

FIRST QUARTERLY ACCOUNTS (UN-AUDITED)

**FOR THE PERIOD ENDED
DECEMBER 31, 2020**



FARAN SUGAR MILLS LTD.

CORPORATE

INFORMATION

Date of Incorporation

November 3, 1981

Date of Commencement of Business

November 25, 1981

Board of Directors

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

Audit Committee

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

Human Resource & Remuneration Committee

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

Auditors

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Chief Financial officer & Company Secretary

Muhammad Ayub

Legal Advisor

Ghulam Rasool Korai

Bankers (Islamic Banking Division)

Bank AL-Habib Ltd.
AL-Baraka Islamic Bank Ltd.
Bank AL-Falah Ltd.
Dubai Islamic Bank Ltd.
MCB Islamic Bank Ltd.
Habib Metropolitan Bank Ltd.
Meezan Bank Ltd.
United Bank Ltd.
Habib Bank Ltd.
Askari Bank Ltd.
Faysal Bank Ltd.
Bank Islami Ltd.

Share Registrar

C&K Management Associates (PVT.) Ltd. 404,
Trade Tower, Abdullah Haroon Road, Near
Metropole Hotel, Karachi.
Tel: (92-21) 35687639, 35685930

Registered Office

43-1-E (B), P.E.C.H.S. Block 6, off Razi Road,
Karachi Phone: (92-21) 34322851-54
UAN: 111-229-269
Fax: (92-21) 32 42 10 10

Mills

Shaikh Bhirkio,
Distt. Tando M. Khan.

E-mail & Website

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

Stock Exchange Symbol

FRSM

Registration Number

Company Registration Number - K-161/6698
National Tax Number – 0710379-4
Sales Tax Number – 01-01-2303-005-82

CHIEF EXECUTIVE REVIEW

FOR THE PERIOD ENDED DECEMBER 31, 2020

Dear Shareholders,

By the grace of Almighty Allah, I present a brief review of the performance of your Company for the first quarter ended December 31, 2020

Financial results are summarized as follows:

	Dec-31, 2020	Dec-31, 2019
	Rs. '000	Rs. '000
Local Sale	1,176,948	1,018,267
Export sale	-	622,065
Gross sales	1,176,948	1,671,067
(Loss)/Profit before taxation	(27,827)	1,593
Share of profit from Associate-net	94,679	58,691
Profit before taxation	66,852	60,284
Less: Taxation	(15,452)	(19,880)
Profit after Taxation	51,399	40,404
Earnings per Share	2.06	1.62

Gross sales declined by 29.5% mainly due to low sales volume as compared to the same corresponding period of last year despite of increase in selling price. Finance cost decreased by 31% to Rs. 27.910 million from Rs. Rs.39.5 million. Operating expenses remained almost at same level of corresponding period of previous year. Unicol Limited reported handsome profitability in first quarter and expected to continue in quarters ahead, Insha-ALLAH.

Pakistan has experienced surplus production in the past many years in comparison to its domestic's consumption. But up till last two years, sugarcane area and production were on a decreasing trend due to multiple factors and now the trend is witnessing a change on the upside as carry forward stock of sugar also has now been exhausted in the country. This year's sucrose recovery ratio of Sindh Zone may drop by 0.3-0.4 percentage points as compared with last year's recovery. However, sugar production of the country is expected around 5.5 million m.tons in the ongoing season 2020-21 against 4.85 million m.tons production in previous season 2019-20.

For ongoing season 2020-21, the support prices were fixed at Rs. 200 for per 40 kg for Punjab and Khyber Pakhtunkhwa and Rs. 202 for per 40 kg for Sindh. Majority of sugar mills started its crushing in November 2020 to overcome shortage of sugar in the country. We started our mills on 23 November 2020. But growers were not willing to supply at support price and asking very unreasonable high price and millers are paying very exorbitant rate to run their mill at optimum capacity which ultimately will result in hefty cost of refined sugar. Sugar is expected to become a bit more expensive depending on cost of production based on the cost of sugar cane which is main component of cost of sugar. The government should ensure targeted subsidies for lower income groups under the Ehsaas programme through a reasonable formula to benefit deserving people rather than giving subsidy across the board as it hurt the industry like it did last year.

