

HALF YEAR REPORT

CONDENSED INTERIM
FINANCIAL STATEMENTS
For the Half Year Ended
31 March 2024
(Un-audited)

2024



BABA FARID
SUGAR MILLS LIMITED



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COMPANY INFORMATION

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

Mr. Wasif Mahmood

COMPANY SECRETARY

Mr. Muhammad Imran

AUDITORS

M/s BDO Ebrahim & Co.
Chartered Accountants
Office No. 4, 6th Floor, Askari Corporate Tower, 75/76
D-1, Main Boulevard, Gulberg-III, Lahore
Tel: 042-35875709-10
Fax: 042-35717351
Email: info@bdo.com.pk

MILLS

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

BANKERS

Habib Bank Limited
Bank Al-Habib Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
Bank Alfalah Limited
Soneri Bank Limited
Allied Bank Limited
Askari Bank Limited
National Bank of Pakistan - Aitemad



HUMAN RESOURCES & REMUNERATION COMMITTEE

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

AUDIT COMMITTEE

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

NOMINATION COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

SHARE REGISTRAR

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

REGISTERED OFFICE

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

LEGAL ADVISOR

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

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 exceed the expectations of all our stakeholders.

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 method to the growers and to educate regarding latest developments of agriculture technology and free consultancy of professionals.

OUR MISSION

We aim to be a leading producer and supplier of quality sugar by adopting the most technological advancement. We intend to play a pivotal role in the economic development of Pakistan.



DIRECTORS' REVIEW

On behalf of the Board of Directors, we are pleased to present the performance review of your Company together with the unaudited financial statements for the period that ended on March 31st, 2024.

ECONOMIC & INDUSTRY OVERVIEW

During the half year under review, Pakistan's economy struggled with notable challenges characterized by consistent inflation and uncertainty at both economic and political fronts leading to stagnant policy rate of 22% by the State Bank of Pakistan. Despite efforts such as curbing unnecessary imports and crack down on smuggling, economic indicators depict mixed performance across various sectors during the review period. While the pace of economic recovery remains gradual, there is a consistent effort to rebuild business confidence. Persistent challenges such as sharply increasing cost of living, increased cost of doing business, consistently higher KIBOR rates and ongoing energy cost escalation continue to present obstacles to economic growth.

During the period under review, growers reported higher yields per acre compared to last year, however, industry's recoveries decreased due to adverse climate conditions and flooding in the region.

For the current crushing season 2023-24, the notified support price of sugarcane was Rs. 400/- per 40 kg in Punjab & KPK and Rs. 425/- per 40 kg in the province of Sindh. Crushing commenced on 25th November 2023. Average sugarcane purchase cost remained higher than the support price.

PERFORMANCE OF THE COMPANY

The Company was able to crush 524,174.100 M. Tons sugarcane and produced 52,798.400 M. Tons of white refined sugar at an average recovery of 10.068% during the Period ended 31 March 2024 as compared to 31 March 2023, sugarcane crushing of 455,913.605 M. Tons and the production of 45,338.900 M. Tons white refined sugar at an average recovery of 9.956%

Net sales were recorded at Rs. 1,681.209 million during the period under review as compared to Rs. 1,205.687 million during the corresponding period of last year.

The Company incurred pretax loss of Rs. 169.008 million during the current six months as compared to pretax loss of Rs. 49.235 million in the corresponding period of last year. The main factor of this loss is the high interest cost. Other important factors include high cane procurement price and subdued sugar prices.

FUTURE OUTLOOK

While the sugarcane support price has been increased substantially, sugar prices remained subdued due to the availability of excess stock.

The Company's operating environment will likely remain challenging in light of the difficult macro-economic conditions. Consequently, the Company continues to focus on plans that focus on bringing efficiency and reduce costs.

Though the impact of higher sugarcane prices and higher interest rates may subdue the profitability while sugar prices to determine the extent of profitability. It is expected that Company will improve further in its operations and this is essentially due to better management and commitment by professional management and its team. These ingredients will hopefully revive the Company on overall basis.

CORPORATE GOVERNANCE

Best Corporate Practices

Directors are committed to good corporate governance and comply with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 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
Independent Directors	Mr. Farid-ud-Din Ahmad Mr. Malik Manzoor Hussain Humayoon
Executive Directors	Mr. Adnan Ahmed Khan (CEO) Mr. Muhammad Shamim Khan
Non-Executive Directors	Mrs. Qaiser Shamim Khan Mr. Nauman Ahmed Khan Mrs. Sarah Hajra Khan

ADEQUACY OF INTERNAL CONTROLS

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

ACKNOWLEDGEMENT

The Directors 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.

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



Mr. Muhammad Shamim Khan
Director

Lahore: 24th May 2024



Adnan Ahmed Khan
Chief Executive Officer

ڈائریکٹرز کی جائزہ رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے، ہم 31 مارچ 2024 کو ختم ہونے والی پہلی ششماہی کے لئے کمپنی کے غیر نظر ثانی شدہ مالی حسابات کے ہمراہ کمپنی کی کارکردگی کا جائزہ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

اقتصادی اور صنعتی جائزہ

زیر جائزہ ششماہی کے دوران پاکستان کی معیشت کو قابل ذکر مشکلات کا سامنا کرنا پڑا جس میں مسلسل افراط زر اور دونوں معاشی اور سیاسی محاذوں پر غیر یقینی صورتحال شامل ہے جس کی وجہ سے اسٹیٹ بینک آف پاکستان کی جانب سے پالیسی ریٹ 22 فیصد پر برقرار رہا۔ غیر ضروری درآمدات کو روکنے اور اسٹاکنگ کے خلاف کریک ڈاؤن جیسی کوششوں کے باوجود، زیر جائزہ مدت کے دوران مختلف شعبوں میں اقتصادی اشارے مخلوط کارکردگی کی عکاسی کرتے ہیں۔ اگرچہ معاشی بحالی کی رفتار ہتدرتجست رہی ہے، کاروباری اعتماد کی بحالی کے لئے مستقل کوششیں کی جارہی ہے۔ زندگی گزارنے کی لاگت میں تیزی سے اضافہ، کاروبار کرنے کی لاگت میں اضافہ، کابھری شرح میں مسلسل اضافہ اور توانائی کی لاگت میں مسلسل اضافے جیسی مستقل مشکلات معاشی نمو کی راہ میں رکاوٹیں ڈال رہی ہیں۔

