



BABA FARID
SUGAR MILLS LIMITED

<https://bfsml.com>



CONDENSED INTERIM
FINANCIAL INFORMATION
For the 3rd Quarter Ended
30 June 2023 (Un-audited)

3RD QUARTERLY
REPORT
2023

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mrs. Gaiser 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

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

CHIEF FINANCIAL OFFICER

Mr. Wasif Mahmood

COMPANY SECRETARY

Mr. Muhammad Imran

AUDITORS

BDO Ebrahim & Co.
Chartered Accountants
Office # 4, 6th Floor,
Askari Corporate Tower, 75/76 D-1,
Main Bolevord, 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
Meezan Bank Limited
Bank Alfalah Limited
Soneri Bank Limited
Allied Bank Limited
Askari Bank Limited
National Bank of Pakistan-Aitemad
MCB Islamic Bank Limited

SHARE REGISTRAR

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

REGISTERED OFFICE

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

LEGAL ADVISOR

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

DIRECTORS' REVIEW

The Directors of your Company are pleased to present the Un-Audited Accounts of the Company for the Nine Month Ended 30 June 2023 in compliance with the section 237 of the Companies Act, 2017.

INDUSTRY OVERVIEW

During the period under review, crop volume was lesser than last year partially due to flood and partially due to comparatively low yield per acre. However, better sugar recoveries & increase in the area under cultivation mitigated to some extent the negative impacts of low yield per acre.

For current crushing season 2022-23, notified support price of sugarcane was Rs. 300/- per 40 kg in Punjab & KPK and Rs. 302/- per 40 kg in the province of Sindh as compared to Rs. 225 & 250 corresponding period in Punjab & Sind respectively. Crushing started on 25th November 2022. The 33% increase in support price of sugarcane ultimately resulted in increase in the production cost of the sugar.

PERFORMANCE OF THE COMPANY

The Company was able to crush 455,913.605 M. Tons sugarcane and produced 45,338.900 M. Tons of white refined sugar at an average recovery of 9.956% during the Period ended 30 June 2023 as compared to 30 June 2022, sugarcane crushing of 604,762.396 M. Tons and the production of 54,026.500 M. Tons white refined sugar at an average recovery of 8.936%.

Net sales were recorded at Rs. 2,946.171 million during the period under review as compared to Rs. 2865.658 million during the corresponding period of last year.

The Company incurred pretax loss of Rs. 34.782 million during the period under review as compared to pretax loss of Rs. 189.285 million in the corresponding period of last year. The decrease in loss is mainly because of better sugar rates and export of sugar.

RESEARCH AND DEVELOPMENT

Agricultural R&D is an integral part of the Company's policy which entails identification and multiplication of promising new sugarcane varieties and their subsequent commercial sowing through progressive growers with best agricultural practices. This not only increases per acre yield of sugar cane but also enhances growers earning and creates more enthusiasm for sowing sugarcane compared to competing crops. It also increases the sugarcane supply to the Company and boosts overall sugar recovery, directly improving the bottom line of the Company.

RELATIONSHIP WITH GROWERS

As usual growers' payment has remained our top priority being one of the main keys of our success and we are trying our level best to make growers' payment on priority basis. We regularly provide financial and technical support to our growers. Due to these policies and preferential treatment to growers, the Company enjoys excellent relationship with them.

FUTURE OUTLOOK

Year 2023 is much more challenging for business. The year inherited political and economic uncertainty and during the year political chaos, economic distress, sky rocket inflation, unprecedented interest rates, massive rupee devaluation and global economic recession continued this marathon. Importing difficulties are hampering the pan-country industrial daily operations.

Cane crushing in current season already completed. Sugar production in the country was around 6.70 million tons as compared to last year 7.10 million tons. Due to carryover sugar stocks of about 1.00 million tons and compulsion of cane payment to growers within 15 days kept sugar prices under tremendous pressure throughout the first half of the year. Increased production cost partially due to 33% higher cane cost, massive devaluation of Pak Rupee and substantial increase in KIBOR rate ultimately resulted in higher conversion cost.

Nevertheless, option of sugar export not only important for sugar industry but also for country for earning foreign exchange, the Federal Government, allowed only 250,000 tons with the condition to complete the sugar export cycle within 60 days. However, sugar prices in international market dropped from US\$ 700 to US\$ 500-530 per ton by the time export was allowed.

According to recent surveys the sugarcane crop size of next crushing season is expected to be slightly lower in Punjab than what was in last year due to opportunity of better prices in alternative crops whereas in Sind around 20% lesser crop is expected due to lesser sowing owing to flood. Overall sugar production of next year will be expected to be slightly lower as compared to last year.

