Faran Sugar
Mills Limited.

Annual Report 2024

The smartest way forward

www.faran.com.pk

CONTENTS

VISION

Faran Sugar Mills Limited will thrive as a proactive partner in prosperity of the nation, recognized as a center for state-of-the-art industrial facilities. Above all, Faran Sugar Mills will strive to be a model business entity where all primary stakeholders are intricately woven in progressive pattern, imperative for the economic growth of the nation.

MISSION

Faran Sugar Mills Limited strives to fulfil its commitments to the society. Our strategic business vision, sound business principles are aimed at quality production with maximum operating efficiency that eventually contribute towards national economy and social well-being of all the stakeholders. Pride in our heritage and a strong sense of community is reinforced by proactive planning and enhanced by effective management.

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	
Mohammed 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

KMS Law Associates

BANKERS (ISLAMIC BANKING DIVISION)

Bank AL-Habib 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.
M13, Progressive Plaza, Civil Lines Quarter,
Near P.I.D.C., Beaumont Road, 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 Muhammad 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

COMPANY PROFILE

Faran Sugar Mills Limited (FSML) is an agro-based company, engaged in the business of manufacturing and selling of **White Refined Sugar**. **FSML** was incorporated in Pakistan on November 03, 1981 as a public limited company. The shares of the Company are listed on Pakistan Stock Exchange (PSX). The company is a part of **Amin Bawany Group** which is a leading business group having interest in diversified businesses such as Sugar, Insurance, Modaraba, Ethanol production, Trading, Power, Construction and other important business sectors of Pakistan.

The registered office of the Company's Head office is situated at Bungalow no. 43-1-E(B), Block 6, P.E.C.H.S., Karachi and mills is located at Shaikh Bhirkio District Tando M. Khan. The plant commenced commercial production in 1983 with installed cane crushing capacity of 2,000 TCD which, after successive capacity enhancements, has now been reached above 12,000 TCD (Average).

Al-Hamdulillah, **FSML** is ranked amongst top sugar mills operating in the province of Sindh in terms of production. The diversified portfolio of our customers includes the manufacture of cereals, confectionary, syrups, drinks, ice creams, biscuits, etc. as well as Government Institution and Armed Forces. Having one of the most efficient sugarcane processing facilities, we strive to take market leading position through anticipating all the important factors that affect our business verticals. **FSML** is committed towards achieving the highest standards of quality and environmental care.

The company has made long-term investment in distillery unit namely, **Unicol Limited** which was formed in accordance with the terms of a Joint Venture agreement amongst the three leading sugar mills of Sindh. It is one of Pakistan largest ENA Ethanol producer and leading food grade CO^2 supplier. It has designed production capacity of 200,000 liters or 160 Metric Tons of Ethanol from cane molasses per day. Presently 100% of its Ethanol is being exported, majority of which is destined for Europe, Middle East, Africa and Far East Markets. It also has invested in purification and liquifcation of CO^2 which is a by-product. Its plant has a capacity of 72 M. tons of CO^2 per day. Its certification endorse product quality and good manufacturing practices in line with its vision, this certification includes ISO-9001, ISO 14001, ISO-FSSC-22000, OHSAS-18001 and GMP. During the year, Unicol has acquired entire assets of "**Popular Sugar Mills Limited**" located at Jan Muhammad Wala, Chowk Sial, Tehsil Koth Momin, District Sargodha, Punjab and will operate its sugar division from season 2023 – 24. It is expected that the acquisition will allow Unicol to grow / diversify its revenue base and increase its future profitability.

FSML has obtained '**HALAL CERTIFICATION**' from **SANHA Halal Associates Pakistan Pvt. Limited**. Halal certification is a process which ensures the features and quality of the products according to the rules established by the Islamic Council and signifies that our product is allowed to be consumed or used by humans according to Shariah / Islamic Law. The SANHA certificate thus serves as an authoritative testimony to the Halal suitability of a product. It is pertinent to mention that **FSML** is the only sugar mill in Sindh to qualify for Halal Certification.

FSML has been assigned A- / A-2' (A minus / A – Two) by **VIS-Credit Rating Company Limited.** The long term rating of 'A – 'signifies good credit quality with adequate protection factors. Risk factors are considered variable if changes occur in the economy. Short term rating of 'A-2' depicts good certainty of timely payment. Liquidity factors and company fundamentals are sound with good access to capital markets, risk factors are small and outlook on the assigned rating has improved from '**Negative**' to '**Stable**'.

ALHAMDULILLAH, **FSML** is managing its working capital as well as long-term financing requirements through Shariah compliant financial modes. We are proud to say that **FSML** is a **RIBA / INTEREST FREE CORPORATE ENTITY**.

FSML has been actively participating in welfare activities at large and mainly for surrounding communities. Our **Corporate Social responsibility (CSR)** initiative covers Education, Health Care activities, conducting sports events and support to humanitarian and social work organization. **FSML** believes that investing on welfare of society is a sign of **good corporate entity**.

We continued our focus on rehabilitation / modernization of our manufacturing facilities and equipment for long-term sustainability. We take guidance from renowned local and foreign technical consultants of various engineering fields to improve the overall efficiency of our plant with object to create sustainable future growth.

CORE VALUES

INNOVATION

We believe in relentless commitment to continuous improvement and encourage ideas from all stakeholders. For this, we define quality, as understanding the customers' expectation.

LEADERSHIP

Managerial and professional competence is vital for our success; therefore, we value leadership qualities coupled with drive to challenge the status quo.

EXCELLENCE

We are committed to excellence in all spheres of performance and have firm belief that our core values emerges from satisfying our customers' needs of quality management.

ETHICS & INTEGRITY

We constantly strive to establish and maintain highest professional and ethical standards and strongly believe that honesty, ethical behavior and integrity are the land mark of our success. Choosing the course of the highest integrity has always been our intent.

EMPLOYEES' GROWTH & DEVELOPMENT

Our philosophy is to create a congenial working environment where dignity and value of the personnel is considered as top responsibility. We focus on encouraging and empowering employees to contribute to the company's success.

PROFITABILITY

We have developed an attitude to successfully discharge our responsibilities to maximize returns to our stakeholders by constantly meeting their expectations.

TEAMWORK

High performance teams can accomplish what individuals cannot. Therefore, we strive to develop a team of professionals having relevant specialization in respective domain.

CODE OF CONDUCT

Our focus on finding every opportunity which reduces cost while improving operations based on ethical conduct remains crucial to our continued success.

Company's code of conduct set out the minimum standards expected from the entire team. By this, we are able to maintain excellent eminence amongst all of business partners in a professional manner. We have a firm conviction that employees have an obligation to themselves and to the company to raise any matter of business conduct or ethics that cause concern. No one is allowed to commit an illegal or unethical act.

It is the company's policy to conduct its operations in accordance with the highest business ethical considerations to comply with all statutory regulations and to confirm to the best-accepted standards of good corporate citizenship. The policy applies to all directors and employees of the company regardless of function grade or standing.

In general, we treat our personnel as company's ambassadors to all our stakeholders therefore expected to promote the company's best interest maintaining integrity and confidentiality in all dealings.

Business ethics help protect both the employees and the company from unfounded indictment of pretext or deception and fraud. Further ensures, any fraud that has or might have taken place, must be properly investigated and dealt with in a timely manner.

The company's activities and operations are carried out in strict compliance of all applicable laws and highest ethical standards. While dealing with stakeholders, the company is strictly prohibited to be engaged, directly or indirectly, in any malpractices.

Corporate funds and assets will be utilized solely for the company's objectives in a lawful manner.

We will support a precautionary approach to environmental challenges and within the company's sphere of influence, undertake initiatives to promote greater environmental safety and encourage the development and diffusion of environmentally friendly technology.

Employees are expected to safeguard confidential information and must not without authority; disclose such information about company activities to any outside source that are not entitled to such information.

Any dealings between staff and outside organization in which they have a direct, indirect, or family connection must be fully disclosed to the management.

We will not discriminate against any employee for any reason such as race, religion, political conviction, or gender, and will treat everyone with full dignity and with respect for their private lives.

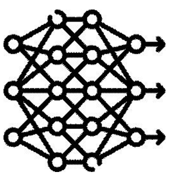
Any violation of this conduct shall be promptly reported to the management by any employee having knowledge thereof.

CORPORATE STRATEGY

Our unique corporate strategy gets aligned with the resource allocation system and flow down to the operational levels, thus ensuring its implementation at all levels along with the achievement of the intended results.

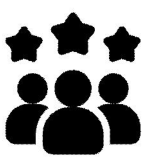
FINANCIAL

To reduce cost and time over runs which results in improved financial result. To maximize profits by investing surplus funds in profitable avenues. To make investment decisions by ranking projects on the basis of best economic indicators. Growth and superior return to all stake holders.



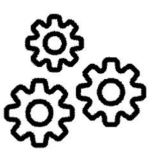
LEARNING AND GROWTH

Motivate and train our workforce, revitalize our equipment base and attain full autonomy in financial and decision-making matters. To enhance the technical and commercial skills through modern HR management practices. Continuously develop technical and managerial skills at all levels and stay abreast of latest technologies and high performing human resources.



CUSTOMER

Improve the quality of our product to make delightful customers & to be perceived as a Reliable and Efficient company. To provide most reliable supplies to the customers through cost effective means.



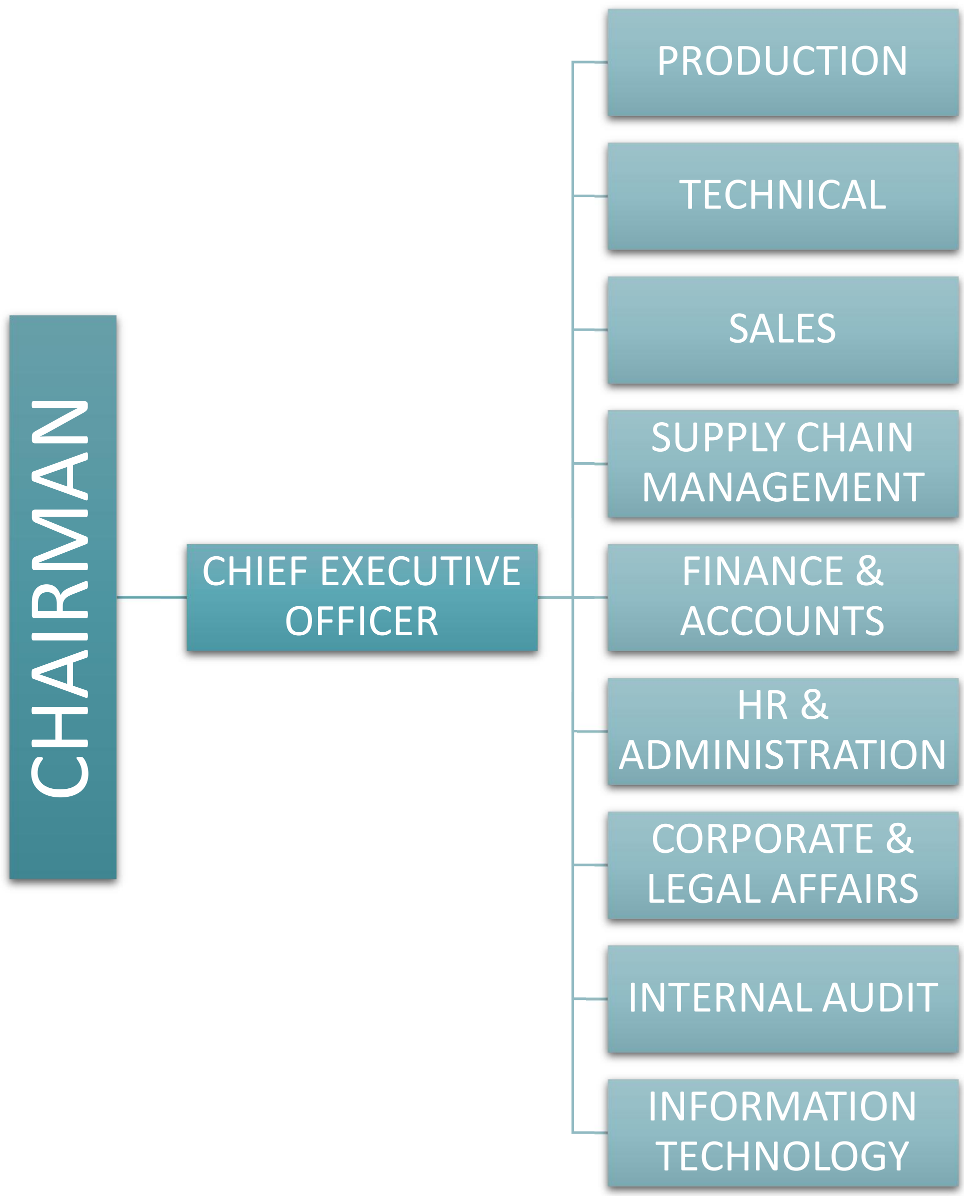
INTERNAL PROCESS

To set up task forces with representation from all relevant departments to improve internal business decision making and strategic planning. Availability of updated information to the shareholders and customers. To use most effective business practices and formulation framework of synergic organization with the change in culture.

MAJOR MILESTONES

1981	•Incorporation of the company
1983	•Commencement of Commercial Production at Mill 1 with 2,000 TCD
1984	•Listed on Karachi & Lahore Exchanges
1988	•Crushing Capacity enhance to 2,700 TCD
1990	•Crushing Capacity further enhanced to 3,700 TCD
1994	•Second Line started and Capacity enhance to 6,500 TCD
2004	•De-Bottle Necking at Mill I & II to increase capacity to 7,500 TCD / Investment in UNICOL Limited, a distillery unit with Joint Venture of two other sugar mills
2012	•Completed the Modernization and Expansion of plant initiated in 2011 which resulted Crushing Capacity to enhance to 9,000 TCD
2015	•Record breaking sugar recovery rate of 11.137% and announced Highest Dividend of Rs. 6.75 / share
2017	•Achieved Highest crushing of 993,309 M.tons and Production of 106,318 M.tons
2018	•Achieved Highest Export Sugar Sales of 89,761 M.tons
2019	•Assigned 'A- / A-2' (A minus / A – Two) Credit Rating by JCR / attainted HALAL Certificate by Sanha Halal Associates Pakistan Pvt Limited
2022	•Sucessfully installed energy efficient VKT - Vertical Continuous Pan, FFE - Falling Film Evaporator to imensely improve plant effiency
2023	•Highest ever Profit Rs. 1.22 Billion & EPS of Rs. 48.79 / Share. •Distillery reported all time high profit •Extend into Punjab province in sugar business through its JV company "Unicol Limited"
2024	•Highest ever Sales of Rs. 11.143 Billion

MANAGEMENT STRUCTURE



Key Management Positions

SR. GM FACTORY OPERATIONS
SANAULLAH

RESIDENT DIRECTOR
RIAZ JAWAD SULERI

CHIEF OPERATING OFFICER
KHALID HAYAT KHAN

CHIEF FINANCIAL OFFICER
MUHAMMAD AYUB

BOARD OF DIRECTORS

BOARD OF DIRECTORS

MUHAMMAD OMAR AMIN BAWANY
Chairman

Mr. Mohammad Omar Bawany acquired his education from Karachi American School. After his graduation he went to American collage Switzerland and obtained Associate degree. Under his wise management he successfully operated and scaled Annoor Textile mills Ltd and Arafat woolen mills as CEO. He is presently the CEO of BF Modaraba since 1996.

Mr. Omar currently serves on the board of directors of Faran Sugar Mills Ltd. since 1984. He became Vice Chairman in 2007 and has been Chairman of the board since 2016. He also serves on the Boards of Reliance Insurance Company, Unicol Ltd. Mr. Omar is actively involved in philanthropy and holds the position of Chairman, World Memon Foundation; Trustee, Memon Hospital Karachi; Trustee, Begum Aisha Bawany Trust and Managing Trustee, Begum Aisha Bawany Taleem ul Quran Trust.

AHMED ALI BAWANY
Chief Executive

Mr. Ahmed Ali Bawany is on the Board of Directors of the Faran Sugar Mills since 1995. He got his schooling from CAS, Karachi. For pursuing further education, he went to USA and got degree in business entrepreneurship from University of Southern California. Currently, he is the Chief Executive of Faran Sugar Mills Ltd and Faran Power Ltd. He has also served as Chairman of Pakistan Sugar Mills Association-Sindh Zone in the year 2014. Besides Faran Sugar, he is actively involved in Unicol Ltd in the capacity of director, which is a Joint Venture engaged in the production and marketing of Ethanol and food grade C02. He is also on the Board of Reliance Insurance Company, UniEnergy and is the Chairman of B.F Modaraba.

HAMZA OMAR BAWANY
Director

Mr. Hamza is a seasoned business professional with over 20 years of demonstrated history of managing and growing businesses across multiple industries, including FMCG, food manufacturing, building materials and Islamic finance.

He is the former Chief Executive Officer (CEO) of Unifood Industries Ltd., manufacturers of award winning confectionary brand 'Good Goodies'. Prior to this role, he served as Chief Operating Officer (COO) of Sind Particle Board Mills Ltd, dedicating more than a decade of his career to the building material manufacturing industry.

Mr. Hamza brings a wealth of experience in critical areas of business including strategic planning, marketing, organizational transformation, operations management, and corporate finance. His extensive skill set reflects a deep understanding of key elements crucial for business growth and sustainability.

Mr. Hamza holds BBA and MBA degree in Marketing and Finance obtained from IBA, Karachi in 2002 and was awarded Certificate of Director Education by Pakistan Institute of Corporate Governance in 2017. He has also served as Director on Boards of various Public and Private Limited Companies including Unifood Industries Ltd., Reliance Insurance Company Ltd. and B.F. Modaraba.

