپنی سے بہتر کارکردگی کی توقع ہے۔ اگرچہ گنے کی زیادہ قیمتوں، بلند شرح سود اور افراط زر کے دباؤ کے اثرات منافع کو کم کر سکتے ہیں جبکہ چینی کی قیمتیں منافع کی حد کا تعین کرتی ہیں۔

اظہار تشکر

ڈائریکٹرز ملازمین کی لگن کو سراہتے اور ان کی لگن اور عزم کی قدر کرتے ہیں۔ وہ کمپنی کے فراہم کنندگان، صارفین، اور بینکرز کی ان کے مسلسل اعتماد اور تعاون کے لیے بھی دل کی گہرائیوں سے سراہتے ہیں۔

منجانب بورڈ
بابا فرید شوگر ملز لمیٹڈ

جناب محمد شمیم خان
ڈائریکٹر

محترمہ قیصر شمیم خان
چیئرپرسن

لاہور: 29 جنوری 2024ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023 (UN-AUDITED)

	Note	(Un-Audited) 31 December 2023	(Audited) 30 September 2023
		.....(Rupees).....	
ASSETS			
NONCURRENTASSETS			
Property,plantandequipment			
Operating fixed assets	6.1	3,500,336,146	3,512,255,728
Capital work in progress	7.0	3,077,035	1,656,275
		3,503,413,181	3,513,912,003
Long term deposits		525,400	525,400
		3,503,938,581	3,514,437,403
CURRENTASSETS			
Stores, spares and loose tools		191,585,193	189,945,202
Stock in trade	8	1,952,154,840	726,722,121
Trade debts		13,788,370	-
Loans and advances		201,046,486	317,295,182
Short term prepayments and deposits		4,196,291	2,597,585
Other receivables		3,148,372	8,327,829
Short term investment		600,000,000	-
Taxation- Net		36,353,452	-
Tax refund due from Government		-	41,665,004
Cash and bank balances		356,388,522	116,810,909
		3,358,661,526	1,403,363,832
TOTALASSETS		6,862,600,107	4,917,801,235

DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

	Note	(Un-Audited) 31 December 2023	(Audited) 30 September 2023
		.....(Rupees).....	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	9.1	700,000,000	700,000,000
Issued, subscribed and paid up capital	9.2	94,500,000	94,500,000
Reserves			
Revenue reserves - accumulated losses		(2,397,712,206)	(2,565,441,359)
Directors' loans	10	3,002,700,000	3,002,700,000
Surplus on revaluation of fixed assets	11	2,320,440,501	2,330,038,563
		3,019,928,295	2,861,797,204
NON CURRENT LIABILITIES			
Lease liability		7,192,804	7,213,053
Long term Loan (Banking Companies)	12	184,538,150	194,971,400
Long term diminishing musharka	13	240,000,000	270,000,000
Deferred liabilities		371,674,333	371,932,435
		803,405,287	844,116,888
CURRENT LIABILITIES			
Trade and other payables		756,616,990	213,111,524
Contract liabilities		368,818,780	408,485,470
Unclaimed dividend		255,930	255,930
Due to Pattoki Sugar Mills Limited		13,550,484	15,552,242
Short term borrowings	14	1,445,917,902	100,000,000
Mark-up accrued		299,073,527	305,335,771
Taxation- net		-	4,723,343
Current portion of long term liabilities		155,032,912	164,422,863
		3,039,266,525	1,211,887,143
CONTINGENCIES AND COMMITMENTS	15		
TOTAL EQUITY AND LIABILITIES		6,862,600,107	4,917,801,235

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE QUARTER ENDED 31 DECEMBER 2023 (UN-AUDITED)

	Note	(Un-Audited) 31December 2023	(Un-Audited) 31 December 2022
		.....(Rupees).....	
Revenue from contracts with customers	16	1,238,129,620	688,298,541
Cost of sales	17	(969,282,609)	(754,532,135)
Gross Profit / (Loss)		268,847,011	(66,233,594)
Selling and distribution expenses		(7,127,646)	(6,070,452)
General and administrative expenses		(64,580,623)	(30,772,138)
Other income		31,251,962	57,462,423
		(40,456,307)	20,619,833
Operating Profit / (Loss)		228,390,704	(45,613,761)
Financial charges		(54,516,449)	(31,036,087)
Profit / (Loss) before taxation		173,874,255	(76,649,848)
Taxation		(15,743,164)	6,291,103
Profit / (Loss) after taxation		158,131,091	(70,358,745)
Earning / (Loss) per share - Basic and diluted (Rupees)		16.73	(7.45)