State Bank of Pakistan (SBP) has increased policy rate by 7.40% since September 2022 which has jacked up the mark up rates and has resultantly increased borrowing cost substantially and there are indications that Govt might further increase this policy rate owing to IMF conditions and that will adversely affect the profitability. Inflationary pressure and restriction on import of machinery spares may further increase cost of doing business.

Govt strategy on controlling sugar prices, without considering inflationary pressure on prices of fertilizers, pesticides, sowing/harvesting cost etc. is discouraging sugar cane growers. The growers are switching from sugarcane crop to other crops and resultantly there may be shortage in sugar production in the country in coming years and the sugar industry, that is presently capable of export will be converted into import category industry like previously it was.

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

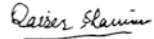
ACKNOWLEDGEMENT

The Directors 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



Adnan Ahmed Khan
CHIEF EXECUTIVE



Mrs. Qaiser Shamim Khan
Chairperson

Lahore, 25 July 2023

ڈائریکٹرز کی جائزہ رپورٹ

کمپنی کے ڈائریکٹرز کمپنیز ایکٹ 2017ء کی دفعہ 237 کی تعمیل میں 30 جون 2023 کو ختم ہونے والی نو ماہی کے لئے کمپنی کے غیر نظر ثانی شدہ حسابات پیش کرتے ہوئے خوش محسوس کر رہے ہیں۔

صنعت کا مجموعی جائزہ

زیر جائزہ مدت کے دوران، فصل کا حجم گزشتہ سال کے مقابلے میں جزوی طور پر سیلاب اور فی ایکڑ نسبتاً کم پیداوار کی وجہ سے کم تھا۔ تاہم، چینی کی بہتر ریکوری اور زریکاشت رقبہ میں اضافہ نے فی ایکڑ کم پیداوار کے منفی اثرات کو کسی حد تک کم کیا ہے۔ موجودہ کرشنگ سیزن 2022-23 کیلئے پنجاب اور کے پی کے میں گنے کی امدادی قیمت -/300 روپے فی 40 کلوگرام اور صوبہ سندھ میں -/302 روپے فی 40 کلوگرام کا اعلان کیا گیا ہے جبکہ گزشتہ سال اسی مدت میں پنجاب اور سندھ میں بالترتیب 225 اور 250 روپے اعلان کیا گیا تھا۔ موجودہ سیزن میں کرشنگ 25 نومبر 2022 کو شروع ہوئی۔ گنے کی امدادی قیمت میں %33 اضافہ بلاخر چینی کی پیداواری لاگت میں اضافہ پر متج ہوگا۔

کمپنی کی کارکردگی

کمپنی نے 30 جون 2023 کو ختم ہونے والی نو ماہی 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 ریفاائنڈ چینی بنائی جبکہ اس کے مقابلے 30 جون 2022 میں 604,762.396 میٹرک ٹن گنے کی کرشنگ کی اور 8.936 فیصد اوسط ریکوری کے ساتھ 54,026.500 میٹرک ٹن سفید ریفاائنڈ چینی بنائی۔

گزشتہ سال کی اسی مدت میں 2,865.658 ملین روپے خالص فروخت کے مقابلے زیر جائزہ مدت کے دوران 2,946.171 ملین روپے درج کی گئی۔

کمپنی کو زیر جائزہ سہ ماہی کے دوران ٹیکس سے قبل 34.782 ملین روپے کا نقصان ہوا جبکہ گزشتہ سال کی اسی مدت میں ٹیکس سے قبل 189.285 ملین روپے کا نقصان ہوا تھا۔ کمپنی کے نقصان میں کمی چینی کی بہتر قیمتوں اور چینی کی برآمد کی وجہ سے ہوا ہے۔

تحقیق اور ترقی

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

کاشتکاروں کے ساتھ تعلقات

ہمیشہ کی طرح کاشتکاروں کی ادائیگی ہماری اولین ترجیح رہی ہے جو ہماری کامیابی کی کلیدوں میں سے ایک ہے اور ہم ترجیحی بنیادوں پر کاشتکاروں کی ادائیگی کے لیے پوری کوشش کر رہے ہیں۔ ہم اپنے کاشتکاروں کو باقاعدگی سے مالی اور تکنیکی مدد فراہم کرتے ہیں۔ ان پالیسیوں اور کاشتکاروں کے ساتھ ترجیحی سلوک کی وجہ سے، کمپنی کے ان کے ساتھ بہترین تعلقات ہیں۔

