

THIRD QUARTERLY ACCOUNTS

FOR THE PERIOD ENDED
JUNE 30, 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 Serfaraz 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 JUNE 30, 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 **Nine months** ended June 30, 2024.

Financial results are summarized as follows:

	June-2024 Rs. '000	June-2023 Rs. '000
Gross sales	9,134,654	7,163,551
Operating Profit	423,535	624,294
Finance Cost	(1,067,204)	(617,895)
(Loss) / Profit before share of Associates & taxation	(643,668)	6,400
Share of (Loss) / Profit from Associate-net	(353,668)	867,896
(Loss) / Profit before taxation	(997,336)	874,296
Taxation	(102,472)	(177,979)
(Loss) / Profit after Taxation	(1,099,808)	696,317
(Loss) / Earnings per Share	(43.98)	27.84

Gross sales grew by 27.5% over the same corresponding period of last year; 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 in response to high cost of production, despite of 11% reduction in sales volume of refined sugar. The local sugar pricing was impacted by large carry-over stock from the previous season and higher sugar production in the season. The selling price of sugar was expected to reach Rs 155 – Rs 160 , however, due to oversupply and reluctance of timely export permission led to the pricing of sugar being depressed and ranged between Rs 130 – 140. Other income was decreased by Rs. 203 million from corresponding period of last year, which was supported from sale proceeds of divestment of entire shareholding of Unifood Pvt. Limited amounting to Rs. 188.3 million. Moreover, the high operational costs severely impacted margins, making them insufficient to cover substantial financing expenses. Thus, the company reported an operating profit of Rs. 423.5 million, but this was offset by significant finance costs, resulting in tune a net loss of Rs. 997 million, including a Rs. 354 million loss from share of profit of Unicol Limited.

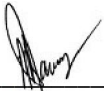
The working capital finance cost nearly doubled due to a steep rise in the KIBOR rate, sluggish sales volume and the need for substantial financing to ensure timely payments to growers during the crushing season, which eroded profitability. Unicol Limited reported a historical net loss of Rs. 1.062 billion due to immense financing costs on both long-term and short-term borrowings.

The sugar industry in Pakistan has been seeking permission to export surplus sugar since before the start of the season 2023-24 due to a significant carryover stock and higher anticipated production for the current season. According to the FBR's Track and Trace system, the country produced 6.772 million tons of sugar in the season 2023-24, with current estimates indicating a surplus of over 1.5 million tons which equivalent to worth of US\$ 1 Billion of surplus sugar laying in sugar industry godowns in the country. The large stockpiles and high borrowing costs pose a

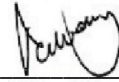
serious threat to the sector, putting it at risk of collapse. Moreover, the government has been slow to act, initially permitting only a limited export of 150,000 tons and linking further exports to domestic sugar prices, without considering the exorbitant production cost of sugar mills. Long outstanding of inland freight subsidy pertaining to year 2011-12 & 2012-13 and cash freight support subsidy pertaining to year 2016-17 and 2017-18, for which the Honorable High Court has already directed to release the same, aggravated liquidity problems of the cash-strapped sugar mills of the country.

It is now high time for policymakers to have clear vision and harness the potential of this sector to continuously export surplus sugar and earn foreign exchange for Pakistan.

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



Ahmed Ali Bawany
Chief Executive

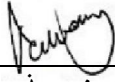


Muhammad Omar Bawany
Chairman

Karachi:
JULY 25, 2024

اب وقت آگیا ہے کہ پالیسی ساز واضح وژن رکھیں اور اس شعبے کی صلاحیتوں کو بروئے کار لاتے ہوئے مسلسل اضافی چینی برآمد کریں اور پاکستان کے لئے زر مبادلہ کمائیں۔

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



محمد عمر باوانی
چیئر مین



احمد علی باوانی
چیف ایگزیکٹو

کراچی: 25 جولائی، 2024

چیف ایگزیکٹو کا جائزہ

30 جون 2024 کو ختم ہونے والی مدت کے لئے

پیارے شیئر ہولڈرز،

اللہ تعالیٰ کے فضل و کرم سے بورڈ آف ڈائریکٹرز کی جانب سے میں آپ کی کمپنی کی 30 جون 2024ء کو ختم ہونے والے نو ماہ کی کارکردگی کا مختصر جائزہ پیش کرتا ہوں۔

