

FINANCIAL STATEMENTS

(REVIEWED)

FOR THE HALF YEAR ENDED
MARCH 31, 2024



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	
Khurram Aftab	NIT
Tasneem Yusuf	

Audit Committee

Ahmed Ghulam Hussain	Chairman
Muhammad Omar Amin Bawany	Member
Irfan Zakaria Bawany	Member

Human Resource & Remuneration Committee

Ahmed Ghulam Hussain	Chairman
Muhammad Omar Amin Bawany	Member
Ahmed Ali 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.
Soneri Bank 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 MARCH 31, 2024

Dear Shareholders,

By the grace of Almighty Allah, on behalf of the Board of Directors, I present a brief review of the performance of your Company for the Half year ended March 31, 2024, which have been reviewed by the External Auditors.

Financial results for the Half year are summarized as follows:

	Mar-2024	Mar-2023
	Rs. '000	Rs. '000
Gross sales	5,790,605	4,300,129
Profit before Finance Cost & Share of Associates	202,170	149,901
Finance Cost	(584,780)	(381,440)
(Loss) before share of Associates & taxation	(382,610)	(231,539)
Share of profit from Associate-net	1,038	768,828
(Loss)/ Profit before taxation	(381,572)	537,289
Taxation	(72,680)	(146,224)
(Loss)/ Profit after Taxation	(454,252)	391,065
(Loss)/ Earnings per Share	(18.17)	15.64

Gross sales during the period was Rs. 5.790 billion vis-à-vis Rs. 4.300 billion, grew by 34.65%. This upswing can be primarily attributed to a substantial improvement in the selling price of both refined sugar and molasses as well as increase in volumetric sale of molasses and bagasse, despite a 14% reduction in sales volume of refined sugar. But exorbitant cane cost couple with escalating minimum labour wages and rise in other input cost due to high inflation squeezed our margin of current season 2023-24 operations. Further during the cane crushing, mishap occurred that caused temporary stoppage of production that broke the cane crushing momentum for 8 to 10 days. However, the carry over stock of refined sugar from previous season has mainly contributed to the gross profit, although substantial portion of gross margin of carry over stock has been deferred to the next quarters, due to weighted average costing.

The company reported profit before finance cost of Rs. 202 million despite of above factors. But, finance cost pushed up by 53%, and administrative cost up by 29% due to high inflation that have eroded our profitability and company reported a net loss. Due to unprecedented rate of sugar-cane and drastically depressed selling price in the season, resultantly sluggish sales volume, huge working capital was needed to ensure timely payment to growers. Nevertheless, in this difficult situation, Alhamdulillah, we managed efficiently our fund and enhanced our financing limit up to 9.5 billion to ensure to discharge all obligations timely.

Despite FY: 2023-24 being a challenging year for all ethanol producers from Pakistan, Unicol successfully managed to generate a consolidated operating profits of Rs. 1.522 billion during the first half of the year. But high finance cost also eroded its profitability and Unicol Limited reported a meagre profit of Rs. 1.4 million only. Consequently, only Rs.1.038 million has been reflected in 'shares of profit from equity accounted investees-net' including share of profit from Uni Energy.

Operational Performance: As per Track and Trace system of FBR , 6.772 million tons sugar produced in the country during the season 2023-24 and carry over stock of 1.129 million tons was in the beginning of crushing season 2023-24 i.e as on 1st November 2023 , cumulative available sugar for the country was 7.9 million tons for the year 2023-24. By the grace of Almighty Allah, our mills performance was satisfactory in terms of cane crushing and sugar production.

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

		Season 2023-24	Season 2022-23
Season commenced	Date	10 – Nov– 2023	28 – Nov– 2022
Season end	Date	24 – Feb– 2024	27 – Feb– 2023
Duration of Operation	Days	107	92
Sugar-cane Crushed	Metric tons	867,332	764,606
Sugar Production	Metric tons	90,727	79,427
Recovery	%	10.461	10.387
Minimum Support Price-Sindh Zone	Per 40 kg	425	302

In season 2023-24, the Sindh government fixed minimum support price for sugarcane at Rs425 per maund – Rs. 123 jump from the previous season, 41% increase over last year’s rate of Rs. 302 and 70% over the 2021-22 season’s rate of Rs. 250. The sugar industry is grappling with survival challenges due to high sugarcane rate plus high conversion and financing costs, while the prevailing ex-factory price of refined sugar far below the production cost.

The sugar industry of Pakistan has been demanding permission for the export of surplus sugar before start of current season- 2023-24 due to huge carryover of stock, anticipated production and total estimated availability of sugar in the country in year 2023-24 which would not only fetch the much needed foreign exchange for national exchequer but would also help the cash-strapped sugar industry for timely repayment of bank financing and preparation of next season operation. Current estimation shows around 1.5 million surplus stock in the country. Large stockpiles and elevated borrowing cost is the main threat to sugar sector and sugar sector at a risk of collapse. But, the government is inordinately delaying the decision. The government should not repeat past horrible mistakes otherwise many mills will face very challenging times and, going forward, Pakistan again will convert from sugar export oriented country to sugar import oriented country. It is now high time for sugar sector and related all stakeholders to have clear vision and harness the potential of this sector to continuously export and earn foreign exchange for Pakistan.

Unicol Sugar Division successfully completed its first season of sugar operations on 01 March 2024 and produced 60,415 MT refined sugar. Unicol Limited has acquired the entire assets of Popular Sugar Mills Limited located at Jan Muhammad Wala, Chowk Sial, Tehsil Koth Momin, District Sargodha, Punjab before start of the current season 2023-24.

