

**FARAN SUGAR MILLS LTD.**

Financial Statements (Reviewed)

For the Half Year Ended  
March 31, 2019

Faran Sugar Mills Ltd.

[www.faran.com.pk](http://www.faran.com.pk)

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# CORPORATE INFORMATION

## Date of Incorporation

November 3, 1981

## Legal Advisor

Ghulam Rasool Korai

## Date of Commencement of Business

November 25, 1981

## Bankers (Islamic Banking Division)

United Bank Limited  
Habib Bank Limited  
MCB Bank Limited  
Bank Al-Habib Limited  
Bank Al Falah Limited  
Meezan Bank Limited  
Al Baraka Islamic Bank  
Dubai Islamic Bank  
Habib Metropolitan Bank Limited  
Askari Bank Limited

## Board of Directors

Muhammad Omar Amin Bawany - Chairman  
Ahmed Ali Bawany - Chief Executive  
Bilal Omar Bawany  
Hamza Omar Bawany  
Muhammad Altamash Ahmed Bawany  
Ahmed Ghulam Hussain  
Irfan Zakaria Bawany - NIT  
Sheikh Asim Rafiq

## Share Registrar

C & K Management Associates (Pvt) Ltd.

404, Trade Tower, Abdullah Haroon Road  
Near Metropole Hotel, Karachi.

Tel: 35687839 & 35685930

## Audit Committee

Irfan Zakaria Bawany - Chairman  
Muhammad Omar Amin Bawany - Member  
Hamza Omar Bawany - Member

## Registered Office

43-1-E(6), P.E.C.H.S., Block 6, off Razi Road,  
Shahrah-e-Faisal, Karachi-Pakistan-75400  
UAN (92-21) 34322864

## Human Resource &

## Remuneration Committee

Irfan Zakaria Bawany - Chairman  
Ahmed Ali Bawany - Member  
Hamza Omar Bawany - Member

## Mills

Shaikh Bhirkio, District Tando M. Khan  
Sindh.

## Auditors

Rahman Sarfaraz Rahim Iqbal Rafiq  
Chartered Accountant

## E-mail & Website

info@faran.com.pk  
www.faran.com.pk

## Chief Financial Officer & Company Secretary

Muhammad Ayub

## Stock Exchange Symbol

FRSM

## Registration Number

Company Registration Number  
K-161/6698  
National Tax Number 0710379-4  
Sales Tax Number 01-01-2302-005-82

## CHIEF EXECUTIVE REVIEW FOR THE PERIOD ENDED MARCH 31, 2019

Dear Shareholders,

By the grace of Almighty Allah, on behalf of the Board of Directors, I take pleasure in presenting a brief review of the performance of your Company for the Half year ended March 31, 2019, which have been reviewed by the External Auditors.

Net sales during the Half year were Rs. 1.618 billion vis-à-vis Rs. 4.230 billion for the corresponding period of 2017-18 including export sale of Rs 2.639 billion and export subsidy of Rs. 729.868 million. This contraction in sales revenue mainly due to steep fall in sales volume of refined sugar which was less than 66% of same corresponding period of last year and only included lifting of previous season sugar stock. Further we have not exported refined sugar during the period under review due to low international selling price and no export subsidy. Financial cost almost doubled due to massive short-term borrowing as well as increase in financing rate to double digit. Huge financing obtained during the period due to low sales volume and stuck up subsidy of Rs. 690 million, out of which Rs. 83 million is outstanding against freight inland subsidy pertaining to 2012-13 and 2013-14. The distribution & selling expenses and other income decreased significantly as compared to corresponding period of last year which mainly included export related cost and exchange gain respectively due to export sale. Taxation included deferred tax asset of Rs. 128.691 million.

Thus, profit after tax amounted to Rs. 19.42 million including net share of profit from Associates amounting to Rs. 118 million against profit after tax of Rs. 216.656 million including net share of profit from Associates amounting to Rs. 105.372 million in same corresponding period of last year. Hence, earning per share stood at Re. 0.78 against earning per share of Rs. 8.66 per share of corresponding period of last year.

The crushing season usually starts in November but this time it was delayed by one month as the sugar mills across the country demanded export of surplus sugar and the release of rebate outstanding against the previous exports as well as levy of sales tax on actual per KG price of sugar rather than on presumed price of Rs. 60 per KG to start the crushing season. Besides, mismatch between the cane and sugar price was also making it unfeasible for the millers to start crushing. However, in order to facilitate growers, sugar mills started the crushing season in the month of December to fulfil their corporate obligation. On 7th January 2019, the Sindh government issued notification of cane price at Rs. 182 per mound and in addition notified implementation of quality premium for the season 2018-19. Based on recovery the quality premium amount to Rs. 5 to Rs. 12 per mound thus, taking the price of sugarcane to Rs. 187 to Rs. 194 per mound in comparison to Punjab where the notified price was Rs. 180 per mound and no quality premium was applicable. As notified cane price was not workable at the prevailing domestic selling price of sugar, the sugar mills-Sindh Zone approached Sindh High Court and also took up this matter before every forum of justice and competent authority for interest of whole sugar supply chain management and long term survival of sugar industry of Pakistan.

The country was estimated to produce 5.402 MMT refined sugar in this season 2018-19, down by 17% as compared to previous season due to shorter availability of cane.