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

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED 31 DECEMBER 2023 (UN-AUDITED)

	Note	31 December 2023	31 December 2022
		.....(Rupees).....	
Profit / (Loss) after taxation for the period		158,131,091	(70,358,745)
Other comprehensive income			
Items that will not be reclassified to the statement of profit or loss			
Remeasurement of defined benefit liability		-	-
Related tax effect		-	-
		-	-
Surplus on revaluation of operating fixed assets		-	-
Related tax effect		-	-
		-	-
Items that may be reclassified to the statement of profit or loss in subsequent periods			
		-	-
Total comprehensive Income / (loss) for the period		158,131,091	(70,358,745)

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED 31 DECEMBER 2023 (UN-AUDITED)

	Note	Issued, subscribed andpaid-up capital	Surpluson revaluationof fixed assets	Directors' loans	Revenue Reserves	Total
		Ordinary shares			Accumulated losses	
		Rupees				
BalanceasatOctober01,2022		94,500,000	2,371,408,110	3,002,700,000	(2,696,855,317)	2,771,752,793
Loss for the Period		-	-	-	(70,358,745)	(70,358,745)
Remeasurement of defined benefit liability - net		-	-	-	-	-
Surplus on revaluation of fixed assets		-	-	-	-	-
Transfer from surplus on revaluation of fixed assets incremental depreciation-net of deferred tax		-	(10,686,350)	-	10,686,350	-
Director contribution	10	-	-	-	-	-
		-	(10,686,350)	-	(59,672,395)	(70,358,745)
BalanceasatDecember31,2022		94,500,000	2,360,721,760	3,002,700,000	(2,756,527,712)	2,701,394,048
Balance as at October 01, 2023		94,500,000	2,330,038,563	3,002,700,000	(2,565,441,359)	2,861,797,204
Profit for the Period		-	-	-	158,131,091	158,131,091
Remeasurement of defined benefit liability - net		-	-	-	-	-
Surplus on revaluation of fixed assets		-	-	-	-	-
Transfer from surplus on revaluation of fixed assets incremental depreciation-net of deferred tax		-	(9,598,062)	-	9,598,062	-
Director contribution		-	-	-	-	-
		-	(9,598,062)	-	167,729,153	158,131,091
BalanceasatDecember31,2023		94,500,000	2,320,440,501	3,002,700,000	(2,397,712,206)	3,019,928,295

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE QUARTER ENDED 31 DECEMBER 2023 (UN-AUDITED)

	Note	31 December 2023	31 December 2022
		.....(Rupees).....	
Cash flows from operating activities			
Profit / (Loss) before tax		173,874,255	(76,649,848)
Adjustments for items not involving movement of funds:			
Profit on Investment		1,285,065	-
Liabilities written back		-	(3,607,770)
Depreciation		27,764,667	27,772,139
Financial charges		54,516,449	31,036,087
Net cash flow before working capital changes		257,440,436	(21,449,392)
Decrease/(increase)incurrentassets			
Stores, spares and loose tools		(1,639,991)	(17,069,999)
Stock in trade		(1,225,432,719)	(832,881,505)
Trade debts		(13,788,370)	40,493
Loans and advances		116,248,696	53,440,013
Short term prepayments and deposits		(1,598,706)	135,193
Other receivables		5,179,457	(2,857,368)
		(1,121,031,633)	(799,193,173)
Increase/(decrease)incurrentliabilities			
Trade and other payables		503,838,776	746,859,567
Cash used in from operations		(359,752,421)	(73,782,998)
Taxes paid		(16,564,718)	(10,722,150)
Gratuity Paid		(258,102)	(748,438)
Financial charges paid		(60,778,693)	(34,420,392)
Net cash used in from operating activities		(437,353,934)	(119,673,978)
Cash flows from investing activities			
Additions to operating fixed assets		(15,845,086)	(18,705,256)
(Additions) to / transfer from capital work in progress		(1,420,760)	3,414,687
Short term Investment		(600,000,000)	-
Long term deposits		-	-
Net cash used in investing activities		(617,265,846)	(15,290,569)
Cash flows from financing activities			
Loan (repaid) / obtained during the period		(48,331,133)	266,666,667
Long term diminishing musharka obtained		-	-
Due to Pattoki Sugar Mills Limited (PSML)		(2,001,758)	(280,001)
Short term Borrowing - Net		1,345,917,902	121,616,407
Lease liability paid		(1,387,618)	(1,531,961)
Directors'contribution		-	-
Net cash generated from financing activities		1,294,197,393	386,471,112
Net (decrease) / increase in cash and cash equivalents		239,577,613	251,506,565
Cash and cash equivalents at the beginning of the Period		116,810,909	225,531,346
Cash and cash equivalents at the end of the Period		356,388,522	477,037,911