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



Ahmed Ali Bawany
Chief Executive



Muhammad Omar Bawany
Chairman

Karachi:
May 30, 2024

آپریشنل کارکردگی:

ایف بی آر کے ٹریک اینڈ ٹریس سسٹم کے مطابق سیزن 2023-24 کے دوران ملک میں 6.772 ملین ٹن چینی کی پیداوار ہوئی اور کرشنگ سیزن 2023-24 کے آغاز میں یعنی 01 نومبر 2023ء تک ملک میں مجموعی طور پر 7.9 ملین ٹن چینی دستیاب تھی۔ اللہ تعالیٰ کے فضل و کرم سے گنے کی کرشنگ اور چینی کی پیداوار کے حوالے سے ہماری ملوں کی کارکردگی تسلی بخش رہی۔

مکمل سیزن کے لئے آپ کی ملوں کا تقابلی خلاصہ آپرینٹنگ نتیجہ درج ذیل ہے:

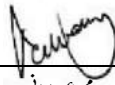
سیزن 2023-24	سیزن 2022-23		
10 نومبر 2023	28 نومبر 2022	تاریخ	سیزن کا آغاز
24 فروری 2024	27 فروری 2023	تاریخ	سیزن کا اختتام
107	92	دن	آپریشن کا دورانیہ
867,332	764,606	ٹن Metric	گنا کرش کیا
90,727	79,427	ٹن Metric	چینی کی پیداوار
10.461	10.387	%	وصولی
425	302	فی 40 کلو گرام	کم از کم امدادی قیمت - سندھ زون


سیزن 2023-24 میں سندھ حکومت نے گنے کی کم از کم امدادی قیمت 425 روپے فی من مقرر کی جو گزشتہ سیزن کے مقابلے میں 123 روپے زیادہ ہے، گزشتہ سال کے 302 روپے کے مقابلے میں %41 فیصد اور 2021-22 کے سیزن کے 250 روپے کے مقابلے میں %70 فیصد زیادہ ہے۔ چینی کی صنعت کو گنے کی زیادہ قیمتوں کے ساتھ ساتھ زیادہ تبدیلی اور فنانسنگ لاگت کی وجہ سے بھٹاکے چیلنجز کا سامنا ہے، جبکہ ریفائنڈ چینی کی موجودہ ایکس فیبلٹی قیمت پیداواری لاگت سے بہت کم ہے۔

پاکستان کی شوگر انڈسٹری رواں سیزن 2023-24 کے آغاز سے قبل اضافی چینی برآمد کرنے کی اجازت کا مطالبہ کر رہی ہے جس کی وجہ سال 2023-24 میں ملک میں چینی کے بڑے پیمانے پر سٹاک، متوقع پیداوار اور مجموعی طور پر چینی کی دستیابی ہے جس سے نہ صرف قومی خزانے کو انتہائی ضروری زرمبادلہ حاصل ہو گا بلکہ بینک فنانسنگ کی بروقت ادائیگی اور اگلے سیزن آپریشن کی تیاری میں بھی مدد ملے گی۔ موجودہ تخمینہ ملک میں تقریباً 1.5 ملین ٹن سرپلس اسٹاک ظاہر کرتا ہے۔ بڑے ذخیرے اور قرضوں کی بڑھتی ہوئی لاگت شوگر سیکٹر اور شوگر سیکٹر کے لیے سب سے بڑا خطرہ ہے۔ لیکن حکومت اس فیصلے میں غیر معمولی تاخیر کر رہی ہے۔ حکومت ماضی کی ہولناک غلطیوں کو نہ دہرائے ورنہ بہت سی ملوں کو بہت مشکل وقت کا سامنا کرنا پڑے گا اور آگے چل کر پاکستان ایک بار پھر چینی برآمد کرنے والے ملک سے چینی درآمد کرنے والے ملک میں تبدیل ہو جائے گا۔ اب وقت آگیا ہے کہ چینی کے شعبے اور متعلقہ تمام اسٹیک ہولڈرز کے پاس واضح ڈیٹن ہو اور اس شعبے کی صلاحیتوں کو بروئے کار لاتے ہوئے پاکستان کو مسلسل برآمد اور زرمبادلہ کمایا جاسکے۔

01 مارچ 2024 کو یوٹو شوگر ڈویژن نے کامیابی کے ساتھ شوگر آپریشنز کا پہلا سیزن مکمل کیا۔ چینی کی پیداوار کا حجم 60,415 میٹرک ٹن ریکارڈ کیا گیا، یوٹو لیمینڈ نے رواں سیزن 2023-24 کے آغاز سے قبل جان محمد والا، چوک سیال، تحصیل کوٹھ مو من، ضلع سرگودھا، پنجاب میں واقع پاپو لرشوگر ملز لیمینڈ کے تمام اثاثے خرید لیے ہیں۔

اللہ تعالیٰ ہمیں ان غیر معمولی حالات پر کامیابی سے قابو پانے کی توفیق عطا فرمائے، آمین!


محمد امیر
چیئر مین


احمد علی بادانی
چیف ایگزیکٹو

کراچی: 30 مئی 2024

چیف ایگزیکٹو کا جائزہ

31 مارچ 2024 کو ختم ہونے والی مدت کے لئے

بیارے شیئر ہولڈرز،

اللہ تعالیٰ کے فضل و کرم سے بورڈ آف ڈائریکٹرز کی جانب سے میں آپ کی کمپنی کی 31 مارچ 2024ء کو ختم ہونے والی ششماہی کی کارکردگی کا مختصر جائزہ پیش کرتا ہوں جس کا جائزہ ایکسٹرنل آڈیٹرز نے لیا ہے۔

ششماہی کے مالی نتائج کا خلاصہ درج ذیل ہے:

2024 مارچ	2023 مارچ	
روپے 000 روپے	روپے 000 روپے	
5,790,605	4,300,129	مجموعی فروخت
202,170	149,901	فنانس لاگت سے پہلے منافع اور ایسوسی ایٹس کا حصہ
(584,780)	(381,440)	فنانس لاگت
(382,610)	(231,539)	ایسوسی ایٹس کے حصص سے پہلے منافع اور (نقصان)/ٹیکس
1,038	768,828	ایسوسی ایٹس سے منافع کا حصہ
(381,572)	537,289	(نقصان)/منافع
(72,680)	(146,224)	ٹیکس
(454,252)	391,065	(نقصان)/بعد از ٹیکس منافع
(18.17)	15.64	(نقصان)/فی حصص آمدنی