زیر جائزہ مدت کے دوران، کاشتکاروں نے گزشتہ سال کے مقابلے میں فی ایکڑ زیادہ پیداوار بیان کی ہے۔ تاہم، خطے میں خراب موسمی حالات اور سیلاب کی وجہ سے انڈسٹری کی ریکوری کم رہی۔

موجودہ کرشنگ سیزن 2023-24 کیلئے پنجاب اور کے پی کے میں گنے کی امدادی قیمت -/400 روپے فی 40 کلوگرام اور صوبہ سندھ میں -/425 روپے 40 کلوگرام کا اعلان کیا گیا ہے۔ موجودہ سیزن میں کرشنگ 25 نومبر 2023 کو شروع ہوئی۔ گنے کی اوسط قیمت خرید امدادی قیمت سے زیادہ رہی ہے۔

کمپنی کی کارکردگی

کمپنی نے 31 مارچ 2024 کو ختم ہونے والی پہلی ششماہی کے دوران 524,174,100 میٹرک ٹن گنے کی کرشنگ کی اور 10.068 فیصد اوسط ریکوری کے ساتھ 52,798.400 میٹرک ٹن سفید ریٹائنڈ چینی بنائی جبکہ اس کے مقابلے 31 مارچ 2023 کو ختم ہونے والی پہلی ششماہی کے دوران 455,913.605 میٹرک ٹن گنے کی کرشنگ کی اور 9.956 فیصد اوسط ریکوری کے ساتھ 45,338.900 میٹرک ٹن سفید ریٹائنڈ چینی بنائی۔

گزشتہ سال کی اسی مدت میں 1,205.687 ملین روپے خاص فروخت کے مقابلے زیر جائزہ مدت کے دوران 1,681.008 ملین روپے درج کی گئی۔

کمپنی کو زیر جائزہ ششماہی کے دوران ٹیکس سے قبل 169.008 ملین روپے کا نقصان ہوا جبکہ گزشتہ سال کی اسی مدت میں ٹیکس سے قبل 49.235 ملین روپے کا نقصان ہوا تھا۔ اس نقصان کا اہم عنصر زیادہ شرح سود لاگت ہے۔ دیگر اہم عناصر میں گنے کی خریداری کی زیادہ قیمتیں اور چینی کی کم قیمتیں شامل ہیں۔

مستقبل کا نقطہ نظر

اگرچہ گنے کی امدادی قیمت میں خاطر خواہ اضافہ کیا گیا ہے، لیکن اضافی اسٹاک کی دستیابی کی وجہ سے چینی کی قیمتیں کم رہیں۔ مشکل میکر واکٹنا مک حالات کی روشنی میں کمپنی کا آپریٹنگ ماحول مہمکن طور پر مشکل رہے گا۔ نتیجتاً، کمپنی کی توجہ ان منصوبوں پر مرکوز رہی ہے جو کارکردگی بڑھانے اور اخراجات کو کم کرتے ہیں۔

اگرچہ گنے کی زیادہ قیمتوں اور بلند شرح سود کے اثرات منافع کو کم کر سکتے ہیں جبکہ چینی کی قیمتیں منافع کی حد کا تعین کرتی ہیں۔ یہ توقع کی جارہی ہے کہ کمپنی اپنے آپریٹنگ مہم مزید بہتری لانے کی اور یہ بنیادی طور پر پیشہ ورانہ بیجمنٹ اور اس کی ٹیم کی طرف سے بہتر انتظامات اور ان کے عزم کی وجہ سے ضروری ہے۔ امید ہے کہ یہاں جمعی طور پر کمپنی کو بحال کریں گے۔

کارپوریٹ گورننس

بہترین کارپوریٹ عوام

ڈائریکٹرز، بہترین کارپوریٹ گورننس پر عملدرآمد اور فہرست مینجمنٹ (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز، 2017 اور پاکستان اسٹاک ایکسچینج کی رول 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 باجرہ خان

مناسب داخلی مالیاتی کنٹرول


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

اظہار تشکر

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

منجانب بورڈ

بابا فرید شوگر ملز لمیٹڈ



جناب محمد شمیم خان
ڈائریکٹر



عدنان احمد خان
چیف ایگزیکٹو آفیسر

لاہور: 24 مئی 2024ء



INDEPENDENT AUDITORS' REVIEW REPORT

TO THE MEMBERS OF THE BABA FARID SUGAR MILLS LIMITED REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

INTRODUCTION

We have reviewed the accompanying condensed interim statement of financial position of BABA FARID SUGAR MILLS LIMITED (the "Company") as at March 31, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

SCOPE OF REVIEW

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

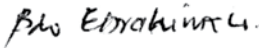
CONCLUSION

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

OTHER MATTER

The figures for the quarters ended March 31, 2024 and March 31, 2023 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended March 31, 2024.

The engagement partner on the review resulting in this independent auditor's review report is Sajjad Hussain Gill.



BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Lahore: May 30, 2024
UDIN: RR202410087XZgOJ81qn

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024 (UN-AUDITED)

	Note	(Un-Audited) 31 March 2024	(Audited) 30 September 2023
	 (Rupees)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	8	3,463,266,351	3,492,165,517
Right of use assets	9	12,643,949	20,090,211
Capital work in progress	10	7,639,239	1,656,275
		3,483,549,539	3,513,912,003
Long term deposits		197,600	525,400
		3,483,747,139	3,514,437,403
CURRENT ASSETS			
Stores, spares and loose tools	11	236,794,521	189,945,202
Stock in trade	12	5,732,156,879	726,722,121
Short term investment	13	306,400	-
Trade debts		1,236,784	-
Loans and advances	14	248,543,544	317,295,182
Short term deposits and prepayments		1,908,112	2,597,585
Other receivables		3,455,543	8,327,829
Tax refund due from the Government		40,166,247	41,665,004
Cash and bank balances	15	219,501,213	116,810,909
		6,484,069,243	1,403,363,832
TOTAL ASSETS		9,967,816,382	4,917,801,235