The comparative summarized operating result of your mills for complete season is as follows:

		Season 2018-19	Season 2017-18
Season commenced	Date	<b>13-December-2018</b>	28-November-2017
Season end	Date	<b>11-March-2018</b>	20-April-2018
Duration of Operation	Days	<b>89</b>	144
Sugar-cane Crushed	Metric tons	<b>670,581</b>	959,278
Sugar Production	Metric tons	<b>73,696</b>	105,633
Recovery	%	<b>11.005</b>	11.005
Minimum Support Price	Per 40 kg	<b>182</b>	182

In December 2018, the Federal government allowed sans subsidy export of 1,100,000 tons of sugar. However, the Punjab government in order to support the provincial sugar industry announced Rs. 5.35/- per kg of subsidy on the export of sugar. Beijing has placed the order with Islamabad for 300,000 tons sugar after signing the Free Trade Agreement (FTA), and resultantly the trade between both countries have started.

But export target could not be achieved because of lower international prices and without any federal subsidy as granted on previous quotas, only 477,594 tons including 178,000 tons to China was contracted up to mid of May 2019 by only mills operating in Punjab zone. It will deprive the country to improve its precious foreign reserve.

The progress on power projects; UniEnergy Limited – 50 MW wind power project under joint venture arrangement and Faran Power Limited, Wholly owned subsidiary (FPL) – 26.5 MW HP bagasse base power project has been halted due to change of government policies and delayed tactics by concerned government agencies. FPL has opted for status of ‘inactive company’ u/s 424 of the Companies Act 2017 and it will be revived in future in case of any positive development by the government, which seems unlikely in near future.

Uni-Food Industries Limited (UFIL) – joint venture food project has started its commercial production in March 2018 of its signature brand “GOOD GOODIES”. The company reported Rs. 274.3 million loss, out of which our shares of Rs. 95.1 million has been reflected in net shares in profit/ (loss ) from equity accounted investment-net. Rigorous efforts are being made to establish a nationwide distribution network and a brand image. We expect the sales to continue to grow, however, the company’s profitability is expected to be positive after 2021.

Unicol Limited is performing well and reported Rs. 639.7 million profit, out of which our shares of Rs. 213.241 million has been reflected in net shares in profit / (loss) from equity accounted investment-net. Unicol Limited also announced 2<sup>nd</sup> interim cash dividend at the rate of 10% accumulated to 20% for the financial year 2018-19 and expect further dividend in next quarters.

Efforts are being made to get our subsidy amount and subsequent to balance sheet date further Rs. 75 million was released by the Federal government; surprisingly, the Sindh government has not yet released its share of Rs. 145.7 million. Subsequent to balance sheet date, the Utility Store released our long outstanding amount of Rs. 112 million.

Domestic price were very depressed during the crushing season 2018-19. However, as there is continuous improvement in domestic selling price of sugar, we expect, Insha Allah, the bottom line to show healthy growth on year-to-year basis

May Allah bestow the strength on us to continue our success, AMEEN!

Ahmed Ali Bawany  
Chief Executive  
Karachi: May 27, 2019

چیف ایگزیکٹو کا جائزہ

مدت مختتمہ ۳۱ مارچ ۲۰۱۹

معزز حصص یافتگان

اللہ تعالیٰ کے فضل و کرم سے بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2019 کو ختم ہونے والے ششماہی مدت کے لئے آپ کی کمپنی کی کارکردگی کا مختصر جائزہ پیش کرتے ہوئے میں خوشی محسوس کرتا ہوں جس کا بیرونی آڈیٹرز کی طرف سے جائزہ لیا گیا ہے۔

نصف سال کے دوران نیٹ فروخت 1.618 ملین روپے کی ہوئی جبکہ 2017 میں اسی مدت کے لئے 4.230 ملین روپے کی فروخت ہوئی جس میں 2.639 ملین روپے کی برآمدی فروخت اور 729.868 ملین کی برآمدی سبسڈی شامل تھی۔ فروخت میں اس بند ش کی بنیادی وجہ ریٹائنڈ چین کی فروخت کے حجم میں کمی تھی جو کہ گزشتہ سال اسی مدت کی فروخت سے 66% کم تھی اور اس میں صرف پچھلے سیزن کا فروخت شدہ چین کا اسٹاک شامل تھا۔ موجودہ سیزن 2018-19 کی پیداوار سے چین کی فروخت کم مقامی قیمت فروخت کی وجہ سے نہیں ہوئی۔ فنانس کی لاگت ضخیم مختصر مدتی قرضوں کی وجہ سے دوہری ہو گئی جس کے ساتھ ساتھ مالیاتی اخراجات کی شرح میں دوگنا اضافہ ہوا۔ فروخت کے کم حجم کی وجہ سے اس عرصے کے دوران وسیع فنانسنگ کی گئی جبکہ 690 ملین روپے کی سبسڈی قسط کا شکار رہی، جس میں 2012-13 اور 2013-14 سے منسلک سبسڈی کے 83 ملین شامل ہیں۔ فروخت کے اخراجات اور دیگر آمدنی میں گزشتہ سال کی اسی مدت کے مقابلے میں نمایاں طور پر کمی ہوئی جس میں بنیادی طور پر برآمد کی وجہ سے برآمد سے متعلق اخراجات اور زرمبادلہ کے حصول شامل تھے۔ ٹیکس میں 128.691 ملین ڈیفریڈ ٹیکس اثاثے کے شامل ہیں۔

چنانچہ بعد از ٹیکس منافع 19.42 ملین روپے جس میں 118 ملین کا ایسوسی ایٹس کا حصہ شامل ہے برخلاف گزشتہ سال کے منافع بعد از ٹیکس 216.656 ملین بشمول 105.372 ملین کا ایسوسی ایٹس کا منافع شامل تھا۔ لہذا فی حصص منافع 0.78 روپے رہا برخلاف گزشتہ سال اسی مدت کے فی حصص منافع 8.66 روپے کے۔