BILAL OMAR BAWANY
Director

Mr. Bilal Bawany is an experienced professional with a rich background having held key positions in companies across Abu Dhabi, Scotland, and Pakistan, notably Baker Hughes and Avanceon. Joining Faran Sugar Mills in 2010, he has been instrumental in elevating the technical aspects of the sugar mills, driving efficiency, optimization, and expansion. As a Board of Directors member since 2015, he plays a pivotal role in steering the strategic direction of the company. Additionally, his active involvement with Uni Energy, a Wind Power Generation Joint Venture, showcases his commitment to sustainable energy.

Mr. Bilal holds a distinguished educational background, completing his Bachelors in Electrical Engineering with honors from the American University of Sharjah, followed by an MBA from IBA.

BOARD OF DIRECTORS

MOHAMMED ALTAMASH BAWANY
Director

Mr. Mohammed Altamash Bawany has joined the Board of Directors in 2016. He holds a Bachelor's of Science degree in Mechanical Engineering from the American University in Dubai and The Georgia Institute of Technology in the United States. While having worked for the KS&EW under the Ministry of Defense in Pakistan, he has gained extensive hands-on experience in mechanical design and manufacturing. Furthermore, he has worked on multiple large-scale projects with a focus on new technologies and disruptive innovation in the U.A.E. As the Business Development Manager and founding member at one of the most promising technology startups in Middle East, he has further polished his skills in strategic consulting, and business development techniques and tactics.

IRFAN ZAKARIA BAWANY
Director

Mr. Irfan Zakaria Bawany has been serving the board since March 2013. He was re-elected as non-executive director in March 2022 for tenure of three years. He is also a non-executive director of Reliance Insurance Company Limited since 1991. He is CEO of Anam Fabrics (Pvt.) Limited. He has served on the Board of Pioneer Cables Limited from 1983 to 1991. He has diversified experience in electrical Cable Manufacturing and textile made up business. After receiving a B.B.A (Accounting) from the University of Houston, USA, he was certified as a Fellow Member of the Texas Society of Certified Public Accountants. He is a certified director from Pakistan Institute of Corporate Governance (P.I.C.G).

AHMAD GHULAM HUSSAIN
Director

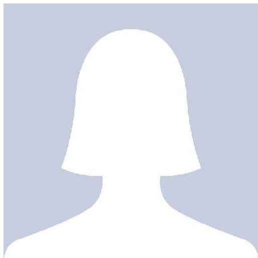
Mr. Ahmad Ghulamhussain: is currently the CEO of Agro Processors and Atmospheric Gases Ltd. (APAG). After completing his Bachelors of Economics and MPA from the University of Southern California (USA). He has worked under the Mayor of Los Angeles in the City Economic Development Office. After joining APAG in 1990, he immediately and enthusiastically became involved in the inception and launch of Soya Supreme (a household name in Pakistan), successfully lunching the brand in 1991. He headed the Sales and Marketing Dept. and has been responsible for professionalizing the department and setting up a complete network of distribution. Under his leadership, the company has also started manufacturing and marketing sauces like mayonnaise and ketchup under the brand name of SMART.

Mr. Ahmad Ghulamhussain is currently a voluntary active member and has been the former President of Rotary Club Sunset Millennium, Karachi & former Assistant Governor of Rotary District and hence, headed the various community uplifting projects of the club. He has also worked voluntarily as Director, Aga Khan Education Services Pakistan for six years and he also remained Director of Focus Humanitarian Assistance for 4 years

KHURRAM AFTAB
Director

Mr. Khurram Aftab is presently the Fund Manager for different Conventional and Shariah Complaint Fixed Income Funds at NIT. He has served on the Board of Directors of Sugar Companies since 2010. His experience amounting 20 years in leading Treasury Operations, Fund Management, Wealth Management and Individuals Financial Planning with both Commercial Bank and Asset Management Companies. Having worked as a Money Dealer at the Treasury Department for Commercial Banks. He has gained rich knowledge and exposure in Money Markets and Fixed Income Securities. Prior to joining NIT he was Fund Manager at Atlas Asset Management. He holds MBA degree with a Major in Finance.

BOARD OF DIRECTORS



MS. TASNEEM YUSUF
Director

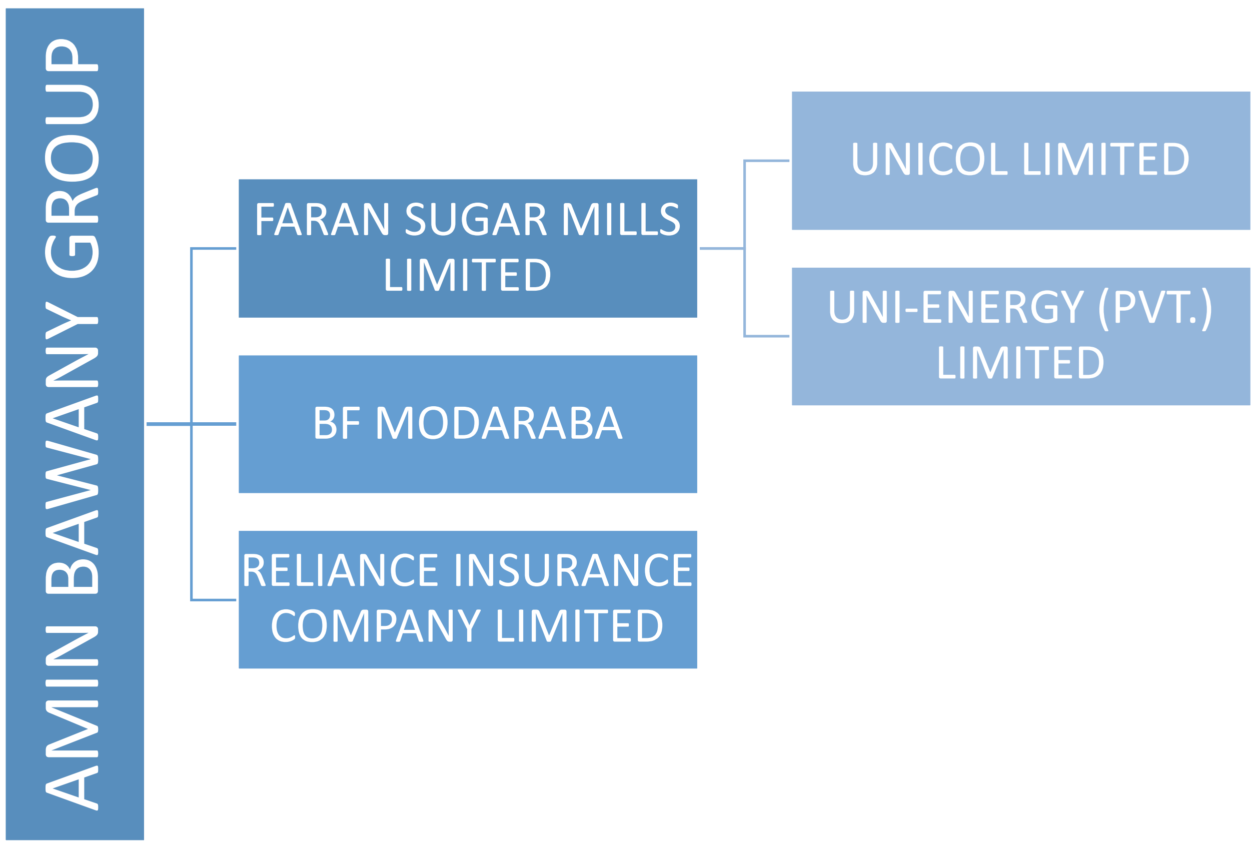
Ms. Tasneem Yusuf has joined the Board of Directors in March 2022. She is a chartered accountant from ICAP, a fellow member of ACCA and a CPA. She has worked for Unilever Pakistan, Deloitte and Nasdaq Dubai. Since 2009, she has been associated with her family practice where she now heads the audit and assurance services department. Ms. Tasneem sits on the board of Reliance Insurance Company Limited, Ismail Industries (Pvt.) Limited, B.F. Modaraba and the Trading Corporation of Pakistan (Private) Limited where she is also a member of its Audit & Risk Management Committee. She is also a member of the senate of the Pakistan Institute of Fashion & Design and chairs its Finance & Planning Committee. Ms. Tasneem Yusuf is a certified director from the Pakistan Institute of Corporate Governance (PICG).

GEOGRAPHICAL PRESENCE

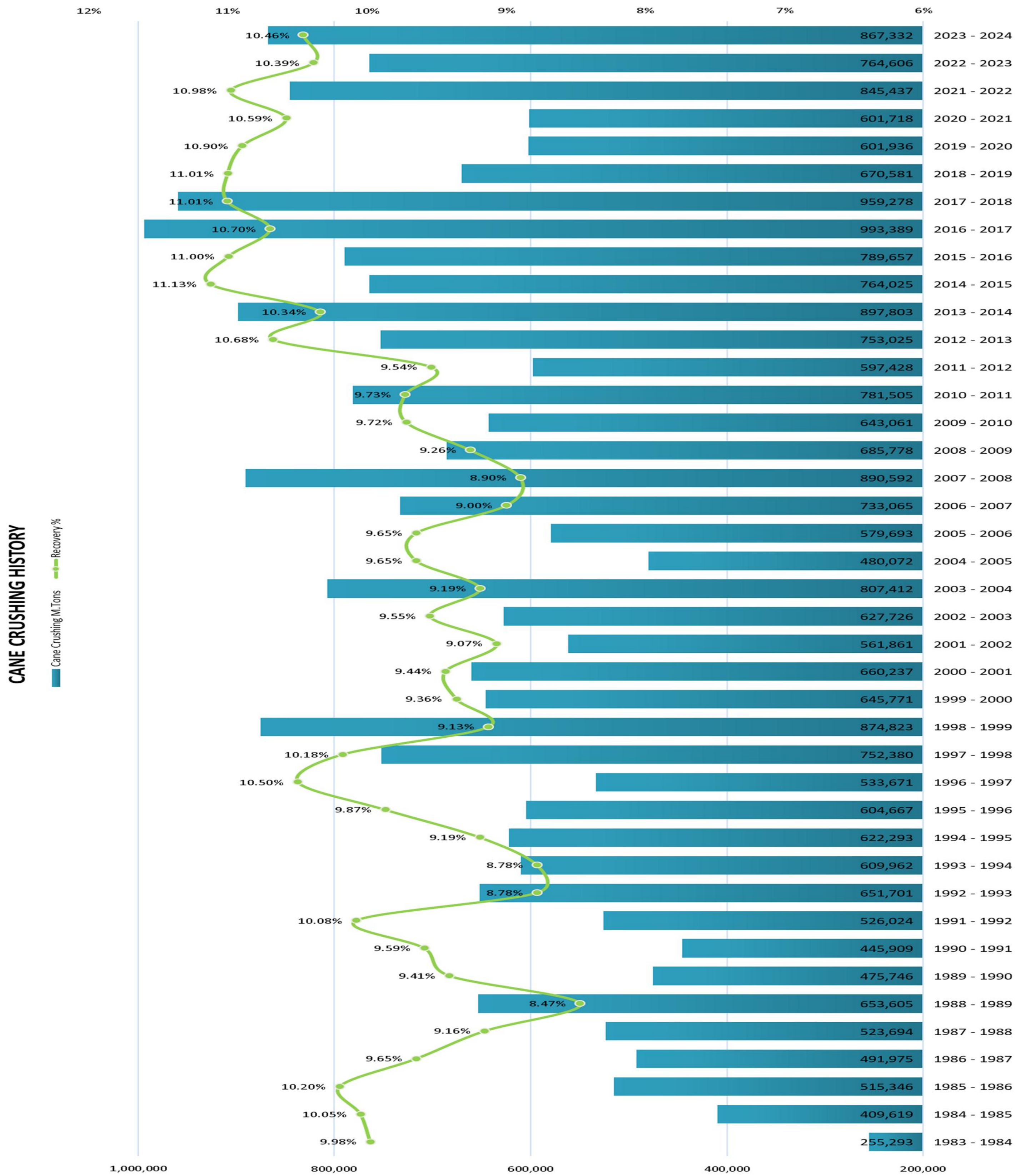
Sugar Mills
Shaikh Bhirkio, Dist.
Tando Muhammad Khan, Sindh

Head Office
43-1-E(B), Block 6, P.E.C.H.S.,
Off Razi Road, Shahrah-e-Faisal, Karachi

GROUP STRUCTURE



CANE CRUSHING HISTORY



ENGAGING WITH OUR GROWERS

Pakistan is ranked in the top 6th in the world on the basis of the overall area under cultivation but in terms of sugar production we are at top 9th position. Our team of experienced professionals remain in contact with the farmers throughout the year. We continued to promote 3L (Land Laser leveling) and leveled around 4,238.5 hectares up to September-2024 and 31,932 hectares land laser leveled during the project period (2015-16 to 2024). Besides higher crop productivity, 3L provides further benefits like better distribution and saving of precious water, improve efficiencies in nutrient uses and precision farming. Our Solar Energy tube well program is running successfully and we have already installed 219 solar tube wells up 2024 as compared to 198-tube wells in 2023, Approximately 766 Acres irrigated with solar tube well source and growers saving approximately Rs. 2 million per day in regards of electricity / Fuel charges.

Resultantly average yield per acre increased to 930 Mds per acre in plant crop at our FSML Farm and 660 Mds per Acre in overall Zone Area of around 17,500 acres. We also enhanced our Biological control program and applied 687,200 Bio Cards in cane fields during the Year 2024. Capacity building / Trainings programs continued for farmers & field staff with the co-ordination of Government, agricultural research institutes and agro based private companies as we conducted more than 54 coordinated village meetings on different topics. 14 field demonstrations plots with introduction of mechanized sugarcane planter, ring pit planting methods at different locations with excellent results.

DELIVERING VALUE THROUGH RESEARCH AND DEVELOPMENT

We have been providing R&D services to our farmers since last 22 years. Our goal is to develop sustainable Sugarcane quality crop production in operational area of Faran Sugar Mill Ltd. We along with our farmers are working Co-Operatively to build a comprehensive Research Development & Extension (RD&E) long term relation, having numerous benefits for both and Country.





Faran Sugar Mills Limited has led the agriculture revolution in Pakistan Sugar Industry, introducing innovative farming practices with new planting geometry of sugarcane such as, Mechanized Cultivation, High Efficiency irrigation System, Laser Land Leveling, Intercropping with Sugarcane, Capacity Building of farmers, Field staff and comprehensive Biological Control Program for which crops which is environmental friendly and economical for farmers.

Faran Sugar Mills Limited has applied **High Efficiency Irrigation System (HEIS)** at various locations, this type of innovation is helping farmers to grow sugarcane at optimal conditions, even when water is scares. **Control Environment Crop (CEC)** solutions such as vertical farming can produce crop with 40-50% less water than normal cultivation is key for less irrigation water areas. FSML has increased the plant water usage efficiency and dependence on canal water has been considerably reduced, even at moderate crush rate the water contained in sugar cane becomes surplus after the entire operation of the sugar plant. This surplus cane water is again used for sugar cane irrigation, thus achieving the sustainability to a greater extent.

Drone Technology for Agriculture use at FSML

Faran Sugar Mills Limited started using Drone Technology in its operational zone to monitor crops properly, we can increase performance and efficiency by using it professionally.

The use of drone technology in agriculture is new technology wave that shall help farmers, agricultural business, meet the future challenges and will be growing demand of the future.

Drone Technology is helpful in:

- E-acreage Crop Survey
- Monitoring the crop condition and pest
- High resolution nature of drone for research and development activities

BIOLOGICAL CONTROL ACTIVITIES

Biological control-based sugarcane Integrated Pest Management (IPM) Program in collaboration with the internationally acclaimed scientist, Dr. A.I Mohiuddin and his team of agricultural technologists was implemented at Faran Sugar Mills Limited's cane procurement area. We have been the pioneer organization that patronized this environment-friendly technology in the sugar industry. Because of uninterrupted operation of the biological based Sugarcane IPM Program since 1989, FSML has been protected from any catastrophe such as sudden fare-up of the insect pests.

Our decade old facility of Biological Control Laboratory assists in fighting all sorts of crop deceases organically by actively monitoring, careful targeting of pesticides and herbicides, avoiding 'blanket' treatments and reducing environmental loading Because of regular field monitoring and pest scouting, almost all the imminent threat of pests' fare-up were timely handled by the biological lab system with appropriate action. In addition to this, among several other factors responsible for increasing or at least sustaining the sugar recovery, biological control program has also been an important contributor

CANE RESEARCH DEVELOPMENT AND EXTENSION PROGRAM (RD & EP)

Over the past several years, our cane team of experienced professionals remain in contact with farmers and work on sustainable sugarcane production and identify the Gaps in Agronomical practices. Our extensive Cane Development program covered these below mentioned points

- Pure seed multiplication of early maturity and high sugar yield varieties with excellent ratoon-ability.
- Sustainable sugarcane quality production.
- Promotion of latest Farm Machinery.
- Promotion of alternate source of energy (Solar Tube well).
- Introduced chip bud technology.
- Soil & water testing facility to growers.
- High Efficiency irrigation system (HEIS).
- Promoting mechanized cultivation of sugarcane.
- Promoting Inter cropping technology.
- Capacity building of growers and field staff.
- Latest promotional material of sugarcane.
- Arranging sugarcane seminars and workshops.