اس عرصے کے دوران مجموعی فروخت 5,790.605 ارب روپے رہی جو 4,300.129 ارب روپے کے مقابلے میں 34.65% فیصد زیادہ ہے۔ اس اضافے کی بنیادی وجہ ریفاائنڈ چینی اور مولاسس دونوں کی فروخت کی قیمت میں نمایاں بہتری کے ساتھ ساتھ ریفاائنڈ چینی کی فروخت کے حجم میں 14% فیصد کمی کے باوجود مولاسس اور بگاس کی حجم میں اضافہ ہے۔ لیکن کم از کم مزدوری میں اضافے اور افراط زر کی بلند شرح کی وجہ سے دیگر لاگت میں اضافے کی وجہ سے گنے کی قیمت میں اضافے نے موجودہ سیزن 2023-24 کے آپریشنز کے ہمارے مارجن کو کم کر دیا ہے۔ مزید برآں گنے کی کرشنگ کے دوران ایک حادثہ پیش آیا جس کی وجہ سے پیداوار عارضی طور پر رک گئی جس کی وجہ سے گنے کی کرشنگ کی رفتار 8 سے 10 دن تک ٹوٹ گئی۔ تاہم گزشتہ سیزن سے ریفاائنڈ چینی کے کیری اور اسٹاک نے بنیادی طور پر مجموعی منافع میں حصہ ڈالا ہے، حالانکہ اوسط لاگت کی وجہ سے کیری اور اسٹاک کے مجموعی مارجن کافی حصہ اگلی سہ ماہیوں تک موخر ہو گیا۔

مذکورہ بالا عوامل کے باوجود کمپنی نے 202 ملین روپے کی فنانس لاگت سے پہلے منافع کی اطلاع دی۔ لیکن افراط زر میں اضافے کی وجہ سے فنانس لاگت میں 53% فیصد اور انتظامی لاگت میں 29% فیصد اضافہ ہوا ہے جس کی وجہ سے ہمارے منافع میں کمی آئی ہے اور کمپنی نے خالص نقصان کی اطلاع دی ہے۔ گنے کی غیر معمولی شرح اور سیزن میں فروخت کی قیمت میں زبردستی کمی کی وجہ سے فروخت کا حجم سست ہونے کی وجہ سے کاشتکاروں کو بروقت ادائیگی کو یقینی بنانے کے لئے بڑے پیمانے پر ورکنگ کیپیٹل کی ضرورت تھی۔ بہر حال اس مشکل صورتحال میں الحمد للہ ہم نے اپنے فنڈز کو موثر طریقے سے منظم کیا اور تمام ذمہ داریوں کی بروقت ادائیگی کو یقینی بنانے کے لئے اپنی فنانسنگ کی حد کو 9.5 ارب تک بڑھا دیا۔

مالی سال 2023-24 پاکستان کے تمام ہتھیوں پر وڈیو سروس کے لئے ایک چیلنجنگ سال ہونے کے باوجود، یوٹیلٹی سال کی پہلی ششماہی کے دوران 1.522 ارب روپے کا مریوٹ آپریٹنگ منافع حاصل کرنے میں کامیاب رہا۔ لیکن زیادہ مالی لاگت نے بھی اس کے منافع کو کم کر دیا اور یوٹیلٹی لیمٹڈ نے صرف 1.4 ملین روپے کا معمولی منافع ظاہر کیا۔ نتیجتاً یوٹیلٹی انرجی کے منافع کا حصہ سمیت صرف 1.038 ملین روپے کی سرمایہ کاری سے حاصل ہونے والے منافع کے حصص میں ظاہر ہوئے ہیں۔

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF M/S. FARAN SUGAR MILLS LIMITED

Introduction

We have reviewed the accompanying condensed interim statement of financial position of M/s. Faran Sugar Mills Limited ("the Company") as at March 31, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes thereto for the half yearly period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these 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 interim financial statements based on our review.

Scope of review

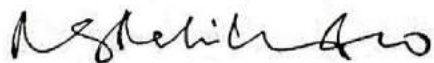
We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity.' A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the 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.

As per the terms of our engagement, we were only required to review the cumulative figures for the six month period ended March 31, 2024. 'Accordingly, 'we have not reviewed the figures in the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the three-month period ended March 31, 2024.

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 auditors' review report is Mr. Muhammad Rafiq Dosani.



RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: May 30, 2024

UDIN: RR202410210dOJSjsWpv

Faran Sugar Mills Limited

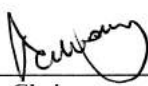
Condensed Interim Unconsolidated Statement of Financial Position