As there is also improvement in domestic selling price of refined sugar in response to higher production cost of refined sugar due to tremendous cost of cane, declined in KIBOR rate and initiate of cost saving projects through Temporary Economic Refinance Facility (TERF), concessional financing scheme of SBP as well as anticipation of improvement in Unicol profitability, we expect, Insha Allah, the bottom line to show better results on year-to-year basis

May Allah SWT bestow the strength upon us to see through these abnormal situations successfully, AMEEN!



Karachi:
February 25, 2021

Ahmed Ali Bawany
Chief Executive

ڈائریکٹر کی رپورٹ

برائے اختتامی مدت 31 دسمبر 2020

محترم حصص یافتگان،

اللہ تعالیٰ کے فضل و کرم سے، میں 31 دسمبر 2020 کو ختم ہونے والی پہلی سہ ماہی کے لئے آپ کی کمپنی کی کارکردگی کا ایکٹ مختصر جائزہ پیش کرتا ہوں۔ مالی نتائج کا خلاصہ یہ ہے:

Dec-31, 2019	Dec-31, 2020	
Rs. '000	Rs. '000	
1,018,267	1,176,948	مقامی فروخت
622,065	-	برآمدات
1,671,067	1,176,948	مجموعی فروخت
1,593	(27,827)	قبل از ٹیکس منافع (نقصان)
58,691	94,679	لیکھتی اکاؤنٹس ایٹ کے منافع میں حصہ - نیٹ
60,284	66,852	قبل از ٹیکس منافع
(19,880)	(15,452)	کم: ٹیکس
40,404	51,399	بعد از ٹیکس منافع
1.62	2.06	منافع فی شیئر

قیمت فروخت میں اضافے کے باوجود گزشتہ سال کے مقابلے میں فروخت کے حجم میں 5-29 فیصد کمی واقع ہوئی۔ فنانس کے اذہات 31٪ سے کم ہو کر Rs. 27.910 ملین روپے (Rs. 39.5 ملین روپے 2019) رہی۔ آپریٹنگ اذہات پچھلے سال کی سطح پر رہے۔ UNICOL لمیٹڈ نے پہلی سہ ماہی میں اچھا منافع دیا ہے اور انشاء اللہ اگلے سہ ماہی میں بھی امید ہے کہ جاری رہے گا۔

پاکستان نے اپنے گھریلو استعمال کے مقابلے میں گزشتہ کئی سالوں میں زائد پیداوار کی ہے۔ لیکن گزشتہ دو سالوں میں، گنے کے رقبہ اور پیداوار متعدد عوامل کی وجہ سے کم ہو رہے ہیں اس رجحان نے انٹیلو ڈیکھا ہے کیونکہ اب ملک میں چینی کا کیری فارورڈ اسٹاک بھی ختم ہو گیا ہے۔ پچھلے سال کے مقابلے میں اس سال سندھ کا ریکوری کا تناسب 0.3-0.4 فیصد تک گر سکتا ہے۔ تاہم، رواں سیزن 2020-2021 میں ملک میں چینی کی پیداوار تقریباً 5 سے 5 ملین ٹن متوقع ہے جو پچھلے سیزن 2019-2020 میں 4.85 ملین ٹن تھی۔

سیزن 2020-2021 بہتر اور خیر بختوں خوا کے لئے Rs. 200 اور سندھ کے لئے Rs. 202 فی 40 کلوگرام سپورٹ کی قیمتیں طے کی گئیں شوگر ملوں کی اکثریت نے نومبر 2020 میں ملک میں شوگر کی قلت پر قابو پانے کے لئے اپنی کرشنگ شروع کی۔ فاران شوگر نے 23 نومبر 2020 کو کرشنگ شروع کیا لیکن کاشتکار اس قیمت پر سلائی کرنے کو تیار نہیں تھے اور نہایت ہی غیر معقول قیمت کا مطالبہ کرتے رہے ملز اپنی ملوں کو زیادہ سے زیادہ استعداد پر چلانے کے لئے بہت زیادہ قیمت ادا کر رہے ہیں جس کے نتیجے میں چینی کی قیمت بھاری ہو گئی۔ گنے کی قیمت کی وجہ سے چینی کی قیمت کچھ زیادہ منگی ہو جائے گی جو چینی کی قیمت کا ایک اہم جز ہے۔ حکومت کو چاہئے کہ وہ ایک مناسب فارمولے کے ذریعہ احساس پروگرام کے تحت کم آمدنی والے گروپوں کی سہڈی کو یقینی بنائے تاکہ سب کو سہڈی دینے کے بجائے مستحق افراد کو فائدہ پہنچائے کیونکہ اس نے صنعت کو پچھلے سال کی طرح نقصان پہنچا تھا۔