The main objective of Cane Development is to facilitate the cane growers in adoption of Latest Crop Production Technology (LCPT), efficient use of available resources to overcome the prevailing challenges and increasing the production per unit area which ultimately will boost up growers' economy.

INTRODUCTION OF SUGARCANE TRASH MULCHING

Every hectare of sugarcane harvested leaves behind about 10 tons of dried leaves of sugarcane. Our R & D introduced Trash Mulching machines. Trash mulching plays an important role in reducing borers infestation and is a good source of organic matter which is helpful for soil health and improve soil fertility

OUR EMPLOYEES

We are committed to create a culture, comprising of best working environment, remuneration, incentives and opportunities for personal growth, which induces highly qualified professionals to be retained and associated with the company for a significant period.

Employees are the lifeblood of our organization, and ensuring their job satisfaction leads to increased productivity and profits. When staff members are happy, they tend to have a positive attitude, a better ability to focus, are more apt to collaborate with others and have greater interest in their work.

At Faran, we plan, develop and implement strategies aimed at increasing the level of employee engagement across our business and build a better internal communication system.

We firmly believe in equality of opportunity for all regardless of gender, age, race, physical ability, religion and political conviction as laid down in company's code of conduct and Ethics. The company seriously takes its obligation to the disabled and seeks not to discriminate against current or prospective employees because of any disability.

We encourage our employees to get education through our Education Assistance Scheme. This scheme provides financial assistance towards the costs of education and aimed at providing self-development and improved qualifications that benefit the employee and our business.

We arrange appropriate training programs and also send our executives / staff members to different workshops / trainings programs relating to their roles in the Company.

Quality management system (QMS) training for the concerned was arranged during the year which defined a formalized system to documents processes, procedures, and responsibilities for achieving quality policies, objectives and improving processes.

OUR HEALTH, SAFETY & ENVIRONMENT

"The company conducts its business with the highest concern for the health and safety of its employees, contractors, customers, neighbors and the general public, and for the environment in which it operates".

Health and Safety of our employees has been the hallmark of Faran Sugar Mills Ltd. The company ensures that employees and where applicable contractors, are aware of potential hazards and of the company's requirements for health, safety and environmentally friendly working practices. Safety drills are carried out regularly to ensure that the state of preparedness and emergency response time remain within established limits.

FSML recognizes that safe operations depend not only on technically sound plant and equipment but also on competent people and an active HSE strategy. We firmly believe that all our operational activities must adhere to our safety policies.

Our Health and Safety Department focuses on ensuring that the needs of the injured person are met at all costs in conjunction with the medical practitioners and sound rehabilitation procedures.

The company has well defined health and safety polices and seeks to identify and eliminate occupational health hazards, and is committed to providing a safe workplace for all its employees and strives for zero injuries.

Policies are regularly reviewed to ensure that the standards set are linked to industry's best practices. Health and safety training is provided to employees to ensure that they perform their work in accordance to the laid down policies. In this respect, in-house training sessions for free safety, first aid, defensive driving and occupational health and safety are carried out routinely.

In House safety and free drill trainings were conducted in-house during the year that enables the management to ensure a safe and healthy work environment. It also helps the employees to recognize safety hazards and correct them. FSML also arrange a free drill for practicing how a building would be evacuated in the event of a free or other emergencies.

FSML has improved the plant energy efficiency and reduced steam demand from 52 to 45 % steam on cane, consequently bagasse (Biomass fuel) is saved. This Biomass base Green Fuel replaces the fossil fuel, thus contributing in mitigating the environmental challenges of greenhouse gasses effect.

SWOT ANALYSIS

SWOT Analysis is a strategic planning tool used to evaluate the Strengths, Weaknesses, Opportunities and Threats, involved in a project or in a business venture. It involves specifying the objectives of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieve those objectives.

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STRENGTH

- In house power generation
- Basic essential food
- No homogeneous commodity
- Ample human resource deployment sector

WEAKNESSES

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- High volatility in sugar-cane price and refine sugar
- Minimum support price for sugar cane and no minimum selling price for refine sugar
- No comprehensive policy for sugar industry and an ad-hoc policy is changed from time to time without thorough study

O

OPPORTUNITIES

- Growth in consumption to drive the demand for sugar
- Value addition in by-product to earn additional income
- Alternative power generation at cheap rate
- Improvement in sugar yield (sucrose recovery) R&D resulting reduction in cost of production

THREATS

T

- Government regulations are key risks to the industry
- Government's attempt to control inflation by curbing sugar prices
- Diversion of cane area to alternative crops for better earning by growers
- Fall in the sugar price in both the international and domestic market
- Intervention by the State Bank of Pakistan by imposing certain conditions for short term borrowings (working capital loan).
- Relaxing government levies on import of refined sugar and absence of permanent policy of export of refined / raw sugar.
- The unstable political and economic scenario of Pakistan
- Natural climates: sugar cane crop requires huge quantity of water and inadequate rain causes shortage of water resulting acute shortage of cane cultivation.
- Sugarcane varieties are prone to diseases that hamper the crop yield

RISK MANAGEMENT

Faran sugar's business activities are subject to significant risk factors that could have a material impact on strategic, operational, financial performance and compliance. Hence Board has established a structured approach by adopting effective risk corrective actions to mitigate these risks to acceptable levels. Our senior management is involved in identification of risks, implementation of corrective measures and monitoring of controls. Following is the outline of some of the material risks being faced by our company:

PROCUREMENT RISK

FRSM coordinates with approximately 1,700 to 1,800 growers within a 50-mile radius. Maintaining good relations with growers is vital to securing a consistent cane supply and preventing them from switching to alternate crops or other millers. Sugarcane constitutes approximately 75% of the total production cost, and any delays, pricing issues, or quality deterioration due to climatic conditions or government policies can have a substantial impact on operations. FRSM mitigates this risk by building strong relationships with farmers, offering timely payments, and educating them on modern farming techniques.

SUGARCANE DEVELOPMENT RISK

With the competition for sugarcane increasing day by day, FRSM's efforts in sugarcane development are crucial to ensuring cane availability. Any failure to secure adequate sugarcane could impact production capacity and financial performance. FRSM is making all out efforts to facilitate farmers with plantation of proper variety of Cane and also encourage them for planting dual crop along with Sugarcane.

SUCROSE RECOVERY RISK

The risk in sugar recovery lies in inefficiencies during the extraction process, which can reduce the sugar yield and negatively impact profitability. This may result from factors like suboptimal milling, equipment failures, or processing losses. To mitigate this, it is essential to optimize milling techniques, invest in regular maintenance, provide staff training, and integrate advanced technologies for better control. Additionally, implementing a system to monitor and analyze losses, conducting regular performance audits, and addressing inefficiencies promptly can help maximize sugar recovery and safeguard revenue.

MAINTENANCE RISK

Minimizing production stoppages is a key focus for FRSM. The Company undertakes significant maintenance before each season to ensure machinery runs smoothly. However, unexpected technical breakdowns can still occur, leading to unplanned downtime and potential financial losses.

RISK MANAGEMENT

LIQUIDITY RISK

The procurement of sugarcane is concentrated between November and March, while sugar sales occur year-round. This mismatch presents liquidity challenges, as FRSM must manage significant cash outflows during procurement while generating sales over a longer period. The Company manages liquidity risk by maintaining adequate credit lines and working capital management.

IT GOVERNANCE AND DATA SECURITY RISK

FRSM faces the risk of data loss, system downtime, or regulatory non-compliance due to potential IT system failures, cyberattacks, or human errors. Despite having a robust IT governance framework to protect financial and operational data, vulnerabilities may still exist in the system. To mitigate this risk, the company has implemented comprehensive disaster recovery plans, backup facilities, and systematic management of physical records to ensure business continuity and compliance with tax and corporate regulations. Regular testing of disaster recovery procedures, ongoing security enhancements, and adherence to regulatory standards further strengthen FRSM's ability to minimize the impact of these risks.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

FRSM faces the risk of environmental due to the potential negative impacts of its operations on the environment. This could arise from inefficient resource use, waste generation, or failure to meet sustainability standards. To mitigate these risks, the company is committed to minimizing its environmental footprint by actively reducing environmental impacts, promoting sustainability initiatives, and continuously improving its social and environmental performance.

CREDIT RISK

Credit risk arises when customers fail to meet payment obligations. Although FRSM traditionally operates on advance payments, some credit is extended to institutional buyers. The company mitigates this risk through a formal credit policy, including creditworthiness assessments, postdated cheques, and local LCs.

CONFLICT OF INTEREST

FRSM requires its directors, executives, and employees to avoid any conflict between their personal interests and those of the company. FRSM adheres to the provisions of the Companies Ordinance 2017, Stock Exchange rules, and other relevant regulations to manage conflicts of interest among board members and key personnel.

CORPORATE SOCIAL RESPONSIBILITY

The benefits of a corporate social responsibility program are clear: higher productivity among employees, enhanced reputation in the marketplace, more robust communities and successful businesses contributing to the strength of the economy.

At Faran Sugar, we have always been supportive in efforts to improve the literacy rate in the vicinity of our mills. We are successfully running a secondary school in Sheikh Bhirkio, where approximately 565 plus students are being prepared to be good citizens by gaining high standard of education.

To achieve one of the company's health and wellbeing objectives, we regularly organize medical camps at our mills in which highly experienced team of Doctors, Child specialist & physicians examine the poor patients and provide free of cost medicines to everyone. FSML has been arranging eye camp for the last 16 years and adequate arrangements are made at premises and the camps are being attended by prominent Eye Surgeons equipped with Pheco Mulcifcation technology and all other relevant equipment and surgical instruments, Lenses, Spectacles, Medicines are also provided, in collaboration with Blind Association of Pakistan, which provide technical assistance. 15,335 Patients attended the camps and 2,245 Operations were conducted successfully. Follow up examinations are also conducted with provision of medicines to all and sundry.

FSML is known in the vicinity, in providing free of charge medical care. Regular free medial camps are arranged with the specialist Doctors availability. Every year four medical camps are arranged in different area ranging from 2 kilometers to 25 kilometers, more than sixteen thousand patients are being provided specialist services, provision of standardized medicines. Mills Dispensary is open for general public on every Friday for medical consultation, with provision of free medicines.

During the year FSML also arrange a Tree Plantation Campaign, where various type of trees were planted by employees on MILL Site and surrounding areas, which create clean and healthy environment.

Medical care of FSM employees is a prominent feature amongst the facilities being provided to FSML employee's, salient features of the program envisages:

1. Regular Medicine Medical Check-up.
2. Provision of Medicines, hospitalization and Ambulance Facilities.
3. Full-fudged Dispensary Equipped with qualified Doctor and Dispensers, with all type of standardized Medicines available in addition to social security department coverage.
4. Hepatitis B, screening of all employees including their families and contractor labor, with 3 monthly vaccinations doze to non-defected persons.
5. Hepatitis C, screening +ve cases treated with 6 months course.
6. Blood grouping and HIV / AIDs (secret screening) and treatment thereof.
7. Employee's children studying at FSM School are also provided all type of vaccination and medical examination.

ANNUAL EVENTS

Free Eye Camps

FSM has organized free eye camps for the past 19 years at its mill premises in collaboration with the Blind Association of Pakistan. These camps, equipped with advanced Phacoemulsification technology, offer consultations, surgeries, lenses, spectacles, and medicines. To date, 15,533 patients have been treated, and 2,245 surgeries successfully performed. Follow-up care and medicines are also provided.

Employee Medical Care

FSM prioritizes employee health through comprehensive medical care, including:

- Regular medical check-ups and provision of medicines.
- Hospitalization and ambulance services.
- A fully equipped dispensary with qualified medical staff and standardized medicines.
- Hepatitis B and C screenings, with vaccinations and treatment for positive cases.
- Vaccination and medical check-ups for employees' children enrolled at FSM School.

Free Medical Camps

FSM is renowned for its free medical camps, benefiting more than 16,000 patients annually in nearby communities (2–25 km radius). These camps provide consultations with specialists and free medicines. Additionally, the mill's dispensary is open to the public every Friday for free consultations and medicines.

Sports and Recreational Activities

FSM actively promotes healthy lifestyles through:

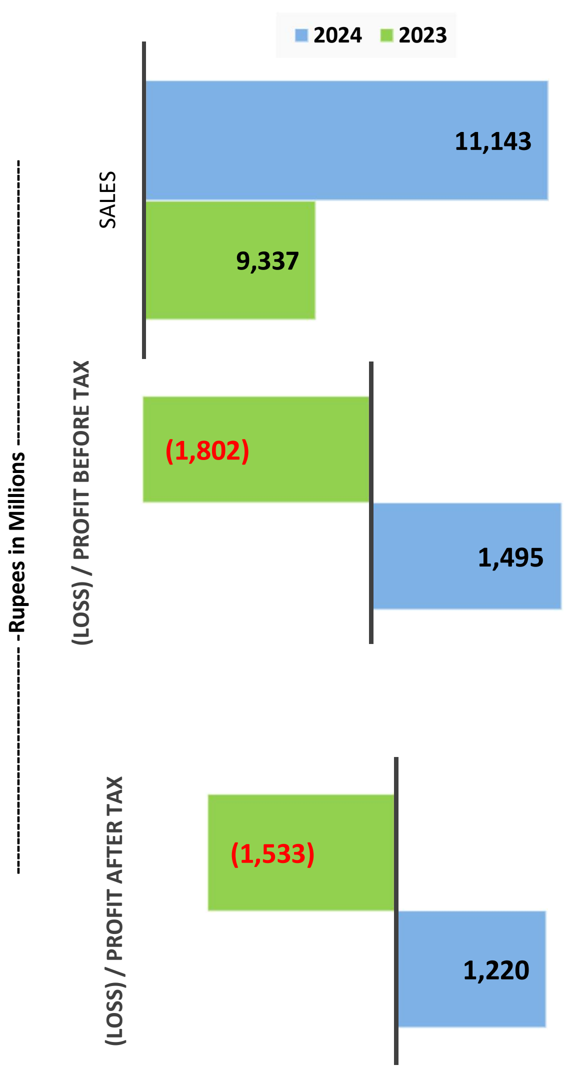
Officer and worker clubs with facilities like playgrounds, snooker, table tennis, badminton, and volleyball courts with floodlights. Annual tournaments featuring cricket, volleyball, badminton, tug of war, and races, followed by prize distribution ceremonies.

Sports events and an annual sports day at FSM School, with activities held in a large grassy playground. These initiatives reflect FSM's commitment to the well-being of its employees, their families, and the surrounding community.

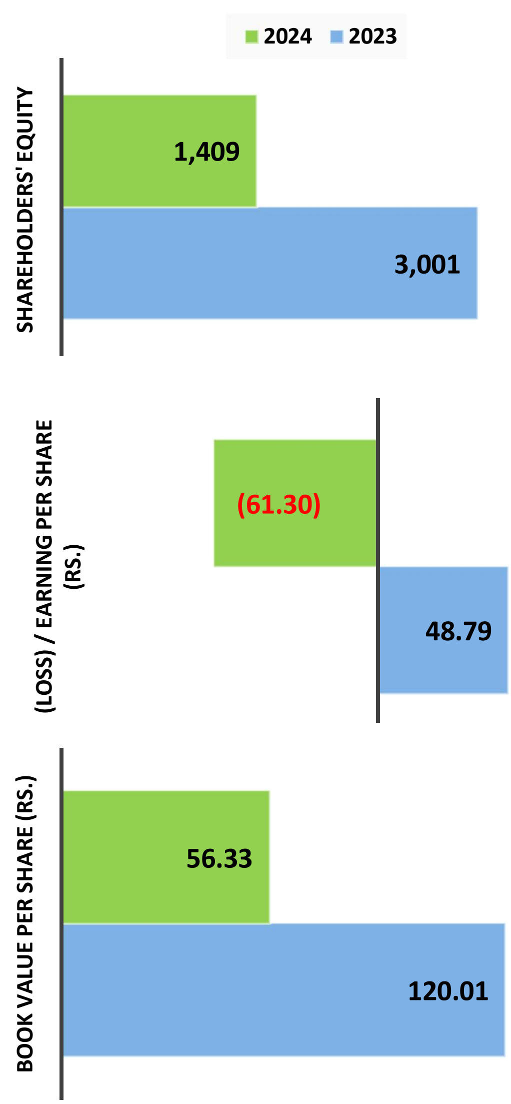
FINANCIAL HIGHLIGHTS

	UOM	2024	2023	%	+ / -
Sales	Rs. In Million	11,143	9,337	19.35%	+
Gross Profit	Rs. In Million	541	1,550	-65.06%	-
Operating Profit	Rs. In Million	266	1,363	-80.49%	-
(Loss) / Profit Before Levies &Tax	Rs. In Million	(1,802)	1,495	-220.53%	-
(Loss) Profit After Levies & Tax	Rs. In Million	(1,533)	1,220	-225.65%	-
(Loss) / Earnings per Share	Rupees	(61.30)	48.79	-225.65%	-
Shareholders' Equity	Rs. In Million	1,409	3,001	-53.06%	-
Book Value per Share	Rupees	56.33	120.01	-53.06%	-
Property, Plant & Equipment	Rs. In Million	3,052	2,988	2.15%	+