کرشنگ سیزن عام طور پر نومبر میں شروع ہوتا ہے لیکن اس دفعہ یہ ایک مہینہ تاخیر سے شروع ہوا کیونکہ ملک بھر میں شوگر ملوں نے کرشنگ شروع کرنے کے لئے اضافی برآمدات، کچھلی برآمدات کی سبسڈی اور 60 روپے فی کلوگرام چین پر سلیو ٹیکس لیوی کے بجائے فی کلو اصل قیمت پر سلیو ٹیکس لیوی کا مطالبہ کیا۔ اس کے علاوہ گئے اور چین کی قیمتوں کے درمیان تضاد بھی شوگر ملز کے لئے کرشنگ شروع کرنا ناقابل قبول بنا رہا تھا۔ تاہم کسانوں کو سہولت دینے کے لئے دسمبر کے مہینے میں شوگر ملز نے کرشنگ شروع کی تاکہ وہ اپنی کاروباری ذمہ داریاں پوری کریں۔ 7 جنوری 2019 کو سندھ حکومت نے 182 روپے فی من گئے کی قیمت کا نوٹیفکیشن جاری کر دیا اور اس کے علاوہ سیزن 2018-19 کے لئے کوالٹی پرییم کے عملدرآمد کا اعلان کیا۔ ریکوری کی بنیاد پر کوالٹی پرییم 5 روپے سے 12 روپے فی من گندم کی قیمت 187 روپے سے 194 روپے تک لے گیا جس کے مقابلے میں پنجاب میں 180 روپے فی من گئے کی قیمت کا اعلان ہوا تھا اور کوالٹی پرییم بھی قابل عمل نہیں تھا۔ چنانچہ گئے کی اعلان کردہ قیمت موجودہ قیمت فروخت پر ناقابل عمل تھی تو سندھ کی شوگر ملز نے سندھ ہائی کورٹ سے رابطہ کیا اور تمام شوگر سپلائی چین مینجمنٹ کے مفاد اور پاکستان کی چین کی صنعت کی دیرپا بقا کیلئے اس معاملے کو انصاف کے ہر فورم تک لے جایا گیا۔

اس سیزن 2018-19 میں ملک میں 5.402 ملین ٹن ریٹائنڈ چین پیدا کرنے کا تخمینہ لگایا گیا تھا جو کہ گئے کی کم دستیابی وجہ سے گزشتہ سیزن کے مقابلے میں 17 فی صد کم تھا۔

مکمل سیزن کے لئے آپ کی مل کا موازنہ خلاصہ آپریٹنگ نتیجہ مندرجہ ذیل ہے:

سیزن 2017-18	سیزن 2018-19	تاریخ	سیزن کا آغاز
28 نومبر 2017	12 دسمبر 2018	تاریخ	سیزن کا اختتام
20 اپریل 2018	11 مارچ 2019	دن	سیزن کا دورانیہ
142	89	میٹرک ٹن	کرش کیا گیا گنا
959,278	670,581	میٹرک ٹن	چینی کی پیداوار
105,633	73,696	فیصد	رکوری
11.005	11.005	فی 40 کلوگرام	کم سے کم امدادی قیمت
182	182		

دسمبر 2018 میں فیڈرل حکومت نے 1,100,000 ٹن چینی کی بغیر سبسڈی برآمد کی اجازت دی۔ تاہم صوبائی چینی صنعت کی حمایت کے لئے پنجاب حکومت نے چینی کی برآمد پر 5.35 فی کلوگرام سبسڈی کا اعلان کیا۔ بیجنگ نے فری ٹریڈ معاہدہ (ایف ٹی اے) پر دستخط کرنے کے بعد اسلام آباد کے ساتھ 300,000 ٹن چینی کی درآمد کا معاہدہ کیا ہے اور نتیجے میں دونوں ممالک کے درمیان تجارت شروع ہو چکی ہے۔

لیکن برآمدی ہدف حاصل نہیں کیا جا سکا کیونکہ کم بین الاقوامی قیمت اور پچھلے کوٹے پر کسی وفاقی سبسڈی کے بغیر صرف 477,594 ٹن چینی کی برآمدات بشمول 178,000 ٹن چین کو برآمدات مئی 2019 کے وسط تک پنجاب زون کی ملز کی جانب سے کی گئیں۔ اس کی وجہ سے ملک اپنے قیمتی غیر ملکی ذخائر کو بہتر بنانے سے محروم رہا۔

توانائی کے پروجیکٹس میں یو پی انرجی لمیٹڈ جو کہ 50 میگاواٹ کا ہوائی توانائی کا مشترکہ اہتمام کے ایک پروجیکٹ ہے اور فاران پاور لمیٹڈ (مکمل طور پر ملکیت میں ذیلی کمپنی) جو کہ HP-26.5 میگاواٹ بگاس بیس پاور پروجیکٹ ہے حکومت کی غیر یقینی اور تاخیری پالیسیوں کی وجہ سے روک دیا گیا ہے۔ فاران پاور لمیٹڈ نے کمپنیز ایکٹ 2017 سیکشن 424 کے تحت (In-Active Company) اسٹیٹس کے لئے اپلائی کیا ہے جو کہ حکومت کی مثبت پولیسیز سے بحال ہو سکتا ہے، جو مستقبل قریب میں ممکن نظر نہیں آتا۔