مستقبل کا نقطہ نظر

سال 2023 کاروبار بے لحاظ سے مشکلات کا شکار ہے۔ اس سال سیاسی اور اقتصادی عدم استحکام، آسمان کو چھوتی مہنگائی، بڑھتی ہوئی شرح سود، روپے میں گراؤ اور بین الاقوامی کساد بازاری تیزی سے جاری ہے۔ جو کہ ملک میں کاروبار کے لئے مشکلات کا باعث ہے۔

موجودہ سیزن میں گنے کی کرشنگ پہلے ہی مکمل ہو چکی ہے۔ ملک میں چینی کی پیداوار گزشتہ سال 7.10 ملین ٹن کے مقابلے تقریباً 6.70 ملین ٹن رہی۔ تقریباً 1.00 ملین ٹن چینی کے ذخیرہ اور کاشتکاروں کو 15 دنوں کے اندر گنے کی ادائیگی کی مجبوری کی وجہ سے سال کی پہلی ششماہی میں چینی کی قیمتیں زبردست دباؤ میں رہیں۔ گنے کی 33 فیصد زیادہ لاگت، پاکستانی روپیہ کی قدر میں بڑے پیمانے پر کمی اور KIBOR کی شرح میں خاطر خواہ اضافہ کی وجہ سے جزوی طور پر پیداواری لاگت میں اضافہ چینی کی لاگت میں اضافے کا باعث بنے گا۔

اس کے باوجود چینی کی برآمد کا آپشن نہ صرف شوگر انڈسٹری بلکہ ملک کے لیے زرمبادلہ کمانے کے لیے بھی اہم ہے، وفاقی حکومت نے 60 دنوں کے اندر چینی کا برآمدی سائیکل مکمل کرنے کی شرط کے ساتھ صرف 250,000 ٹن چینی کی برآمد کی اجازت دی۔ تاہم، جب تک برآمد کی اجازت دی گئی، بین الاقوامی مارکیٹ میں چینی کی قیمت 700 امریکی ڈالر سے کم ہو کر 500-530 ڈالر فی ٹن ہو گئی تھی۔

حالہ سروے کے مطابق پنجاب میں اگلے کرشنگ سیزن میں گنے کی فصل کا حجم پچھلے سال کے مقابلے میں تھوڑا کم رہنے کی توقع ہے کیونکہ متبادل فصلوں میں بہتر قیمتوں کے مواقع ہیں جبکہ سندھ میں سیلاب کے باعث کم ہوائی کی وجہ سے تقریباً 20 فیصد کم فصل متوقع ہے۔ اگلے سال چینی کی مجموعی پیداوار گزشتہ سال کے مقابلے قدرے کم رہنے کی توقع ہے۔

اسٹیٹ بینک آف پاکستان (SBP) نے ستمبر 2022 سے پالیسی ریٹ میں 7.40 فیصد اضافہ کر دیا ہے جس سے مارک اپ کی شرحوں میں اضافہ ہو گیا اور اس کے نتیجے میں قرض لینے کی لاگت میں خاطر خواہ اضافہ ہوا ہے اور ایسے اشارے ہیں کہ حکومت IMF کی شرائط کی وجہ سے اس پالیسی ریٹ میں مزید اضافہ کر سکتی ہے جو منافع پر منفی اثر ڈال سکتی ہے۔ مہنگائی کا دباؤ اور مشینری اسپرینز کی درآمد

پر پابندی کاروبار کی لاگت میں مزید اضافہ کر سکتی ہے۔

کھادوں، کیڑے مار ادویات، بوائی/کٹائی کی لاگت وغیرہ کی قیمتوں پر افراط زر کے دباؤ پر غور کیے بغیر چینی کی قیمتوں کو کنٹرول کرنے کی حکومتی حکمت عملی گنے کے کاشتکاروں کی حوصلہ شکنی کر رہی ہے۔ کاشتکار گنے کی فصل سے دوسری فصلوں کی طرف رُخ کر رہے ہیں اور اس کے نتیجے میں آئندہ سالوں میں ملک میں چینی کی پیداوار میں کمی ہو سکتی ہے اور چینی کی صنعت جو اس وقت برآمد کے قابل ہے، پہلے کی طرح درآمدی کیلنگری کی صنعت میں تبدیل ہو جائے گی۔