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

	Note	(Un-Audited) 31 March 2024 (Rupees)	(Audited) 30 September 2023
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	16.1	700,000,000	700,000,000
Issued, subscribed and paid up share capital	16.2	94,500,000	94,500,000
Reserves			
Revenue reserves - accumulated losses		(2,728,747,253)	(2,565,441,359)
Directors' loans	17	3,002,700,000	3,002,700,000
Surplus on revaluation of fixed assets		2,310,842,439	2,330,038,563
		2,679,295,186	2,861,797,204
NON CURRENT LIABILITIES			
Long term loan	18	164,975,800	194,971,400
Long term diminishing musharaka	19	240,000,000	270,000,000
Lease liabilities	20	5,765,469	7,213,053
Deferred liabilities		368,800,004	371,932,435
		779,541,273	844,116,888
CURRENT LIABILITIES			
Trade and other payables	21	210,533,687	213,111,524
Contract liabilities	22	459,190,443	408,485,470
Unclaimed dividend		255,930	255,930
Due to Pattoki Sugar Mills Limited	23	13,550,484	15,552,242
Short term borrowing	24	5,178,770,197	100,000,000
Mark-up accrued		516,485,992	305,335,771
Taxation -net		3,685,279	4,723,343
Current portion of long term liabilities		126,507,911	164,422,863
		6,508,979,923	1,211,887,143
TOTAL EQUITY AND LIABILITIES			
		9,967,816,382	4,917,801,235
CONTINGENCIES AND COMMITMENTS			
	25		

The annexed notes from 1 to 40 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE HALF YEAR ENDED 31 MARCH 2024 (UN-AUDITED)

	Note	Half year ended 31 March		Quarter ended 31 March	
		2024	2023	2024	2023
	 (Rupees)			
Sales - net	26	1,681,208,826	1,205,686,914	443,079,206	517,388,373
Cost of sales	27	(1,504,554,469)	(1,095,977,602)	(535,271,860)	(341,445,467)
Gross profit / (loss)		176,654,357	109,709,312	(92,192,654)	175,942,906
Selling and distribution expenses		(18,656,681)	(28,959,698)	(11,529,035)	(22,889,246)
General and administrative expenses		(83,386,075)	(68,154,594)	(18,805,452)	(37,382,456)
Other operating expenses		(857,975)	(948,710)	(857,975)	(948,710)
Other operating income	28	62,115,770	95,901,175	30,863,808	38,438,752
		(40,784,961)	(2,161,827)	(328,654)	(22,781,660)
Operating profit / (loss)		135,869,396	107,547,485	(92,521,308)	153,161,246
Financial charges		(304,877,732)	(156,782,738)	(250,361,283)	(125,746,651)
(Loss) / profit before taxation		(169,008,336)	(49,235,253)	(342,882,591)	27,414,595
Taxation	29	(13,493,682)	3,900,313	2,249,482	(2,390,790)
(Loss) / profit after taxation		(182,502,018)	(45,334,940)	(340,633,109)	25,023,805
(Loss) / earning per share - basic and diluted (Rupees)	30	(19.31)	(4.80)	(36.05)	2.65

The annexed notes from 1 to 40 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

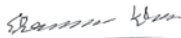
FOR THE HALF YEAR ENDED 31 MARCH 2024 (UN-AUDITED)

	Half year ended 31 March		Quarter ended 31 March	
	2024	2023	2024	2023
 (Rupees).....			
(Loss) / profit for the period	(182,502,018)	(45,334,940)	(340,633,109)	25,023,805
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	(182,502,018)	(45,334,940)	(340,633,109)	25,023,805

The annexed notes from 1 to 40 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 MARCH 2024 (UN-AUDITED)

	Issued, subscribed and paid-up share capital	Surplus on revaluation of fixed assets	Directors' loans	Accumulated loss (Revenue reserves)	Total
Rupees					
Balance as at October 01, 2022	94,500,000	2,371,408,110	3,002,700,000	(2,696,855,317)	2,771,752,793
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	(20,010,859)	-	20,010,859	-
Total comprehensive loss for the period	-	-	-	(45,334,940)	(45,334,940)
Balance as at March 31, 2023	94,500,000	2,351,397,251	3,002,700,000	(2,722,179,398)	2,726,417,853
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
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	(19,196,124)	-	19,196,124	-
Total comprehensive loss for the period	-	-	-	(182,502,018)	(182,502,018)
Balance as at March 31, 2024	94,500,000	2,310,842,439	3,002,700,000	(2,728,747,253)	2,679,295,186

The annexed notes from 1 to 40 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 MARCH 2024 (UN-AUDITED)

	Note	Half year ended 31 March 2024	2023
	 (Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(169,008,336)	(49,235,253)
Adjustments for items not involving movement of funds:			
Depreciation	8	55,730,266	55,925,287
Gain on sales of stores		(1,353,278)	-
Provision for gratuity		5,112,807	2,989,112
Liabilities written back		-	(3,607,770)
Gain on sale of property, plant and equipment		-	(8,344,531)
Financial charges		304,877,732	156,782,738
Net cash flow before working capital changes		195,359,191	154,509,583
(Increase) / decrease in current assets			
Stores and spares		(45,496,041)	(6,949,368)
Stock in trade		(5,005,434,758)	(2,840,516,298)
Trade debts		(1,236,784)	8,258,625
Loans and advances		68,751,638	(29,767,116)
Short term prepayments		3,723	91,323
Other receivable		4,872,286	6,118,917
		(4,978,539,936)	(2,862,763,917)
Increase in current liabilities			
Trade and other payables		48,127,136	280,443,294
Cash used in operations		(4,735,053,609)	(2,427,811,040)
Income taxes paid		(22,374,882)	(30,208,779)
Employees retirement benefits paid		(402,102)	(1,115,072)
Financial charges paid		(92,886,864)	(71,132,244)
Net cash used in operating activities		(4,850,717,457)	(2,530,267,135)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to operating fixed assets		(19,384,838)	(22,722,421)
Additions to capital work in progress		(5,982,964)	(3,853,418)
Sale proceed of disposal of property, plant and equipment		-	14,091,667
Addition of short term investment		(306,400)	-
Additions in long term deposits		-	901,700
Net cash used in investing activities		(25,674,202)	(11,582,472)
CASH FLOWS FROM FINANCING ACTIVITIES			
Due to Pattoki Sugar Mills Limited - net		(503,001)	(292,001)
Long term loan paid		(96,662,268)	(81,664,466)
Loan obtained under diminishing musharaka		-	300,000,000
Lease liability paid		(2,522,965)	(2,710,298)
Short term borrowings-net		5,078,770,197	2,203,945,797
Net cash generated from financing activities		4,979,081,963	2,419,279,032
Net increase / (decrease) in cash and cash equivalents		102,690,304	(122,570,575)
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		219,501,213	102,960,771

The annexed notes from 1 to 40 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE HALF YEAR ENDED 31 MARCH 2024 (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.