یو پی فوڈ انڈسٹری لمیٹڈ (UFIL) - مشترکہ منصوبے کے سکچر براڈ (GOOD GOODIES) نے مارچ 2018 میں تجارتی پیداوار شروع کی تھی۔ کمپنی نے 274 ملین روپے نقصان کیا جس میں سے ہمارا حصہ 95.1 ملین روپے ہے۔ ملک بھر میں تقسیم نیٹ ورک اور ایک براڈ قائم کرنے کے لئے سخت کوششیں کی جارہی ہیں۔ ہم امید کرتے ہیں کہ فروخت بڑھے گی، تاہم کمپنی 2021 کے بعد منافع بخش ہو سکے گی۔

Unicol لمیٹڈ اچھی کارکردگی کا مظاہرہ کر رہی ہے اور 639.7 ملین روپے منافع کیا، جس میں سے ہمارا حصہ 213.241 ملین روپے رہا۔ Unicol لمیٹڈ نے مالیاتی سال 2018-19 میں 10 فی صد دوسرا انٹریم کیش ڈیویڈنڈ جو کہ کل 20 فی صد کا اعلان کیا ہے اور مزید ڈیویڈنڈ کی توقع ہے۔

سبسڈی کی رقم حاصل کرنے کے لیے کوشش کی جارہی ہے اور بیلنس شیٹ ڈیٹ کے بعد وفاقی حکومت کی طرف سے 75 ملین روپے جاری کیا گیا تھا حیرت انگیز طور پر، سندھ حکومت نے ابھی تک 145.7 ملین روپے کا حصہ جاری نہیں کیا ہے۔ بیلنس شیٹ ڈیٹ کے بعد یوٹیلیٹی سٹور نے اپنے طویل بقایا 112 ملین روپے کی رقم جاری کی۔



کرشنک سیزن 2018-19 کے دوران چینی کی قیمت بہت کم تھیں۔ تاہم جیسا کہ چینی کی فروخت میں مسلسل بہتری آئی ہے اور ہم امید کرتے ہیں کہ انشاء اللہ سال کے دوران صحت مند ترقی کو ظاہر کرے گی۔

اللہ تعالیٰ ہمیں اپنی کامیابی کو جاری رکھنے کے لئے طاقت عطا فرمائے، آمین!

احمد علی بادانی

چیف ایگزیکٹو

کراچی: 27 مئی 2019

## **AUDITORS' REVIEW TO MEMBERS ON REVIEW OF CONDENSE INTERIM FINANCIAL STATEMENTS**

### **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **Faran Sugar Mills Limited** as at **March 31, 2019** and the related condensed statement of profit or loss and other comprehensive income, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended March 31, 2019 and March 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the half year ended March 31, 2019.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is Mr. Muhammad Waseem.

**Karachi**

**Date: May 27, 2019**

**Rahman Sarfaraz Rahim Iqbal Rafiq**  
**Chartered Accountants**

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
AS AT MARCH 31, 2019

		(Un-audited) March 31, 2019	(Audited) September 30, 2018
ASSETS	Note	Rupees	
<b>Non-current assets</b>			
Property, plant and equipment	5	1,812,348,017	1,730,369,583
Long term investments	6	1,223,824,358	1,177,435,536
Long term deposits		8,598,906	13,842,956
		<b>3,044,771,281</b>	<b>2,921,648,075</b>
<b>Current assets</b>			
Stores and spares		101,539,718	74,917,689
Stock-in-trade	7	3,335,879,587	1,295,298,830
Trade debts - unsecured, considered good	8	131,306,881	190,421,040
Short term investments	9	27,072,300	48,904,688
Loans, advances, deposits, prepayments and other receivables		949,242,993	1,078,683,805
Taxation - net		90,434,399	68,877,116
Cash and bank balances		143,353,064	94,907,701
		<b>4,778,828,942</b>	<b>2,852,010,869</b>
<b>TOTAL ASSETS</b>		<b>7,823,600,223</b>	<b>5,773,658,944</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<i>Authorized capital</i>			
40,000,000 ordinary shares of Rs. 10/- each		400,000,000	400,000,000
Issued, subscribed and paid up capital		250,069,550	250,069,550
<b>Capital reserve</b>			
Share premium		8,472,152	8,472,152
<b>Revenue reserves</b>			
General reserve		49,952,868	49,952,868
Unappropriated profit		1,650,135,353	1,724,489,556
Surplus on re-measurement of available-for-sale investment		2,356,061	4,516,667
		<b>1,702,444,282</b>	<b>1,778,959,091</b>
		<b>1,960,985,984</b>	<b>2,037,500,793</b>
<b>Non-current liabilities</b>			
Long term finance - secured		170,410,807	224,485,367
Deferred liabilities	10	347,840,536	488,243,171
		<b>518,251,343</b>	<b>712,728,538</b>
<b>Current liabilities</b>			
Trade and other payables		1,412,088,670	941,014,620
Accrued markup		79,569,835	56,982,611
Short term finance - secured	11	3,749,999,999	1,933,312,830
Unclaimed dividend		11,462,226	7,293,224
Current portion of long term finance - secured		91,242,166	84,826,328
		<b>5,344,362,896</b>	<b>3,023,429,613</b>
<b>Contingency and commitments</b>	12		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,823,600,223</b>	<b>5,773,658,944</b>

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

Chief Executive

Director

Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**(UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED MARCH 31, 2019**