آگے بڑھتے ہوئے کمپنی سے بہتر کارکردگی کی توقع ہے۔ اگرچہ گنے کی زیادہ قیمتوں کے اثرات، زیادہ شرح سود اور افراط زر کا دباؤ منافع کو کم کر سکتا ہے جبکہ چینی کی قیمتیں منافع کی حد کا تعین کرتی ہیں۔ امید ہے کہ کمپنی اپنے کاموں میں مزید بہتری لائے گی اور یہ بنیادی طور پر پیشہ ورانہ انتظامیہ اور اس کی ٹیم کے بہتر انتظامات اور عزم کی وجہ سے ہے۔ امید ہے کہ یہ اجزاء کمپنی کو مجموعی طور پر بحال کریں گے۔

کارپوریٹ گورننس

بہترین کارپوریٹ عوامل

ڈائریکٹرز بہتر کارپوریٹ گورننس پر عملدرآمد اور فہرستی کمپنیز (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:

5: مرد

2: خواتین

کیلنگری	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

مناسب داخلی مالیاتی کنٹرول

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

اظہار تشکر

ڈائریکٹرز کارکنوں، عملے اور انتظامی ٹیم کے ارکان کی لگن اور محنت کا اعتراف کرتے ہیں۔ کمپنی کے سپلائرز، صارفین، اور بینکرز کے مسلسل اعتماد اور تعاون پر ان کا تہ دل سے شکریہ ادا کرتے ہیں۔

منجانب بورڈ

بابا فرید شوگر ملز لمیٹڈ

Raiser Khan

محترمہ قیصر شمیم خان

چیئر پرسن



عدنان احمد خان

چیف ایگزیکٹو

لاہور: 25 جولائی 2023ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-Audited)

As at JUNE 30, 2023

	Note	(Un-Audited) June 30, 2023 (Rupees)	(Audited) September 30, 2022
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	6	3,512,357,927	3,565,497,284
Intangible Assets		100,000,000	-
Capital work in progress	7	329,601	4,318,237
		3,612,687,528	3,569,815,521
Long term deposits		611,750	1,862,450
		3,613,299,278	3,571,677,971
CURRENT ASSETS			
Stores, spares and loose tools		133,281,436	142,233,291
Stock in trade		1,914,140,090	535,560,190
Trade debts		21,924,392	8,258,625
Loans and advances		287,228,380	186,693,990
Short term deposits and prepayments		3,162,146	1,698,307
Other receivables		2,640,675	9,373,703
Tax refund due from the Government		9,232,115	9,232,115
Taxation -net		32,305,670	32,487,650
Cash and bank balances	8	223,829,562	225,531,346
		2,627,744,466	1,151,069,217
TOTAL ASSETS		6,241,043,744	4,722,747,188
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	17.1	700,000,000	700,000,000
Issued, subscribed and paid up share capital	17.2	94,500,000	94,500,000
Reserves			
Revenue reserves - accumulated losses		(2,719,122,542)	(2,696,855,317)
Directors' loans	10	3,002,700,000	3,002,700,000
Surplus on revaluation of fixed assets		2,341,391,822	2,371,408,110
		2,719,469,280	2,771,752,793
NON CURRENT LIABILITIES			
Lease liabilities		2,244,353	6,355,958
Long term loan	11	484,533,750	321,629,268
Deferred liabilities		402,986,450	420,652,037
		889,764,553	748,637,263
CURRENT LIABILITIES			
Trade and other payables		941,117,731	263,323,136
Unclaimed dividend		255,930	255,930
Due to Pattoki Sugar Mills Limited		15,638,241	16,656,242
Short term borrowing	12	1,083,197,403	440,005,920
Mark-up accrued		396,690,174	298,446,922
Current portion of long term liabilities		194,910,432	183,668,982
		2,631,809,911	1,202,357,132
TOTAL EQUITY AND LIABILITIES		6,241,043,744	4,722,747,188
CONTINGENCIES AND COMMITMENTS			
	13		