چونکہ گنے کی زبردست لاگت کی وجہ سے بہتر چینی کی اعلیٰ پیداوار لاگت کے جواب میں بہتر چینی کی ملکی فروخت قیمت میں بھی بہتری ہے، KIBOR کی شرح میں کمی اور عارضی معاشی ری فنانس سولت (TERF) کے ذریعے لاگت کی بچت کے منصوبے، اسٹیٹ بینک کی مراعاتی فنانسنگ اسکیم، یونیکول کے منافع میں بہتری کی ہم توقع کرتے ہیں، انشاء اللہ، سال بہ سال بنیادوں پر بہتر نتائج ظاہر کرنے کے لئے اچھے امید کا اظہار کرتے ہیں۔

اللہ سبحانہ و تعالیٰ ہمیں ان غیر معمولی حالات کو کامیابی کے ساتھ گزارنے کی توفیق عطا فرمائے، امین!



احمد علی یادانی

چیف ایگزیکٹو

کراچی: 25 فروری، 2021

CONDENSE INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

ASSETS	Note	Un-Audited Dec-2020	Audited Sep-20
		----- Rupees -----	
Non-current assets			
Property, plant and equipment	5	1,926,155,173	1,884,930,704
Long term investments	6	1,265,201,146	1,141,756,234
Long term deposits		12,253,594	10,103,594
		3,203,609,913	3,036,790,532
Current assets			
Stores and spares		109,783,978	83,974,351
Stock in trade		1,080,147,775	384,560,366
Trade debts		116,776,331	183,347,585
Short term investments		1,598,850	1,515,500
Loans, advances, deposits, prepayments and other receivables		731,490,741	676,746,090
Taxation - net		48,887,814	35,958,571
Cash and bank balances	7	206,833,417	160,261,980
		2,295,518,906	1,526,364,443
Total Assets		5,499,128,819	4,563,154,975
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital		400,000,000	400,000,000
Issued, subscribed and paid up capital		250,069,550	250,069,550
Capital reserve			
Share premium		8,472,152	8,472,152
Surplus on re-measurement of investment		2,168,183	1,134,849
		10,640,335	9,607,001
Revenue reserves			
General reserve		49,952,868	49,952,868
Unappropriated profit		1,866,233,503	1,814,834,493
		1,916,186,371	1,864,787,361
		1,926,826,705	2,124,463,912
Non-current liabilities			
Long term finance		125,811,110	126,928,993
Deferred liabilities		395,809,532	395,522,111
		521,620,642	522,451,104
Current liabilities			
Trade and other payables		1,289,290,520	360,289,683
Accrued mark up		14,095,407	30,444,548
Current portion of long term finance		116,402,097	120,713,951
Unclaimed dividend		10,823,898	10,825,556
Short term finance - secured	8	1,370,000,000	1,393,966,221
		2,800,611,922	1,916,239,959
Contingency and commitment	9		
Total equity and liabilities		5,499,128,819	4,563,154,975

The annexed notes from 1 to 13 forms an integral part of these financial statements.