مالی نتائج کا خلاصہ درج ذیل ہے:

جون-2023	جون-2024	
روپے 000 روپے	روپے 000 روپے	
7,163,551	9,134,654	مجموعی فروخت
624,294	423,535	آپریٹنگ منافع
(617,895)	(1,067,204)	فنانس لاگت
6,400	(643,668)	ایسوسی ایٹس اور نیکیٹیشن کے حصے سے پہلے منافع/(نقصان)
867,896	(353,668)	ایسوسی ایٹس نیٹ سے (نقصان)/منافع کا حصہ
874,296	(997,336)	نیکیٹس سے پہلے منافع/(نقصان)
(177,979)	(102,472)	نیکیٹس
696,317	(1,099,808)	(نقصان)/منافع بعد از نیکیٹس
27.84	(43.98)	فی حصص (نقصان)/آمدنی

گزشتہ سال کے اسی عرصے کے مقابلے میں مجموعی فروخت میں 27.5% فیصد اضافہ ہوا؛ بنیادی طور پر ریفاؤنڈ چینی اور گڑ دونوں کی فروخت کی قیمت میں خاطر خواہ بہتری کے ساتھ ساتھ اعلیٰ پیداواری لاگت کے چینی کی مقامی قیمتوں پر گزشتہ سیزن کے بڑے پیمانے پر کیری اور اسٹاک اور سیزن میں چینی کی زیادہ پیداوار۔ جواب میں گڑ اور نیکیٹس کی حجم میں اضافہ، ریفاؤنڈ چینی کی فروخت کے حجم میں 11% فیصد کمی کے باوجود کی وجہ سے اشراف تھا۔ چینی کی قیمت خرید 155 سے 160 روپے تک پہنچنے کی توقع تھی تاہم ضرورت سے زیادہ چھلانگی اور بروقت برآمدی اجازت نہ ملنے کی وجہ سے چینی کی قیمت میں کمی واقع ہوئی اور یہ 130 سے پونی فوڈ پرائیویٹ لمیٹڈ کی پوری شیئر ہولڈنگ کی فروخت سے حاصل 140 روپے کے درمیان رہی۔ دیگر آمدنی میں گزشتہ سال کے اسی عرصے کے مقابلے میں 203 ملین روپے کی کمی واقع ہوئی، جس میں ہونے والی آمدنی 188.3 ملین روپے تک شامل تھے۔ اس کے علاوہ، کئی آپریشنل اخراجات نے مارجن کو بری طرح متاثر کیا، جس کی وجہ سے وہ کافی مالی اخراجات کو پورا کرنے کے لئے ناکافی ہیں۔ کمپنی نے 423.5 ملین روپے کا آپریٹنگ منافع ظاہر کیا، لیکن اس کی تلافی اہم مالی اخراجات سے کی گئی، جس کے نتیجے میں 997 ملین روپے کا خالص نقصان ہوا، جس میں یونیکول لمیٹڈ کے منافع کے حصص سے 354 ملین روپے کا نقصان بھی شامل ہے۔

کوریج کی شرح میں تیزی سے اضافہ، فروخت کے سست حجم اور کرشنگ سیزن کے دوران کاشتکاروں کو بروقت ادائیگیوں کو یقینی بنانے کے لئے خاطر خواہ فنانسنگ کی ضرورت کی وجہ سے ورکنگ کیپیٹل فنانس کی لاگت تقریباً دو گنی ہو گئی، جس سے منافع میں کمی واقع ہوئی۔ یونیکول لمیٹڈ نے طویل مدتی اور قلیل مدتی قرضوں پر بے پناہ فنانسنگ اخراجات کی وجہ سے 1.062 ملین روپے کا تاریخی خالص خسارہ رپورٹ کیا ہے۔