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

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

For the Nine Month Ended June 30, 2023

	Note	Nine Months Ended		Quarter Ended	
		June 30,		June 30,	
		2023	2022	2023	2022
	 (Rupees) (Rupees)	
Sales - net	14	2,946,171,280	2,865,658,034	1,740,484,366	1,764,917,021
Cost of sales	15	(2,663,421,940)	(2,824,977,250)	(1,567,444,338)	(1,776,727,729)
Gross profit / (loss)		282,749,340	40,680,784	173,040,028	(11,810,708)
Selling and distribution expenses		(32,692,633)	(17,383,779)	(3,732,935)	(5,563,303)
General and administrative expenses		(99,712,125)	(76,785,014)	(30,608,821)	(25,200,089)
Other operating income		101,360,271	25,856,659	5,459,096	6,170,490
		(31,044,487)	(68,312,134)	(28,882,660)	(24,592,902)
Operating profit / (loss)		251,704,853	(27,631,350)	144,157,368	(36,403,610)
Financial charges		(286,486,675)	(161,654,111)	(129,703,937)	(79,529,822)
(Loss) / profit before taxation		(34,781,822)	(189,285,461)	14,453,431	(115,933,432)
Taxation		(17,501,691)	(63,395,072)	(21,402,004)	(9,222,098)
Loss after taxation		(52,283,513)	(252,680,533)	(6,948,573)	(125,155,530)
Loss per share - basic and diluted (Rupees)		(5.53)	(26.74)	(0.74)	(13.24)

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


CHEIF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)

For the Nine Month Ended June 30, 2023

	Nine Month Ended		Quarter Ended	
	June 30,		June 30,	
	2023	2022	2023	2022
 (Rupees) (Rupees)	
Loss for the period	(52,283,513)	(252,680,533)	(6,948,573)	(125,155,530)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	(52,283,513)	(252,680,533)	(6,948,573)	(125,155,530)

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



CHEIF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-Audited)

For the Nine Month Ended June 30, 2023

	Note	Nine Month ended June 30,	
		2023	2022
	 (Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(34,781,822)	(189,285,461)
Adjustments for items not involving movement of funds:			
Depreciation	8	84,175,470	77,034,799
Profit on investment		-	10,848,927
Provision for gratuity		2,989,112	4,435,580
Liabilities written back		(3,607,770)	-
Gain on sale of property, plant and equipment		(7,772,448)	-
Gain on sale of store items		(609,007)	-
Financial charges		286,486,675	161,654,111
Net cash flow before working capital changes		326,880,210	64,687,956
(Increase) / decrease in current assets			
Stores and spares		8,951,855	26,624,475
Stock in trade		(1,378,579,900)	(1,546,319,916)
Trade debts		(13,665,767)	(13,831,601)
Loans and advances		(100,534,390)	(46,205,472)
Short term prepayments		(1,463,839)	462,302
Other receivable		6,733,028	13,319,980
		(1,478,559,013)	(1,565,950,232)
Increase in current liabilities			
Trade and other payables		681,402,365	215,636,273
Cash used in operations		(470,276,438)	(1,285,626,003)
Income taxes paid		(36,870,807)	(43,899,174)
Employees retirement benefits paid		(1,797,678)	(630,700)
Financial charges paid		(188,243,423)	(77,677,581)
Net cash used in operating activities		(697,188,346)	(1,407,833,458)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to operating fixed assets		(128,574,004)	(276,922,620)
Transfer from / Additions to capital work in progress		(4,183,019)	105,688,015
Redemption of short term investment		-	100,000,000
Sale proceed of disposal of property, plant and equipment		14,291,453	-
Additions / Decrease in long term deposits		1,250,700	(327,800)
Net cash used in investing activities		(117,214,870)	(71,562,405)
CASH FLOWS FROM FINANCING ACTIVITIES			
Due to Pattoki Sugar Mills Limited - net		(1,018,001)	(605,000)
Payment of loan from associated company - net		-	(600,000,000)
Addition in / Repayment of long term loan		(125,431,050)	299,956,000
Loan obtained under diminishing musharaka		300,000,000	-
Directors' loan obtained		-	700,000,000
Lease liability paid		(4,041,000)	(3,517,997)
Short term borrowings-net		643,191,483	1,375,372,523
Net cash generated from financing activities		812,701,432	1,771,205,526
Net (decrease) / increase in cash and cash equivalents		(1,701,784)	291,809,663
Cash and cash equivalents at the beginning of the period		225,531,346	26,945,258
Cash and cash equivalents at the end of the period		223,829,562	318,754,921

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER
NINE MONTH Report 2023

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

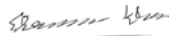
For the Nine Month Ended June 30, 2023

	Issued, subscribed and paid-up share capital	Surplus on revaluation of fixed assets	Directors' loan	Accumulated loss (Revenue Reserves)	Total
	(Rupees)				
Balance as at October 01, 2021	94,500,000	1,890,862,444	2,302,700,000	(2,494,620,374)	1,793,442,070
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	(29,584,154)	-	29,584,154	-
Directors contributions/loan	-	-	700,000,000	-	700,000,000
Total comprehensive loss for the period	-	-	-	(252,680,533)	(252,680,533)
Balance as at June 30, 2022	94,500,000	1,861,278,290	3,002,700,000	(2,717,716,753)	2,240,761,537
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	-	(30,016,288)	-	30,016,288	-
Directors contributions/loan	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(52,283,513)	(52,283,513)
Balance as at June 30, 2023	94,500,000	2,341,391,822	3,002,700,000	(2,719,122,542)	2,719,469,280

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

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

For the Nine Month Ended June 30, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 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.