	<i>Note</i>	Six months period ended		For the quarter ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		Rupees			
Turnover - net	13	1,618,322,521	4,230,138,813	690,683,832	2,366,351,899
Cost of sales	14	(1,605,264,180)	(3,825,290,670)	(698,390,877)	(1,867,573,946)
<b>Gross profit / (loss)</b>		<b>13,058,341</b>	<b>404,848,143</b>	<b>(7,707,045)</b>	<b>498,777,953</b>
<b>Operating expenses</b>					
Administrative expenses		(66,039,933)	(58,535,816)	(33,983,694)	(29,060,513)
Selling and distribution cost		(12,760,775)	(146,699,666)	(9,777,892)	(112,382,566)
		(78,800,708)	(205,235,482)	(43,761,586)	(141,443,079)
<b>Operating (loss) / profit</b>		<b>(65,742,367)</b>	<b>199,612,661</b>	<b>(51,468,631)</b>	<b>357,334,874</b>
Other charges		(8,895,620)	(2,131,605)	(4,360,203)	(947,459)
Workers' Profit Participation Fund		-	(10,342,952)	-	(10,342,952)
Workers' Welfare Fund		-	(3,930,322)	-	(3,930,322)
Other income		8,535,942	74,409,971	3,274,792	71,645,241
		(359,678)	58,005,092	(1,085,411)	56,424,508
		(66,102,045)	257,617,753	(52,554,042)	413,759,382
Finance cost		(125,207,213)	(65,031,987)	(82,922,733)	(38,704,679)
		(191,309,258)	192,585,766	(135,476,775)	375,054,703
Share in profit / (loss) from equity accounted investments - net		118,083,571	105,372,868	(37,762)	74,100,238
<b>(Loss) / profit before taxation</b>		<b>(73,225,687)</b>	<b>297,958,634</b>	<b>(135,514,537)</b>	<b>449,154,941</b>
Taxation - net	15	92,647,565	(81,302,503)	104,503,330	(84,661,825)
<b>Profit / (loss) after taxation</b>		<b>19,421,878</b>	<b>216,656,131</b>	<b>(31,011,207)</b>	<b>364,493,116</b>
<b>Earnings / (loss) per share - basic and diluted</b>		<b>0.78</b>	<b>8.66</b>	<b>(1.24)</b>	<b>14.58</b>

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

Chief Executive

Director

Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
(UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED MARCH 31, 2019**

	Six months period ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Rupees			
Profit / (loss) after taxation	19,421,878	216,656,131	(31,011,207)	364,493,116
<b>Other comprehensive income</b>				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Unrealised loss on remeasurement of available-for-sale investment	(2,160,606)	(187,879)	(2,160,606)	(1,662,279)
<b>Total comprehensive income / (loss) for the period</b>	<u>17,261,272</u>	<u>216,468,252</u>	<u>(33,171,813)</u>	<u>362,830,837</u>

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED MARCH 31, 2019**

	March 31, 2019	March 31, 2018
	<b>Rupees</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / profit before taxation	(73,225,687)	297,958,634
<i>Adjustments for:</i>		
- Depreciation	46,711,557	43,119,773
- Share in profit of associates - net	(118,083,571)	(105,372,868)
- Provision for Workers' Profit Participation Fund	-	10,342,952
- Provision for Workers' Welfare Fund	-	3,930,322
- Provision for market committee	3,978,924	-
- Finance cost	125,207,213	65,031,987
- Dividend income	(1,520,000)	(1,139,394)
- Gain on disposal of property, plant and equipment	(626,817)	(331,604)
- Loss / (gain) on re-measurement of investments carried at fair value	8,041,907	(897,829)
	<b>63,709,213</b>	<b>14,683,339</b>
Operating (loss) / profit before working capital changes	<b>(9,516,474)</b>	<b>312,641,973</b>
<b>Changes in working capital</b>		
<i>(Increase) / decrease in current assets</i>		
- Stores and spares	(26,622,029)	(1,450,509)
- Stock-in-trade	(2,040,580,757)	(530,960,136)
- Trade debts - unsecured, considered good	59,114,159	(285,993,134)
- Loans, advances, deposits, prepayments and other receivables	129,440,812	(691,334,870)
<i>Increase in current liabilities</i>		
- Trade and other payables	465,618,361	1,541,821,837
	<b>(1,413,029,454)</b>	<b>32,083,188</b>
<b>Cash (used in) / generated from operations</b>	<b>(1,422,545,928)</b>	<b>344,725,161</b>
Contribution paid to Workers' Profit Participation Fund	(24,230)	(376,641)
Market committee paid	(10,209,710)	-
Taxes paid	(57,601,648)	(69,051,048)
Finance cost paid	(102,619,989)	(79,674,584)
<b>Net cash (used in) / generated from operating activities</b>	<b>(1,593,001,505)</b>	<b>195,622,888</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(129,357,074)	(141,995,430)
Proceeds from sale of property, plant and equipment	1,293,900	901,055
Investment in equity accounted investee	(55,465,850)	(79,732,160)
Investment made in quoted equity securities	13,790,481	(42,931,841)
Long term deposits - net	5,244,050	(250,000)
Dividend received	126,519,993	126,139,387
<b>Net cash used in investing activities</b>	<b>(37,974,500)</b>	<b>(137,868,989)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(89,607,079)	-
Long term finance obtained	32,833,773	138,771,578
Long term finance repaid	(80,492,495)	(44,286,899)
Short term finance - net	1,816,687,169	(128,000,000)
<b>Net cash generated from / (used in) financing activities</b>	<b>1,679,421,368</b>	<b>(33,515,321)</b>
Net increase in cash and cash equivalents	48,445,363	24,238,578
Cash and cash equivalents at the beginning of the period	94,907,701	70,322,608
<b>Cash and cash equivalents at the end of the period</b>	<b>143,353,064</b>	<b>94,561,186</b>

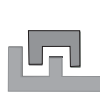
The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

Chief Executive

Director

Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE HALF YEAR ENDED MARCH 31, 2019**



FARAN SUGAR MILLS LTD.