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED 31 DECEMBER 2023 (UN-AUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

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

1.1 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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

2. BASIS OF PREPARATION

The condensed interim financial information is not audited and has been presented in condensed form and does not include all the information as is required to be provided in a full set of annual financial statements. This condensed interim financial information should be read in conjunction with the audited financial statements of the company for the year ended 30 September 2023.

The comparative figures as at 30 September 2022 in the condensed interim statement of financial position and the related notes to the condensed interim financial information are based on audited financial statements. The comparative condensed interim profit & loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and related notes to the condensed interim financial information for the quarter ended 31 December 2023 are based on un-audited condensed interim financial information. The condensed interim profit & loss account and condensed interim statement of other comprehensive income for the quarters ended 31 December 2023 and 31 December 2022 are neither audited nor reviewed.

3. STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act , 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

4. USEOFESTIMATESANDJUDGMENT

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

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

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

- *Staff retirement benefits*
- *Provisions*
- *Deferred taxation*
- *Contingencies*
- *Usefullifeofdepreciableassets*

5. SIGNIFICANTACCOUNTINGPOLICIES

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

5.1 Accountingconvention

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

5.2 Functionalandpresentationcurrency

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

6. PROPERTY,PLANT&EQUIPMENT

	Note	(Un-Audited) 31December 2023	(Audited) 30Sept ember 2023
		.....(Rupees).....	
Operating fixed assets	6.1	3,481,398,030	3,492,165,517
Right of use assets	6.2	18,938,116	20,090,211
		3,500,336,146	3,512,255,728

	Note	(Un-Audited) 31 December 2023	(Audited) 30 Sept ember 2023
6.1 Operating Fixed Assets		.....(Rupees).....	
Opening net book value (NBV)		3,492,165,517	3,550,648,365
Additions (at cost) during the period / year		15,845,086	58,077,999
		3,508,010,603	3,608,726,364
Disposals (at NBV) during the period / year		-	(5,747,136)
Depreciation charged during the period / year		(26,612,573)	(110,813,711)
		(26,612,573)	(116,560,847)
Closing net book value (NBV)		3,481,398,030	3,492,165,517
Details of additions (at cost) during the period / year are as follows:			
Building on freehold land		1,892,406	15,575,219
Plant and machinery		12,540,000	13,832,101
Electrical installation		506,214	10,332,730
Furniture & fixtures		408,820	610,827
Tools and equipment		206,400	13,237,117
Office equipment		-	155,877
Vehicles		131,271	2,791,082
Computer and allied equipments		159,975	1,543,046
		15,845,086	58,077,999
6.2 Right of use assets			
Vehicles	6.3	10,673,369	11,235,125
Agricultural land	6.4	8,264,747	8,855,086
		18,938,116	20,090,211
6.3 The following is the statement of right of use assets:			
Vehicle			
Net carry value basis			
Opening net book value		11,235,125	14,848,919
Addition during the year		-	37,590
Transferred to operating fixed assets		-	(968,451)
Depreciation		(561,756)	(2,682,933)
		10,673,369	11,235,125
Gross carry value basis			
Cost		17,644,280	19,386,220
Addition during the year		-	37,590
Transferred to operating fixed assets		-	(1,779,530)
Accumulated depreciation		(6,970,911)	(6,409,155)
Net book value		10,673,369	11,235,125
Depreciation rate % per annum		20%	20%

This represents vehicles obtained on finance lease from Bank Al Habib Limited.