2. 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.

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan 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 with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.1.1 These condensed interim financial statements are unaudited but subject to the limited scope review by the auditors and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

3.1.2 These condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended September 30, 2023 which have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

3.1.3 In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim statement of financial position comprise of balances as per the audited annual financial statements of the Company for year ended September 30, 2023 and the corresponding figures in the condensed interim statement of profit or loss and the condensed interim comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity comprise of balances of comparable period as per the condensed interim financial statements of the Company for the half year ended March 31, 2023.

3.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, except for the recognition of certain staff retirement benefits at present value and certain operating fixed assets at revalued amounts.

These condensed interim financial statements have been prepared following accrual basis of accounting except for cash flow statement.

3.3 Functional and presentation currency

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

4. SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THERE IN

4.1 The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are same as those for the preceding annual financial statements for the year ended September 30, 2023.

4.2 Changes in accounting standards, interpretations and amendments to published accounting and reporting standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements.

4.2.1 Amendments to published accounting and reporting standards which became effective during the period:

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they will impact the accounting policy information disclosed in the annual financial statements.

The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

These amendments had no effect on the interim condensed financial statements of the Company as they relate to disclosures of accounting policies in the annual financial statements rather than interim financial statements. The amendments are expected to be applicable for the accounting policy disclosures in the annual financial statements of the Company.

4.2.2 Amendments to published accounting and reporting standards that are not yet effective:

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after October 1, 2023 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

5. SEASONALITY OF OPERATIONS

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

6. TAXATION

The provisions for taxation for the half year and quarter ended March 31, 2024, have been made using the estimated effective tax rate applicable to expected total annual earnings. The applicable income tax rate for the Tax Year 2024 is 29%. Income tax expense is recognized in each interim period based on best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

7. ESTIMATES

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

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended September 30, 2023.

	Note	(Un-Audited) 31 March 2024 (Rupees)	(Audited) 30 September 2023
8. OPERATING FIXED ASSETS			
Fixed assets	8.1	3,463,266,351	3,492,165,517
8.1 Opening net book value (NBV)		3,492,165,517	3,550,648,365
Additions (at cost) during the period / year	8.1.1	24,976,337	58,077,999
		3,517,141,854	3,608,726,364
Disposals (at NBV) during the period / year	8.1.2	-	(5,747,136)
Depreciation charged during the period / year		(53,875,503)	(110,813,711)
		(53,875,503)	(116,560,847)
Closing net book value (NBV)		3,463,266,351	3,492,165,517
8.1.1 Details of additions (at cost) during the period / year are as follows:			
Building on freehold land		1,972,406	15,575,219
Plant and machinery		12,540,000	13,832,101
Electrical installation		2,703,967	10,332,730
Tools and equipment		540,900	13,237,117
Vehicles		5,856,584	2,791,082
Furniture & fixtures		678,120	610,827
Office equipment		74,000	155,877
Computer and allied equipments		610,360	1,543,046
		24,976,337	58,077,999
8.1.2 Details of disposals (at NBV) during the period / year are as follows:			
Plant and machinery		-	5,727,917
Vehicles		-	19,219
		-	5,747,136

8.1.3 Fair value measurement (revalued property, plant and equipment)

The Company's freehold land, buildings on freehold land, plant and machinery were revalued by M/s. Harvester Services (Private) Limited, an independent valuer not connected with the Company and approved by Pakistan Banks' Association (PBA) as at September 30, 2022. The basis of revaluation for items of these fixed assets were as follows:

8.1.4 Fair value measurement (revalued freehold land)

Fair market value of freehold land was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered all relevant factors as well. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.

8.1.5 Fair value measurement (revalued building on freehold land)

Construction specifications were noted for each building and structure and new construction rates are applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed market value. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.

8.1.6 Fair value measurement (revalued plant and machinery)

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

	Note	(Un-Audited) 31 March 2024 (Rupees)	(Audited) 30 September 2023
9. RIGHT OF USE ASSETS			
Vehicles	9.1	4,969,541	11,235,125
Agricultural land	9.2	7,674,408	8,855,086
		<u>12,643,949</u>	<u>20,090,211</u>
9.1 Vehicles			
Opening net book value (NBV)		11,235,125	14,848,919
Additions during the period / year at cost		-	37,590
Transfer to operating fixed asset during the period / year at NBV	9.1.1	(5,591,499)	(968,451)
Depreciation charge for the period / year		(674,085)	(2,682,933)
	9.1.2	<u>4,969,541</u>	<u>11,235,125</u>

9.1.1 Transferred vehicles includes two vehicles for which the title is not transferred to the company yet.

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

9.2 Agricultural land

Opening net book value (NBV)	8,855,086	9,445,425
Additions during the period / year at cost	-	-
Transfer to operating fixed asset during the period / year at NBV	-	-
Depreciation charge for the period / year	(1,180,678)	(590,339)
	<u>7,674,408</u>	<u>8,855,086</u>

