Baba Farid Sugar Mills Ltd.

No. BFSML/Sec./Kse/
July 13, 2015.

The General Manager,
Karachi Stock Exchange Limited.
Stock Exchange Building
Stock Exchange Road,
Karachi

The General Manager,
Lahore Stock Exchange Limited
19-Khyaban-e-Aiwan-e-Iqbal
Lahore.

The General Manager,
Islamabad Stock Exchange Limited
55-B, ISE Towers, Jinnah Avenue,
Islamabad.

Subject:- **INCREASE IN AUTHORIZED CAPITAL AND ISSUANCE OF FURTHER CAPITAL WITHOUT RIGHT OFFERING.**

Dear Sir,

This is to inform you that the Board of Directors of the Company in their meeting held on July 13, 2015 have decided.

(i) Increase in the Authorized Capital of the Company from Rs.100,000,000 (Rupees one hundred million) to Rs.700,000,000 (Rupees seven hundred million)

(ii) To issue 50,000,000 Ordinary shares of Rs.10/- each at par, without right offering, to Pattoki Sugar Mills Limited (the holding company) subject to approval of Securities & Exchange Commission of Pakistan (SECP) and shareholder of the Company.

The Board of Directors of the Company have also decided to convene an Extraordinary General Meeting on August 07, 2015 at 09 A.M. at 42-G, Gulberg-III, Lahore. The share transfer books of the company will be remain closed from July 31, 2015 to August 07, 2015 (both days inclusive)

Yours truly,
For Baba Farid Sugar Mills Limited.

M. Ibrahim

(Muhammad Ibrahim)
Company Secretary

Cc. Executive Director (Enforcement)
Securities and Exchange Commission of Pakistan
7th Floor, NIC Building Blue Area, Islamabad

HEAD OFFICE: T-09, 3rd Floor, Hafeez Centre, Main Boulevard, Gulberg III, Lahore 54660
Tel: (042) 35884180-5, Fax: 92-42-35884138-39, Email: info@bfsml.com
MILLS: Okara. Tel: 0442-522878, 524279, 511878, Fax: 0442-522978

Baba Farid Sugar Mills Ltd.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Baba Farid Sugar Mills Limited ("Company") will be held on August 07, 2015 at 09.00 A.M. at 42-G, Gulberg-III, Near Firdous Market, Lahore to transact the following business:

1. To confirm the minutes of Annual General Meeting held on 31st January, 2015.

2. To consider and, if thought fit, to pass, with or without modification, the following Resolutions as a Special Resolutions to approve alteration in the relevant clauses of Memorandum and Articles of Association of the Company for Increase in Authorized Capital of the Company.

   "RESOLVED, that the Authorized Capital of the Company be and is hereby increased from Rs.100,000,000 (Rupees one hundred million) to Rs.700,000,000 (Rupees seven hundred million) and that:

   a) Clause V of the Memorandum of Association be and is hereby amended to read as follows:

      "V. The share capital of the Company is Rs.700,000,000 (Rupees seven hundred million) divided into 70,000,000 ordinary shares of Rs.10/- (Rupees ten) each".

   b) Article 3 of the Articles of Association of the Company be and is hereby amended to read as follows:

      "The share capital of the Company is Rs.700,000,000 (Rupees seven hundred million) divided into 70,000,000 ordinary shares of Rs.10/- (Rupees ten) each".

3. To consider, and if thought fit, to pass the following resolutions as a Special Resolution.

   "RESOLVED that the consent of the Company in Extraordinary General Meeting be and is hereby accorded to issue 50,000,000 ordinary shares of Rs.10/- each, without issue of right shares, to M/s. Pattoki Sugar Mills Limited (the holding company) against their long term loan to the extent of Rs.500,000,000/- (Rupees five hundred million only) in accordance with section 86(1) of the Companies Ordinance, 1984 subject to any regulatory approval required under the law".

4. FURTHER RESOLVED THAT these new ordinary shares shall from the date of allotment, rank *pari passu* in all respect with the then existing fully paid ordinary shares of the Company.

5. RESOLVED FURTHER THAT the Chief Executive and Company Secretary (the "Authorized Officers") of the Company, be and are hereby empowered, jointly or severally on the behalf of the Company to undertake all such steps, actions, execute all such documents and do all such things, ancillary and incidental in respect of issuance of shares without issuance of right shares including taking necessary permissions for the Regulatory Authorities, if any, including seeking the approval of the Securities and Exchange Commission of Pakistan, Alteration in Memorandum and Articles of Association of the Company and to sign, execute and amend such the documents, papers, instruments, etc., as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the aforesaid resolution".

6. RESOLVED FURTHER THAT the aforesaid resolutions shall be subject to any amendment, modification, addition or deletion as may be deemed appropriate and as approved by the shareholders or as may be suggested directed and advised by the SECP with suggestion, direction and advice shall be deemed to be part of this resolution without the need to pass a fresh Resolution. The Authorized Officers be and hereby authorized to make any such amendment, modification, addition or deletion as may be required.

7. RESOLVED FURTHER THAT that all actions hereto taken and/or to be taken by and on behalf of the Company by any of the Authorized Officers in terms of these resolution be and are hereby rectified and confirmed by the Company.