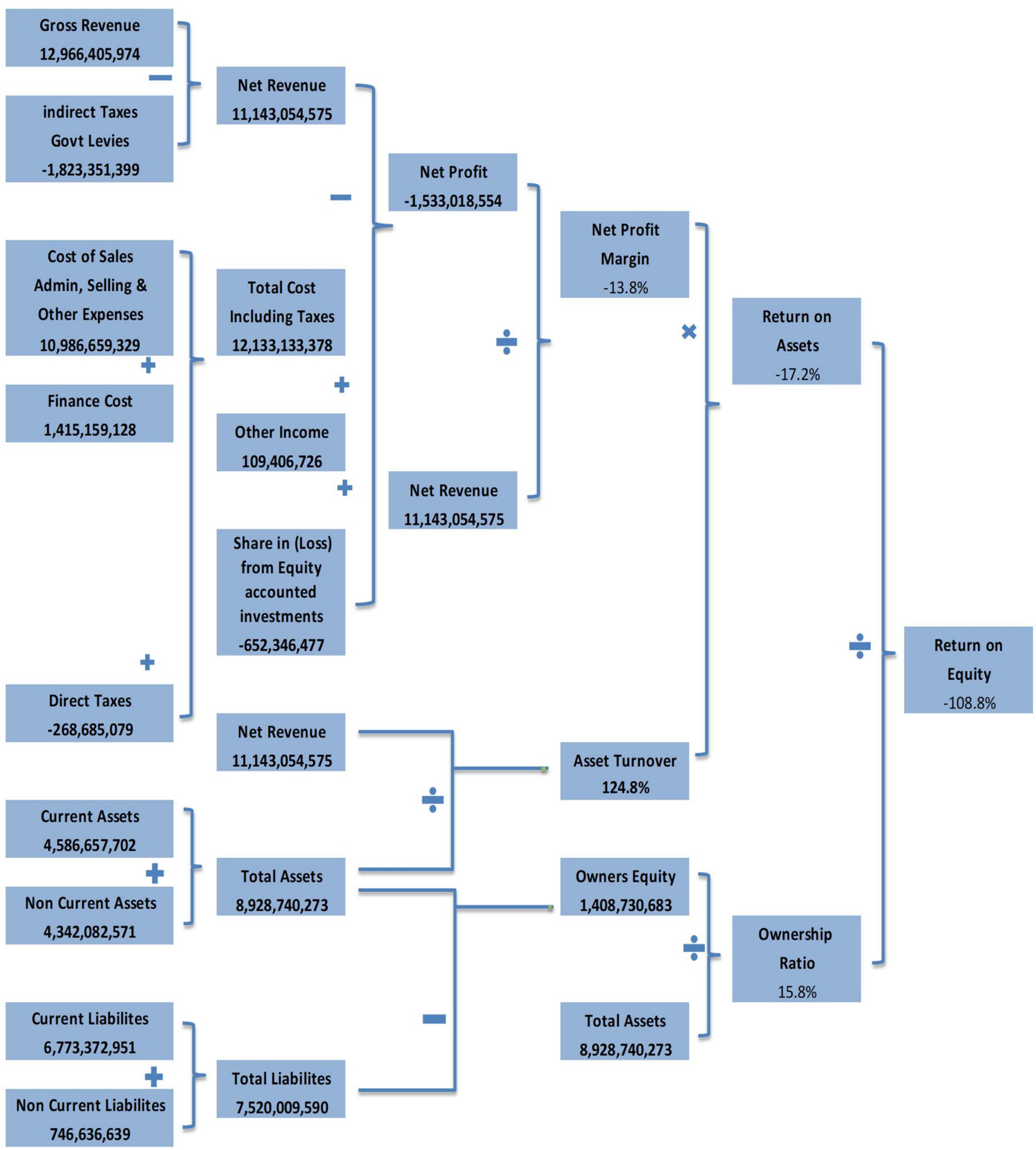
Business Growth



Shareholder Value Accretion



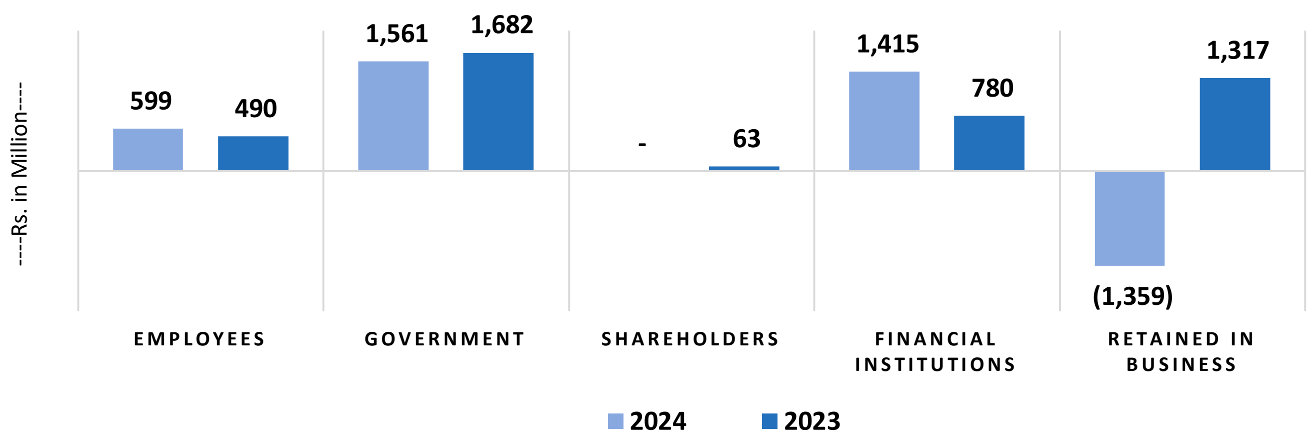
DUPONT ANALYSIS



STATEMENT OF VALUE ADDED

By Faran Sugar Mills Limited during **2023 – 2024**

	2024 Rupees	%	2023 Rupees	%
VALUE ADDED AS FOLLOWS				
Gross Sales	12,966,405,974		10,737,400,480	
Other Income	109,406,726		312,656,508	
Share of (Loss) / Profit in Associate	(652,346,477)		911,882,504	
	12,423,466,223		11,961,939,492	
Less: Total Expenses	10,207,273,433		7,631,247,022	
Total Value Added	2,216,192,790		4,330,692,470	
VALUE DISTRIBUTED AS FOLLOWS				
To Employees	599,180,310	27%	489,838,687	11%
To Government	1,561,072,833	70%	1,681,557,596	39%
To Shareholders (as Dividend)	-	0%	62,517,388	1%
To Financial Institutions	1,415,159,128	64%	779,781,468	18%
Retained in Business as				
Net (Loss) / Earnings	(1,533,018,554)	-69%	1,157,508,949	27%
Depreciation	173,799,073	8%	159,488,382	4%
	(1,359,219,481)	-61%	1,316,997,331	32%
Total Value Distributed	2,216,192,790	100%	4,330,692,470	100%



INVESTOR INFORMATION- SIX YEARS

		2019	2020	2021	2022	2023	2024
OPERATIONAL							
Cane Crushing	M.tons	670,581	601,936	601,718	845,437	764,606	867,332
Sugar Production	M.tons	73,696	65,739	63,691	92,862	79,427	90,727
Molasses Production	M.tons	31,459	27,475	28,238	39,630	35,562	37,690
Sugar Recovery	%	11.01	10.90	10.59	10.98	10.39	10.46
Molasses Recovery	%	4.69	4.56	4.69	4.69	4.65	4.34
Average Crushing / Day	M.tons	7,535	5,733	6,140	6,554	8,311	8,106
Season Commenced	Date	13-Dec-18	25-Nov-19	23-Nov-20	19-Nov-21	28-Nov-22	10-Nov-23
Season Ended	Date	11-Mar-19	8-Mar-20	28-Feb-21	27-Mar-22	27-Feb-23	24-Feb-24
Duration of season (days)	Days	89	105	98	129	92	107
PROFIT & LOSS ACCOUNT							
Sales Revenue	Rs. In Million	**5,145.70**	**6,562.80**	**5,582.07**	**7,694.09**	**10,737.40**	**12,966.41**
Net Revenue	Rs. In Million	**4,619.07**	**5,751.43**	**4,860.28**	**6,671.77**	**9,336.72**	**11,143.05**
Gross Profit	Rs. In Million	**282.98**	**268.54**	**40.38**	**471.69**	**1,549.67**	**541.39**
Selling & Admin Exp.	Rs. In Million	**198.12**	**175.65**	**213.93**	**242.53**	**371.37**	**355.60**
Operating Profit	Rs. In Million	**84.86**	**92.89**	**173.55**	**283.64**	**1,362.70**	**265.80**
Profit before Tax	Rs. In Million	**(225.52)**	**(208.43)**	**(86.24)**	**176.62**	**1,494.80**	**(1,801.70)**
Profit after Tax	Rs. In Million	**(366.30)**	**(227.95)**	**(66.49)**	**27.38**	**1,220.03**	**(1,533.02)**
Earnings before interest & Tax	Rs. In Million	**84.86**	**92.89**	**173.55**	**283.64**	**1,362.70**	**265.80**
BALANCE SHEET							
Share Capital	Rs. In Million	**250.07**	**250.07**	**250.07**	**250.07**	**250.07**	**250.07**
Reserves	Rs. In Million	**2,070.06**	**1,874.39**	**1,505.33**	**1,530.65**	**2,750.96**	**1,158.66**
Shareholders' Equity	Rs. In Million	**2,320.13**	**2,124.46**	**1,755.40**	**1,780.72**	**3,001.03**	**1,408.73**
Property Plant and Equipment	Rs. In Million	**1,874.59**	**1,884.93**	**2,184.23**	**2,789.63**	**2,987.76**	**3,051.98**
Working Capital	Rs. In Million	**(192.65)**	**(389.88)**	**(350.46)**	**(949.96)**	**(784.20)**	**(2,186.72)**
Long Term Loan	Rs. In Million	**242.88**	**247.80**	**807.66**	**800.82**	**572.28**	**528.47**
CASH FLOW ANALYSIS							
Net cash generated from operating activities	Rs. In Million	**948.93**	**(163.93)**	**(1,412.22)**	**(444.70)**	**1,924.96**	**(3,111.92)**
Net cash used in investing activities	Rs. In Million	**(79.97)**	**76.43**	**(324.21)**	**(497.06)**	**118.58**	**(144.36)**
Net cash generated from / (used in) financing activities	Rs. In Million	**(497.25)**	**(147.86)**	**1,714.99**	**935.61**	**(2,066.63)**	**3,144.52**
PROFITABILITY RATIOS							
Gross Profit Ratio	%	**6.13**	**4.67**	**0.83**	**7.07**	**16.60**	**4.86**
Net Profit / Ratio	%	**(7.93)**	**(3.96)**	**(1.37)**	**0.41**	**13.07**	**(13.76)**
Earnings before Interest & Tax Margin	%	**1.84**	**1.62**	**3.57**	**4.25**	**14.60**	**2.39**
Operating Leverage Ratio	%	**(216.99)**	**(38.60)**	**560.38**	**(170.19)**	**952.44**	**(416.07)**
Return on Share Holder Equity	%	**(15.79)**	**(10.73)**	**(3.79)**	**1.54**	**40.65**	**(108.82)**
Return on Capital Employed	%	**3.31**	**3.92**	**6.77**	**10.99**	**38.14**	**13.72**

INVESTOR INFORMATION- SIX YEARS

		2019	2020	2021	2022	2023	2024
LIQUIDITY RATIOS							
Current Ratio	Times	**0.93**	**0.80**	**0.87**	**0.78**	**0.79**	**0.68**
Quick Ratio	Times	**0.20**	**0.18**	**0.10**	**0.09**	**0.13**	**0.10**
Cash to Current Liabilities	Times	**0.15**	**0.08**	**0.05**	**0.03**	**0.03**	**0.01**
Cash flow from Operations to Sales	Times	**0.30**	**0.05**	**(0.21)**	**(0.00)**	**0.30**	**(0.19)**
Activity / Turnover Ratios							
Inventory turnover ratio	Times	**3.67**	**7.54**	**6.74**	**4.06**	**4.21**	**4.46**
No. of days in inventory	Days	**99.57**	**48.43**	**54.18**	**89.92**	**86.77**	**81.90**
Debtors' turnover ratio	Times	**29.01**	**36.94**	**29.70**	**35.81**	**31.67**	**23.05**
No of days in receivables	Days	**12.58**	**9.88**	**12.29**	**10.19**	**11.52**	**15.84**
Creditors turnover ratio	Times	**4.53**	**8.27**	**15.83**	**12.87**	**5.60**	**6.53**
No of days in payables	Days	**80.59**	**44.16**	**23.06**	**28.36**	**65.13**	**55.88**
Operating cycle	Days	**31.56**	**14.15**	**43.41**	**71.74**	**33.16**	**41.86**
Total Asset Turnover	Times	**0.82**	**1.26**	**0.85**	**0.92**	**1.20**	**1.27**
Fixed Asset Turnover	Times	**2.46**	**3.05**	**2.23**	**2.39**	**3.12**	**3.65**
INVESTMENT/ MARKET RATIOS							
Earnings per Share After Tax	Rs.	**(14.65)**	**(9.12)**	**(2.66)**	**1.09**	**48.79**	**(61.30)**
Earnings per Share Before Tax	Rs.	**(9.02)**	**(8.33)**	**(3.45)**	**7.06**	**59.78**	**(72.05)**
Market value per share (yearend)	Rs.	**36.50**	**50.00**	**40.84**	**52.50**	**52.50**	**44.00**
Break-Up Value per Share	Rs.	**92.78**	**84.95**	**70.20**	**71.21**	**120.01**	**56.33**
Price earnings ratio (P/E)	Times	**(2.49)**	**(5.49)**	**(15.36)**	**47.95**	**1.08**	**(0.72)**
Cash Dividend per share	Rs.	**1.00**	**-**	**-**	**-**	**2.50**	**-**
Stock Dividend per share	%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Dividend payout	%	**-7%**	**0%**	**0%**	**0%**	**5%**	**0%**
Dividend yield	%	**0.03**	**-**	**-**	**-**	**0.05**	**-**
Dividend cover	Times	**(14.65)**	**-**	**-**	**-**	**19.51**	**-**
CAPITAL STRUCTURE RATIOS							
Financial Leverage Ratio	Times	**0.80**	**0.83**	**1.86**	**2.32**	**0.71**	**3.88**
Weighted average Cost of Debt	%	**11.35**	**12.25**	**8.38**	**10.65**	**18.00**	**22.15**
Debt to Equity Ratio	%	**0.10**	**0.12**	**0.46**	**0.45**	**0.19**	**0.38**
Interest Cover	Times	**0.27**	**0.31**	**0.67**	**0.60**	**1.75**	**0.19**

HORIZONTAL & VERTICAL ANALYSIS

BALANCE SHEET

	2019	2020	2021	2022	2023	2024
ASSETS	---Rs. In Thousand---					
Non-Current Assets	3,169,107	3,036,791	3,283,260	3,997,544	4,854,363	4,342,083
Current Assets	2,467,791	1,526,364	2,416,022	3,279,881	2,959,452	4,586,658
Total	5,636,898	4,563,155	5,699,282	7,277,426	7,813,815	8,928,740
EQUITY AND LIABILITIES						
Share Holder Equity	2,320,130	2,124,464	1,755,402	1,780,718	3,001,026	1,408,731
Non-Current Liabilities	154,624	126,929	807,663	800,819	572,285	528,468
Deferred Liabilities	501,703	395,522	369,735	465,569	496,850	218,169
Current Liabilities	2,660,441	1,916,240	2,766,483	4,230,320	3,743,655	6,773,373
Total	5,636,898	4,563,155	5,699,282	7,277,426	7,813,815	8,928,740

VERTICAL ANALYSIS % of balance Sheet total						
ASSETS						
Non-Current Assets	56%	67%	58%	55%	62%	49%
Current Assets	44%	33%	42%	45%	38%	51%
Total Assets	100%	100%	100%	100%	100%	100%
EQUITY AND LIABILITIES						
Share Holder Equity	41%	47%	31%	24%	38%	16%
Non-Current Liabilities	3%	3%	14%	11%	7%	6%
deferred Liabilities	9%	9%	6%	6%	6%	2%
Current Liabilities	47%	42%	49%	58%	48%	76%
Total Equity and Liabilities	100%	100%	100%	100%	100%	100%

HORIZONTAL ANALYSIS Year on Year	2019 over 2018	2020 over 2019	2021 Over 2020	2022 Over 2021	2023 Over 2022	2024 Over 2023
ASSETS						
Non-Current Assets	8%	-4%	8%	22%	21%	9%
Current Assets	-13%	-38%	58%	36%	-10%	40%
Total Assets	-2%	-19%	25%	28%	7%	23%
EQUITY AND LIABILITIES						
Share Holder Equity	14%	-8%	-17%	1%	69%	-21%
Non-Current Liabilities	-31%	-18%	536%	-1%	-29%	-34%
Deferred Liabilities	3%	-21%	-7%	26%	7%	-53%
Current Liabilities	-12%	-28%	44%	53%	-12%	60%
Total Equity and Liabilities	-2%	-19%	25%	28%	7%	23%

HORIZONTAL & VERTICAL ANALYSIS

PROFIT AND LOSS ACCOUNT

	2019	2020	2021	2022	2023	2024
			---Rs. In Thousand---			
Net Sales	4,619,072	5,751,430	4,860,285	6,671,776	9,336,724	**11,143,055**
Cost of Sales	(4,336,087)	(5,482,886)	(4,819,903)	(6,200,076)	(7,787,050)	**(10,601,661)**
Gross Profit	282,984	268,544	40,381	471,690	1,549,673	**541,394**
Operating Expenses	(198,122)	(175,651)	(213,929)	(242,535)	(371,374)	**(355,599)**
Other Operating Expenses	(38,708)	(6,299)	(651)	(731)	(85,055)	**(29,399)**
Other Operating Income	557,875	21,771	24,629	60,443	312,657	**109,407**
Operating Profit	604,030	108,365	(149,570)	288,867	1,362,699	**265,802**
Finance Cost	227,579	(301,324)	(259,788)	(469,556)	(779,781)	**(1,415,159)**
Share in profit of associate	(310,379)	41,161	18,947	357,305	911,883	**(652,346)**
Profit / (Loss) before levies & taxation	521,229	(151,799)	(390,412)	176,616	1,494,800	**(1,801,704)**
Levies & Taxation	(140,784)	(19,518)	19,753	(149,234)	(317,976)	**268,685**
Profit / (Loss) after levies & taxation	380,445	(171,317)	(370,659)	27,383	1,220,026	**(1,533,019)**