پاکستان میں شوگر انڈسٹری سیزن 2023-24 کے آغاز سے قبل سے اضافی چینی برآمد کرنے کی اجازت طلب کر رہی ہے جس کی وجہ سے سیزن کے لیے زیادہ متوقع پیداوار اور اہم کیری اور اسٹاک ہے۔ ایف بی آر کے ٹریک اینڈریس سسٹم کے مطابق سیزن 2023-24 میں ملک میں 6.772 ملین ٹن چینی کی پیداوار ہوئی، موجودہ تخمینے کے مطابق 1.5 ملین ٹن سے زائد سرپلس ہے جو ملک میں شوگر انڈسٹری کے گوداموں میں بیچ جانے والی ایک ارب ڈالر کی اضافی چینی کے برابر ہے۔ بڑے ذخیرے اور قرض کی زیادہ لاگت اس شعبے کے لئے ایک سنگین خطرہ ہے، جس سے اسے تباہی کا خطرہ ہے۔ تاہم، حکومت نے کارروائی کرنے میں سست روی کا مظاہرہ کیا ہے، ابتدائی طور پر صرف 150,000 ٹن کی محدود برآمدی اجازت دی ہے اور مزید برآمدات کو چینی کی گھریلو قیمتوں سے منسلک کیا ہے، شوگر گرووں کی سال 2011-12 اور 2012-13 سے متعلق ان لینڈ فریٹ سبسڈی اور سال 2016-17 اور 2017-18 سے متعلق کیش فریٹ سپورٹ سبسڈی، جس کے لئے زیادہ پیداواری لاگت پر غور کیے بغیر معزز ہائی کورٹ پہلے ہی اسے جاری کرنے کی ہدایت دے چکی ہے، نے ملک کی نقدی کے بحران سے دوچار شوگر گرووں کے لیکویڈٹی کے مسائل کو مزید بڑھا دیا ہے۔

FARAN SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT JUNE 30, 2024

		Un-Audited June-2024	Audited Sep-2023
		----- Rupees -----	
ASSETS	<i>Note</i>		
Non-current assets			
Property, plant and equipment	5	3,008,248,913	2,987,763,424
Long term investments	6	1,429,989,882	1,808,758,065
Long term advances		73,187,072	70,643,863
Long term deposits		15,121,887	14,347,788
		<u>4,526,547,754</u>	<u>4,881,513,140</u>
Current assets			
Stores and spares		129,780,193	172,797,082
Stock in trade		6,122,660,405	1,693,997,261
Trade debts		750,053,504	362,589,113
Short term investments		6,136,753	5,507,278
Investment in associate classified as held for sale		-	-
Loans, advances, deposits, prepayments and other receivables		604,045,964	590,771,911
Taxation - net		4,900,193	5,488,082
Cash and bank balances		397,544,985	105,178,937
		<u>8,015,121,997</u>	<u>2,936,329,664</u>
Total assets		<u><u>12,541,669,751</u></u>	<u><u>7,817,842,804</u></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		250,069,550	250,069,550
Capital reserve			
Share premium		8,472,152	8,472,152
Surplus on re-measurement of investment		946,970	946,970
		9,419,122	9,419,122
Revenue reserves			
Unappropriated profit		1,579,211,301	2,741,537,043
		<u>1,838,699,973</u>	<u>3,001,025,715</u>
Non-current liabilities			
Long term borrowings from banking companies		570,379,345	572,284,960
Deferred liabilities		474,540,962	496,849,547
		<u>1,044,920,307</u>	<u>1,069,134,507</u>
Current liabilities			
Trade and other payables		1,425,404,650	2,068,506,804
Accrued mark up		674,212,106	119,256,822
Current portion of long term finance		195,120,259	369,080,391
Current portion of deferred government grant		42,039,080	44,286,004
Unclaimed dividend		9,407,036	8,833,714
Short term borrowing from banking companies	7	7,311,866,340	1,137,718,847
		9,658,049,471	3,747,682,582
Contingency and commitment	8		
Total equity and liabilities		<u><u>12,541,669,751</u></u>	<u><u>7,817,842,804</u></u>

The annexed notes from 1 to 12 forms an integral part of these financial statements.