1.2 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.

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 2022.

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. USE OF ESTIMATES AND JUDGMENT

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

5. SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Accounting convention

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

5.2 Functional and presentation currency

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

	Note	(Un-Audited) June 30, 2023 (Rupees)	(Audited) September 30, 2022
6. OPERATING FIXED ASSETS			
Fixed assets	6.1	3,500,330,054	3,550,648,365
Right of use assets	6.2	12,027,873	14,848,919
		<u>3,512,357,927</u>	<u>3,565,497,284</u>
6.1 Opening net book value (NBV)		3,550,648,365	2,825,949,119
Revaluation during the period / year		-	533,459,545
Additions (at cost) during the period / year	6.1.1	37,617,265	293,574,321
		<u>3,588,265,630</u>	<u>3,652,982,985</u>
Disposals (at NBV) during the period / year	6.1.3	(5,747,136)	-
Depreciation charged during the period / year		(82,188,440)	(102,334,620)
		<u>(87,935,576)</u>	<u>(102,334,620)</u>
Closing net book value (NBV)		<u>3,500,330,054</u>	<u>3,550,648,365</u>
6.1.1 Details of additions (at cost) during the period / year are as follows:			
Building on freehold land		9,547,639	27,822,441
Plant and machinery		13,832,101	246,081,082
Electrical installation		878,944	4,205,585
Furniture & fixtures		408,803	375,140
Tools and equipment		9,643,740	13,403,269
Office equipment		1,702,214	1,342,360
Vehicles		1,603,824	344,444
		<u>37,617,265</u>	<u>293,574,321</u>

6.1.2 Vehicles includes an amount of Rs. 0.872 million (September 30, 2022: Nil) which is transferred from right of use assets based upon completion of leased terms.

	Note	(Un-Audited) June 30, 2023 (Rupees)	(Audited) September 30, 2022
6.1.3 Details of disposals (at NBV) during the period / year are as follows:			
Plant and machinery		5,727,917	-
Vehicles		19,219	-
		5,747,136	-
6.2 RIGHT OF USE ASSETS			
Vehicles			
Opening net book value (NBV)		14,848,919	10,137,747
Additions during the period / year at cost	6.3	37,590	7,106,810
Transfer to operating fixed asset during the period / year at NBV		(871,606)	-
Depreciation charge for the period / year		(1,987,030)	(2,395,638)
	6.4	12,027,873	14,848,919

6.3 Current addition represents registration fee of vehicle obtained on finance lease from the Bank Al Habib Limited. It has been delivered to the Company during the period, however, it has been financed/leased to the Company during the year ended September 30, 2022.

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

	Note	(Un-Audited) June 30, 2023 (Rupees)	(Audited) September 30, 2022
7. CAPITAL WORK IN PROGRESS			
Building	7.1.1	-	4,318,237
Plant and machinery	7.1.3	329,601	-
		329,601	4,318,237
7.1 Movement of carrying amount is as follows:			
7.1.1 Opening balance		4,318,237	12,775,893
Additions (at cost)		3,853,418	19,364,785
Transferred to operating fixed assets		(8,171,655)	(27,822,441)
Closing balance		-	4,318,237

7.1.2 Building consists of construction of two residential houses in the officers colony which have been completed during the period and accordingly these have been transferred to operating fixed assets.

	Note	(Un-Audited) June 30, 2023 (Rupees)	(Audited) September 30, 2022
7.1.3 Plant and machinery			
Opening balance		-	94,329,915
Additions (at cost)		329,601	133,133,849
Transferred during the period / year		-	(227,463,764)
Closing balance		329,601	-

8. CASH AND BANK BALANCES

Cash in hand		266,732	648,363
Cash at banks			
Deposit accounts	8.1	80,561,761	199,887,997
Current accounts		143,001,069	24,994,986
		223,829,562	225,531,346

8.1 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 13.75% to 19.75% (2022: 8.25% to 13.75%) per annum.