Ahmed Ali Bawany
Chief Executive Officer


Muhammad Omar Bawany
Chairman


Muhammad Ayub
Chief Financial Officer

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2020

	Quarter Ended Dec 31, 2020	Quarter Ended Dec 31, 2019
	----- Rupees -----	
Turnover - net	1,027,797,670	1,517,870,795
Cost of sales	(988,034,458)	(1,434,321,654)
Gross profit	39,763,212	83,549,141
Administrative expenses	(39,764,644)	(38,528,198)
Selling and distribution costs	(3,840,617)	(5,757,890)
	(43,605,261)	(44,286,088)
Operating profit / (loss)	(3,842,049)	39,263,053
Other income	3,331,978	5,816,276
Other expenses	(155,289)	(3,905,809)
	3,176,689	1,910,467
	(665,360)	41,173,520
Finance costs	(27,161,440)	(39,580,335)
	(27,826,800)	1,593,185
Share of profit from equity accounted investments	94,678,655	58,691,667
Profit before taxation	66,851,855	60,284,852
Taxation	(15,452,845)	(19,880,762)
Profit after taxation	51,399,010	40,404,090
Earnings per share - basic and diluted	2.06	1.62

The annexed notes from 1 to 13 forms an integral part of these financial statements.


 Ahmed Ali Bawany
 Chief Executive Officer


 Muhammad Omar Bawany
 Chairman


 Muhammad Ayub
 Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME - (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2020

	Quarter Ended Dec 31, 2020 ----- Rupees -----	Quarter Ended Dec 31, 2019 -----
Profit after taxation	51,399,010	40,404,090
Other comprehensive loss		
Items that will not be reclassified subsequently to profit or loss:		
Unrealized loss on re-measurement of investment in certificates of B.F. Modaraba	1,033,333	281,818
Total comprehensive income for the year	52,432,343	40,685,908

The annexed notes from 1 to 13 forms an integral part of these financial statements.


 Ahmed Ali Bawany
 Chief Executive Officer


 Muhammad Omar Bawany
 Chairman


 Muhammad Ayub
 Chief Financial Officer

	Issued, subscribed and paid up capital	Capital reserves	Revenue Reserve	Total		
		Share premium	Surplus on re-measurement of investment	General reserve	Unappropriated profits	
						Rupees
Balance as at October 01, 2019	250,069,550	8,472,152	477,273	49,952,868	2,011,158,584	2,320,130,427
Total comprehensive income for the quarter ended December 31, 2019						
- Profit after taxation	-	-	-	-	40,404,090	40,404,090
- Other comprehensive loss	-	-	281,818	-	-	281,818
	-	-	281,818	-	40,404,090	40,685,908
Balance as at December 31, 2019	250,069,550	8,472,152	759,091	49,952,868	2,051,562,674	2,360,816,335
Total comprehensive income for the period ended September 30, 2020						
- Profit after taxation	-	-	-	-	(211,721,226)	(211,721,226)
- Other comprehensive loss	-	-	375,758	-	-	375,758
	-	-	375,758	-	(211,721,226)	(211,345,468)
Transactions with owners						
Dividend paid @ Rs. 1.00 per share	-	-	-	-	(25,006,955)	(25,006,955)
Balance as at September 30, 2020	250,069,550	8,472,152	1,134,849	49,952,868	1,814,834,493	2,124,463,912
Balance as at October 01, 2020	250,069,550	8,472,152	1,134,849	49,952,868	1,814,834,493	2,124,463,912
Total comprehensive income for the quarter ended December 31, 2020						
- Profit after taxation	-	-	-	-	51,399,010	51,399,010
- Other comprehensive loss	-	-	1,033,333	-	-	1,033,333
	-	-	1,033,333	-	51,399,010	52,432,343
Balance as at December 31, 2020	250,069,550	8,472,152	2,168,182	49,952,868	1,866,233,503	2,176,896,255

The annexed notes from 1 to 13 forms an integral part of these financial statements.


Ahmed Ali Bawany
Chief Executive Officer


Muhammad Omar Bawany
Chairman


Muhammad Ayub
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASHFLOWS (UN-AUDITED)