	Note	(Un-Audited) 31 March 2024 (Rupees)	(Audited) 30 September 2023
10. CAPITAL WORK IN PROGRESS			
Building	10.1	7,639,239	1,656,275
Plant and machinery	10.2	-	-
		<u>7,639,239</u>	<u>1,656,275</u>
10.1 Building			
Movement of carrying amount is as follows:			
Opening balance		1,656,275	4,318,237
Additions (at cost)		7,702,410	5,509,693
Transferred to operating fixed assets		(1,719,446)	(8,171,655)
Closing balance		<u>7,639,239</u>	<u>1,656,275</u>
10.1.1 Building consists of construction of compressor room and sugar godown store in the mills, which have been completed during the period and accordingly these have been transferred to operating fixed assets.			
10.2 Plant and machinery			
Movement of carrying amount is as follows:			
Opening balance		-	94,329,915
Additions (at cost)		-	133,133,849
Transferred during the period / year		-	(227,463,764)
Closing balance		-	-
11. STORES, SPARES AND LOOSE TOOLS			
Stores	11.1	181,235,343	132,222,661
Spares		69,026,065	72,144,062
Less: Provision for obsolete stores and spares	11.2	250,261,408	204,366,723
Loose tools		(16,041,549)	(16,041,549)
		2,574,662	1,620,028
		<u>236,794,521</u>	<u>189,945,202</u>
11.1 Stores and spares also include items which may result in capital expenditure but are not distinguishable at the time of purchase. However, the stores and spares consumption resulting in capital expenditure are capitalized in cost of respective assets.			
11.2 Movement of provision for obsolete stores and spares			
Opening balance		16,041,549	16,041,549
Provision during the period / year		-	-
		<u>16,041,549</u>	<u>16,041,549</u>

	(Un-Audited) 31 March 2024 (Rupees)	(Audited) 30 September 2023
12. STOCK IN TRADE		
Work-in process:		
Sugar	10,344,994	9,404,221
Molasses	1,410,808	2,935,690
	11,755,802	12,339,911
Finished goods:		
Sugar	5,359,887,497	714,322,740
Molasses	360,513,580	59,470
	5,720,401,077	714,382,210
	5,732,156,879	726,722,121

12.1 Stock-in-trade up to a maximum amount of Rs. 4,978 million (2023: Nil) are under hypothecation/pledge of commercial banks as security for short term borrowings. The molasses are valued on net realizable value as a by product.

13. SHORT TERM INVESTMENT

At fair value through profit or loss - Mutual funds
 Al Habib Asset Management Limited
 Al Habib Money Market Fund

13.1 Al Habib Money Market Fund

Opening	-	-
Acquired during the year	600,000,000	-
Bonus /dividend	5,752,300	-
Less: Redemption	(605,445,900)	-
Closing	306,400	-

13.2 Movement of Al Habib Money Market Fund is as follow;

Opening units	-	-
Units acquired during the year	6,000,000	-
Less: Redemption	(6,054,459)	-
Bonus / dividend units (net of tax)	57,523	-
	3,064	-
Applicable price/ closing price	100	-
	306,400	-
Fair value adjustment	-	-
Closing fair value	306,400	-

	Note	(Un-Audited) 31 March 2024 (Rupees)	(Audited) 30 September 2023
14. LOANS AND ADVANCES			
Advances - (Unsecured - considered good)			
To employees	14.1	3,540,054	2,902,815
Advance against supplies and services (Unsecured)			
Considered good			
Advances to cane growers	14.2	200,262,898	295,092,221
Advances for store purchases	14.3	44,740,592	19,300,146
		245,003,490	314,392,367
		248,543,544	317,295,182

- 14.1** This represents advance given to employees against salary and expenses. These advances are provided for general purposes in accordance with the terms of their employment, which is not past due. These advances are unsecured, interest free and receivable on demand.
- 14.2** This include advances to various sugar cane growers in the form of fertilizers, seeds and pesticides. These advances are unsecured, interest free and will be adjusted in sugar cane payment.
- 14.3** This includes advances to vendors and service providers and are settled as and when the items are received and services are rendered.
- 14.4** Financial asset under this caption is advance to employees which are trivial for the decision making of users of the financial statements hence no impact on measurement has been considered.

15. CASH AND BANK BALANCES

Cash in hand		1,552,519	297,964
Cash at banks			
Deposit accounts	15.1	40,334,614	29,632,783
Current accounts	15.1	177,614,080	86,880,162
		219,501,213	116,810,909

- 15.1** Cash with bank in current accounts do not carry any interest or mark-up except for Bank Al Habib Limited which has T-Call facility arrangement and carries a mark up ranging from 20.50% to 20.70% (2023: 14.00% to 20.50%) per annum.

	Note	(Un-Audited) 31 March 2024 (Rupees)	(Audited) 30 September 2023
16. SHARE CAPITAL			
16.1 Authorized share capital			
70,000,000 (September 30, 2023: 70,000,000) ordinary shares of Rs. 10/- each		700,000,000	700,000,000
16.2 Issued, subscribed and paid up share capital			
6,400,000 (September 30, 2023: 6,400,000) ordinary shares of Rs. 10/- each (fully paid in cash)		64,000,000	64,000,000
3,050,000 (September 30, 2023: 3,050,000) fully paid bonus shares of Rs. 10/- each		30,500,000	30,500,000
		<u>94,500,000</u>	<u>94,500,000</u>
16.3 There is no shareholder agreement for voting rights, board selection, rights of first refusal and block voting.			
17. DIRECTORS' LOANS			
Unsecured - (other than banking companies)			
Directors		2,635,700,000	2,635,700,000
Chief Executive		367,000,000	367,000,000
		<u>3,002,700,000</u>	<u>3,002,700,000</u>
17.1 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.			
18. LONG TERM LOAN			
Secured:			
Banking Company			
Bank Al Habib Limited	18.1	229,531,550	259,527,150
Allied Bank Limited	18.2	-	66,666,668
		<u>229,531,550</u>	<u>326,193,818</u>
Current portion shown under current liabilities		(64,555,750)	(131,222,418)
		<u>164,975,800</u>	<u>194,971,400</u>

- 18.1** This is a term loan obtained from Bank Al Habib Limited with approved limit of Rs. 300 million (2023: 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.
- 18.2** This is revolving agri facility with approved limit of Rs. 200 million (2023: 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 March 2024 (Rupees)	(Audited) 30 September 2023
19. LONG TERM DIMINISHING MUSHARAKA		
Secured		
Banking Companies		
National Bank of Pakistan (Islamic mode)	19.1	300,000,000
Current portion shown under current liabilities		(60,000,000)
		<u>300,000,000</u>
		<u>(30,000,000)</u>
		<u>240,000,000</u>
		<u>270,000,000</u>

- 19.1** This is a term loan obtained from National Bank of Pakistan- Aitemaad with approved limit of Rs. 300 million (2023: 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.