	(Un-Audited) 31 December 2023	(Audited) 30 Sept ember 2023
6.4 Agriculturalland	.....(Rupees).....	
Netcarryingvaluebasis		
Opening net book value	8,855,086	-
Addition during the year	-	9,445,425
Transferred to operating fixed assets	-	-
Depreciation	(590,339)	(590,339)
	8,264,747	8,855,086
Grosscarryingvaluebasis		
Cost	9,445,425	9,445,425
Additionduringtheyear	-	-
Transferred to operating fixed assets	-	-
Accumulated depreciation	(1,180,678)	(590,339)
Net book value	8,264,747	8,855,086
Depreciationrate%perannum	25%	25%

This represents obtained of agriculture land on lease from various individual for agriculture purposes to grow the sugarcanes and seed experiments.

7. CAPITALWORKINPROGRESS

This comprises of:		
Building	3,077,035	1,656,275
Plantandmachinery	-	-
	3,077,035	1,656,275

	Building	Plantand machinery	Total
7.1 Movementofcarryingamount	..... Rupees		
PeriodendedDecember31,2023			
Opening balance	1,656,275	-	1,656,275
Additions (at cost)	3,140,206	-	3,140,206
Transferred to operating fixed assets	(1,719,446)	-	(1,719,446)
Closing balance	3,077,035	-	3,077,035
YearendedSeptember30,2023			
Opening balance	4,318,237	-	4,318,237
Additions (at cost)	5,509,693	-	5,509,693
Transferred to operating fixed assets	(8,171,655)	-	(8,171,655)
Closing balance	1,656,275	-	1,656,275

		(Un-Audited) 31December 2023	(Audited) 30Sept ember 2023
8.	**STOCKINTRADE**	.....(Rupees).....	
	Work-in process:		
	Sugar	63,480,000	9,404,221
	Molasses	9,377,790	2,935,690
		72,857,790	12,339,911
	Finished goods:		
	Sugar	1,691,212,800	714,322,740
	Molasses	188,084,250	59,470
		1,879,297,050	714,382,210
		1,952,154,840	726,722,121

9. SHARECAPITAL

9.1 Authorizedsharecapital

31December 2023 Numberofordinarysharesof Rs.10/-each	30Sept ember 2023 Numberofordinarysharesof Rs.10/-each	31December 2023	30Sept ember 2023
70,000,000	70,000,000	700,000,000	700,000,000

9.2 Issued,subscribedandpaidupcapital

31December 2023 Numberofordinarysharesof Rs.10/-each	30Sept ember 2023 Numberofordinarysharesof Rs.10/-each	31December 2023	30Sept ember 2023
6,400,000	6,400,000	64,000,000	64,000,000
3,050,000	3,050,000	30,500,000	30,500,000
9,450,000	9,450,000	94,500,000	94,500,000

10. DIRECTORS'LOANS

Unsecured		
Directors		
Others (other than banking companies)	3,002,700,000	3,002,700,000

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

	Note	(Un-Audited) 31 December 2023	(Audited) 30 Sept ember 2023
11. SURPLUS ON REVALUATION OF FIXED ASSETS		.....(Rupees).....	
Balance brought forward		2,571,346,693	2,629,613,660
Less:			
Transferred to equity in respect of incremental depreciation charged during the period - (net of deferred tax)		9,598,062	41,369,547
Related deferred tax liability during the period transferred to profit and loss account		3,920,335	16,897,420
		13,518,397	58,266,967
		2,557,828,296	2,571,346,693
Less: Related deferred tax effect:			
Balance as at October 01		241,308,130	258,205,550
Effect of change in rate		-	-
Deferred tax impact for the period		-	-
Incremental depreciation charged during the period transferred to profit and loss account		(3,920,335)	(16,897,420)
		237,387,795	241,308,130
		2,320,440,501	2,330,038,563
12. LONG TERM LOAN (BANKING COMPANIES)			
Secured:			
Bank Al Habib Limited	12.1	244,529,350	259,527,150
Allied Bank Limited		33,333,335	66,666,668
		277,862,685	326,193,818
Current portion shown under current liabilities		(93,324,535)	(131,222,418)
		184,538,150	194,971,400

12.1 This is a term loan obtained from Bank Al Habib Limited with approved limit of Rs. 300 million and carries mark-up at the rate of 3 months average KIBOR plus 1% per annum. This facility is secured against the personal guarantees of directors, corporate guarantees of M/s Al- Moiz Industries Limited (associated Company), subordination of directors loans and pari passu charge over present and future fixed asset of the Company (land, building, plant & machinery) with 25% margin amounting to Rs. 667 million.