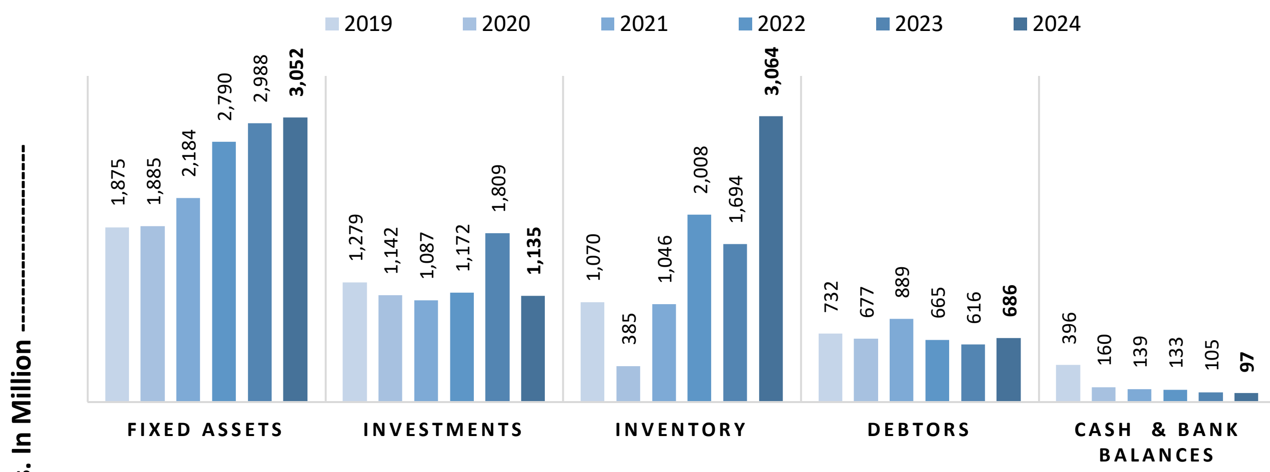
VERTICAL ANALYSIS % of Sales						
Net Sales	100.00%	100.00%	100.00%	100.00%	100.00%	**100.00%**
Cost of Sales	-93.87%	-95.33%	-99.17%	-92.93%	-83.40%	**-95.14%**
Gross Profit	6.13%	4.67%	0.83%	7.07%	16.60%	**4.86%**
Operating Expenses	-4.29%	-3.05%	-4.40%	-3.64%	-3.98%	**-3.19%**
Other Operating Expenses	-0.84%	-0.11%	-0.01%	-0.01%	-0.91%	**-0.26%**
Other Operating Income	12.08%	0.38%	0.51%	0.91%	3.35%	**0.98%**
Operating Profit	13.08%	1.88%	-3.08%	4.33%	14.60%	**2.39%**
Share in profit of associate	4.93%	-5.24%	-5.35%	-7.04%	-8.35%	**-12.70%**
Finance Cost	-6.72%	0.72%	0.39%	5.36%	9.77%	**-5.85%**
Profit / (Loss) before levies & taxation	11.28%	-2.64%	-8.03%	2.65%	16.01%	**-16.17%**
Levies & Taxation	-3.05%	-0.34%	0.41%	-2.24%	-3.41%	**2.41%**
Profit / (Loss) after levies & taxation	8.24%	-2.98%	-7.63%	0.41%	13.07%	**-13.76%**

HORIZONTAL ANALYSIS Year on Year	2019 over 2018	2020 over 2019	2021 Over 2020	2022 Over 2021	2023 Over 2022	2024 Over 2023
Net Sales	-26.58%	24.51%	-15.49%	37.27%	39.94%	**19.35%**
Cost of Sales	-24.50%	26.45%	-12.09%	28.63%	25.60%	**36.14%**
Gross Profit	-48.38%	-5.10%	-84.96%	1068.09%	228.54%	**-65.06%**
Operating Expenses	-43.02%	-11.34%	21.79%	13.37%	53.12%	**-4.25%**
Other Operating Expenses	-4.14%	-83.73%	-89.67%	12.37%	11528.34%	**-77.08%**
Other Operating Income	71.75%	-96.10%	13.13%	145.42%	417.27%	**-65.01%**
Operating Profit	24.56%	-82.06%	-238.02%	-293.13%	371.74%	**-80.49%**
Share in profit of associate	-22.99%	-232.40%	-13.78%	80.75%	66.07%	**81.48%**
Finance Cost	98.84%	-113.26%	-53.97%	1785.84%	155.21%	**-171.54%**
Profit / (Loss) before levies & taxation	-16.52%	-129.12%	-157.19%	-145.24%	746.36%	**-220.53%**
Levies & Taxation	-22.65%	-86.14%	-201.20%	-855.51%	113.07%	**-197.78%**
Profit / (Loss) after levies & taxation	-14.00%	-145.03%	-116.36%	-107.39%	4355.49%	**-225.65%**

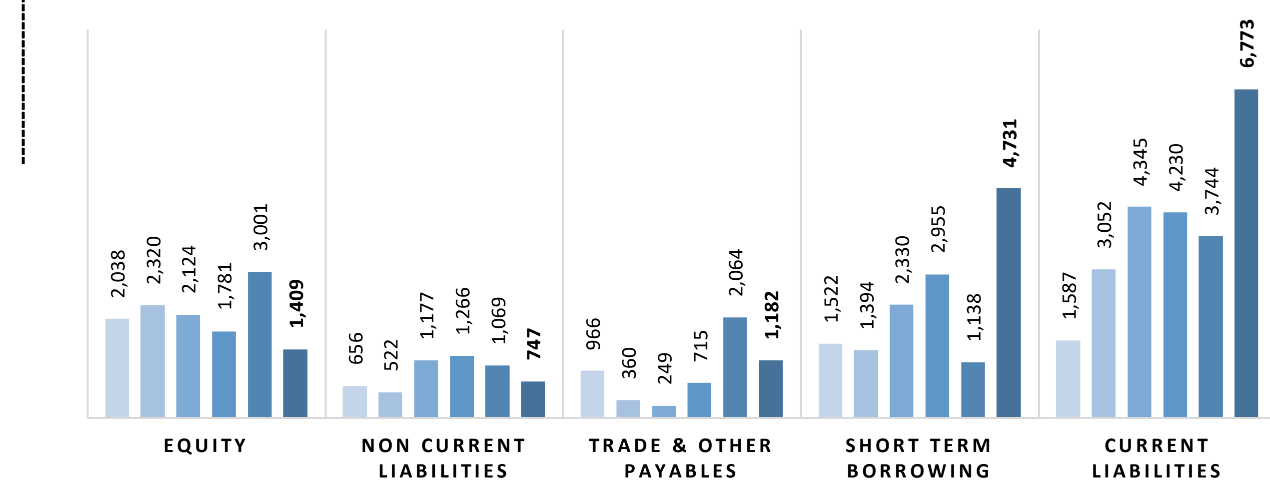
GRAPHICAL ANALYSIS

BALANCE SHEET

ASSETS



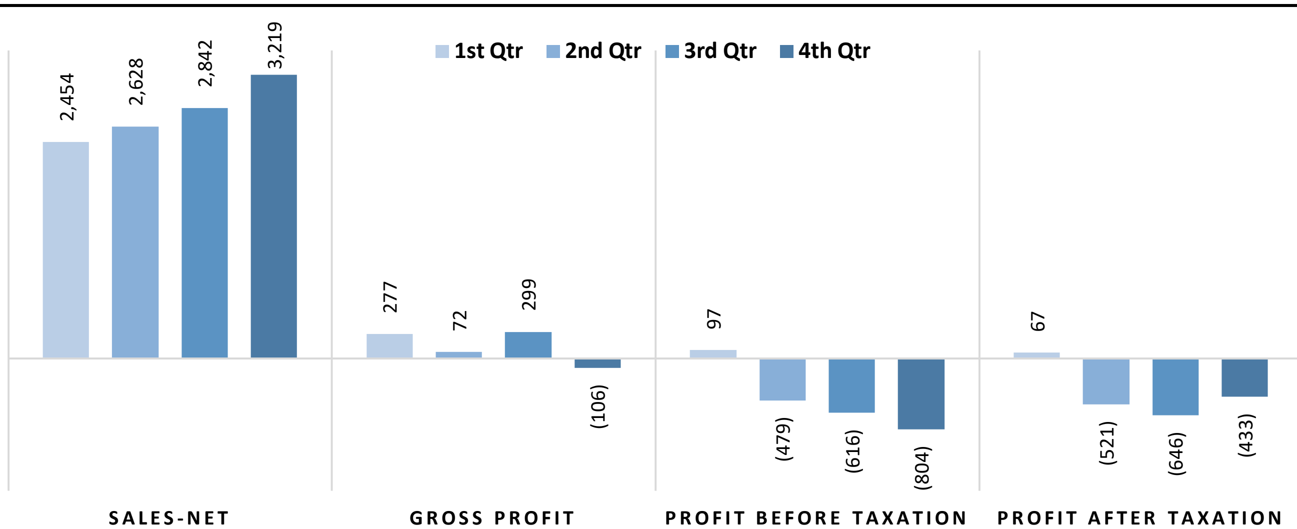
EQUITY AND LIABILITIES



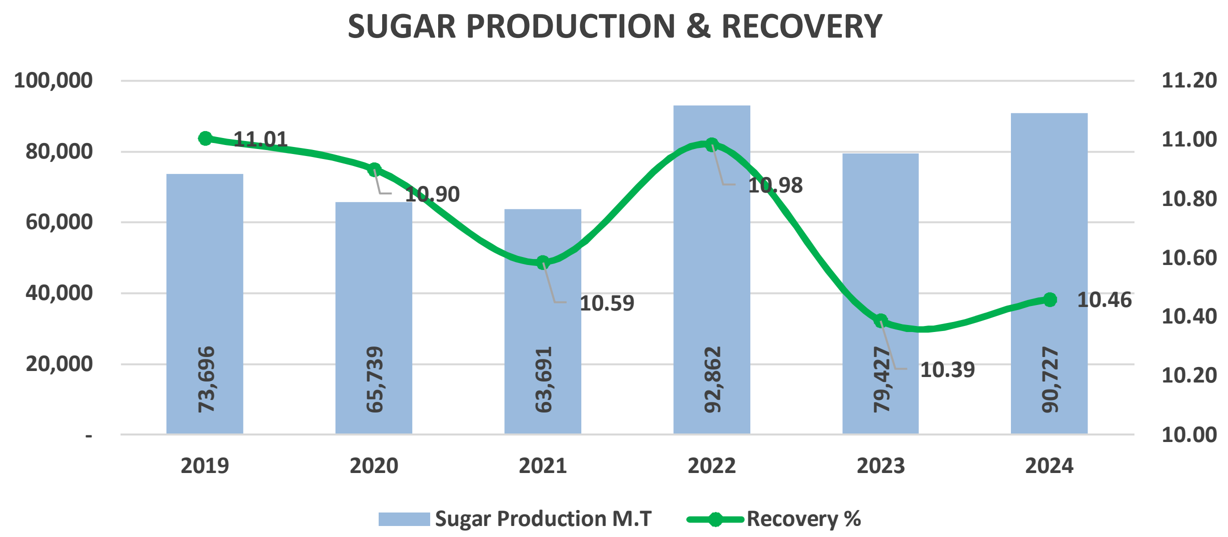
QUARTERLY PERFORMANCE ANALYSIS

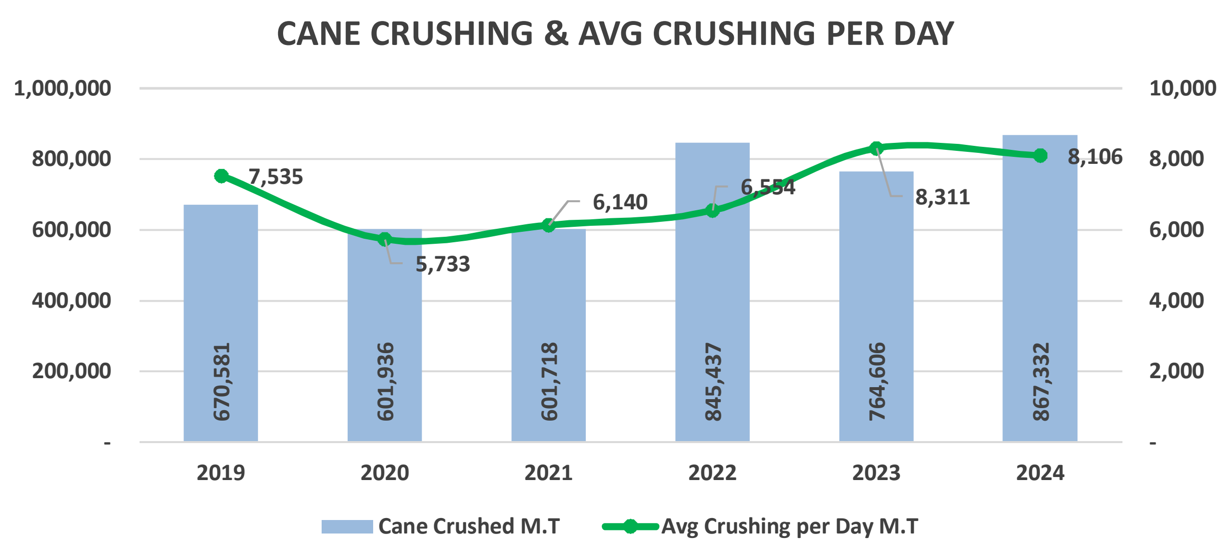
Variance Analysis of Quarterly Profit and Loss Account	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	2nd Qtr over 1st Qtr	3rd Qtr over 2nd Qtr	4th Qtr over 3rd Qtr
Sales-Net	2,454,471,978	2,628,051,707	2,841,856,879	3,218,674,011	-7.1%	8.1%	13.3%
Cost of Sales	(2,177,785,456)	(2,556,114,192)	(2,542,668,019)	(3,325,093,243)	-17.4%	-0.5%	30.8%
Gross Profit	276,686,522	71,937,515	299,188,860	(106,419,232)	74.0%	315.9%	-135.6%
Operating Expenses	(75,438,682)	(111,364,827)	(91,554,871)	(77,241,014)	-47.6%	-17.8%	-15.6%
Other Expenses	(6,524,695)	3,376,485	(228,103)	(26,022,712)	151.7%	-106.8%	11308.3%
Finance Cost	(128,862,447)	(455,918,271)	(482,422,953)	(347,955,457)	-253.8%	5.8%	-27.9%
Other Income	20,556,270	22,941,779	13,958,972	51,949,705	-11.6%	-39.2%	272.2%
Share in Profit / (Loss) from equity accounted investment-net	10,773,000	(9,734,391)	(354,706,826)	(298,678,260)	190.4%	3543.9%	-15.8%
(Loss) / Profit before levies & taxation	97,189,969	(478,761,710)	(615,764,921)	(804,366,970)	592.6%	28.6%	30.6%
Levies & Taxation	(30,342,959)	(42,336,983)	(29,791,749)	371,156,770	-39.5%	-29.6%	-1345.8%
(Loss) / Profit after Levies & taxation	66,847,010	(521,098,693)	(645,556,670)	(433,210,200)	879.5%	23.9%	-32.9%