Chief Executive Officer
 Ahmed Ali Bawany


Chairman
 Muhammad Omar Bawany


Chief Financial Officer
 Muhammad Ayub

FARAN SUGAR MILLS LIMITED
CONDENSED INTERIM PROFIT OR LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTH AND QUARTER ENDED JUNE 30, 2024

	Nine Month Ended		Quarter Ended	
	Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023
	----- Rupees -----		----- Rupees -----	
Turnover - net	7,924,380,565	6,277,145,367	2,841,856,879	2,449,198,747
Cost of sales	(7,276,567,667)	(5,632,257,346)	(2,542,668,019)	(1,897,040,878)
Gross profit	<u>647,812,898</u>	<u>644,888,021</u>	<u>299,188,860</u>	<u>552,157,869</u>
Administrative expenses	(189,379,195)	(158,969,873)	(63,239,347)	(61,492,922)
Selling and distribution costs	(88,979,185)	(121,014,615)	(28,315,524)	(42,276,558)
	(278,358,380)	(279,984,488)	(91,554,871)	(103,769,480)
Operating profit	<u>369,454,518</u>	<u>364,903,534</u>	<u>207,633,989</u>	<u>448,388,390</u>
Other income	57,457,020	260,622,512	13,958,972	26,658,698
Other expenses	(3,376,313)	(1,231,108)	(228,103)	(654,138)
	54,080,707	259,391,404	13,730,869	26,004,560
	<u>423,535,225</u>	<u>624,294,937</u>	<u>221,364,857</u>	<u>474,392,949</u>
Finance costs	(1,067,203,672)	(617,894,879)	(482,422,953)	(236,453,998)
	(643,668,447)	6,400,058	(261,058,096)	237,938,951
Share of (loss)/ profit from equity accounted investments	(353,668,216)	867,896,333	(354,706,826)	99,067,641
(Loss)/ Profit before taxation	<u>(997,336,663)</u>	<u>874,296,391</u>	<u>(615,764,921)</u>	<u>337,006,592</u>
Taxation	(102,471,691)	(177,979,366)	(29,791,749)	(31,754,870)
(Loss)/ Profit after taxation	<u><u>(1,099,808,354)</u></u>	<u><u>696,317,025</u></u>	<u><u>(645,556,671)</u></u>	<u><u>305,251,722</u></u>
(Loss)/ Earnings per share - basic and diluted	<u><u>(43.98)</u></u>	<u><u>27.84</u></u>	<u><u>(25.81)</u></u>	<u><u>12.21</u></u>

The annexed notes from 1 to 12 forms an integral part of these financial statements.


Chief Executive Officer
 Ahmed Ali Bawany


Chairman
 Muhammad Omar Bawany

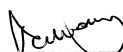

Chief Financial Officer
 Muhammad Ayub

FARAN SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTH AND QUARTER ENDED JUNE 30, 2024

	Nine Month Ended		Quarter Ended	
	Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023
	'----- Rupees -----'		'----- Rupees -----'	
(Loss)/ Profit after taxation	(1,099,808,355)	696,317,025	(645,556,671)	305,251,722
Other comprehensive Income				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Unrealised gain/ (loss) on re-measurement of investment in certificates of B.F. Modaraba	-	(187,879)	(469,697)	93,939
Total comprehensive (loss)/ income for the period	<u>(1,099,808,355)</u>	<u>696,129,146</u>	<u>(646,026,368)</u>	<u>305,345,662</u>

The annexed notes from 1 to 12 forms an integral part of these financial statements.


Chief Executive Officer
 Ahmed Ali Bawany


Chairman
 Muhammad Omar Bawany


Chief Financial Officer
 Muhammad Ayub

FARAN SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTH ENDED JUNE 30, 2024

	Issued, subscribed and paid up capital	Capital reserves	Revenue reserves		Total
		Share premium	Unappropriated profits	Surplus on re- measurement of investment	
----- (Rupees) -----					
Balance as at October 1, 2022	250,069,550	8,472,152	1,521,510,706	665,152	1,780,717,560
<i>Total comprehensive income for the nine month ended June 30, 2023</i>					
- Profit after taxation	-	-	696,317,025	-	696,317,025
- Other comprehensive loss	-	-	-	(187,879)	(187,879)
	-	-	696,317,025	(187,879)	696,129,146
Balance as at June 30, 2023	250,069,550	8,472,152	2,217,827,731	477,272	2,476,846,706
<i>Total comprehensive income for the period ended September 30, 2023</i>					
- Profit after taxation	-	-	523,709,311	-	523,709,311
- Other comprehensive income	-	-	-	469,698	469,698
	-	-	523,709,311	469,698	524,179,008
Balance as at September 30, 2023	250,069,550	8,472,152	2,741,537,043	946,970	3,001,025,715
Balance as at October 1, 2023	250,069,550	8,472,152	2,741,537,043	946,970	3,001,025,715
Transaction with owners					
Final cash dividend paid @ 25% for the year ended September 30, 2023 (2022: None)			(62,517,388)		(62,517,388)
<i>Total comprehensive income for the nine month ended Jun 30, 2024</i>					
- Profit after taxation	-	-	(1,099,808,354)	-	(1,099,808,354)
- Other comprehensive income	-	-	-	-	-
	-	-	(1,099,808,354)	-	(1,099,808,354)
Balance as at June 30, 2024	250,069,550	8,472,152	1,579,211,301	946,970	1,838,699,973