	Capital reserves			Revenue reserves		Surplus on re-measurement of available-for- sale investment	Total
	Issued, subscribed and paid up capital	Share premium	General reserve	Unappropriated profit	(Rupees)		
Balance as at October 01, 2017	250,069,550	8,472,152	49,952,868	1,282,118,112	4,704,546		1,595,317,228
<i>Total comprehensive income for the six months ended March 31, 2018</i>							
- Profit after taxation	-	-	-	216,656,131	-	-	216,656,131
- Other comprehensive loss	-	-	-	-	(187,879)	(187,879)	(187,879)
	-	-	-	216,656,131	(187,879)	(187,879)	216,468,252
Balance as at March 31, 2018 (Un-audited)	250,069,550	8,472,152	49,952,868	1,498,774,243	4,516,667		1,811,785,480
Balance as at April 01, 2018	250,069,550	8,472,152	49,952,868	1,498,774,243	4,516,667		1,811,785,480
<i>Total comprehensive income for the half year ended September 30, 2018</i>							
- Profit after taxation	-	-	-	225,715,313	-	-	225,715,313
- Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	225,715,313	-	-	225,715,313
Balance as at September 30, 2018 (Audited)	250,069,550	8,472,152	49,952,868	1,724,489,556	4,516,667		2,037,500,793
Balance as at October 01, 2018	250,069,550	8,472,152	49,952,868	1,724,489,556	4,516,667		2,037,500,793
<i>Total comprehensive income for the half year ended March 31, 2019</i>							
- Profit after taxation	-	-	-	19,421,878	-	-	19,421,878
- Other comprehensive loss	-	-	-	-	(2,160,606)	(2,160,606)	(2,160,606)
	-	-	-	19,421,878	(2,160,606)	(2,160,606)	17,261,272
<i>Transactions with owners</i>							
Final dividend at the rate of Rs. 3.75/- per share each for the year ended September 30, 2018	-	-	-	(93,776,081)	-	-	(93,776,081)
Balance as at March 31, 2019 (Un-audited)	250,069,550	8,472,152	49,952,868	1,650,135,353	2,356,061		1,960,985,984

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED)  
FOR THE HALF YEAR ENDED MARCH 31, 2019**

**1. STATUS AND NATURE OF BUSINESS**

**1.1 Brief profile of the Company**

Faran Sugar Mills Limited ('the Company') was incorporated in Pakistan on 3 November 1981 as a public limited company under the repealed Companies Act, 1913 (Repealed with the enactment of the Companies Ordinance, 1984 on October 8, 1984 and subsequently by Companies Act, 2017 on May 30, 2017). The shares of the Company are listed on the Pakistan Stock Exchange (PSX). The principal business of the Company is the production and sale of white sugar.

**Head office:** The registered office of the Company is situated at Bungalow No.14-H, Block 6 P.E.C.H.S.,

**Mill:** The mill is located at Sheikh Bhirkio, District Tando Mohammad Khan, Sindh.

**1.2 Seasonality of operations**

Due to the seasonal availability of sugarcane, operating results are expected to fluctuate in the second half of the year. Each year, the crushing season starts from the month of November and lasts till month of March / April. During the period, the Company has obtained and availed various Islamic financing facilities from different Islamic banks to meet the working capital requirement (refer note 12).

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

**2.1.1** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements are unaudited but subject to limited scope review by the statutory auditors as required by the Code of Corporate Governance. The figures of the condensed interim profit or loss and condensed interim statement of comprehensive income for the quarters ended March 31, 2019 and 2018 have not been reviewed by the statutory auditors of the Company as they have reviewed the cumulative figures for the six months ended March 31, 2019 and 2018.

These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Company's annual audited financial statements for the year ended September 30, 2018.

**2.2 Basis of measurement**

These condensed interim financial statements has been prepared under the historical cost convention except for investments in associates which are accounted for using the equity method, investment in B.F. Modaraba which is classified as an 'available-for-sale' investment and investment in quoted securities classified as 'held-for-trading' investment.

**2.3 Functional and presentation currency**

These condensed interim financial statements is presented in Pakistani Rupees which is the Company's functional and presentation currency. All financial statements presented in Pakistani Rupees has been rounded to the nearest rupee.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**3.1.** The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended September 30, 2018 except those stated in note 3.2 (a) below:



### 3.2. Change in accounting standards, interpretations and amendments to published approved accounting and reporting standards

#### (a) New standards, amendments and interpretation to published approved accounting and reporting standards which are effective during the six months ended March 31, 2019 and are relevant:

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on October 1, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

In addition to that a new standard (i.e. IFRS 15) has become applicable to the Company effective October 1, 2018. Because of this new standard certain changes to the Company's accounting policies have been made as follows:

The Company uses the five-step model of revenue recognition as described in IFRS 15 Revenue from Contracts with Customers. In particular, the Company has the following policies with respect to identification of performance obligations, allocation of the transaction price and recognition of revenue allocated to each performance obligation.

##### *Identification of performance obligations:*

At the inception of each contract entered into with a customer, the Company identifies the good promised in the contract.

##### *Allocation of the transaction price:*

The Company determines the transaction price in accordance with the requirements of IFRS 15 and allocates it to each of the performance obligations identified in the contract based on the relative stand-alone selling prices of the services (whether directly observable or estimable).

##### *Recognition of revenue allocated to each performance obligation:*

The Company recognises the revenue from each performance obligation over time based on the measure of progress towards complete satisfaction of the performance obligation. This is based on the Company's assessment that the customer simultaneously receives, and consumes the benefits embodied in, the services.