8. Any other business with the permission of the Chair.

A Statement under section 160(1)(b) of Companies Ordinance, 1984, pertaining to the special business is being sent to the shareholders along-with this Notice.

By Order of the Board

M. Ibrahim

(Muhammad Ibrahim)
Company Secretary

Lahore: July 13, 2015.

Baba Farid Sugar Mills Ltd.

NOTES:

1. The share transfer books of the Company will remain closed from July 31, 2015 to August 07, 2017 (both days inclusive). Transfer received in order at the office of Share Registrar of the Company, i.e. M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore, at the close of business 5.00 P.M. on July 30, 2015 will be considered in time for entitlement to attend the Meeting.

2. All members should bring their original Computerized National Identity Card at the time of meeting.

3. All members of the Company are entitled to attend the Meeting and vote thereat in person or through Proxy. A proxy, duly appointed, shall have such rights as respects speaking and voting at the meeting as are available to a member. The proxies shall produce their original CNICs or original Passports at the time of the Meeting.

4. A member of the Company may appoint another member as his/her Proxy to attend and vote instead of him/her. A Corporation being a member may appoint any person, whether or not a member of the Company, as its Proxy. In the case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, unless provided earlier, shall be submitted to the Company along with the Proxy Form.

5. Proxy Forms, duly filled and signed, must be received at the Registered Office of the Company, not less than forty eight (48) hours before the Meeting. A blank Proxy Form is attached herewith.

Baba Farid Sugar Mills Ltd.

Statement Under Section 160(1)(b)
of the Companies Ordinance, 1984

This statement sets out the material facts concerning the special business to be transacted at the Extraordinary General Meeting of the Company to be held on August 07, 2015.

1. The Company intends to issue 50,000,000 ordinary shares of Rs.10/- each, at par value, without issuance than as of right share to M/s. Pattoki Sugar Mills Limited (the holding company) against the long term loan to the extent of Rs.500,000,000/- (Rupees five hundred million) subject to approval from Securities and Exchange Commission of Pakistan (SECP)

2. The holding company i.e. Pattoki Sugar Mills Limited is charging markup at the rate of 3 month's KIBOR + 2% which effectively comes to the tune of approximate of 11.63% to 11.67% per annum which substantially dilutes the Baba Farid Sugar Mills Limited earnings for the year. With holding company's loan being converted to equity, company's earnings will be improved and consequently more profits will be available for appropriation as dividend to shareholders.

3. The shares are to be issued at par value i.e. Rs.10/- to Pattoki Sugar Mills Limited. The Directors of the Pattoki Sugar Mills Limited have given written consent to the acquisition of shares against outstanding loan to the extent of Rs.500,000,000/-. These shares will rank *pari passu* in all respects with existing shares of the company. The average market value of the share in the last 6 month is Rs.24.83 while the breakup value of the share (excluding revaluation surplus) is (Rs.116.47).

4. Existing shareholding of Pattoki Sugar Mills Limited in Baba Farid Sugar Mills Limited is as follows:-

Name	Nos of Shares	%age of holding
Pattoki Sugar Mills Limited	7,696,072	81.44%

After the issuance of shares, the revised shareholding will be as follows:

Pattoki Sugar Mills Limited	57,696,072	97.00%

5. None of the directors, Chief Executive, Officer of the Company or their relatives are, in any way, interested in the resolution except to the extent of their common directorship and shareholding in Pattoki Sugar Mills Limited.

6. The new shares of the Company will rank *pari passu* in all respect with the existing shares of the Company.

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Baba Farid Sugar Mills Ltd.

PROXY FORM

I/We ____

of ______________________ being a member of Baba Farid Sugar Mills Limited and

holders of __________________ Ordinary Shares, as per:

Share Register Folio No.______________ and/or

CDC Participant ID No.________________ Sub A/c No.______________

hereby appoint Mr./Ms.____ of

__________________________, another member of the Company* (or failing him

Mr./Ms. ______________________________ of ____________________, another member

of the Company*) as may / our proxy to attend, speak and vote for me /us and on my/our behalf, at the Extraordinary General Meeting of the Company to be held on August 07, 2015 at 09.00 A.M at 42-G, Gulberg-III, Near Firdous Market, Lahore and at any adjournment thereof.

Signed this ________________ day of _____________ 2015.

WITNESSES:

1. Signature: _______________
   Name: _______________
   CNIC No. or _______________
   Passport No. _______________
   Address: _______________

2. Signature: _______________
   Name: _______________
   Address: _______________
   ____
   CNIC No. or _______________
   Passport No. _______________

Revenue Stamps of Rupees Five Signature on

Signature should agree with the specimen signature with the Company.

*Proxy representing a corporation may or may not himself be a member of the Company

IMPORTANT:

1. This Proxy Form, duly completed, must be deposited at the Company's Registered Office, not less than forty eight hours before the meeting.
2. CDC shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card (CNIC) or Passport with this proxy form before submission to the Company.
3. All proxies attending the EGM are requested to bring their original CNIC/Passport for identification.

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