The annexed notes from 1 to 12 forms an integral part of these financial statements.


Chief Executive Officer
 Ahmed Ali Bawany


Chairman
 Muhammad Omar Bawany


Chief Financial Officer
 Muhammad Ayub

FARAN SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTH ENDED JUNE 30, 2024

Nine Month Ended
Jun 30, 2024 Jun 30, 2023

Note '----- Rupees -----'

CASH FLOWS FROM OPERATING ACTIVITIES

CASH GENERATED FROM OPERATIONS

Profit before taxation	(997,336,663)	874,296,391
<i>Adjustments for:</i>		
Depreciation	130,078,741	109,452,597
Share in loss/ (profit) from equity accounted investments	353,668,216	(867,896,333)
Dividend income	(40,500)	(66,500)
Finance costs	1,067,203,672	617,894,879
Amortization of deferred Government grant	(24,555,507)	(24,979,374)
Gain on disposal of property, plant and equipment	(8,791,215)	(12,241,932)
Gain on sale of investment in associate held for sale	-	(188,380,393)
(Gain)/ Loss on re-measurement of investments carried at fair value	(629,373)	161,116
	<u>1,516,934,034</u>	<u>(366,055,940)</u>
	519,597,371	508,240,451

Working capital changes

Decrease/ (Increase) in stores and spares	43,016,889	(7,949,550)
Increase in stock in trade	(4,428,663,144)	(1,540,299,245)
Increase in trade debts	(387,464,391)	(46,943,464)
(Increase)/ decrease in loans, advances, deposits, prepayments and other receivables	(13,274,053)	(106,266,792)
(Decrease)/ Increase in trade and other payables	(665,410,739)	663,459,918
	<u>(5,451,795,437)</u>	<u>(1,037,999,133)</u>
Cash used in operating activities	(4,932,198,066)	(529,758,681)
Taxes paid	(101,883,802)	(153,896,196)
Finance cost paid	(512,248,387)	(452,232,812)
Net cash used in operating activities	(5,546,330,256)	(1,135,887,689)

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure	(153,654,315)	(69,050,048)
Short term investments	-	(4,400,000)
Investment withdrawn from subsidiary	99,970	
Proceeds from disposal of investment in associate held for sale	-	199,916,232
Proceeds from sale of fixed assets	11,881,196	15,217,947
Long term advances made	(2,543,209)	(19,868,058)
Dividend received	25,040,499	175,066,500
Long term deposits - net	(774,099)	(857,766)
Net cash (used in)/ generated from investing activities	(119,949,958)	296,024,807

CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid	(61,944,066)	-
Long term loans - net	(153,557,165)	(100,346,814)
Short term finance - net	6,144,147,492	942,572,822
Net cash generated from financing activities	5,928,646,262	842,226,008

Net increase in cash and cash equivalents

262,366,048 2,363,125

Cash and cash equivalents at the beginning of the year

105,178,937 132,674,392


Cash and cash equivalents at the end of the year

367,544,985 **135,037,517**

Cash and cash equivalents comprise of the following:

Cash and bank balances	397,544,985	135,037,517
Short term running Musharika finance	(30,000,000)	-
	367,544,985	135,037,517

The annexed notes from 1 to 12 forms an integral part of these financial statements.


Chief Executive Officer
 Ahmed Ali Bawany


Chairman
 Muhammad Omar Bawany


Chief Financial Officer
 Muhammad Ayub

FARAN SUGAR MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED)
FOR THE NINE MONTH ENDED JUNE 30, 2024

1 STATUS AND NATURE OF BUSINESS

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.