12.2 This is revolving agri facility with approved limit of Rs. 200 million and carries the markup at the rate of three month average KIBOR plus 1% per annum. This facility is secured against the personal guarantees of directors, corporate guarantees of M/s Al-Moiz Industries Limited (Associated Company), subordination of directors loans and pari passu charge over present and future fixed asset of the Company (land, building, plant & machinery) with 25% margin amounting to Rs. 267 million.

	Note	(Un-Audited) 31 December 2023	(Audited) 30 Sept ember 2023
13. LONG TERM DIMINISHING MUSHARAKA		.....(Rupees).....	
Secured - banking companies			
National Bank of Pakistan			
(Islamic mode)	25.1	300,000,000	300,000,000
"Current portion shown under current liabilities"		(60,000,000)	(30,000,000)
		240,000,000	270,000,000

13.1 This is a term loan obtained from National Bank of Pakistan-Aitemaad with approved limit of Rs. 300 million and carries mark-up at the rate of 6 months KIBOR plus 1.50% per annum. This facility is secured against the personal guarantees of directors and first pari passu charge of Rs. 400 million on present and future fixed asset of the Company with 25% margin to be registered with SECP including constructive equitable mortgage of land and hypothecation of plant and machinery of Company.

14. SHORT TERM BORROWING

Secured:			
Cash Finance	14.1	1,345,917,902	-
Short term Agri finance	14.2	100,000,000	100,000,000
Running Finance		-	-
		1,445,917,902	100,000,000

14.1 During the period the Company had availed cash finance facilities from various banks aggregated to Rs. 1,345.918 million that carries mark-up which range from one month KIBOR to six month KIBOR plus 0.75% to 1% per annum on utilized limits. These facilities were secured against pledge of white refined sugar bags at 5% to 23% margin, personal guarantees of the directors and subordination of loan from directors.

14.2 This represents the financing facility for procurement and supply of agricultural inputs to growers of the Company aggregated to Rs. 200 million. This facility carries the markup at the rate of relevant KIBOR plus 1% p.a. This facility is secured against the personal guarantees of directors, corporate guarantees of M/s Al- Moiz Industries Limited (Associated Company), subordination of directors loan and pari passu charge over present and future fixed assets of the Company.

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingent liabilities

There has been no significant change in the status of contingencies as reported in the preceding published annual financial statements of the Company for the year ended September 30, 2023 except for the following:

a) Income tax audit for Tax Year 2017 u/s 177 of Income Tax Ordinance, 2001 was selected by Commissioner Income Tax through his discretionary powers vested under this section. The DCIR has created a demand amounting to Rs. 1,584.580 million. The Company has challenged it before CIR (Appeals) and the CIR (A) confirmed the decision of DCIR. which is pending from the decision of the CIR (A), the company had filed an appeal before ITAT. The ITAT has granted stay against the case. The Company is confident of favorable outcome. All the other cases for tax year 2015, 2016, 2018 and 2019 has been decided in favour of the comapny.

b) The DCIR issued an assessment order against the Company under the Sales Tax Act, 1990 by mentioning that the Company had claimed Input tax in violation of Section 8 of the Act, for the period July 2021 to June 2022 and raised a demand of Rs. 12.103 million. Being aggrieved from the decision of the assessing officer, the Company had filed an appeal before the CIR (A). The Company is confident to defend the case on the basis of legal grounds available in the law.

c) The DCIR issued an assessment order against the Company under the Sales Tax Act, 1990 by mentioning that the Company had claimed Input tax in violation of Section 8 of the Act, for the period October 2021 to September 2022 and raised a demand of Rs. 22.670 million. Being aggrieved from the decision of the assessing officer, the Company had filed an appeal before the CIR (A). The Company is confident to defend the case on the basis of legal grounds available in the law.

15.2 Commitments

The Company is committed as at the balance sheet date in respect of lease payments.

