

**THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED**

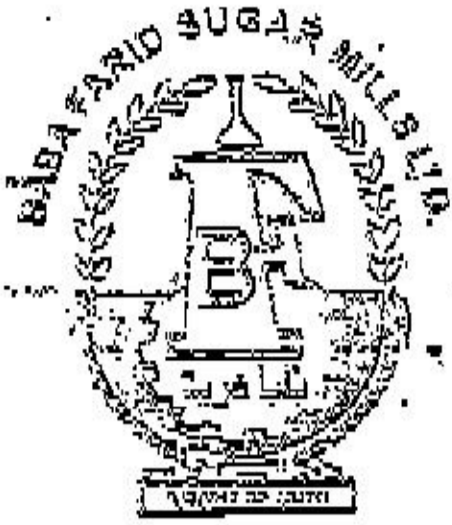
KSE/N-1776

**NOTICE**

March 30, 2010

Reproduced hereunder letter received from BABA FARID SUGAR MILLS LIMITED  
for information of members of the Exchange.

(Copy of the same is also available on our Website [www.kse.com.pk](http://www.kse.com.pk)).

**BABA FARID SUGAR MILLS LTD.**

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BF5M/SECY/BM-82/2010/173

March 29, 2010

The General Manager,  
KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED  
Stock Exchange Building,  
Stock Exchange Road,  
KARACHI

**DIRECTORS' REVIEW OF OPERATIONAL RESULTS FOR THE CRUSHING SEASON 2009-10**

Dear Sir,

Board of Directors was informed about the operational results of season 2009-10. The current season has remained highly volatile due to the factors including high prices ranging from Rs.102/- to Rs.241/- per 40 kg even though, the minimum price fixed by the Government was Rs.100/-. The crushing season started late on December 04, 2009, due to proximity of Eid Holidays falling in the last week of November 2009 and expected non-supply of sugarcane in early days of the season. Current season (2009-10) ended on February 25, 2010 totaling to 84 days, as compared to 93 days of last year (2008-09). The season has resulted in total crushing of 143,575.68 M. Tons, with an average sugar recovery of 7.87%.

The Board was informed by Mr. Munawar Ali Fecto, the Executive Director, that company has been passing through difficult phase for last some years due to various factors including

- short supply of sugar cane
- low recovery from un-approved varieties available in the area
- menace of middleman in sugar procurement process
- Government's Pressure on Selling Prices
- increase in Borrowing Cost
- etc.

Further, the increasing Financial Problems, Growers' High demand for early payment of dues and consequent disturbance at the Mills, lack of further financial support from banks and financial institutions have substantially put further pressure on the management to take urgent remedial actions.

In the light of past audited results the poor performance has caused the company not paying any dividends to shareholders, which is against the policy of the Group.

In the light of above, the board has suggested to consider any possibility to arrange funds and options to improve the financial position of the company in the best interest of shareholders.

Thanking you;

Yours faithfully,  
For BABA FARID SUGAR MILLS LIMITED,