As at March 31, 2024

		(Un-audited) March 31, 2024	(Audited) September 30, 2023
		----- Rupees -----	
ASSETS	<i>Note</i>		
Non-current assets			
Property, plant and equipment	3	3,049,567,859	2,987,763,424
Long term investments	4	1,785,266,373	1,808,758,066
Long term advances		28,673,389	70,643,863
Long term deposits	22.1	18,529,347	14,347,787
		<u>4,882,036,968</u>	<u>4,881,513,140</u>
Current assets			
Stores and spares		127,582,761	172,797,082
Stock in trade	5	8,464,463,191	1,693,997,261
Trade debts	6	544,630,642	362,589,113
Short term investments		5,935,725	5,507,278
Loans, advances, deposits, and other receivables		572,384,073	590,771,911
Taxation - net		39,425,997	5,488,082
Cash and bank balances		126,808,786	105,178,937
		<u>9,881,231,175</u>	<u>2,936,329,664</u>
Total assets		<u>14,763,268,143</u>	<u>7,817,842,804</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital		<u>400,000,000</u>	<u>400,000,000</u>
Issued, subscribed and paid up capital		<u>250,069,550</u>	<u>250,069,550</u>
<i>Capital reserves</i>			
Share premium		8,472,152	8,472,152
Surplus on re-measurement of investment		1,416,667	946,970
		<u>9,888,819</u>	<u>9,419,122</u>
<i>Revenue reserves</i>			
Unappropriated profit		<u>2,224,767,972</u>	<u>2,741,537,043</u>
		<u>2,484,726,341</u>	<u>3,001,025,715</u>
Non-current liabilities			
Long term borrowings from banking companies	7	523,786,182	572,284,960
Deferred liabilities	8	499,559,889	496,849,547
		<u>1,023,346,071</u>	<u>1,069,134,507</u>
Current liabilities			
Trade and other payables	9	1,916,960,034	2,068,506,804
Current portion of long term finance		249,149,497	369,080,391
Current portion of deferred government grant		30,498,222	44,286,004
Accrued mark up	22.1	475,614,608	119,256,822
Unclaimed dividend		9,407,036	8,833,714
Short term borrowings from banking companies	10	8,573,566,334	1,137,718,847
		<u>11,255,195,731</u>	<u>3,747,682,582</u>
Contingency and commitments	11		
Total equity and liabilities		<u>14,763,268,143</u>	<u>7,817,842,804</u>

The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer
 Ahmed Ali Bawany


Chairman
 Muhammad Omar Bawany


Chief Financial Officer
 Muhammad Ayub

Faran Sugar Mills Limited

Condensed Interim Unconsolidated Statement of Profit or Loss

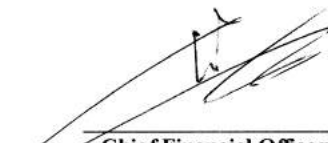
For the six months and quarter ended March 31, 2024 (unaudited)

	Note	Six-month period ended		Quarter ended	
		Mar. 31, 2024	Mar. 31, 2023	Mar. 31, 2024	Mar. 31, 2023
Rupees					
Sales revenue - net	12	5,082,523,685	3,827,946,620	2,628,051,707	1,636,579,570
Cost of sales	13	(4,733,899,648)	(3,735,735,468)	(2,556,114,192)	(1,609,907,355)
Gross profit		348,624,037	92,211,152	71,937,515	26,672,215
Administrative expenses		(126,139,848)	(97,476,951)	(66,308,290)	(48,825,494)
Selling and distribution costs	14	(60,663,661)	(78,738,057)	(45,056,537)	(45,839,757)
		(186,803,509)	(176,215,008)	(111,364,827)	(94,665,251)
Operating profit / (loss)		161,820,528	(84,003,856)	(39,427,312)	(67,993,036)
Other income	14	43,498,049	234,482,814	22,941,779	219,866,526
Other expenses	15	(3,148,210)	(576,970)	3,376,485	(373,532)
		40,349,839	233,905,844	26,318,264	219,492,994
		202,170,367	149,901,988	(13,109,048)	151,499,958
Finance costs	16	(584,780,718)	(381,440,881)	(455,918,271)	(260,733,284)
		(382,610,351)	(231,538,893)	(469,027,319)	(109,233,326)
Share of profit / (loss) of associates - net	17	1,038,609	768,828,692	(9,734,391)	418,751,359
(Loss) / profit before taxation		(381,571,742)	537,289,799	(478,761,710)	309,518,033
Taxation	18	(72,679,942)	(146,224,496)	(42,336,983)	(118,825,423)
(Loss) / profit after taxation		(454,251,684)	391,065,303	(521,098,693)	190,692,610
(Loss) / earnings per share - basic and diluted		(18.17)	15.64	(20.84)	7.63

The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer
 Ahmed Ali Bawany


Chairman
 Muhammad Omar Bawany


Chief Financial Officer
 Muhammad Ayub

Faran Sugar Mills Limited

Condensed Interim Unconsolidated Statement of Comprehensive Income

For the six months and quarter ended March 31, 2024 (unaudited)

	Six-month period ended		Quarter ended	
	Mar. 31, 2024	Mar. 31, 2023	Mar. 31, 2024	Mar. 31, 2023
	Rupees			
(Loss)/ profit after taxation	(454,251,684)	391,065,303	(521,098,693)	190,692,610
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Increase in fair value of the investment in certificates of B.F. Modaraba	469,697	281,818	-	1,221,212
Total comprehensive (loss) / income for the period	<u>(453,781,987)</u>	<u>391,347,121</u>	<u>(521,098,693)</u>	<u>191,913,822</u>


The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer
Ahmed Ali Bawany



Chairman
Muhammad Omar Bawany



Chief Financial Officer
Muhammad Ayub

Faran Sugar Mills Limited

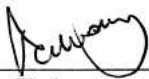
Condensed Interim Unconsolidated Statement of Changes in Equity


For the six months ended March 31, 2024 (unaudited)

	Issued, subscribed and paid up capital	Capital reserves		Revenue reserves		Total
		Share premium	Surplus on re- measurement of investment	General reserve	Unappropriated profits	
Rupees						
Balance as at September 30, 2022 (audited)	250,069,550	8,472,152	665,152	-	1,521,510,706	1,780,717,560
<i>Total comprehensive income for the half year ended March 31, 2023</i>						
- Profit after taxation	-	-	-	-	391,065,303	391,065,303
- Other comprehensive income	-	-	281,818	-	-	281,818
	-	-	281,818	-	391,065,303	391,347,121
Balance as at March 31, 2023 (un-audited)	250,069,550	8,472,152	946,970	-	1,912,576,009	2,172,064,681
Balance as at September 30, 2023 (audited)	250,069,550	8,472,152	946,970	-	2,741,537,043	3,001,025,715
<i>Total comprehensive income for the half year ended March 31, 2024</i>						
- Loss after taxation	-	-	-	-	(454,251,684)	(454,251,684)
- Other comprehensive income	-	-	469,697	-	-	469,697
	-	-	469,697	-	(454,251,684)	(453,781,987)
<i>Transactions with owners</i>						
Final cash dividend paid @ 25% for the year ended September 30, 2023 (2022:None)	-	-	-	-	(62,517,388)	(62,517,388)
	-	-	-	-	(62,517,388)	(62,517,388)
Balance as at March 31, 2024 (un-audited)	250,069,550	8,472,152	1,416,667	-	2,224,767,972	2,484,726,341