FOR THE QUARTER ENDED DECEMBER 31, 2020


	Quarter Ended Dec 31, 2020	Quarter Ended Dec 31, 2019
	Rupees	

CASH FLOWS FROM OPERATING ACTIVITIES		
CASH GENERATED FROM OPERATIONS		
Profit before taxation	66,851,855	60,284,852
Adjustments for:		
Depreciation	26,407,671	24,300,335
Share in profit from equity accounted investments	(94,678,654)	(58,691,667)
Dividend income	(12,500)	(1,220,000)
Gain on disposal of property, plant and equipment	-	(518,239)
Finance costs	24,630,798	38,122,981
Loss on re-measurement of investments carried at fair value	(83,350)	114,025
	(43,736,035)	2,107,435
	23,115,819	62,392,287
Working capital changes		
Increase in stores and spares	(25,809,627)	(12,778,503)
Decrease in stock in trade	(695,587,409)	816,835,443
Decrease / (increase) in trade debts	66,571,254	100,013,546
Decrease / (increase) in loans, advances, deposits, prepayments and other receivables	(54,744,651)	65,890,683
Increase in trade and other payables	929,288,258	(317,542,841)
	219,717,825	652,418,328
Cash generated from operating activities	242,833,644	714,810,615
Taxes paid	(28,382,087)	(24,669,562)
Finance cost paid	(40,979,939)	(93,764,145)
Net cash generated from operating activities	173,471,618	596,376,908
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(67,632,140)	(64,956,000)
Short term investments		(3,783,425)
Investment in equity accounted investee	(27,732,925)	(27,143,600)
Proceeds from sale of fixed assets		2,753,478
Dividend received	12,500	1,220,000
Long term deposits - net	(2,150,000)	5,035,100
Net cash used in investing activities	(97,502,565)	(86,874,447)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(1,658)	-
Loan from Director	-	30,000,000
Long term loans - net	(5,429,737)	(23,213,411)
Short term finance - net	(93,966,221)	(822,460,342)
Net cash used in financing activities	(99,397,616)	(815,673,753)
Net decrease in cash and cash equivalents	(23,428,563)	(306,171,292)
Cash and cash equivalents at the beginning of the year	160,261,980	395,616,672
Cash and cash equivalents at the end of the year	136,833,417	89,445,380
Cash and cash equivalents comprise of the following:		
Cash and bank balances	206,833,417	89,445,380
Short term running Musharika finance	(70,000,000)	-
	136,833,417	89,445,380

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Ahmed Ali Bawany
Chief Executive Officer


Muhammad Omar Bawany
Chairman


Muhammad Ayub
Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED DECEMBER 31, 2020

1 STATUS AND NATURE OF BUSINESS

The company was incorporated in Pakistan on November 03, 1981 as a Public Limited Company and listed on Pakistan stock exchange. The principal business of the company is to manufacture and sale of white sugar. The mill is located at Sheikh Bhirkio, Distt. Tando Mohammad Khan Sindh. Registered office of the company is situated at 43-1-E(B), P.E.C.H.S. Block 6, Karachi.

1.1 SEASONALITY OF OPERATIONS

Due to the seasonal availability of sugarcane, the production of sugar is carried out during the period of availability of sugar cane and cost incurred/ accrued up to the reporting date have been accounted for. Accordingly, the cost incurred/ accrued after the reporting date will be reported in the subsequent annual financial statements.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The condensed interim financial information are un-audited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Pakistan Stock Exchange. The condensed interim financial information have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan. The condensed interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2020.

The comparative condensed balance sheet, presented in this condensed interim financial information, as at September 30, 2020 has been extracted from the annual audited financial statements of the Company for the year ended September 30, 2020 whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity for the quarter ended December 31, 2019 have been extracted from the condensed interim financial information for the quarter ended December 31, 2019.

2.2 FUNCTIONAL AND PRESENTATION CURRENCY

This condensed interim financial statements is presented in Pakistani Rupee which is the Company's functional Currency

3 SIGNIFICANT ACCOUNTING POLICIES

These interim financial information have been prepared using the same accounting convention, basis of preparation and significant accounting policies as those applied in the preparation of the audited financial statements for the year ended September 30, 2020.

Amendments to certain accounting standards and new interpretations on approved accounting standards effective during the period were not relevant to the Company's operations and do not have any impact on the accounting policies of the Company.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim financial information in conformity with approved accounting standards which require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing the condensed interim financial information, 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 preceding published annual financial statements of the Company as at and for the year ended September 30, 2020.