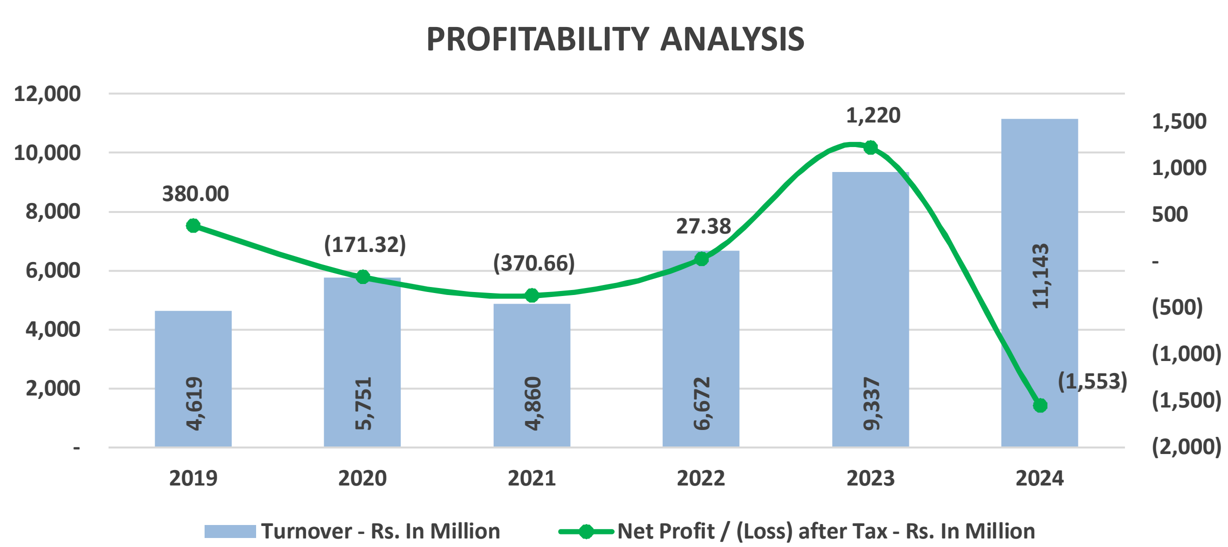
Interim Result with Annual Result	As on Dec-31, 2023 1st Qtr	As on Mar-31, 2024 2nd Qtr	As on Jun-30, 2024 3rd Qtr	As on Sep-30, 2024 Annual	% of Annual 1st Qtr	% of Annual 2nd Qtr	% of Annual 3rd Qtr
Sales-Net	2,454,471,978	5,082,523,685	7,924,380,564	11,143,054,575	354.0%	119.2%	40.6%
Cost of Sales	(2,177,785,456)	(4,733,899,648)	(7,276,567,667)	(10,601,660,910)	386.8%	124.0%	45.7%
Gross Profit	276,686,522	348,624,037	647,812,897	541,393,665	95.7%	55.3%	-16.4%
Operating Expenses	(75,438,682)	(186,803,509)	(278,358,380)	(355,599,394)	371.4%	90.4%	27.7%
Other Expenses	(6,524,695)	(3,148,210)	(3,376,313)	(29,399,025)	350.6%	833.8%	770.7%
Finance Cost	(128,862,447)	(584,780,718)	(1,067,203,671)	(1,415,159,128)	998.2%	142.0%	32.6%
Other Income	20,556,270	43,498,049	57,457,021	109,406,726	432.2%	151.5%	90.4%
Share in (Loss) / Profit form equity accounted investment	10,773,000	1,038,609	(353,668,217)	(652,346,477)	-6155.4%	-62909.6%	84.5%
(Loss) / Profit before levies & taxation	97,189,968	(381,571,742)	(997,336,663)	(1,801,703,633)	-1953.8%	372.2%	80.7%
Levies & Taxation	(30,342,959)	(72,679,942)	(102,471,691)	268,685,079	-985.5%	-469.7%	-362.2%
(Loss) / Profit after Levies & taxation	66,847,009	(454,251,684)	(1,099,808,354)	(1,533,018,554)	-2393.3%	237.5%	39.4%

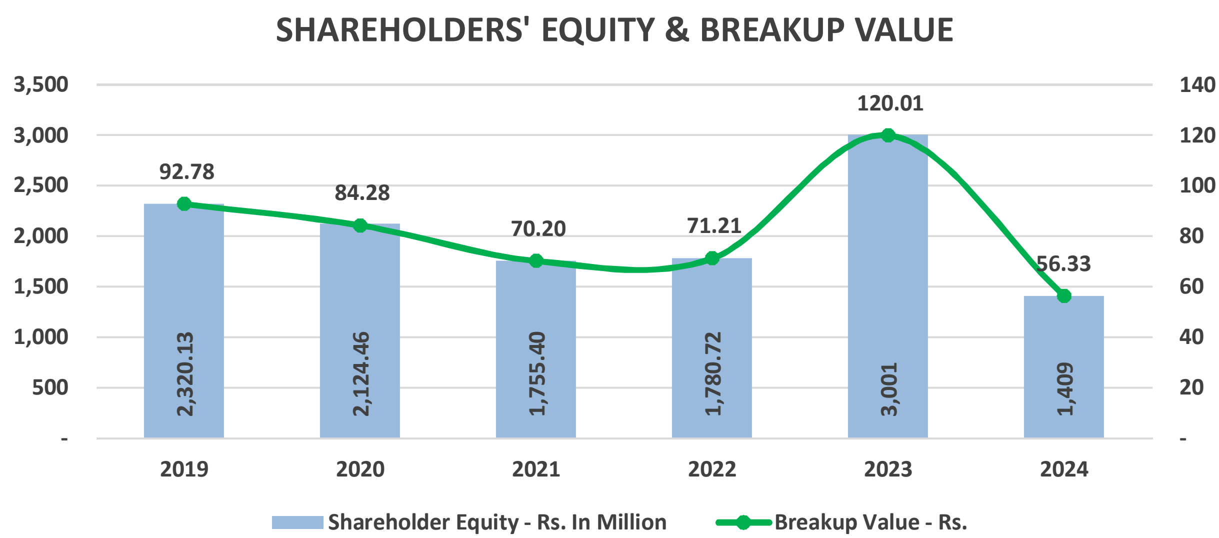


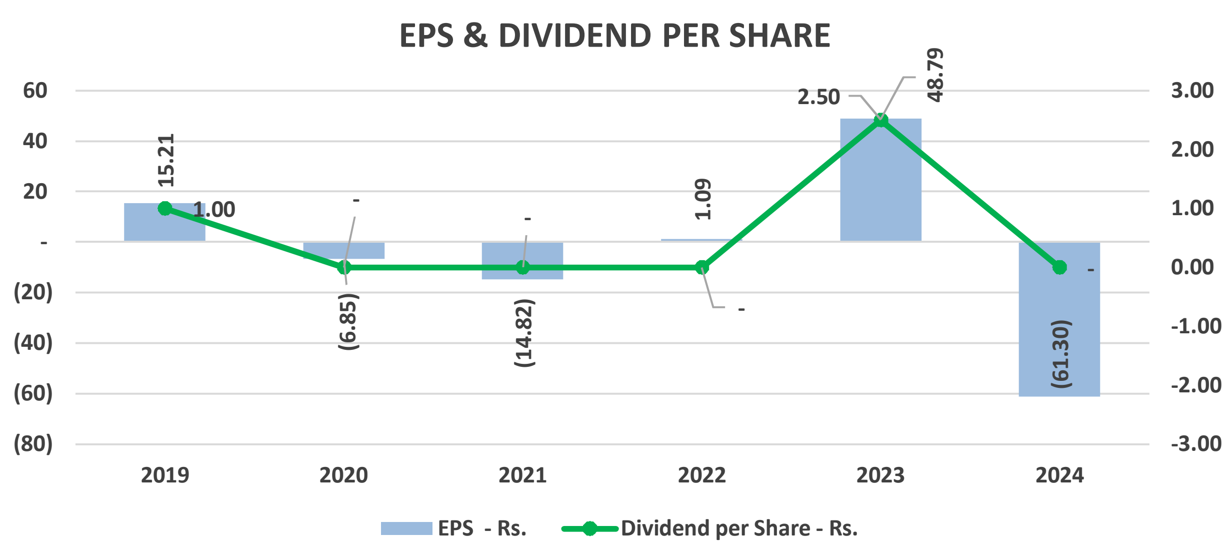
GRAPHS


SUGAR PRODUCTION & RECOVERY
100,000
80,000
60,000
40,000
20,000
-
11.20
11.00
10.80
10.60
10.40
10.20
10.00
73,696
65,739
63,691
92,862
79,427
90,727
11.01
10.90
10.59
10.98
10.39
10.46
2019
2020
2021
2022
2023
2024
Sugar Production M.T
Recovery %


CANE CRUSHING & AVG CRUSHING PER DAY
1,000,000
800,000
600,000
400,000
200,000
-
10,000
8,000
6,000
4,000
2,000
-
670,581
601,936
601,718
845,437
764,606
867,332
7,535
5,733
6,140
6,554
8,311
8,106
2019
2020
2021
2022
2023
2024
Cane Crushed M.T
Avg Crushing per Day M.T


PROFITABILITY ANALYSIS
12,000
10,000
8,000
6,000
4,000
2,000
-
1,500
1,000
500
-
(500)
(1,000)
(1,500)
(2,000)
4,619
5,751
4,860
6,672
9,337
11,143
380.00
(171.32)
(370.66)
27.38
1,220
(1,553)
2019
2020
2021
2022
2023
2024
Turnover - Rs. In Million
Net Profit / (Loss) after Tax - Rs. In Million


SHAREHOLDERS' EQUITY & BREAKUP VALUE
3,500
3,000
2,500
2,000
1,500
1,000
500
-
140
120
100
80
60
40
20
-
92.78
84.28
70.20
71.21
120.01
56.33
2,320.13
2,124.46
1,755.40
1,780.72
3,001
1,409
2019
2020
2021
2022
2023
2024
Shareholder Equity - Rs. In Million
Breakup Value - Rs.


EPS & DIVIDEND PER SHARE
60
40
20
-
(20)
(40)
(60)
(80)
3.00
2.00
1.00
0.00
-1.00
-2.00
-3.00
15.21
1.00
(6.85)
(14.82)
1.09
2.50
48.79
(61.30)
2019
2020
2021
2022
2023
2024
EPS - Rs.
Dividend per Share - Rs.

CHAIRMAN’S REVIEW REPORT

It was a challenging year for the sugar industry, with inconsistent government policies creating an uncertain business environment. The company suffered historical losses, largely due to factors beyond its control, mainly the government's unfavorable stance toward the industry.

High inflation, 41% rise in the Minimum Cane Support Price, huge financial costs and delay & insufficient export quota are major factors for huge losses.

However, I am optimistic for the positive outcomes in the ongoing season due to some positive development such as substantial cut in the discount rate, absence in fixing the minimum support price as per IMF condition, decrease in inflation and politically stability etc.

I also highly appreciate overall performance of the Board and the effectiveness of its role to attain the organization’s aims and objectives. The composition of the Board of Directors reflects mix of varied backgrounds and rich experience in the fields of business, finance, banking and regulations. The Board carried out the annual review of its effectiveness and performance on a self-assessment basis. The Board also ensures compliance of all regulatory requirements by the Management. The Board is ably assisted by its Committees. The Audit Committee reviews the financial statements and ensures that the accounts fairly represent the financial position of the Company. It also ensures effectiveness of internal controls. The HR Committee overviews HR policy framework and recommends for selection and compensation of senior management team.

I wish to acknowledge the efforts of all senior executives, staff members and workers of the company.

Muhammad Omar Bawany
Chairman

Karachi,
January 03, 2024

DIRECTORS' REPORT

For the year ended September 30, 2024

Dear Shareholders,
In the name of ALLAH, the most gracious and most merciful, your directors present Annual Report and Audited Financial Statements of the Company for the year ended September 30, 2024.

Financial Performance:
It was the worst year for the sugar industry, marked by inconsistent government policies that fostered an unpredictable business environment. The company suffered huge losses, largely due to factors beyond its control, particularly the government's unfavorable stance toward the sugar industry.

Financial results are summarized as follows:

	2024 Rs. '000	2023 Rs. '000
Gross sales	**12,966,406**	10,737,400
Operating Profit before Financial Charges	**265,802**	1,405,901
Finance Cost	**(1,415,159)**	(779,781)
(Loss) / Profit before share of Associates & taxation	**(1,149,357)**	626,120
Share in profit from equity accounted investments-Net	**(652,346)**	911,883
(Loss) / Profit before levies and taxation	**(1,801,704)**	1,538,002
Less: Levies	**(139,934)**	(180,099)
Less: Taxation		
Current	**-**	(58,688)
Deferred asset / (tax)	**408,619**	(79,443)
	408,619	(137,876)
(Loss) / Profit after Taxation	**(1,533,018)**	1,220,026
(Loss) / Profit per Share	**(61.30)**	48.79

The gross revenue during the year was Rs. 12.966 billion including export sale of Rs 202.75 million vis-à-vis Rs. 10.737 billion including export sale of Rs 398.52 million, grew by 20.28%. This increase can be primarily attributed to improved selling prices of both refined sugar and molasses as well as increase in the volumetric sale of molasses and bagasse in response to high cost of production, despite to 4.7% reduction in sales volume of refined sugar compared to the preceding year. But, the high operational costs and low selling price severely impacted margins, making them insufficient to cover substantial financing expenses. Other income was decreased by Rs. 203 million, as in corresponding last year it was supported from the sale proceeds of divestment of entire shareholding in Unifood amounting to Rs. 188.38 million.

Thus, the company reported an operating profit of Rs. 265.8 million, but this was eroded by huge finance cost, resulting a net loss before taxation of Rs. 1.801 billion, including a Rs. 652.5 million share of loss of Unicol Limited. Unicol Limited reported a historical net loss of Rs. 1.957 billion due to immense financing cost on both long-term and short-term borrowings

DIRECTORS' REPORT

For the year ended September 30, 2024

The following factors mainly contributed towards substantial loss to the company:

1. **High Inflation:** The increase in the Minimum Cane Support Price (MSP) by 41% i.e. from Rs. 302 to Rs. 425 per 40 kg compounded by additional cane cost due to competition and exorbitant commodity inflation that raised cane cost drastically. The high inflation in Pakistan has also led to substantial increase overhead and administrative costs.

2. **Financial Costs:** The steep rise in the KIBOR rate has almost doubled our finance costs, making it the second-highest cost component after cane costs.

3. **Government Policies on Sugar Production and Sales:** Inconsistent export policies have restricted our ability to stabilize through export markets. A backlog of 2.0 million MT of sugar remains in the country due to the absence of timely export approvals, impacting local selling prices. Furthermore, the delay in export quota decisions has led to market oversupply, pushing down domestic prices far below production costs.

4. **Grey Market Activity and Ineffective Monitoring:** The inefficiency of the Track & Trace System (T&TS) for monitoring sugar sales has facilitated unauthorized sales, impacting legitimate market prices and margins.

5. **Pending Subsidies:** Long-outstanding government subsidies amounting Rs. 388 Million caused to increase our financial cost.

6. **New Tax Impositions:** The government introduced Federal Excise Duty (FED) of Rs. 15 per kg created ambiguity regarding its applicability to manufacturers and packaging companies. This lack of clarification delayed our ability to supply sugar at favourable prices, causing prices to further decline until the issue was resolved. Consequently, this has contributed to increased losses during the year.

7. **Utility Stores Corporation (USC) Closure:** The government's sudden announcement to close the Utility Stores Corporation and halt its subsidies has further exacerbated our financial situation. With USC stopping payments to its suppliers, including our company amounting Rs. 529 Million and halted further lifting valuing Rs. 579 Million that has caused significant liquidity problems and increased our finance costs. However, USC released partial payment subsequently.

Operational Performance:

As per reported data by the government, 6.843 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.

Our mills commenced operations on November 10, 2023, which is 18 days earlier than the previous season's start date of November 28, 2022. 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 the minimum support price for sugarcane at Rs425 per maund a Rs. 123 jump from the previous season, 41% increase over last year's rate of Rs302 and 70% over the 2021-22 season's rate of Rs250.

The sugar industry in Pakistan sought permission to export surplus sugar before the start of the season 2023-24 due to a substantial carryover stock and higher anticipated production for the season. While the Government efficiently curbed the cross-border illegal movement of sugar, the government inordinately delayed the decision and allowed export of only 750,000 tons for the country (Sindh Quota: 225,000 tons) against expectation of 1.5-2 million tons, depriving the country of earning precious foreign exchange during the crucial time. Faran Sugar was allocated 6,253 tons for export.

Liquidity management and capital structure:

Faran Sugar Mills (FSML) has been meeting all its financial needs since financial year 2004-05 through only Shariah Compliant Products from prominent Islamic banks and providing HALAL earnings to its stakeholders. The Company has substantial approved finance facilities limit of around Rs.7.8 billion plus seasonal facilities for the upcoming season 20245-25. Alhamdulillah, we are RIBA / INTEREST FREE CORPORATE ENTITY. Due to unprecedented price of sugarcane in the season 2023-24 and drastic depressed selling price throughout the season couple with sluggish sales volume, substantial working capital needed to ensure timely payment to growers. Nevertheless, in this difficult condition, we efficiently managed our fund and ensured to discharge all obligations timely.

During the year, VIS Credit Rating Company Limited performed credit rating and maintained assigned rating of previous year i.e. 'A- / A-2' (A minus / A – Two). The long term rating of 'A –'signifies good credit quality with adequate protection factors. Risk factors are considered variable if changes occur in the economy. Short term rating of 'A-2' depicts good certainty of timely payment. Liquidity factors and company fundamentals are sound with good access to capital markets, risk factors are small and outlook on the assigned rating has improved from 'negative' to stable.

Expansion and Modernization Projects:

The company is focusing only necessary capital expenditures with small amount for cost saving projects and spending on selected overhauling of machinery. During the year the management initiated to set up additional solar units of 600kV aggregating a total capacity of 850kw for which all financing obtained under SBP concessional financing scheme.

DIRECTORS' REPORT

For the year ended September 30, 2024

UNICOL LIMITED - DISTILLERY PROJECT:

Ethanol:
During the year the Company recorded ethanol production of 55,568 MT (2023: 57,575MT) which is 3.49% less than last year. The production yield recorded during the year is 19.3% per ton of molasses (2023: 19.2%). Operational days were recorded at 343 days (2023: 342 days). The Company recorded ethanol export of 54,709 MT (2023: 55,924MT) which is 2.17% less than last year.

Sugar:
Unicol Sugar Division successfully completed its first season of sugar operations on 01 March 2024. The crushing days of the Sugar segment for the year stood at 97 days (2023: nil days) and the sugar production volume was recorded at 60,415 MT.