The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer
 Ahmed Ali Bawany


Chairman
 Muhammad Omar Bawany


Chief Financial Officer
 Muhammad Ayub

Faran Sugar Mills Limited

Condensed Interim Unconsolidated Statement of Cash Flows

For the six months ended March 31, 2024 (unaudited)

	March 31, 2024	March 31, 2023
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(381,571,742)	537,289,799
<i>Adjustments for non-cash and other items:</i>		
- Depreciation	86,834,115	73,628,361
- Dividend income	(40,500)	(57,500)
- Gain on sale of property, plant and equipment	(8,115,317)	(12,241,932)
- Gain on sale of investment in associate classified as held for sale	-	(188,380,393)
- Amortization of deferred government grant	(16,469,760)	(16,338,465)
- Provision for slow moving inventory	2,967,835	-
- Specific written down of inventory	31,617,734	-
- Finance costs	584,780,718	381,440,881
- (Gain)/ loss on re-measurement of investments carried at fair value	(428,448)	111,525
- Share of profit or loss of associates - net	(1,038,609)	(768,828,692)
	<u>680,107,768</u>	<u>(530,666,215)</u>
Working capital changes	298,536,026	6,623,584
<i>(Increase) / decrease in current assets</i>		
- Stores and spares	42,246,486	(5,864,411)
- Stock in trade	(6,802,083,664)	(3,269,164,091)
- Trade debts	(182,041,529)	75,719,935
- Loans, advances, deposits and other receivables	18,387,838	55,369,538
<i>Increase / (decrease) in current liabilities</i>		
- Trade and other payables	(120,200,565)	1,041,018,555
	<u>(7,043,691,434)</u>	<u>(2,102,920,474)</u>
Cash used in operations	(6,745,155,408)	(2,096,296,890)
Income tax paid	(101,225,536)	(59,206,525)
Payment of Workers' profit participation fund	(30,937,817)	-
Payment of Workers' welfare fund	(408,388)	-
Finance cost paid	(231,847,381)	(286,182,379)
Net cash used in operating activities	(7,109,574,530)	(2,441,685,794)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(108,059,852)	(132,880,522)
Proceeds from disposal of investment in associate held for sale	-	199,916,232
Proceeds from sale of property, plant and equipment	9,507,093	15,217,747
Dividend received	25,040,499	175,057,490
Long term advances - net	-	(19,867,461)
Long term deposits - net	(4,181,560)	(292,581)
Net cash (used in) / generated from investing activities	(77,693,820)	237,150,905
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(61,944,066)	-
Long term loans obtained	-	78,247,198
Long term loans repaid	(165,005,222)	(159,376,307)
Short term finance - net	7,435,847,487	2,376,022,413
Net cash generated from financing activities	7,208,898,199	2,294,893,304
Net increase in cash and cash equivalents	21,629,849	90,358,415
Cash and cash equivalents at the beginning of the period	105,178,937	132,674,392
Cash and cash equivalents at the end of the period	126,808,786	223,032,807

The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer
 Ahmed Ali Bawany


Chairman
 Muhammad Omar Bawany


Chief Financial Officer
 Muhammad Ayub

Faran Sugar Mills Limited

Condensed Interim selected notes to the Unconsolidated Financial Statements

For the six months ended March 31, 2024 (unaudited)

1. STATUS AND NATURE OF BUSINESS

1.1 Brief profile of the Company

Faran Sugar Mills Limited ('the Company') was incorporated in Pakistan on November 03, 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 Pakistan Stock Exchange (PSX). The principal business of the Company is the production and sale of white crystalline sugar.

Head office:

The registered office of the Company is situated at Bungalow No.43-1-E (B), P.E.C.H.S., Block 6, Off Razi Road, Shahrah e Faisal, Karachi.

Mill:

The mill of the Company is located at Sheikh Bhirkio, District Tando Mohammad Khan, Sindh.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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 do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with Company's annual financial statements for the year ended September 30, 2023.

2.2 Basis of measurement of items in these condensed interim financial statements

All items in these condensed interim financial statements have been measured at their historical cost except for the following:

- (a) Long term investments in unquoted ordinary shares of associates which are carried under the equity method of accounting;
- (b) Long term investments in quoted equity securities of M/s. B.F. Modaraba which is carried at fair value through other comprehensive income; and
- (c) Short term investments in ordinary shares of listed companies which are carried at fair value through profit or loss.

2.3 Functional and presentation currency

Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

2.4 Judgments and sources of estimation uncertainty

In preparing these condensed interim financial statements, 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 applied in the Company's annual financial statements as at and for the year ended September 30, 2023.

2.5 Material accounting policies

The material accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the Company's annual financial statements for the year ended September 30, 2023.