20. LEASE LIABILITIES

Secured		
Against right of use assets		
Lease liabilities		7,717,630
Less: Current portion shown under current liabilities		(1,952,161)
		<u>5,765,469</u>
		<u>10,413,498</u>
		<u>(3,200,445)</u>
		<u>7,213,053</u>

20.1 Movement of lease liabilities is as follows:

Opening balance as at October 01,	10,413,498	11,698,208
Add: Recognized during the period / year	-	9,445,425
Add: Interest expense during the period / year	840,647	1,708,665
Less: Payment made during the period / year	(3,536,515)	(12,438,800)
Closing balance	7,717,630	10,413,498
Less: Current portion shown under current liabilities	(1,952,161)	(3,200,445)
	<u>5,765,469</u>	<u>7,213,053</u>

	Note	(Un-Audited) 31 March 2024 (Rupees)	(Audited) 30 September 2023
20.2 Maturity analysis-contractual undiscounted cash flow			
Less than one year		3,503,670	3,935,917
One to five year		7,013,310	7,878,540
More than five year		-	-
		<u>10,516,980</u>	<u>11,814,457</u>
Less: Future finance cost		(2,799,350)	(1,400,959)
Total undiscounted lease liability		<u>7,717,630</u>	<u>10,413,498</u>

20.3 When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate which 23.52% to 24.14% per annum (2023: 17.02% to 23.52% per annum).

20.4 The lease facility has been obtained from Bank Al Habib Limited. The assets is owned by the Bank. The above liabilities were obligations under leases with bank for lease of vehicles.

21. TRADE AND OTHER PAYABLES

Trade creditors	21.1	167,938,581	114,171,800
Accrued liabilities		19,315,452	21,104,358
Workers' Profit Participation Fund	21.2	1,013	8,308,468
Workers' Welfare Fund	21.4	1,991,090	1,991,090
Taxes and duties payable		1,583,199	2,040,782
Sales tax payable		19,673,816	64,732,244
Other liabilities		30,536	762,782
		<u>210,533,687</u>	<u>213,111,524</u>

21.1 As at reporting date, there is no payable balance to related parties. The maximum amount due to Thal Industries Corporation Limited and Al Moiz Industries Limited at the end of any month during the period was Rs. 1.726 million (2023: Rs. 2.008 million) and Rs. 34.129 million (2023: Rs. 34.330 million) respectively.

21.2 Workers' Profit Participation Fund

Balance at October 01,		8,308,468	2,723,310
Interest at prescribed rate	21.3	834,655	607,434
Less: Amount paid to fund		(9,142,110)	-
		<u>1,013</u>	<u>3,330,744</u>
Current period/ year's allocation at 5%		-	4,977,724
		<u>1,013</u>	<u>8,308,468</u>

21.3 Interest on Workers' profit (participation) fund has been provided at the rate of 24.11% (2023: 22.31%).

	Note	(Un-Audited) 31 March 2024 (Rupees)	(Audited) 30 September 2023
21.4 Workers' Welfare Fund			
Balance at October 01,		1,991,090	3,578,937
Interest at prescribed rate		-	-
Less: Amount paid to fund		-	(3,578,937)
		1,991,090	-
Current period/ year's allocation at 2%		-	1,991,090
		1,991,090	1,991,090

22. CONTRACT LIABILITIES

Opening balance		408,485,470	73,494,312
Advance received		2,061,544,303	4,983,937,109
Income recognized		(2,010,839,330)	(4,648,945,951)
Closing balance		459,190,443	408,485,470

23. DUE TO PATTOKI SUGAR MILLS LIMITED

Unsecured:			
Pattoki Sugar Mills Limited (PSML)	23.1	13,550,484	15,552,242

23.1 Movement of amount due to Pattoki Sugar Mills Limited (PSML) is as follow:

Opening balance		15,552,242	16,656,242
Add: adjustment during the period / year		-	-
Less: Expenses paid / adjusted on behalf of PSML (for legal cases)		(2,001,758)	(1,104,000)
Less: Sales tax paid to Government and adjusted against PSML		-	-
Closing balance		13,550,484	15,552,242

23.2 This represents balance payable to M/s Pattoki Sugar Mills Limited (PSML) - the ex holding company as settlement balance. During the period the Company has paid expenses in respect of old cases and wrongly claimed input as agreed with PSML.

24. SHORT TERM BORROWING

Secured:			
Banking companies:			
Cash finance	24.1	4,978,770,197	-
Short term financing (Agri)	24.2	200,000,000	100,000,000
		5,178,770,197	100,000,000

24.1 The Company has obtained the cash finance facilities from various banks that carry mark up at the rates ranging from 1 month to 9 month KIBOR plus 0.75% to 1.20% (2023: 1 month to 6 month KIBOR plus 0.75% to 1%) on the utilized limit. These facilities are secured against the pledge of white refined sugar at the margin ranging from 5% to 28%, personal guarantees of directors, corporate guarantee of M/s Al- Moiz Industries Limited (Associated company) and subordination of loan from directors.

24.2 This represents the financing facility for procurement and supply of agricultural inputs to growers of the Company aggregated to Rs. 200 million (2023: Rs. 200 million). This facility carries the markup at the rate of relevant KIBOR plus 1% p.a. This facility is secured against white refined sugar bags at 23% margin, personal guarantees of directors and first registered hypothecation charge over all present and future current assets of the company for Rs. 67 million.

25. CONTINGENCIES AND COMMITMENTS

25.1 Contingent liabilities

There is no significant change in contingencies from the preceding annual financial statements of the Company for the year ended September 30, 2023.