	(Un-Audited) 31 December 2023	(Un-Audited) 31 December 2022
16. REVENUE FROM CONTRACTS WITH CUSTOMERS	.....(Rupees).....	
Sales		
Manufacturing-local		
Sugar	1,393,961,827	631,928,289
By products sales:		
Molasses	59,191,986	129,821,940
Baggasse	-	17,963,533
V.F. `Cake	8,104,873	3,838,430
	67,296,859	151,623,903
Less: Sales tax		
Sugar	(212,638,245)	(91,818,640)
Molasses	-	-
Baggasse	(9,029,286)	(2,877,290)
V.F. Cake	(1,461,535)	(557,721)
	(223,129,066)	(95,253,651)
	1,238,129,620	688,298,541

17. COSTOFSALES

	(Un-Audited) 31December 2023	(Audited) 30Sept ember 2023
	.....(Rupees).....	
Cane Procurement and expenses thereon	1,994,534,928	1,416,608,497
Stores, spares and consumables	6,135,129	10,339,275
Packing materials consumed	17,952,649	13,839,062
Chemicals consumed	12,263,300	7,882,430
Salaries, wages and other benefits	58,502,584	45,107,882
Fuel and power	9,372,583	5,002,874
Repair and maintenance	59,192,707	52,315,304
Depreciation	26,072,721	26,885,116
Vehicle running expenses	3,994,661	2,697,435
Insurance	1,061,155	988,046
Fee and subscription	81,110	30,000
Other factory overheads	5,551,801	5,717,719
	2,194,715,328	1,587,413,640
Work in process		
Opening	12,339,911	5,413,703
Closing	(72,857,790)	(76,213,107)
	(60,517,879)	(70,799,404)
Cost of goods manufactured	2,134,197,449	1,516,614,236
Finishedgoods		
Opening	714,382,210	530,146,487
Closing	(1,879,297,050)	(1,292,228,588)
	(1,164,914,840)	(762,082,101)
	969,282,609	754,532,135

18. TRANSACTIONSANDBALANCESWITHRELATEDPARTIES

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

Nameofparties	Natureofrelationship	Natureofbalance	(Un-Audited) 31December 2023	(Audited) 30September 2023
			Closing balance	Closing balance
			Rupees	
Naubahar Bottling Co. (Pvt) Limited	Associated Company	Mark-up payable	264,084,254	264,084,254
The Thal Industries Corporation Limited	Associated Company	Payable-Net	-	-
Al-Moiz Industries Limited	Associated Company	Payable-Net	12,883,497	-
Directors/shareholders				
Mr. Muhammad Shamim Khan	Director	Directors' loan	1,356,300,000	1,356,300,000
Mrs. Qaiser Shamim Khan	Director	Directors' loan	1,199,600,000	1,199,600,000
Mr. Adnan Ahmed Khan	Director	Directors' loan	367,000,000	367,000,000
Mr. Nauman Ahmed Khan	Director	Directors' loan	79,800,000	79,800,000

18.1 Basis of relationship with the company

In respect of associated companies incorporated inside Pakistan with whom the company had enteredintotransactionduringtheperiodalongwithbasisofrelationshipisasfollows

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

18.2

NameofRelatedParty	Relationship	BasisofRelationship	Quarterended	
			31December 2023	31December 2022
NaubaharBottlingCoPvtLimited	AssociatedCompany	CommonDiretorship		
Amount received			-	200,000,000
AlmoizIndustriesLimited	AssociatedCompany	CommonDiretorship		
Sale of scrap			12,883,497	21,262,034
Purchase of Goods			-	19,087,263
TheThalIndustriesCorporation Limited	AssociatedCompany	CommonDiretorship		
Other purchases			-	1,425,000

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

19. FINANCIALRISKMANAGEMENTANDFAIRVALUEDISCLOSURES

These condensed interim financial statements do not include all financial risk, management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2023. There have been no changes in any risk management policies since the year end. The carrying values of all financial and non-financial assets and liabilities are measured at other than amortized cost in these condensed interim financial statements to approximate their fair values.

20. CORRESPONDINGFIGURES

Corresponding figures have been rearranged and reclassified, whenever necessary to reflect more appropriatepresentationofeventsandtransactionsforthepurposeofcomparisoninaccordance with the accounting and reporting standards as applicable in Pakistan.

21. SEASONALITY

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

22. DATEOFAUTHORIZATIONOFISSUE

These financial statements were authorized for issue on January 29, 2024 by the Board of Directors of the Company.

23. GENERAL

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

DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER


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