3. PROPERTY, PLANT AND EQUIPMENT

		(Un-audited) March 31, 2024	(Audited) September 30, 2023
	<i>Note</i>	————— Rupees —————	—————
Operating fixed assets	3.1	3,049,567,859	2,953,884,743
Capital work in progress	3.2	-	33,878,681
		<u>3,049,567,859</u>	<u>2,987,763,424</u>

		(Un-audited) March 31,	(Audited) September 30,
		Rupees	
3.2	Capital work-in-progress		
	Opening balance	33,878,681	126,364,048
	Additions during the period/year	127,176,488	121,319,619
	Transfers to operating fixed assets	(161,055,169)	(213,804,986)
	Closing balance	-	33,878,681
4.	LONG TERM INVESTMENTS		
	Investment in subsidiary	99,970	99,970
	Investment in associates	1,779,999,736	1,803,961,126
	Investment in certificates of B.F. Modaraba	5,166,667	4,696,970
		1,785,266,373	1,808,758,066
4.1	Investment in associates		
	<i>Unquoted investments</i>		
	Unicol Limited	1,758,645,493	1,783,174,159
	Uni Energy Limited	21,354,243	20,786,967
		1,779,999,736	1,803,961,126
4.1.1	Investment in Unicol Limited		
	Cost of investment: 10,499,998 shares of Rs.10/- each	104,999,980	104,999,980
	Bonus shares issued: 39,500,000 shares	395,000,000	395,000,000
		499,999,980	499,999,980
	<i>Accumulated share of profit:</i>		
	Opening balance	1,283,174,179	646,524,173
	Cash dividend received during the period / year	(24,999,999)	(274,999,994)
	Share of profit for the period / year	471,333	911,650,000
		1,258,645,513	1,283,174,179
	Carrying amount as of the reporting date	1,758,645,493	1,783,174,159
4.1.1.1	The share of profit of the associate for the period presented above is based on its un-audited financial statements for the half year ended March 31, 2024.		
4.1.1.2	As of the reporting date, the Company held 33.33% (September 30, 2023: 33.33%) voting shares of Unicol Limited.		
		(Un-audited) March 31, 2024	(Audited) September 30, 2023
5.	STOCK-IN-TRADE		
	Finished goods	8,463,644,411	1,690,425,361
	Work in process	818,780	3,571,900
		8,464,463,191	1,693,997,261
5.1.	Finished goods		
	Finished goods	8,495,262,145	1,690,425,361
	Specific written down of inventory	(31,617,734)	-
		8,463,644,411	1,690,425,361

5.1.1 This represents the inventory allocated to the parties at a predetermined rate lower than the assigned rate for finished goods. We have specifically identified those contracts and written off the inventory accordingly.

5.2 As of the reporting date, the value of stock pledged against bank borrowings amounted to Rs. 7.764 billion (September 30, 2023: Rs. 1.426 billion).

		(Un-audited) March 31, 2024	(Audited) September 30, 2023
	Note	Rupees	

6. TRADE DEBTS - unsecured, considered good

Local receivables	6.1&22.1	<u>544,630,642</u>	<u>362,589,113</u>
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6.1 This includes amount due from a related party, M/s. Unicol Limited Rs. 3.589 million (September 30, 2023: Rs. 2.022 million). maximum balance outstanding at any time during the year, computed with reference to month-end balances amounted to Rs. 134.040 million (September 30, 2023: Rs. 2.022 million).

		(Un-audited) March 31, 2024	(Audited) September 30, 2023
	Note	Rupees	

**7. LONG TERM FINANCE- Secured
Financing under SBP schemes**

Islamic Temporary Economic Refinance Facility (ITERF)	7.1	393,908,728	424,585,824
Diminishing Musharakah - SBP IFRE		<u>29,907,695</u>	<u>29,907,695</u>
		<u>423,816,423</u>	<u>454,493,519</u>

Other financing schemes

Diminishing Musharaka financing		<u>99,969,759</u>	<u>117,791,441</u>
		<u>523,786,182</u>	<u>572,284,960</u>

7.1 Financing under Islamic Temporary Economic Refinance Facility (ITERF)

Faysal Bank Limited		335,343,171	361,011,049
Bank Islami Pakistan Limited		<u>58,565,557</u>	<u>63,574,775</u>
		<u>393,908,728</u>	<u>424,585,824</u>

8. DEFERRED LIABILITIES

Deferred taxation - net	8.1	267,550,256	262,157,936
Sales tax payable		109,419,576	109,419,576
Provision for excise duty		7,005,677	7,005,677
Deferred government grant	8.2	<u>115,584,380</u>	<u>118,266,358</u>
		<u>499,559,889</u>	<u>496,849,547</u>

		(Un-audited) March 31, 2024	(Audited) September 30, 2023
		————— Rupees —————	
8.1	Deferred taxation - net		
	<i>Deferred tax liability arising in respect of:</i>		
	Property, plant and equipment	457,242,965	440,857,713
	Investment in associates	188,999,966	192,476,127
	Long term finance	73,103,831	43,105,197
		<u>719,346,762</u>	<u>676,439,037</u>
	<i>Deferred tax asset arising in respect of:</i>		
	Provision of slow moving stock	(4,279,611)	(3,418,939)
	Deferred government grant	(42,363,955)	(47,140,185)
	Unused tax losses	(405,152,940)	(363,721,977)
		<u>(451,796,506)</u>	<u>(414,281,101)</u>
		<u>267,550,256</u>	<u>262,157,936</u>
8.2	Deferred government grant		
	Deferred government grant recognized in respect of financing under ITERF	8.2.1 <u>115,584,380</u>	<u>118,266,358</u>
8.2.1	Deferred government grant recognized in respect of financing under Islamic Temporary Economic Refinance Facility (ITERF)		
	Opening balance	162,552,362	195,433,526
	Less: amortization for the year/period	(16,469,760)	(32,881,164)
		<u>146,082,602</u>	<u>162,552,362</u>
	Less: Current maturity shown under current liabilities	(30,498,222)	(44,286,004)
		<u>115,584,380</u>	<u>118,266,358</u>
9.	TRADE AND OTHER PAYABLES		
	Trade creditors:		
	- Sugarcane growers	647,314,230	20,680,496
	- Suppliers of stores and spares	167,690,592	223,807,540
		<u>815,004,822</u>	<u>244,488,036</u>
	Other payables:		
	Advance and deposit from customers	9.1 <u>847,571,211</u>	<u>1,334,862,555</u>
	Sales tax payable	125,556,244	343,176,694
	Accrued liabilities	67,567,112	56,951,972
	Workers' Welfare Fund	9.2 11,896,298	12,304,686
	Workers' Profit Participation Fund	9.3 3,546,042	34,483,859
	Special Excise Duty payable	13,208,869	13,208,869
	Road cess payable	4,774,825	4,774,825
	Security deposits	8,371,930	5,148,992
	Withholding income tax payable	3,266,793	6,098,337
	Others	9.4 <u>16,195,888</u>	<u>13,007,979</u>
		<u>1,101,955,212</u>	<u>1,824,018,768</u>
		<u>1,916,960,034</u>	<u>2,068,506,804</u>

9.1 Advances and deposits from customers

During the period, the performance obligations underlying the opening contract liability of Rs. 1,334.862 million were satisfied in full. Accordingly, the said liability was recorded as revenue during the period.