		Un-Audited Dec 31, 2019	Audited Sep 30, 2020
	Note	Rupees	
5	PROPERTY, PLANT AND EQUIPMENT		
Operating Fixed Assets	5.1	1,790,684,711	1,815,891,679
Capital Work in Progress	5.2	135,470,462	69,039,025
		1,926,155,173	1,884,930,704
5.1	Operating Fixed Assets		
Opening WDV		1,815,891,679	1,823,419,911
Additions to fixed asset during the period			
Plant and machinery		-	90,531,444
Non factory building		-	-
Furniture and fixtures		-	671,514
Office and mill equipment		188,000	298,980
Electrical equipment's		-	3,868,488
Vehicles		1,012,700	4,500,400
		1,200,700	99,870,826
Disposals		-	(3,121,299)
Depreciation for the period		(26,407,668)	(104,277,759)
		1,790,684,711	1,815,891,679
5.2	Capital Work In Progress		
Opening balance		69,039,025	51,173,591
Net Additions during the period		66,431,437	17,865,434
		135,470,462	69,039,025
6	LONG TERM INVESTMENTS		
Equity accounted investment in Associates	6.1	1,259,182,994	1,136,771,415
Available for sale investments		5,918,182	4,884,849
Investment in subsidiary company		99,970	99,970
		1,265,201,146	1,141,756,234
6.1	Equity accounted investments		
Unicol Limited		1,204,985,141	1,076,576,140
Uni Energy Limited	6.1.1	20,147,997	20,147,998
Uni Food Industries Limited	6.1.1	34,049,856	40,047,277
		1,259,182,994	1,136,771,415
6.1.1	Carrying amounts of these equity accounted investees are adjusted on the basis of share of profit of their un-audited financial statements for the quarter ended upto September 30, 2020.		
7	CASH AND BANK BALANCES		
Cash at Bank			
Deposits accounts	7.1	52,955,221	55,040,757
Current accounts		139,742,303	101,925,441
		192,697,524	156,966,198
Cash in Hand		14,135,893	3,295,782
		206,833,417	160,261,980
7.1	These represent balances held in deposit accounts carrying profit at the rates ranging from 2.96% to 6.01% (Sept 30, 2019: 6.1% to 10.5%).		
8	SHORT TERM FINANCE - SECURED		

This represents the availed amount of Islamic finance facilities provided by various banks. As at the reporting date, the aggregate limit of these available finances amounted to Rs. 4,700 million (Sep 2020: Rs. 4,200 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 + 0.50% to 1% per annum (2020: KIBOR + 0.3% to 1.5% per annum).

9 CONTINGENCIES AND COMMITMENTS**Contingencies**

There is no material change in the contingencies as disclosed in the published annual financial statement for the year ended September 30, 2020.

Commitments

There is no material change in the commitments as disclosed in the published annual financial statement for the year ended September 30, 2020.

10 RELATED PARTY TRANSACTIONS

Significant transactions with related parties during the period ended are as follows:

	Quarter ended	
	Dec 31, 2020	Dec 31, 2019
	Rupees	
Transactions with Associate		
Share of profit in associates - net of tax	94,678,654	58,691,667
Sale of goods	158,459,640	32,180,900
Investment	27,732,925	27,143,600
Transactions with other related parties		
Insurance premium	4,800,000	13,007,000
Donation	-	3,596,750
Services received	-	140,358
Provident fund contribution	1,296,306	1,250,424

All transactions with related parties were carried out on arm's length

Balances with related parties at the end of the period are as follows:

	As at	
	Dec 31, 2020	Sep 30, 2020
	Rupees	
Advance received from Associate	(129,370,974)	153,891
Due from Associate	5,070,000	4,500,000

11 FINANCIAL RISK MANAGEMENT

The company's financial risk management objectives and policies are consistent with that disclosed in the financial statements for the year ended September 30, 2020.

12 AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors of the company at their meeting held on February 25, 2021.

13 GENERAL

- Figure have been rounded off to the nearest rupee.

- Figures, including comparatives, have been re-arranged and reclassified wherever necessary


Ahmed Ali Bawany
Chief Executive Officer


Muhammad Omar Bawany
Chairman


Muhammad Ayub
Chief Financial Officer



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