The Company's approach to assessment of measure of progress towards complete satisfaction of performance obligation depends on the lifting of sugar.

#### (b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

There are other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after October 1, 2018 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

#### (c) New standards and amendments to published approved accounting and reporting standards that are not yet effective

The following are the new standards, amendments to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after October 1, 2019 that may have an impact on the financial statements of the Company.

IFRS 9 'Financial instruments' - This standard is effective for periods beginning from or after July 1, 2019. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

IFRS 16 'Leases' - This standard is effective for periods beginning from or after January 1, 2019. IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

The management is in the process of assessing the impact of changes laid down by these standards on its condensed interim financial statements.

#### 4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

- 4.1 The preparation of condensed interim financial statements requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.
- 4.2 The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended September 30, 2018.
- 4.3 The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the audited annual financial statements as at and for the year ended September 30, 2018.

		(Un-audited) March 31, 2019	(Audited) September 30, 2018
	Note	Rupees	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	1,560,757,660	1,573,086,650
Capital work in progress	5.2	251,590,357	157,282,933
		<u>1,812,348,017</u>	<u>1,730,369,583</u>
		(Un-audited) March 31, 2019	(Audited) September 30, 2018
	Note	Rupees	
<b>5.1 Operating fixed assets</b>			
Opening net book value		1,573,086,650	1,472,547,606
Additions during the period		35,049,650	189,176,127
		<u>1,608,136,300</u>	<u>1,661,723,733</u>
Disposals during the period		(667,083)	(785,770)
Depreciation for the period		(46,711,557)	(87,851,313)
		<u>(47,378,640)</u>	<u>(88,637,083)</u>
		<u>1,560,757,660</u>	<u>1,573,086,650</u>
<b>5.2 Capital work in progress</b>			
Opening balance		157,282,933	97,864,979
Additions during the period		125,167,047	253,917,214
Transferred to operating fixed assets		(30,859,623)	(187,154,391)
Transferred to maintenance		-	(7,344,869)
		<u>251,590,357</u>	<u>157,282,933</u>
<b>6. LONG TERM INVESTMENTS</b>			
Investment in subsidiary		99,970	99,970
Equity-accounted investments	6.1	1,217,618,327	1,169,068,899
Available-for-sale investment		6,106,061	8,266,667
		<u>1,223,824,358</u>	<u>1,177,435,536</u>
<b>6.1 Equity accounted investments</b>			
Unicol Limited		1,120,306,118	1,032,064,778
Uni Energy Limited		19,786,514	19,842,090
Uni Food Industries Limited	6.1.1	77,525,695	117,162,031
		<u>1,217,618,327</u>	<u>1,169,068,899</u>

- 6.1.1 During the period ended March 31, 2019, M/s. Uni Food Industries Limited issued 5,546,585 right shares to the Company against a cash consideration of Rs. 55.465 million.

		(Un-audited) March 31, 2019	(Audited) September 30, 2018
	Note	Rupees	
<b>7. STOCK-IN-TRADE</b>			
Finished goods	7.1	3,327,915,055	1,292,125,638
Work in process		7,964,532	3,173,192
		<b>3,335,879,587</b>	<b>1,295,298,830</b>

7.1 As of the reporting date, the value of stock pledged against bank borrowings amounted to Rs. 3,200 million (September 30, 2018: Rs. 846.06 million).

		(Un-audited) March 31, 2019	(Audited) September 30, 2018
		Rupees	
<b>8. TRADE DEBTS - unsecured, considered good</b>			
Local	8.1	131,306,881	190,421,040

8.1 This includes an amount of Rs. 1.37 million (September 30, 2018: Rs. 2.29 million) due from M/s. Unicol Limited, an associated concern.

#### 9. SHORT TERM INVESTMENTS

These represent investment in ordinary shares of companies listed on Pakistan Stock Exchange Limited.

		(Un-audited) March 31, 2019	(Audited) September 30, 2018
	Note	Rupees	
<b>10. DEFERRED LIABILITIES</b>			
Deferred taxation - net	10.1	221,205,569	349,897,506
Sales tax payable		109,419,576	109,419,576
Provision for market committee		10,209,714	21,920,412
Provision for excise duty		7,005,677	7,005,677
		<b>347,840,536</b>	<b>488,243,171</b>

#### 10.1. Deferred taxation - net

*Deferred tax liability arising in respect of:*

Property, plant and equipment	264,795,261	273,316,405
Investment in associates	93,045,920	79,809,720
	<b>357,841,181</b>	<b>353,126,125</b>

*Deferred tax asset arising in respect of:*

Provision of slow moving stock	(1,264,481)	(1,309,633)
Short term investment	(2,371,131)	(1,918,986)
Unused tax credits	(133,000,000)	-
	<b>(136,635,612)</b>	<b>(3,228,619)</b>
	<b>221,205,569</b>	<b>349,897,506</b>

10.1.1 The Company has carried forward unused tax losses amounted to Rs. 537.44 million out of which the Company, based on its future profitable projection, has recognized deferred tax asset on carried forward unused tax losses amounted to Rs. 475 million.

		(Un-audited) March 31, 2019	(Audited) September 30, 2018
	Note	Rupees	
<b>11. SHORT TERM FINANCE - secured</b>			
Istisna / Salam finance	11.1	3,749,999,999	1,862,312,830
Short term running Musharika finance		-	71,000,000
		<b>3,749,999,999</b>	<b>1,933,312,830</b>

- 11.1** This represents the availed amount of Islamic finance facilities provided by various Islamic banks. As at the reporting date, the aggregate limit of these available finances amounted to Rs. 4,600 million (September 2018: Rs. 4,300 million). These finances are secured against pledge of refined sugar and first pari passu charge on fixed assets of the Company including land, building and plant & machinery carrying profit at the rate of KIBOR + 0.25% to 1% per annum (2018: KIBOR + 0.25% to 1% per annum).