In addition, information regarding the timing of satisfaction of performance obligations underlying the closing contract liability of Rs. 847.571 million is not presented since the expected duration of all the contracts entered into with the customers is less than one year.

	(Un-audited) March 31, 2024	(Audited) September 30, 2023
	————— Rupees —————	
9.2 Workers' Welfare Fund		
Opening balance	12,304,686	38,641,793
Add: charge for the year	-	11,896,271
	<u>12,304,686</u>	<u>50,538,064</u>
<i>Less :</i>		
Reversal of provision earlier recorded	-	(23,242,702)
Adjustment during the period/ year	-	(14,990,676)
Payment during the period/ year	(408,388)	-
Closing balance	<u><u>11,896,298</u></u>	<u><u>12,304,686</u></u>

9.3 Workers' Profit Participation Fund

Opening balance	34,483,859	3,189,509
Add: charge for the period/ year	-	31,305,976
	<u>34,483,859</u>	<u>34,495,485</u>
Less: payment during the period/ year	(30,937,817)	(11,626)
Closing balance	<u><u>3,546,042</u></u>	<u><u>34,483,859</u></u>

9.4 This includes an amount of Rs. 14.651 million (September 30, 2023: Rs. 11.215 million) due to M/s. Reliance Insurance Limited, a related party.

	(Un-audited) March 31, 2024	(Audited) September 30, 2023
	————— Rupees —————	
10. SHORT TERM FINANCE - secured		
Islamic financing arrangements	10.1 <u><u>8,573,566,334</u></u>	<u><u>1,137,718,847</u></u>

10.1 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. 8,686 million (September 30, 2023: Rs. 5,550 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 + 0.5% to 1.25% per annum (September 30, 2023: KIBOR + 0.50% to 1% per annum).

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

As of the reporting date, the status of the contingent liabilities as disclosed in note 20.1 to the financial statements of the Company for the year ended September 30, 2023 remains the same.

11.2 Commitments

As of the reporting date, there were no material commitments.

		<u>For the six-month period ended</u>	
		March 31, 2024 (Un-audited)	March 31, 2023 (Un-audited)
		----- Rupees -----	
12. SALES REVENUE - net	<i>Note</i>		
Revenue from local sales - net	<i>12.1</i>	<u>5,082,523,685</u>	<u>3,827,946,620</u>
12.1 Revenue from local sales - net			
Sales of sugar - gross		4,156,637,377	3,072,788,351
Less: Sales tax / advance income tax		(637,897,107)	(453,359,702)
		<u>3,518,740,270</u>	<u>2,619,428,649</u>
Sales of molasses-gross		1,374,680,029	1,098,825,000
Less: Sales tax		(27,135,000)	-
		<u>1,347,545,029</u>	<u>1,098,825,000</u>
Sales of power-gross		11,314,389	-
Less: Sales tax		(1,725,924)	-
		<u>9,588,465</u>	<u>-</u>
Sales of bagasse - gross		247,973,168	128,516,030
Less: Sales tax		(41,323,247)	(18,823,059)
		<u>206,649,921</u>	<u>109,692,971</u>
Net sales revenue		<u>5,082,523,685</u>	<u>3,827,946,620</u>
13. COST OF SALES			
Opening stock of finished goods		1,690,425,361	2,005,042,327
Cost of goods manufactured	<i>13.1</i>	11,507,118,698	7,003,530,944
		<u>13,197,544,059</u>	<u>9,008,573,271</u>
Closing stock of finished goods		(8,463,644,411)	(5,272,837,803)
		<u>4,733,899,648</u>	<u>3,735,735,468</u>

		For the six-month period ended	
		March 31,	March 31,
		2024	2023
		(Un-audited)	(Un-audited)
		----- Rupees -----	
13.1	Cost of goods manufactured		
	Raw materials consumed	10,801,570,149	6,420,556,834
	Conversion costs incurred:		
	- Salaries, wages and benefits	279,668,361	222,642,200
	- Stores and spares consumed	158,151,291	128,204,485
	- Packing materials consumed	101,949,206	71,728,851
	- Depreciation	68,424,311	60,059,636
	- Repair and Maintenance	41,410,202	51,103,567
	- Fuel and power	16,579,247	23,771,947
	- Insurance	17,032,809	11,644,852
	- Vehicle running expenses	10,593,242	8,956,025
	- Others	8,986,760	6,231,162
		702,795,429	584,342,725
		11,504,365,578	7,004,899,559
	Opening stock of work in process	3,571,900	3,389,793
	Closing stock of work in process	(818,780)	(4,758,408)
		2,753,120	(1,368,615)
		11,507,118,698	7,003,530,944
14.	OTHER INCOME		
	Gain from disposal of investment in associate held for sale	-	188,380,393
	Amortization of deferred government grant	16,469,760	16,338,465
	Gain on sale of property, plant and equipment	8,115,317	12,241,932
	Sale of scrap	9,805,655	10,476,548
	Profit on deposit accounts	5,810,401	3,265,706
	Exchange gain	-	1,695,250
	Sale of press mud	2,456,108	1,836,620
	Unrealized gain on remeasurement of investments in quoted equity securities to fair value	428,448	-
	Dividend income	40,500	57,500
	Miscellaneous income	371,860	190,400
		43,498,049	234,482,814
15.	OTHER EXPENSES		
	Donation	180,375	465,445
	Provision for slow moving inventory	2,967,835	-
	Unrealized loss on remeasurement of investments in quoted equity securities to fair value	-	111,525
		3,148,210	576,970