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.

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

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, 2023.

The comparative condensed balance sheet, presented in this condensed interim financial information, as at June 30, 2024 has been extracted from the annual audited financial statements of the Company for the year ended September 30, 2023 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 June 30, 2024 have been extracted from the condensed interim financial information for the quarter ended June 30, 2023.

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, 2023.

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, 2023.

		Un-Audited 30-Jun-24	Audited Sep 30, 2023
	Note	————— Rupees —————	
5	PROPERTY, PLANT AND EQUIPMENT		
	Operating Fixed Assets	3,005,094,638	2,953,884,743
	Capital Work in Progress	3,154,275	33,878,681
		<u>3,008,248,913</u>	<u>2,987,763,424</u>
5.1	Operating Fixed Assets		
	Opening WDV	2,953,884,743	2,663,270,005
	Additions to fixed asset during the period		
	Plant and machinery	144,369,156	370,088,094
	Factory building	16,686,013	
	Office and mill equipment	104,060	49,654,192
	Electrical equipments	231,610	-
	Vehicles	22,987,775	34,145,900
		184,378,614	453,888,186
	Disposals	(3,089,978)	(3,785,067)
	Depreciation for the period	(130,078,742)	(159,488,381)
		<u>3,005,094,638</u>	<u>2,953,884,743</u>
6	LONG TERM INVESTMENTS		
	Equity accounted investment in Associates	1,425,292,912	1,803,961,125
	Available for sale investments	4,696,970	4,696,970
	Investment in subsidiary company	-	99,970
		1,429,989,882	1,808,758,065
6.1	Equity accounted investments		
	Unicol Limited	1,403,938,669	1,783,174,158
	Uni Energy Limited	21,354,243	20,786,967
		1,425,292,912	1,803,961,125

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 nine month ended June 30, 2024

6.1.2 Carrying amounts of these equity accounted investees are adjusted on the basis of share of profit of their un-audited financial statements for the six month ended March 31, 2024

7 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. 8,850 million (Sep 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 + 0.50% to 1% per annum (Sep 2022: KIBOR + 0.50% to 1% per annum).

8 CONTINGENCIES AND COMMITMENTS

Contingencies

8.1 There is no material change in the contingencies as disclosed in the published annual financial statement for the year ended September 30, 2023

Commitments

8.2 There is no material change in the commitments as disclosed in the published annual financial statement for the year ended September 30, 2023

9 RELATED PARTY TRANSACTIONS

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

	Nine Month Ended	
Transactions with Associate	30-Jun-24	30-Jun-23
	————— Rupees —————	
Share of profit in associates - net of tax	(354,235,492)	867,896,333
Sale of goods	1,418,927,205	1,134,154,158
Dividend Received	25,000,000	175,000,000
Transactions with other related parties		
Insurance premium	14,400,000	21,600,000
Sale of goods	4,931,795	-
Provident fund contribution	5,575,389	5,345,116

	As at	
Balances with related parties at the end of the period are as follows:	30-Jun-24	30-Sep-23
	Rupees	
Due from Associate	3,356,615	2,022,226

10 FINANCIAL RISK MANAGEMENT

The companies financial risk management objectives and policies are consistent with that disclosed in the financial statements for the year ended September 30, 2023.

11 AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors of the company at there meeting held on July 25, 2024.

12 GENERAL

12.1 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 reclassifications have been made in the financial statements.

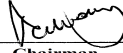
Reclassified from component	Reclassified to component	Amount Rupees
Trade and other payables	Long term deposits	<u>715,397</u>
Trade and other payables	Loans, advances, deposits, and other rece	<u>149,192</u>
Trade and other payables	Accrued mark up	<u>229,652</u>
Trade and other payables	Loans, advances, deposits, and other rece	<u>225,139</u>
Trade debts	Trade and other payables	<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	<u>1,120,200</u>
Cost of Sales	Other income	<u>1,836,620</u>

- Figure have been rounded off to the nearest rupee.

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



Chief Executive Officer
Ahmed Ali Bawany



Chairman
Muhammad Omar Bawany



Chief Financial Officer
Muhammad Ayub



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