## 12. CONTINGENCY AND COMMITMENTS

### 12.1 Contingency

There is no change in the status of the contingencies set out in the note 20 to the Company's annual financial statements for the year ended September 30, 2018.

### 12.2 Commitments

Commitments in respect of capital expenditure contracted for but not yet incurred amounting approximately to Rs. 50 million. (September 2018: Rs. 85 million)

		For the six months ended	
		March 31, 2019	March 31, 2018
	Note	(Un-audited)	(Un-audited)
		Rupees	
<b>13. TURNOVER - NET</b>			
Sale of sugar - Export		-	2,639,569,605
Sale of sugar - Local		1,371,342,215	678,708,261
		<b>1,371,342,215</b>	<b>3,318,277,866</b>
Sale of molasses		347,163,602	193,222,580
Sale of bagasse		36,929,925	32,742,529
Sale of electricity		23,179,158	33,404,459
		<b>407,272,685</b>	<b>259,369,568</b>
Gross sales		1,778,614,900	3,577,647,434
Cash freight support subsidy		-	729,868,400
Less: Sales tax / Federal excise duty		(160,292,379)	(77,377,021)
		<b>1,618,322,521</b>	<b>4,230,138,813</b>

## 14. COST OF SALES

Sugarcane consumed		3,246,968,276	4,007,848,909
Manufacturing expenses	14.1	398,876,661	348,401,897
		<b>3,645,844,937</b>	<b>4,356,250,806</b>
Work in process stock - opening		3,173,192	7,169,466
Work in process stock - closing		(7,964,532)	(81,521,648)
		<b>(4,791,340)</b>	<b>(74,352,182)</b>
Cost of goods manufactured		<b>3,641,053,597</b>	<b>4,281,898,624</b>
Finished goods stock - opening		1,292,125,638	1,996,604,197
Finished goods stock - closing		(3,327,915,055)	(2,453,212,151)
		<b>(2,035,789,417)</b>	<b>(456,607,954)</b>
		<b>1,605,264,180</b>	<b>3,825,290,670</b>

	For the six months ended	
	March 31, 2019 (Un-audited)	March 31, 2018 (Un-audited)
	----- Rupees -----	
<b>14.1 Manufacturing Expenses</b>		
Stores & spares consumption	86,260,824	81,881,895
Packing material consumption	43,045,551	43,227,452
Salaries, wages and other benefits	168,166,423	140,980,774
Repair and maintenance	39,684,716	26,471,426
Fuel and power	5,356,488	4,868,827
Vehicle running expenses	3,571,548	3,425,218
Freight	2,491,795	2,776,628
Insurance	5,083,399	6,595,974
Depreciation	39,153,406	34,437,481
Others	6,062,511	3,736,222
	<u>398,876,661</u>	<u>348,401,897</u>
<b>15. TAXATION - net</b>		
Current	36,044,365	54,393,035
Deferred	(128,691,930)	26,909,468
	<u>(92,647,565)</u>	<u>81,302,503</u>

**16. RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties comprise of associates, directors and their close family members, major shareholders of the Company, key management personnel and staff provident fund. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment while contribution to the provident fund is in accordance with staff service rules. Transactions entered into with related parties during the period other than those disclosed elsewhere in the financial statements are given as follows:

	For the six month ended	
	March 31, 2019 (Un-audited)	March 31, 2018 (Un-audited)
	----- Rupees -----	
<b>Transactions during the period</b>		
<i>Transactions with Associates</i>		
Sale of goods	366,986,419	204,446,836
Dividend received	124,999,993	124,999,993
Investment made	55,465,850	79,732,160
<i>Transactions with other related parties</i>		
Remuneration to Chief Executive and Directors	12,150,000	9,084,649
Purchase of vehicle	-	1,325,000
Insurance premium paid	7,200,000	6,000,000
Donation made	606,000	1,955,660
Dividend received	-	939,394
Services received	299,997	304,587
Provident fund contribution	2,398,316	2,419,886

<b>Balances held at the end of the period</b>	<b>(Un-audited) March 31, 2019</b>	<b>(Audited) September 30, 2018</b>
<i>Balances held with Associates</i>	<b>Rupees</b>	
Due from associate	<b>705,000</b>	-
Due to other related parties	-	4,834,433
<i>Balances held with other related parties</i>		
Trade and other payables	<b>8,935,197</b>	9,885,491

#### 17. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purposes of comparison and better presentation. Reclassifications made in the financial information are as follows :

<b>Reclassification from component</b>	<b>Reclassification to component</b>	<b>Rupees</b>
Stores and spares consumption (Manufacturing expenses)	Packing material consumption (Manufacturing expenses)	43,227,452

#### 18. FAIR VALUE HIERARCHY

When measuring the fair value of an asset or a liability, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of the reporting date, the fair value hierarchy of assets and liabilities measured at fair value is as follows:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>Rupees</b>		
Investment in B.F. Modaraba	<b>6,106,061</b>	-	-
Investment in quoted equity securities	<b>27,072,300</b>	-	-
	<b>33,178,361</b>	-	-

#### 19. AUTHORIZATION FOR ISSUE

This condensed interim financial statements been authorized for issue by the Board of Directors of the Company in their meeting held on May 27, 2019.

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Financial Officer