	For the six-month period ended	
	March 31, 2024 (Un-audited)	March 31, 2023 (Un-audited)
	----- Rupees -----	
16. FINANCE COSTS		
Markup on short term borrowings	518,618,871	290,857,501
Markup on long term borrowings:		
- ITERF from Faysal Bank Limited	19,017,251	22,814,181
- ITERF from Bank Islami Pakistan Limited	2,969,308	4,165,013
- Salaries and wages financing	-	69,789
- Diminishing Musharaka financing	41,627,976	59,637,956
	<u>63,614,535</u>	<u>86,686,939</u>
	582,233,406	377,544,440
Bank charges	2,547,312	3,896,441
	<u>584,780,718</u>	<u>381,440,881</u>
17. SHARE OF PROFIT OR LOSS OF ASSOCIATES - net		
Unicol Limited	471,333	768,532,472
Uni Energy Limited	567,276	296,220
	<u>1,038,609</u>	<u>768,828,692</u>
18. TAXATION - net		
Current	67,287,621	74,255,683
Deferred	5,392,321	71,968,813
	<u>72,679,942</u>	<u>146,224,496</u>
19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES		
<p>Related parties comprise of the Company's subsidiary, associates, key management personnel (including directors) and their close family members and the staff provident fund. Remuneration and benefits to directors and 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.</p>		
	For the six-month period ended	
	March 31, 2024 (Un-audited)	March 31, 2023 (Un-audited)
	----- Rupees -----	
<u>Transactions during the period</u>		
<u>ASSOCIATES</u>		
Unicol Limited		
Revenue from sale of goods	<u>1,408,038,398</u>	<u>1,134,147,059</u>

	For the six-month period ended	
	March 31, 2024 (Un-audited)	March 31, 2023 (Un-audited)
	----- Rupees -----	
<u>KEY MANAGEMENT PERSONNEL</u>		
Remuneration of the Chief Executive	<u>10,358,280</u>	<u>9,007,200</u>
Remuneration of directors	<u>7,712,250</u>	<u>8,868,600</u>
Directors' meeting fee	<u>420,000</u>	<u>150,000</u>
<u>OTHER RELATED PARTIES</u>		
Reliance Insurance Company Ltd.		
Insurance premium paid	<u>14,400,000</u>	<u>14,400,000</u>
BF Modaraba		
Sale of sugar	<u>4,179,487</u>	<u>-</u>
Employees' Provident Fund Trust		
Contribution to Provident Fund	<u>3,783,959</u>	<u>3,222,213</u>
	(Un-audited)	(Audited)
	March 31, 2024	September 30, 2023
	----- Rupees -----	
<u>Balances at the end of the reporting period</u>		
<u>ASSOCIATES</u>		
Unicol Limited		
Trade receivable against sale of goods	<u>3,589,985</u>	<u>2,022,226</u>
<u>OTHER RELATED PARTIES</u>		
Reliance Insurance Limited		
Insurance premium payable	<u>14,651,640</u>	<u>11,215,946</u>
BF Modaraba		
Advance against sugar	<u>49,300,085</u>	<u>54,231,880</u>

20. FAIR VALUE OF ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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); and

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. However, during the year, there were no transfers between the levels of the fair value hierarchy.

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

	Level 1	Level 2	Level 3
	Rupees		
March 31, 2024			
Investment in certificates B.F. Modaraba	5,166,667	-	-
Short term investment in quoted equity securities	1,535,725	-	-
	<u>6,702,392</u>	-	-
September 30, 2023			
Investment in certificates B.F. Modaraba	4,696,970	-	-
Short term investment in quoted equity securities	1,107,278	-	-
	<u>5,804,248</u>	-	-

21. OPERATING SEGMENT

These condensed interim financial statements have been prepared on the basis of single reportable segment i.e. sale and manufacturing of sugar. The entity-wide disclosures required by IFRS 8 "Operating Segments" are given below:

- (a) Revenue from sale of Sugar represents 69.23% (March 31, 2023: 75.16%) of the total revenue of the Company.
- (b) 100% (March 31, 2023: 100%) gross sales of the Company were made to customers based in Pakistan.
- (c) As at March 31, 2024 and September 30, 2023 all non-current assets of the Company were located in Pakistan.

22. GENERAL

22.1 Reclassification of corresponding figures

Certain corresponding figures in these condensed unconsolidated financial statements have been rearranged and reclassified for the purpose of comparison and better presentation. Following material reclassifications have been made in the financial statements.

Reclassified from component	Reclassified to component	Amount Rupees
Trade and other payables	Long term deposits	<u>715,397</u>
Trade and other payables	Loans, advances, deposits, and other receivables	<u>149,192</u>
Trade and other payables	Accrued mark up	<u>229,652</u>
Trade and other payables	Loans, advances, deposits, and other receivables	<u>225,139</u>
Trade debts	Trade and other payables 6.	<u>1,647,250</u>
Loans, advances, deposits, and other receivables	Trade and other payables	<u>1,290,332</u>
Loans, advances, deposits, and other receivables	Long term advance	<u>26,531,774</u>
Other income	Cost of sales 13.1&14	<u>601,200</u>
Cost of sales	Other income 13.1&14	<u>1,836,620</u>

22.2 Date of authorization of the financial statements for issue

These condensed interim financial statements have been authorized for issue by the Board of Directors of the Company in their meeting held on May 30, 2024.

22.3 Level of rounding


Figures in these condensed interim financial statements have been rounded off to the nearest rupee.



Chief Executive Officer
Ahmed Ali Bawany



Chairman
Muhammad Omar Bawany



Chief Financial Officer
Muhammad Ayub



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