THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

KSE/N-636.

NOTICE

February 09, 2009

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

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BABA FARID SUGAR MILLS LTD.

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February 04, 2009,

Mr. Haroon Askari,
The General Manager,
Karachi Stock Exchange (Guarantee) Ltd.,
Stock Exchange Building,
Stock Exchange Road,
KARACHI

SUB: SHOW CAUSE NOTICE

Dear Sir,

Refer your letter No.KSE/Gen-11507 dated December 17, 2008 and subsequent to letter No.KSE/Gen-747 dated January 22, 2009 regarding the captioned subject mentioning the default in compliance of Listing Regulation No.32(1) of the Exchange. Kindly review the following chart:

Period/Year End	Profit/(Loss) After Taxation	Earning/ Share	Accumulated Loss	Shareholders Equity
December 31,2008	(25,951,514)	(2.75)	(281,341,009)	(186,841,009)
September 30,2008	(3,942,286)	(0.42)	(261,653,280)	(167,153,280)
September 30,2007	(153,748,816)	(16.27)	(279,451,241)	(184,951,241)
September 30,2006	(22,018,629)	(2.33)	(125,702,425)	(31,202,425)
September 30,2005	10,920,948	1.16	(103,683,796)	(9,183,796)
September 30,2004	(43,720,249)	(4.63)	(114,604,744)	(20,104,744)
September 30,2003	(1,200,530)	(0.13)	(70,884,494)	23,615,506

From the above it is evident that the Company is incurring losses every year except for the year ended September 30, 2005 and its shareholders equity stood at negative since 2004. The management is trying hard to turn the Unit into profitable venture, but due to certain factors which are beyond our control, we are unable to do it.

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