	Note	(Un-Audited) June 30, 2023 (Rupees)	(Audited) September 30, 2022
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9. SHARE CAPITAL

9.1 Authorized share capital

70,000,000 (September 30, 2022: 70,000,000) ordinary shares of Rs. 10/- each		700,000,000	700,000,000
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9.2 Issued, subscribed and paid up share capital

6,400,000 (September 30, 2022: 6,400,000) ordinary shares of Rs. 10/- each (fully paid in cash)		64,000,000	64,000,000
3,050,000 (September 30, 2022: 3,050,000) fully paid bonus shares of Rs. 10/- each		30,500,000	30,500,000
		94,500,000	94,500,000

9.3 There is no shareholder agreement for voting rights, board selection, rights of first refusal and block voting.

	Note	(Un-Audited) June 30, 2023 (Rupees)	(Audited) September 30, 2022
10. DIRECTORS' LOANS			
Unsecured			
Directors			
Others (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>

10.1 Movement of loan is as follows:

Opening balance		3,002,700,000	2,302,700,000
Obtained during the period/year			
Mr. Muhammad Shamim Khan		-	290,000,000
Mrs. Qaiser Shamim Khan		-	210,000,000
Mr. Nauman Ahmed Khan		-	25,000,000
Mr. Adnan Ahmed Khan		-	175,000,000
		-	700,000,000
Repaid during the period / year		-	-
Closing balance		<u>3,002,700,000</u>	<u>3,002,700,000</u>

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

	Note	(Un-Audited) June 30, 2023 (Rupees)	(Audited) September 30, 2022
11. LONG TERM LOAN			
Secured:			
From Banking company			
Bank Al Habib Limited	11.1	274,524,950	299,956,000
Allied Bank Limited	11.2	100,000,000	200,000,000
		<u>374,524,950</u>	<u>499,956,000</u>
Long term Diminishing Musharka			
National Bank of Pakistan	11.3	300,000,000	-
		<u>674,524,950</u>	<u>499,956,000</u>
Current portion shown under current		(189,991,200)	(178,326,732)
		<u>484,533,750</u>	<u>321,629,268</u>

- 11.1 This is a term loan obtained from Bank Al Habib Limited with approved limit of Rs. 300 million (2022: 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.
- 11.2 This is revolving agri facility with approved limit of Rs. 200 million (2022: 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.
- 11.3 This is a term loan obtained from National Bank of Pakistan- Aitemaad with approved limit of Rs. 300 million (2022: Nil) 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.

Note	(Un-Audited) June 30, 2023	(Audited) September 30, 2022
 (Rupees)	

12. SHORT TERM BORROWING

Secured:

Banking companies:

Cash finance

12.1

1,083,197,403

379,999,462

Short term Agri financing

12.2

-

50,000,000

Running finance

12.3

-

10,006,458

1,083,197,403

440,005,920

- 12.1 During the period the Company had availed cash finance facilities from various banks that carries mark-up which range from one month KIBOR to six month KIBOR plus 0.75% to 1.50% per annum (2022: one month KIBOR to six month KIBOR plus 0.75% to 2% per annum) on utilized limits. These facilities were secured against pledge of white refined sugar bags at 5% to 25% margin, personal guarantees of the directors and subordination of loan from directors.
- 12.2 This represents the financing facility for procurement and supply of agricultural inputs to growers of the Company aggregated to Rs. 200 million (2022: Rs. 200 million). 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.
- 12.3 During the period the Company has a running finance facility from Bank Al Habib Limited aggregated to Rs. 50 million (2022: Rs. 50 million) and carries mark-up at the rate one month KIBOR plus 0.75% (2022: same) on utilized limits. This facility was secured against on all present and future current assets of the Company for Rs. 67 million and personal guarantees of the directors.

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingent liabilities

There is no significant change in contingencies from the preceding annual financial statements of the Company for the year ended September 30, 2022 except as follows:

- a) The Company has obtained a stay against the notice received from EOBI, in which the EOBI is demanding to pay the EOBI contribution on the basis of Rs. 25,000/- instead of Rs. 13,000/-. The Company is confident to defend the case and considering no adverse effect on the Company financial statements.
- 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, and raised a demand of Rs. 32.582 million. Being aggrieved from the decision of the assessing officer, the Company had filed an appeal before the CIR (A). The CIR(A) upheld the disallowance of input tax paid with respect to procurement of items such as alloy, steel bars etc. However, the issue of self-disallowed input tax of Rs. 0.908 million was remanded back. Being aggrieved with the above treatment, the Company filed an appeal before ATIR on May 04, 2023 against the aforesaid order of CIR(A). The department has also filed appeal against the order of CIR(A) before ATIR to the extent of issue remanded back. The Company is confident to defend the case on the basis of legal grounds available in the law.

