



BABA FARID SUGAR MILLS LTD.

Head Office : 1st Floor, Panorama Centre # 2, Raja Ghazanfar Ali Khan Road, Saddar, Karachi.
UAN: 111-133-280 Phones: 35682178-35662991 Fax: 35683800-35684709 Website: www.fecto.com
Email : fecto@fecto.com

No.BFSM/2011/es//

June 20, 2011

Mr. Muhammad Ghulran,
DGM Companies Affairs
Stock Exchange Building,
Stock Exchange Road,
Karachi-74000

Subject:- Placement of your Company on the Non-Compliant Segment of the Exchange on account of Default of the Listing Regulation.

Dear Sir,

Kindly refer to your letter // KSE/Gen-3584 dated June 07, 2011 on the captioned subject.

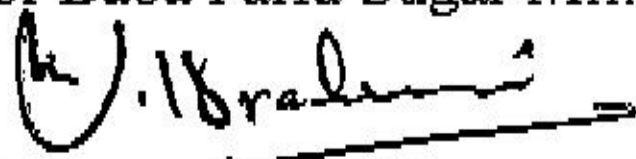
In this context we would like to explain here that The Board of Directors of the Company has not recommended/declared any dividend or bonus share because of loss sustained by the company during the year and last five years. Furthermore, accumulated loss is appearing in the Accounts and equity is also negative. As per section 249 of the Companies Ordinance 2004, no dividend shall be paid by a company otherwise than out of profit of the company.

The new management is trying his best to improve the financial health of the company through their own sources, continued assurance for arrangements of funds as and when required, arrangement of long term finance from financial institutions, full utilization of production capacity and to improve sugar recovery % by crushing of quality cane. It is hoped that the full year result of the company will be better than last year.

It is requested, kindly above submission may please be considered favourably and company may not be placed in Non-Compliant Segment of the Exchange due to non-declaration of dividend/bonus shares.

Please find enclosed a cheque bearing numbered 6613559 dated 20th June, 2011, drawn on Bank Al-Habib Ltd; Lahore, amounting to Rs.56,251/-, pertaining to annual listing fee of the exchange for the year 2010-11.

Yours truly,
For Baba Farid Sugar Mills Ltd.


Muhammad Ibrahim
(Company Secretary)