Unicol Limited has acquired the entire assets of Popular Sugar Mills Limited located at Jan Muhammad Wala, Chowk Sial, Tehsil Koth Momin, District Sargodha, and Punjab before start of the current season 2023-24

CO2:
The production and sales volume of the CO2 segment for the year were recorded at 11,476 MT (2023: 11,940 MT) and 11,078 MT (2023: 10,994 MT) respectively which is 3.9% less and 0.76% higher than last year. The plant operational days of the CO2 segment for the year stood at 252 days (2023: 276 days

During the year, the sales revenue of the Ethanol segment was recorded at Rs. 13.01 billion (2023: Rs. 14.78 billion) which is 12% less than the last year. The quantity of ethanol sold during the year is less compared to the previous year and a significant decrease in the pricing as compared to the previous year which resulted in the decreased revenue for the year. The sales revenue of the Sugar segment was recorded at Rs. 5.8 billion (2023: Rs. nil billion). The sales revenue of the CO2 segment was recorded at Rs. 339 million (2023: Rs. 280 million) which is 21% higher than the last year due to the increase in pricing. The cost of sales recorded to Rs. 17.8 billion (2023: Rs. 10 billion) which is higher than last year due to the addition of the sugar segment. The gross profit margin for the year was recorded at 7% (2023: 33%) which is 71% less as compared to last year. The primary reason for a decrease in GP margin is due to the decrease in international sales prices of ethanol along with the subdued prices of sugar. The Company recorded selling, administrative and other expense at Rs. 556 million (2023: 937 million) which is 40% less than the last year. The recorded finance costs for the year at Rs. 2,861 million (2023: Rs. 1,130 million) which is 153% higher than the last year due to the increase in borrowing rate and availing of long-term financing.

After taking into consideration various expenses and taxes the Company posted an after-tax loss of Rs. 1,957 million after meeting all its expenses and financial commitments compared to profit of Rs. 2,735 million in previous years.

The outlook for the year 2024-25 is better as the ethanol market has shown a downward price adjustment of molasses and ethanol demand is expected to remain stable for the next year and interest rates are also on a downward trend. Moreover, Sugar pricing also remains stable with an expected decrease in the cost as the minimum cane price has been deregulated leaving the mills to decide their respective cane prices.

FARAN POWER LIMITED (FPL) - 26.5 MW BAGASSE BASE HIGH PRESSURE POWER PROJECT
The project was initiated in 2016 which has been halted due to CPPA denial to sign Implementation Agreement (IA) and Power Purchase Agreement (PPA). The board of Directors decided to discard the project and got release performance guarantee given by the company on behalf of FPL through its legal counsel. As it is a Special Purpose Vehicle (SPV) that was formed for this specific purpose, FPL was wounded up as there was not need to maintain the SPV.

UniEnergy Limited (UEL) – a joint venture 50MW wind power project has been granted Letter of Intent on October 16, 2015 and formally allotted land for setting up the project at Jhimpir, district Thatta. The principal activity of UEL was to build, operate and maintain wind power generating project of 50 Mega Watts for the generation and supply of electric power to national grid. But the project has been halted due to changes in government policies. FSML has made an equity investment of Rs. 19.9 million (20% holding).

Financial Reporting Frame Work:
In compliance with the requirements of Revised Code of Corporate Governance 2019, your directors' report that:

- The financial statements prepared by the management present fairly its state of affairs, the result of its operation, cash flows and changes in equity.
- The company has maintained proper books of accounts as required by the law.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The accounting policies and disclosures are in accordance with the International Financial Reporting Standards (IFRS) as applicable in Pakistan, unless otherwise disclosed.
- The system of internal control is sound in design and effectively implemented and being monitored.
- There is no significant doubt as to the ability of the Company to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- The summary of key operating and financial data and graphic presentation of the important statistics for last six year annexed.
- Information against outstanding duties, levies and charges is given in the notes to the Accounts
- The Company operates funded Provident fund scheme. The fair value of assets based on latest un- audited accounts of the fund amounted to Rs.102.8 million.

DIRECTORS' REPORT

For the year ended September 30, 2024

Board of Directors

During the year four meetings of Board of Directors were held. Participation of Directors as follows:

Name of Directors	No. of BOD Meetings attended	No. of Audit Committee Meetings attended	No. of HR&R Meetings attended
Total no. of meetings held during the year	5	4	1
Mr. Muhammad Omar Bawany	5	4	1
Mr. Ahmed Ali Bawany	5	N/A	1
Mr. Bilal Omar Bawany	5	N/A	N/A
Mr. Hamza Omar Bawany	5	N/A	N/A
Mr. Mohammad Altamash Ahmed Bawany	5	N/A	N/A
Mr. Irfan Zakaria Bawany	5	4	N/A
Mr. Ahmed Ghulam Hussain	5	4	1
Mr. Khurram Altaf	5	N/A	N/A
Mr. Tasneem Yousuf	5	N/A	N/A

Leave of absence was granted to Directors 'if any'who could not attend some meetings.

Corporate Social Responsibility (CSR)

The Company has been actively participating in welfare activities, mainly for surrounding communities. Company's areas of social investments are:

- Education
- Health
- Community physical activities etc.

The Company remains well entrenched as socially responsible corporate citizen caring for its workforce. We continued to extend support to needy people and contribute into religious activities through donation of funds to the Begum Aisha Bawany Taleem-ul-Quran Trust and educate to children of our workers and local people though Faran Abadgar Ebrahim Bawany Memorial High School. During the year we also set up discounted sugar stall during the holy month of Ramazan and organized eye camp for employees and general public.

Further detail of our CSR initiatives is highlighted in this Annual Report 2024

Pattern of Share Holding

The Company is listed on Pakistan Stock Exchange. There were 1984 shareholders of the Company as on 30th September 2024. The detail pattern of shareholding and categories of shareholding of the Company as on 30th September 2024 are annexed to this Annual Report.

During the year trading in shares of the company was made by:

S. No.	Traded by	Number of Shares	Nature
1	Ahmed Ali Bawany	170704	Purchase / Gift
2	Muhammad Omar Bawany	19481	Purchase / Gift

Statutory Auditors:
The present auditors Rehman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountant, have conveyed their willingness to be re-appointed as auditors for the next year.

Contribution towards Economy:
Your company is a noteworthy contributor to the national economy. The Company has contributed to the national exchequer Rs. 1.561billion (2022-23 Rs. 1.68 billion) on account of Sales tax / Federal excise duty, Income Tax and other statutory levies which are 70% (2022-23: 39%) of value generated by the Company. During the year, the company has exported 1,250 tons refined sugar and fetched foreign exchange equivalent to Rs. 176 million. Unicol Limited also assisted in contributing equivalent to Pak rupees amounting to Rs. 13.3 billion towards country's precious foreign exchange reserve

Dividend
In light of company financial and cash flow position due to huge losses, future projected inflows and keeping in mind the necessary Capex in next year, we have decided to not recommend any cash dividend / stock dividend for the year under reviewed.

However, to meet the increased working capital requirements and repay working capital finance to ease cash flow constraint of the Company, the Board of Directors in their meeting held on August 26, 2024 has decided to issue Right Shares at 58% of the existing paid-up capital. All legal procedures relating to the rights issue have been completed, and the funds are expected to be utilized by the end of January 2025.

Post Balance Sheet Events
There has been no material changes since September 30, 2024 to the date of this report except the declaration of final cash dividend, if any, disclosed in notes to the Accounts. The effect of such declaration shall be reflected in next year's financial statements

Next Season and Future Outlook
Among the major crops grown in Pakistan, rice, sugarcane, and cotton are important for both domestic consumption and export. Sugar industry occupies an important place among organized industries in Pakistan. Being 2nd largest agro based after textile, the industry has been instrumental in resource mobilization; employment and income generation; and creating social infrastructure in rural areas. Indeed the industry has facilitated and accelerated pace of rural industrialization. But inconsistent policies and delayed decision of the government the sugar industry sustained huge financial losses in season 2023-24.

The government linked permission of sugar export with starting date of crushing maximum by the 21st November and cane crushing in the country started before the government dateline. We started our mills on 18th November 2024 and, receiving inadequate quantum of cane with low sugar recovery. But situation is gradually improving and by the grace of Allah, we crushed 170,785 tons cane and produced 13,990 tons refined sugar with average recovery of 9.09% as on 25th December 2024. For ongoing season 2024-25, No support price was fixed by any province to follow the condition of International Monetary Fund (IMF)

DIRECTORS' REPORT

For the year ended September 30, 2024

We are optimistic for the positive outcomes in the ongoing season due to following:

- ✓ Issuance of right shares amounting to Rs. 507 million to ease cash flow constraints.
- ✓ Decline in policy rate which will ultimately reduce our finance cost by huge amount.
- ✓ The Government principally agreed to review country's sugar stock position periodically and allow export on regular basis.
- ✓ As per IMF conditions, the provincial governments will not fix minimum sugarcane price, industry is engaged with the Government to completely deregulate the sugar sector but so far there is no decision on this front.
- ✓ The High Court has already directed the release our subsidies and we expect to receive soon.
- ✓ We have already negotiated with USC to release our funds and to lift the committed balance quantity. The USC has already released Rs. 222 million after this arrangement.
- ✓ The installation of a solar power system and the revision of the captive power tariff will reduce our cost of production.
- ✓ The full-fledged operation of VKT & FFE will save a significant quantity of bagasse, the selling price of which has almost doubled since the last season, thus increasing our revenue.
- ✓ The installation of a new T&TS system will hopefully reduce the movement of grey sugar in Sindh province.

Certainly, crafting an effective sales strategy is akin to wielding a powerful weapon against escalating production costs and volatile market. A well-devised sales strategy becomes a critical tool to counterbalance and mitigate the impact of rising production expenses and decision in timing of sales. It enables businesses to proactively respond to market dynamics and fortify their position in the industry. The FSML management is vigilantly monitoring market trends and the factors influencing sugar prices in order to devise its sale strategy to sustain its overall profitability in the financial year 2025. By staying informed and adaptable to market dynamics, the management is making strategic decisions during the season to meet its financial needs and maintain its margins to attain overall financial health.

May Allah bestow the strength on us in this difficult time and to continue our success, AMEEN!

Acknowledgement
On behalf of Board of Directors, I would like to acknowledge with thanks for the support of shareholders, valued customers, growers and financial institutions.

May Allah bestow the strength on us in this difficult time and to back to track to continue our success, AMEEN!

On behalf of the Board of Directors

Ahmed Ali Bawany
Chief Executive

Muhammad Omar Bawany
Chairman

Karachi: January 2, 2025

اللہ ہمیں اس مشکل وقت میں ہمت عطا کرے اور ہماری کامیابیوں کا سلسلہ جاری رکھے، آمین!

شکریہ

بورڈ آف ڈائریکٹرز کی جانب سے میں شیئر ہولڈرز، معزز گاہکوں، کاشتکاروں اور مالیاتی اداروں کی حمایت کے لیے تہہ دل سے شکریہ ادا کرتا ہوں۔

اللہ ہمیں اس مشکل وقت میں ہمت عطا کرے اور ہمیں دوبارہ کامیابی کی راہ پر گامزن کرے، آمین!

بورڈ آف ڈائریکٹرز کی جانب سے

احمد علی باوانی
چیف ایگزیکٹو

محمد عمر باوانی
چیئرمین

کراچی: 2 جنوری 2025

ڈیویڈنڈ
کمپنی کی مالی حالت اور کیش فلو کی صورتحال، بڑے نقصانات، مستقبل میں متوقع آمدنی، اور اگلے سال کے لیے ضروری کیپٹل اخراجات کو مدنظر رکھتے ہوئے، ہم نے سال 2024 کے لیے کوئی کیش ڈیویڈنڈ یا اسٹاک ڈیویڈنڈ تجویز نہ کرنے کا فیصلہ کیا ہے۔

تاہم، ورکنگ کیپٹل کی بڑھتی ہوئی ضروریات کو پورا کرنے اور کیش فلو کی مشکلات کو کم کرنے کے لیے ورکنگ کیپٹل فنانس کی ادائیگی کے مقصد سے، بورڈ آف ڈائریکٹرز نے **2626اگست 2024** کو منعقدہ اجلاس میں موجودہ ادا شدہ سرمایہ کے 58٪ پر رائٹ شیئرز جاری کرنے کا فیصلہ کیا۔

رائٹ ایشو سے متعلق تمام قانونی کارروائیاں مکمل ہو چکی ہیں، اور یہ فنڈز **جنوری 2025** کے آخر تک استعمال کیے جانے کی توقع ہے۔

بیلنس شیٹ کے بعد کے واقعات

30ستمبر 2024 سے لے کر اس رپورٹ کی تاریخ تک کوئی اہم تبدیلیاں نہیں ہوئیں، سوائے ان حتمی کیش ڈیویڈنڈ کے اعلان کے، جن کی تفصیل اکاؤنٹس کے نوٹس میں دی گئی ہے۔ اس اعلان کا اثر آئندہ سال کے مالیاتی بیانات میں ظاہر ہوگا۔

اگلا سیزن اور مستقبل کا نقطہ نظر

پاکستان میں کاشت کی جانے والی اہم فصلوں میں چاول، گنا، اور کپاس نہ صرف ملکی ضروریات بلکہ برآمدات کے لیے بھی اہم ہیں۔ چینی کی صنعت پاکستان میں منظم صنعتوں میں اہم مقام رکھتی ہے۔

ٹیکسٹائل کے بعد یہ دوسری بڑی زرعی صنعت ہے، جو وسائل کی تنظیم، روزگار کی تخلیق، آمدنی پیدا کرنے، اور دیہی علاقوں میں سماجی انفراسٹرکچر کے قیام میں معاون ہے۔ یہ صنعت دیہی صنعتی ترقی کی رفتار کو بڑھانے میں بھی مددگار ثابت ہوئی ہے۔ لیکن حکومت کی غیر مستقل پالیسیوں اور فیصلوں میں تاخیر کی وجہ سے، چینی کی صنعت **کو 2023-2024کے سیزن** میں بڑے مالی نقصانات کا سامنا کرنا پڑا۔

2024-2025کے جاری سیزن کے لیے، کسی بھی صوبے نے **آئی ایم ایف** کی شرائط کے تحت سپورٹ پرائس مقرر نہیں کی۔ حکومت نے چینی کی برآمد کی اجازت کو زیادہ سے زیادہ **21نومبر** تک کرشنگ شروع کرنے سے مشروط کیا۔ ملک بھر میں گنے کی کرشنگ حکومت کی مقررہ تاریخ سے پہلے شروع ہم نے اپنی ملز **18نومبر 2024** کو شروع کیں، لیکن کم مقدار میں گنا ملا اور شوگر ریکوری کم رہی۔ تاہم، صورتحال آہستہ آہستہ بہتر ہو رہی ہے۔

ہم موجودہ سیزن کے مثبت نتائج کے حوالے سے پُرامید ہیں کیونکہ:

- ✓ کیش فلو کی مشکلات کو کم کرنے کے لیے 507 ملین روپے کے رائٹ شیئرز کا اجراء کیا گیا۔
- ✓ پالیسی ریٹ میں کمی جو آخرکار ہمارے مالیاتی اخراجات میں بڑی حد تک کمی کرے گی۔
- ✓ حکومت نے اصولی طور پر ملک کی چینی کی ذخائر کی صورتحال کا وقتاً فوقتاً جائزہ لینے اور باقاعدگی سے برآمدات کی اجازت دینے پر اتفاق کیا ہے۔
- ✓ آئی ایم ایف کی شرائط کے مطابق، صوبائی حکومتیں کم از کم گنے کی قیمت مقرر نہیں کریں گی۔ صنعت حکومت کے ساتھ چینی کے شعبے کو مکمل طور پر آزاد کرنے کے لیے مشغول ہے، لیکن اس محاذ پر ابھی تک کوئی فیصلہ نہیں ہوا۔
- ✓ ہائی کورٹ نے پہلے ہی ہمارے سبسڈی کی ادائیگی کا حکم دے دیا ہے اور ہمیں امید ہے کہ جلد وصول ہو جائے گی۔
- ✓ ہم نے یو ایس سی کے ساتھ مذاکرات کیے ہیں تاکہ ہماری رقم جاری کی جائے اور بقایا مقدار اٹھائی جائے۔ اس انتظام کے بعد یو ایس سی نے 222 ملین روپے جاری کیے ہیں۔
- ✓ شمسی توانائی کے نظام کی تنصیب اور کیپٹو پاور ٹیرف کے نظرثانی سے ہماری پیداوار کی لاگت میں کمی آئے گی۔
- ✓ VKT اور FFE کی مکمل آپریشن سے بیگاس کی ایک بڑی مقدار کی بچت ہوگی، جس کی قیمت پچھلے سیزن سے تقریباً دوگنی ہو چکی ہے، اس طرح ہماری آمدنی میں اضافہ ہوگا۔
- ✓ نئے T&TS سسٹم کی تنصیب سے امید ہے کہ سندھ صوبے میں غیر قانونی چینی کی نقل و حرکت میں کمی آئے گی۔

یقیناً، ایک مؤثر سیلز حکمت عملی بنانا بڑھتے ہوئے پیداواری اخراجات اور غیر مستحکم مارکیٹ کے خلاف ایک طاقتور ہتھیار کی مانند ہے۔ ایک اچھی طرح سے تیار کی گئی سیلز حکمت عملی کاروبار کو مارکیٹ کے رجحانات پر فعال ردعمل دینے اور صنعت میں اپنی پوزیشن مضبوط کرنے کے قابل بناتی ہے۔ ایف ایس ایم ایل مینجمنٹ چینی کی قیمتوں پر اثر انداز ہونے والے عوامل اور مارکیٹ کے رجحانات پر گہری نظر رکھے ہوئے ہے تاکہ مالی سال 2025 میں اپنی مجموعی منافعیت کو برقرار رکھنے کے لیے سیلز حکمت عملی وضع کی جا سکے۔ مینجمنٹ مارکیٹ کی صورتحال سے آگاہ اور ان کے مطابق ڈھلنے کی کوشش کر رہی ہے تاکہ موسم کے دوران اسٹریٹجک فیصلے کرے، مالی ضروریات کو پورا کرے اور اپنی مالی حالت کو مستحکم رکھے۔