13.2 Commitments

- a) The Company is committed as at the balance sheet date in respect of capital expenditure of Rs. 150 million (September 30, 2022: Rs. 2.681 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) June 30, 2023 (Rupees)	(Audited) September 30, 2022
Less than one year	4,919,232	5,342,250
Between one and five years	2,244,353	6,355,958
More than five years	-	-
	<u>7,163,585</u>	<u>11,698,208</u>

Nine Month Ended		Quarter Ended	
June 30,		June 30,	
2023	2022	2023	2022

..... (Rupees)

..... (Rupees)

14. SALES

Sales				
Manufacturing - local				
Sugar	2,480,867,208	2,646,800,109	1,780,830,177	1,857,592,148
Export sales (Note 14.1)	232,740,000	-	-	-
	2,713,607,208	2,646,800,109	1,780,830,177	1,857,592,148
By products sales				
Molasses (Note 14.2)	615,854,940	585,561,434	272,941,375	190,225,018
Baggasse	35,928,375	31,043,630	-	-
V.F. Cakes	14,699,735	23,464,779	-	17,499,021
	3,380,090,258	3,286,869,952	2,053,771,552	2,065,316,187
Less: Sales tax	(433,918,978)	(421,211,918)	(313,287,186)	(300,399,166)
	2,946,171,280	2,865,658,034	1,740,484,366	1,764,917,021

- 14.1 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.

Nine Month Ended		Quarter Ended	
June 30,		June 30,	
2023	2022	2023	2022

..... (Rupees)

..... (Rupees)

14.2 Molasses:

Sale under				
Normal taxable supplies	345,854,940	124,032,223	272,941,375	119,466,413
DTRE (Duty & Tax Remission for Exporters)	270,000,000	461,529,211	-	70,758,605
	615,854,940	585,561,434	272,941,375	190,225,018

- 14.3 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.

Nine Month Ended		Quarter Ended	
June 30,		June 30,	
2023	2022	2023	2022

..... (Rupees)

..... (Rupees)

15. COST OF SALES

Raw materials and expenses thereon	3,570,081,007	3,890,066,722	1,970,514	1,621,981
Other overheads:				
Stores, spares and consumables	23,466,931	24,441,699	186,038	8,581,139
Packing material consumed	38,954,770	35,825,016	180,268	78,215
Chemical consumed	33,572,270	43,178,461	(192,049)	200
Salaries, wages and other benefits	138,402,961	134,985,125	31,630,714	34,043,221
Fuel and power	18,782,964	15,808,630	5,037,452	4,840,509
Repair and maintenance	119,394,966	140,174,000	36,424,209	43,441,639
Depreciation	81,181,108	74,682,527	27,193,679	26,355,474
Vehicle running expenses	9,197,249	4,736,661	2,639,949	1,188,274
Fee and subscription	30,000	30,000	-	-
Insurance	988,046	1,707,141	-	683,347
Other factory overheads	7,949,568	5,661,184	437,166	3,078,471
	471,920,833	481,230,444	103,537,426	122,290,489
Opening work in process	5,413,703	4,301,029	11,456,148	5,154,302
Closing work in process	(11,877,114)	(5,222,822)	(11,877,114)	(5,222,822)
	(6,463,411)	(921,793)	(420,966)	(68,520)
Cost of goods manufactured	4,035,538,429	4,370,375,373	105,086,974	123,843,950
Opening stock of finished goods	530,146,487	35,397	3,364,620,340	3,198,317,299
Closing stock of finished goods	(1,902,262,976)	(1,545,433,520)	(1,902,262,976)	(1,545,433,520)
	(1,372,116,489)	(1,545,398,123)	1,462,357,364	1,652,883,779
	2,663,421,940	2,824,977,250	1,567,444,338	1,776,727,729

16. 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 on June 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.

17. 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, 2022.

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, 2022.

19. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. However, no significant reclassification has been made during the period.

20. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on July 25 , 2023 by the Board of Directors of the Company.

21. GENERAL

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

21.2 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 30 June 2023 are based on unaudited condensed interim financial information. The condensed interim profit & loss account and condensed interim statement of other comprehensive income for the quarters ended 30 June 2023 and 30 June 2022 are neither audited nor reviewed.

21.3 Seasonality of operation

Due to seasonal availability of sugarcane, the production of sugar is carried out during the period of availability of sugarcane and the costs incurred/ accrued up to the reporting period have been accounted for. Accordingly, the costs incurred / accrued after the reporting period will be reported in the subsequent periods.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

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