25.2 Commitments

- a) The Company is committed as at the balance sheet date in respect of capital expenditure of Rs. 130 million (2023: Rs. 150 million).
- b) The amount of future lease rentals on vehicle contract and the period in which payments will become due are as follows:

	Note	(Un-Audited) 31 March 2024 (Rupees)	(Audited) 30 September 2023
Less than one year	20.2	3,503,670	3,935,917
Between one and five years	20.2	7,013,310	7,878,540
More than five years		-	-
		<u>10,516,980</u>	<u>11,814,457</u>

26. SALES

	Half year ended 31 March 2024	2023	Quarter ended 31 March 2024	2023
 (Rupees)			
Sales				
Manufacturing - local				
Sugar	1,615,212,260	700,037,031	221,250,433	68,108,742
Export sales (Note 26.1)	-	232,740,000	-	232,740,000
	<u>1,615,212,260</u>	<u>932,777,031</u>	<u>221,250,433</u>	<u>300,848,742</u>
By products sales				
Molasses (Note 26.2)	311,132,400	342,913,565	251,940,414	213,091,625
Baggasse	5,808,470	35,928,375	5,808,470	17,964,842
V.F. Cakes	28,462,655	14,699,735	20,357,782	10,861,305
	<u>1,960,615,785</u>	<u>1,326,318,706</u>	<u>499,357,099</u>	<u>542,766,514</u>
Less: Sales tax	(279,406,959)	(120,631,792)	(56,277,893)	(25,378,141)
	<u>1,681,208,826</u>	<u>1,205,686,914</u>	<u>443,079,206</u>	<u>517,388,373</u>

26.1 This represents export sales under the quota for export of sugar as per order of Cane Commissioner Punjab dated January 30, 2023 as approved by Economic Coordination Committee (ECC) of the Cabinet, in case No. ECC-12/02/2023 dated January 11, 2023. The Company has made sale to Golden Agri International Pte Limited, a Singapore based company. The total export of 1,724 MT has been made as per allocated quota to the Company.

	Half year ended 31 March		Quarter ended 31 March	
	2024	2023	2024	2023
26.2 Molasses: (Rupees)			
Sales under:				
Normal taxable supplies	177,000,000	72,913,565	117,808,014	72,913,565
DTRE (Duty & Tax Remission for Exporters)	134,132,400	270,000,000	134,132,400	140,178,060
	<u>311,132,400</u>	<u>342,913,565</u>	<u>251,940,414</u>	<u>213,091,625</u>

26.3 Due to sale under Duty & Tax remission for exporters the Company has not charged sales tax on molasses for those customers which fall under DTRE.

27. COST OF SALES

Raw materials and expenses thereon	6,102,156,809	3,568,110,493	4,107,621,881	2,151,501,996
Other overheads:				
Stores, spares and consumables	10,795,831	23,280,893	4,660,702	12,941,618
Packing material consumed	51,716,862	38,774,502	33,764,213	24,935,440
Chemical consumed	33,234,514	33,764,319	20,971,214	25,881,889
Salaries, wages and other benefits	140,322,045	106,772,247	81,819,461	61,664,365
Fuel and power	19,359,907	13,745,512	9,987,324	8,742,638
Repair and maintenance	80,364,365	82,970,757	21,171,658	30,655,453
Depreciation	52,318,723	53,987,429	26,246,002	27,102,313
Vehicle running expenses	9,017,467	6,557,300	5,022,806	3,859,865
Fee and subscription	190,610	30,000	109,500	-
Insurance	1,061,155	988,046	-	-
Other factory overheads	9,450,939	7,512,402	3,899,138	1,794,683
	<u>407,832,418</u>	<u>368,383,407</u>	<u>207,652,018</u>	<u>197,578,264</u>
Opening work in process	12,339,911	5,413,703	72,857,790	76,213,107
Closing work in process	(11,755,802)	(11,456,148)	(11,755,802)	(11,456,148)
	<u>584,109</u>	<u>(6,042,445)</u>	<u>61,101,988</u>	<u>64,756,959</u>
Cost of goods manufactured	<u>6,510,573,336</u>	<u>3,930,451,455</u>	<u>4,376,375,887</u>	<u>2,413,837,219</u>
Opening stock of finished goods	714,382,210	530,146,487	1,879,297,050	1,292,228,588
Closing stock of finished goods	(5,720,401,077)	(3,364,620,340)	(5,720,401,077)	(3,364,620,340)
	<u>(5,006,018,867)</u>	<u>(2,834,473,853)</u>	<u>(3,841,104,027)</u>	<u>(2,072,391,752)</u>
	<u>1,504,554,469</u>	<u>1,095,977,602</u>	<u>535,271,860</u>	<u>341,445,467</u>

28. OTHER INCOME

Income from financial assets				
Profit on bank deposit	26,901,757	17,053,997	12,785,138	4,847,699
Dividend Income	6,767,504	-	5,482,439	-
Exchange gain	-	19,106,189	-	19,106,189
Income from non-financial assets				
Gain on sale of fixed assets	-	8,344,531	-	8,344,531
Gain on sale of stores	1,353,278	-	6,826,534	-
Margin charged on agri products	126,034	-	126,034	-
Sale of seeds and others (28.1)	1,230,582	-	1,230,582	-
Sale of scrap	25,736,615	47,788,688	4,413,081	6,140,333
Liabilities written back	-	3,607,770	-	-
	<u>62,115,770</u>	<u>95,901,175</u>	<u>30,863,808</u>	<u>38,438,752</u>

28.1 This includes the amount received from sale of agricultural produce on the right of use assets.

29. TAXATION

	Half year ended 31 March		Quarter ended 31 March	
	2024	2023	2024	2023
 (Rupees)			
Current	21,336,818	14,005,298	37,079,982	4,880,962
Deferred	(7,843,136)	(17,905,611)	(7,843,136)	(2,490,171)
	<u>13,493,682</u>	<u>(3,900,313)</u>	<u>29,236,846</u>	<u>2,390,791</u>

29.1 As at March 31, 2024, deferred tax asset amounting Rs. 611.077 million (September 30, 2023: Rs. 604.889 million) on unused business losses, depreciation loss and minimum tax loss have not been recognised in the financial statements as a matter of prudence as in the opinion of the management there is no certainty regarding realisability of the amount. The management intends to re-assess the recognition of deferred tax asset as at September 30, 2024. Business loss can be carried forward upto 5 years and depreciation losses can be carried forward for infinite time.

30. (LOSS)/ EARNING PER SHARE - BASIC AND DILUTED

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

(Loss)/earning after taxation	(182,502,018)	(45,334,940)	(340,633,109)	25,023,805
Weighted average number of ordinary shares	9,450,000	9,450,000	9,450,000	9,450,000
(Loss) / earning per share - basic and diluted - (Rs.)	(19.31)	(4.80)	(36.05)	2.65

31. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

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

There were no financial instruments held by the Company which are measured at fair value as of March 31, 2024 and September 30, 2023.

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

The Company has valued its some of fixed assets at fair value and classified under Property, Plant and Equipment. The carrying value and level of fair value of these non - financial assets have been disclosed in the relevant note to the financial statements.

32. FINANCIAL RISK MANAGEMENT

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

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

The condensed interim financial statements does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended September 30, 2023.

The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements for the year ended September 30, 2023.

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

During the period the company obtained new borrowings from various banks.

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

34. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Name of parties	Nature of relationship	Nature of transactions	31 March 2024		31 March 2023	
			Transactions during the period	Closing balance	Transactions during the year	Closing balance
----- Rupees -----						
Naubahar Bottling Company (Private) Limited	Associated Company	Mark-up payable Contract liability - sale of sugar	-	264,084,254	-	264,084,254 200,000,000
The Thal Industries Corporation Limited	Associated Company	Payable - Net Sale of operating fixed assets Sale- Store items Purchases - store items Purchases - Plant and machinery	- - 15,004,742 - -	- - - 1,425,000 300,900	- 7,371,000 -	- - - - -
Al-Moiz Industries Limited	Associated Company	Payable - Net Sale of scrap Purchase of chemicals/ store items	- 17,082,255 -	- - -	- 21,262,036 34,129,377	- - -
Directors/shareholders						
Mr. Muhammad Shamim Khan	Director	Directors' contribution/loan	-	1,356,300,000	-	1,356,300,000
Ms. Qaiser Shamim Khan	Director	Directors' contribution/loan	-	1,199,600,000	-	1,199,600,000
Mr. Nauman Ahmed Khan	Director	Directors' contribution/loan	-	79,800,000	-	79,800,000
Mr. Adnan Ahmed Khan	CEO	Directors' contribution/loan	-	367,000,000	-	367,000,000
Executives	Key management personnel	Remuneration paid	27,707,450	-	19,701,708	-

34.1 Basis of relationship with the company

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

Name of related party	Country of Incorporation/ origin	Relationship	Basis of Association	Shareholdings
Naubahar Bottling Company (Private) Limited	Pakistan	Associated	Common management	Nil
Al-Moiz Industries Limited	Pakistan	Associated	Common management	Nil
Moiz Textile Limited	Pakistan	Associated	Common management	Nil
The Thal Industries Corporation Limited	Pakistan	Associated	Common management	Nil
Mr. Muhammad Shamim Khan	Pakistan	Director	Shareholding	29.1623%
Mrs. Qaiser Shamim Khan	Pakistan	Director	Shareholding	28.0002%
Mr. Adnan Ahmed Khan	Pakistan	Chief Executive	Shareholding	20.0002%
Mr. Nauman 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%

35. FINANCIAL INSTRUMENTS BY CATEGORY

Note	Original carrying		Fair value				
	Financial assets at amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
	----- Rupees -----						
On-Balance sheet financial instruments							
As at March 31, 2024							
Financial assets							
At cost or amortised cost							
	Long term deposits	197,600	-	197,600	-	-	-
	Trade debtors	1,236,784	1,236,784	-	-	-	-
14	Short term deposits	901,700	-	901,700	-	-	-
15	Cash and bank balances	219,501,213	-	219,501,213	-	-	-
		221,837,297	-	221,837,297	-	-	-
Financial liabilities at amortised cost							
18	Long term loan	-	229,531,550	229,531,550	-	-	-
19	Long term diminishing musharaka	-	300,000,000	300,000,000	-	-	-
20	Lease liabilities	-	7,717,630	7,717,630	-	-	-
21	Trade and other payables	-	187,284,569	187,284,569	-	-	-
	Unclaimed dividend	-	255,930	255,930	-	-	-
23	Due to Pattoki Sugar Mills Limited	-	13,550,484	13,550,484	-	-	-
24	Short term borrowing	-	5,178,770,197	5,178,770,197	-	-	-
	Mark-up accrued	-	516,485,992	516,485,992	-	-	-
		-	6,433,596,352	6,433,596,352	-	-	-
On-Balance sheet financial instruments							
As at September 30, 2023							
Financial assets							
At cost or amortised cost							
	Long term deposits	525,400	-	525,400	-	-	-
14	Loans and advances	2,902,815	-	2,902,815	-	-	-
15	Cash and bank balances	116,810,909	-	116,810,909	-	-	-
		120,239,124	-	120,239,124	-	-	-
Financial liabilities at amortised cost							
18	Long term loan	-	326,193,818	326,193,818	-	-	-
20	Lease liabilities	-	10,413,498	10,413,498	-	-	-
21	Trade and other payables	-	136,038,940	136,038,940	-	-	-
	Unclaimed dividend	-	255,930	255,930	-	-	-
23	Due to Pattoki Sugar Mills Limited	-	15,552,242	15,552,242	-	-	-
24	Short term borrowing	-	100,000,000	100,000,000	-	-	-
	Mark-up accrued	-	305,335,771	305,335,771	-	-	-
		-	893,790,199	893,790,199	-	-	-

- 35.1 The Company has valued certain fixed assets at fair value and classified under property, plant and equipment. The carrying value and level of fair value of these non - financial assets have been disclosed in the relevant note to the financial statements.
- 35.2 Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

36. CAPACITY AND PRODUCTION

	31 March 2024 Number	30 September 2023 Number
Approved / Installed Capacity (Metric tons)	10,000.000	10,000.000
No. of days	101	97
Capacity on the basis of operating days (Metric tons)	1,010,000.000	970,000.000
Actual crushing (Metric tons)	524,174.100	455,913.605
Sugar production from cane (Metric tons)	52,798.400	45,338.900
Recovery of sugar cane (percentage)	10.068%	9.956%

37. NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET

There are no reportable events after the balance sheet date.

38. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation.

39. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial statements were authorized for issue on May 24, 2024 by the Board of Directors of the Company.

40. GENERAL

- 40.1 Amounts have been rounded off to the nearest rupees unless otherwise stated.
- 40.2 The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended March 31, 2024 and 2023 were not subject to limited scope review by the auditors as scope of review covered only cumulative figures.



CHIEF EXECUTIVE OFFICER



DIRECTOR










CHIEF FINANCIAL OFFICER










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