بورڈ آف ڈائریکٹرز
سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے۔ ڈائریکٹرز کی شرکت کی تفصیل درج ذیل ہے:

ڈائریکٹرز کے نام	بورڈ آف ڈائریکٹرز کے اجلاسوں میں شرکت	آڈٹ کمیٹی کے اجلاسوں میں شرکت	ایچ آر اینڈ آر کمیٹی کے اجلاسوں میں شرکت
سال کے دوران کل اجلاس	5	4	1
جناب محمد عمر باوانی	5	4	1
جناب احمد علی باوانی	5	N/A	1
جناب بلال عمر باوانی	5	N/A	N/A
جناب حمزہ عمر باوانی	5	N/A	N/A
جناب محمد التمش احمد باوانی	5	N/A	N/A
جناب عرفان ذکریا باوانی	5	4	N/A
جناب احمد غلام حسین	5	4	1
جناب خرم الطاف	5	N/A	N/A
محترمہ تسنیم یوسف	5	N/A	N/A

اگر کوئی ڈائریکٹر کسی اجلاس میں شریک نہ ہو سکے تو انہیں باقاعدہ **چھٹی** دی گئی۔

کارپوریٹ سوشل ریسپانسبلیٹی(CSR)
کمپنی نے فلاحی سرگرمیوں میں بڑھ چڑھ کر حصہ لیا، خاص طور پر آس پاس کی کمیونٹیز کے لیے۔ کمپنی کے سماجی سرمایہ کاری کے شعبے درج ذیل ہیں:

- تعلیم
- صحت
- کمیونٹی کی جسمانی سرگرمیاں

کمپنی ایک ذمہ دار کارپوریٹ شہری کے طور پر اپنی افرادی قوت کی دیکھ بھال کرتی ہے۔ ضرورت مند افراد کی مدد جاری رکھی اور مذہبی سرگرمیوں کے لیے **بیگم عائشہ باوانی تعلیم القرآن ٹرسٹ** کو فنڈز فراہم کیے۔ مزید یہ کہ ملازمین اور مقامی لوگوں کے بچوں کو **فاران آبادگار ابراہیم باوانی میموریل ہائی اسکول** میں تعلیم فراہم کی۔

سال کے دوران رمضان المبارک کے مقدس مہینے میں رعایتی چینی کے اسٹال قائم کیے گئے اور ملازمین و عوام کے لیے آنکھوں کے کیمپ کا انعقاد کیا گیا۔

سالانہ رپورٹ 2024 میں سی ایس آر اقدامات کی مزید تفصیلات شامل ہیں۔

شیئر ہولڈنگ کا پیٹرن

کمپنی پاکستان اسٹاک ایکسچینج پر درج ہے۔ 30 ستمبر 2024 تک کمپنی کے 1,984 شیئر ہولڈرز تھے۔ شیئر ہولڈنگ کا تفصیلی پیٹرن اور کیٹیگریز سالانہ رپورٹ میں شامل ہیں۔

سال کے دوران کمپنی کے شیئرز کی خرید و فروخت درج ذیل ہے:

نمبر شمار	خرید و فروخت کرنے والے	شیئرز کی تعداد	نوعیت
1	احمد علی باوانی	170,704	خرید / تحفہ
2	محمد عمر باوانی	19,481	خرید / تحفہ

اسٹیچوٹری آڈیٹرز
موجودہ آڈیٹرز، **رحمن سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹ**، نے اگلے سال کے لیے دوبارہ تقرری کی رضامندی ظاہر کی ہے۔

معیشت میں تعاون

آپ کی کمپنی قومی معیشت میں ایک قابل ذکر حصہ ڈالتی ہے۔ کمپنی نے سیلز ٹیکس، فیڈرل ایکسائز ڈیوٹی، انکم ٹیکس، اور دیگر قانونی محصولات کی مد میں قومی خزانے میں 1.561**ارب روپے** (2022-23: 1.68 ارب روپے) کا تعاون کیا، جو کمپنی کی پیدا کردہ ویلیو کا70٪ (2022-23: 39%) ہے۔

176 ملین **ٹن ریفائنڈ چینی** برآمد کی، جس سے کمپنی نے سال کے دوران1250 کے مساوی زرمبادلہ حاصل ہوا۔ یونی کال لمیٹڈ نے بھی ملک کے قیمتی زرمبادلہ کے ذخائر میں 13.3 ارب روپے کے مساوی رقم کے ذریعے تعاون کیا۔

چینی:
یونی کال شوگر ڈویژن نے اپنی پہلی شوگر سیزن کی کامیاب تکمیل یکم مارچ 2024 کو کی۔ سال کے دوران شوگر کے کرشنگ دن 97 دن رہے (2023: کوئی دن نہیں) اور چینی کی پیداوار کا حجم 60,415 میٹرک ٹن ریکارڈ کیا گیا۔

یونی کال لمیٹڈ نے موجودہ سیزن 2023-24 کے آغاز سے قبل **پاپولر شوگر ملز لمیٹڈ** کے تمام اثاثے حاصل کر لیے، جو جان محمد والا، چوک سیال، تحصیل کوٹ مومن، ضلع سرگودھا، پنجاب میں واقع ہیں، ۔

CO2:
کے شعبے کی پیداوار اور فروخت کا حجم بالترتیب 11,476 میٹرک ٹن (2023: 11,940 میٹرک ٹن) اور 11,078 میٹرک ٹن (2023: 10,994 میٹرک ٹن) رہا، جو پچھلے سال کے مقابلے میں 3.9 فیصد کم اور 0.76 فیصد زیادہ ہے۔ سال کے دوران پلانٹ کے آپریشنل دن 252 دن (2023: 276 دن) ریکارڈ کیے گئے۔

مالی کارکردگی:
سال کے دوران ایتھنول شعبے کی سیلز آمدنی 13.01 ارب روپے ریکارڈ کی گئی (2023: 14.78 ارب روپے) جو پچھلے سال کے مقابلے میں 12 فیصد کم ہے۔ ایتھنول کی فروخت کی مقدار پچھلے سال کے مقابلے میں کم رہی اور قیمتوں میں نمایاں کمی کے باعث آمدنی میں کمی واقع ہوئی۔ شوگر شعبے کی سیلز آمدنی 5.8 ارب روپے ریکارڈ کی گئی (2023: کوئی آمدنی نہیں)۔ CO2 شعبے کی سیلز آمدنی 339 ملین روپے (2023: 280 ملین روپے) رہی جو پچھلے سال کے مقابلے میں 21 فیصد زیادہ ہے۔

سال کے دوران فروخت کی لاگت 17.8 ارب روپے (2023: 10 ارب روپے) ریکارڈ کی گئی، جو شوگر شعبے کے اضافے کی وجہ سے پچھلے سال کے مقابلے میں زیادہ ہے۔ مجموعی منافع کا تناسب 7 فیصد (2023: 33 فیصد) ریکارڈ کیا گیا، جو پچھلے سال کے مقابلے میں 71 فیصد کم ہے۔ مجموعی منافع کے تناسب میں کمی کی بنیادی وجہ ایتھنول کی بین الاقوامی قیمتوں میں کمی اور چینی کی کمزور قیمتیں ہیں۔

کمپنی نے فروخت، انتظامی اور دیگر اخراجات 556 ملین روپے (2023: 937 ملین روپے) ریکارڈ کیے، جو پچھلے سال کے مقابلے میں 40 فیصد کم ہیں۔ سال کے دوران مالی اخراجات 2,861 ملین روپے (2023: 1,130 ملین روپے) ریکارڈ کیے گئے، جو پچھلے سال کے مقابلے میں 153 فیصد زیادہ ہیں، اور اس کی وجہ قرضہ شرح میں اضافہ اور طویل مدتی قرضے حاصل کرنا ہے۔

ٹیکسوں اور دیگر اخراجات کو مدنظر رکھتے ہوئے، کمپنی نے تمام اخراجات اور مالی ذمہ داریوں کو پورا کرنے کے بعد 1,957 ملین روپے کا بعد از ٹیکس خسارہ ریکارڈ کیا، جو پچھلے سال کے 2,735 ملین روپے کے منافع کے مقابلے میں ہے۔

2024-25:کے لیے نقطہ نظر
سال 2024-25 کا نقطہ نظر بہتر ہے کیونکہ ایتھنول مارکیٹ میں مولاسیس کی قیمتوں میں کمی آئی ہے اور ایتھنول کی طلب آئندہ سال کے لیے مستحکم رہنے کی توقع ہے، جبکہ سود کی شرح میں بھی کمی کا رجحان ہے۔ مزید یہ کہ چینی کی قیمتیں بھی مستحکم رہیں گی اور گنے کی کم از کم قیمت کے ڈی ریگولیشن کے باعث لاگت میں کمی متوقع ہے، جس سے ملیں اپنی مرضی سے گنے کی قیمتوں کا تعین کر سکیں گی۔

فاران پاور لمیٹڈ 26.5 میگاواٹ بیگاس بیس ہائی پریشر پاور پروجیکٹ

یہ منصوبہ 2016 میں شروع کیا گیا تھا لیکن **سی پی پی اے** کی جانب سے امپلیمنٹیشن ایگریمنٹ (IA) اور پاور پرچیز ایگریمنٹ (PPA) پر دستخط سے انکار کی وجہ سے رک گیا۔ بورڈ آف ڈائریکٹرز نے منصوبے کو منسوخ کرنے اور کمپنی کی جانب سے ایف پی ایل کے حق میں دی گئی پرفارمنس گارنٹی کو قانونی مشیر کے ذریعے واپس لینے کا فیصلہ کیا۔ چونکہ یہ منصوبہ ایک خاص مقصد کے لیے بنایا گیا تھا، اس لیے ایف پی ایل کو ختم کر دیا گیا کیونکہ اس کی مزید ضرورت نہیں رہی۔

میگاواٹ ونڈ پاور پروجیک- یونی انرجی لمیٹڈ

یونی انرجی لمیٹڈ کو 16 اکتوبر 2015 کو لیٹر آف انٹینٹ دیا گیا اور جھمپیر، ضلع ٹھٹھہ میں منصوبہ قائم کرنے کے لیے زمین مختص کی گئی۔ اس کا بنیادی مقصد 50 میگاواٹ ونڈ پاور جنریٹنگ پروجیکٹ قائم کرنا، اسے چلانا اور قومی گرڈ کو بجلی کی فراہمی کرنا تھا۔ تاہم، حکومتی پالیسیوں میں تبدیلی کے باعث منصوبہ روک دیا گیا۔ **ایف ایس ایم ایل** نے 19.9 ملین روپے (20 فیصد حصہ داری) کی ایکویٹی سرمایہ کاری کی ہے۔

مالیاتی رپورٹنگ فریم ورک:
کارپوریٹ گورننس کے 2019 کے نظرثانی شدہ کوڈ کی ضروریات کے مطابق، آپ کے ڈائریکٹرز رپورٹ کرتے ہیں کہ:

- انتظامیہ کی جانب سے تیار کردہ مالی بیانات کمپنی کی حالت، آپریشن کے نتائج، نقد بہاؤ، اور ایکویٹی میں تبدیلیوں کی صحیح تصویر پیش کرتے ہیں۔
- کمپنی نے قانون کے مطابق صحیح کتابوں کا ریکارڈ رکھا ہے۔
- مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیز مستقل طور پر اپنائی گئی ہیں، اور اکاؤنٹنگ تخمینے معقول اور محتاط فیصلے پر مبنی ہیں۔
- اکاؤنٹنگ پالیسیز اور انکشافات پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS) کے مطابق ہیں، جب تک کہ دوسری صورت میں ذکر نہ کیا جائے۔
- اندرونی کنٹرول کا نظام ڈیزائن میں مضبوط ہے، مؤثر طریقے سے نافذ کیا گیا ہے اور مانیٹر کیا جا رہا ہے۔
- کمپنی کے کاروبار کے جاری رہنے کی صلاحیت کے بارے میں کوئی شک نہیں ہے۔
- بہترین کارپوریٹ گورننس کے طریقوں سے کوئی بڑی انحراف نہیں ہوا ہے، جیسا کہ لسٹنگ ریگولیشنز میں تفصیل دی گئی ہے۔
- پچھلے چھ سال کے اہم آپریٹنگ اور مالیاتی ڈیٹا کا خلاصہ اور اہم اعداد و شمار کی گرافک پریزنٹیشن شامل کی گئی ہے۔
- واجب الادا ذمہ داریوں، محصولات اور چارجز کے بارے میں معلومات اکاؤنٹس کے نوٹس میں دی گئی ہیں۔
- کمپنی فنڈڈ پراویڈنٹ فنڈ اسکیم چلاتی ہے۔ فنڈ کے تازہ ترین غیر آڈٹ شدہ اکاؤنٹس کے مطابق اثاثوں کی منصفانہ مالیت 102.8 ملین روپے ہے۔

.6 نئے ٹیکس کے نفاذ:
(FED)حکومت نے مینوفیکچررز اور پیکجنگ کمپنیوں کے لیے فی کلوگرام 15 روپے کی فیڈرل ایکسائز ڈیوٹی متعارف کروائی، جس سے اس کی اطلاقیت کے حوالے سے ابہام پیدا ہوا۔ اس وضاحت کی کمی نے چینی کو بہتر قیمتوں پر فراہم کرنے کی ہماری صلاحیت میں تاخیر کی، جس سے قیمتیں مزید کم ہو گئیں جب تک کہ مسئلہ حل نہ ہو۔ نتیجتاً، اس نے سال کے دوران بڑھتے ہوئے نقصانات میں حصہ ڈالا۔

.7 یوٹیلٹی اسٹورز کارپوریشن کی بندش:
حکومت کی جانب سے یوٹیلٹی اسٹورز کارپوریشن کو بند کرنے اور اس کی سبسڈیز روکنے کے اچانک اعلان نے ہماری مالی صورتحال کو مزید خراب کیا۔ USC نے اپنے سپلائرز کو ادائیگی روک دی، جس میں ہماری کمپنی کے 529 ملین روپے بھی شامل ہیں، اور مزید 579 ملین روپے کے مال کو اٹھانے سے انکار کر دیا، جس کی وجہ سے لیکویڈیٹی کے مسائل اور مالیاتی اخراجات میں اضافہ ہوا۔

عملی کارکردگی:
حکومتی رپورٹ کردہ ڈیٹا کے مطابق، سیزن 2023-24 کے دوران ملک میں 6.843 ملین ٹن چینی پیدا ہوئی، اور کرشنگ سیزن 2023-24 کے آغاز (یکم نومبر 2023) پر 1.129 ملین ٹن کا اسٹاک موجود تھا۔ اس طرح سال 2023-24 کے لیے ملک کے لیے دستیاب مجموعی چینی 7.9 ملین ٹن رہی۔ اللہ کے فضل سے، ہماری ملوں کی کارکردگی گنے کی کرشنگ اور چینی کی پیداوار کے لحاظ سے تسلی بخش رہی۔
ہماری ملوں نے 10 نومبر 2023 کو کام شروع کیا، جو پچھلے سیزن کے آغاز (28 نومبر 2022) سے 18 دن پہلے تھا۔ مکمل سیزن کے لیے آپ کی ملوں کی کارکردگی کا تقابلی خلاصہ درج ذیل ہے:

سیزن	2023-24	2022-23
سیزن کا آغاز (تاریخ)	10نومبر – 2023 –	28نومبر – 2022 –
سیزن کا اختتام (تاریخ)	24فروری – 2024 –	27فروری – 2023 –
آپریشن کی مدت (دن)	107	92
گنے کی کرشنگ (میٹرک ٹن)	867,332	764,606
چینی کی پیداوار (میٹرک ٹن)	90,727	79,427
ریکوری(%)	10.461	10.387
کم از کم امدادی قیمت – سندھ زون (40 کلوگرام)	425	302

سیزن 2023-24 میں، سندھ حکومت نے گنے کی کم از کم امدادی قیمت 425 روپے فی من مقرر کی، جو پچھلے سیزن کے مقابلے میں 123 روپے کا اضافہ (41%) اور سیزن 2021-22 کی قیمت 250 روپے کے مقابلے میں 70% زیادہ ہے۔

پاکستان میں چینی کی صنعت نے سیزن 2023-24 کے آغاز سے پہلے اضافی چینی برآمد کرنے کی اجازت طلب کی، لیکن حکومت نے برآمد کے فیصلے میں غیر ضروری تاخیر کی اور صرف 750,000 ٹن (سندھ کوٹہ: 225,000 ٹن) کی اجازت دی۔ توقع تھی کہ یہ کوٹہ 1.5-2 ملین ٹن ہوگا، جس سے ملک قیمتی زرمبادلہ کما سکتا تھا۔ فاران شوگر کو برآمد کے لیے 6,253 ٹن کا کوٹہ دیا گیا۔

لیکویڈیٹی مینجمنٹ اور سرمایہ ڈھانچہ:
ہم نے مالی سال 2004-05 سے صرف شریعت کے مطابق مصنوعات کے ذریعے اپنے تمام مالیاتی ضروریات پوری کی ہیں، جو معروف اسلامی بینکوں سے حاصل کی جاتی ہیں، اور اپنے اسٹیک ہولڈرز کو حلال آمدنی فراہم کر رہی ہیں۔ کمپنی کے پاس تقریباً 7.8 ارب روپے کے منظور شدہ مالیاتی سہولت کی حد کے ساتھ آنے والے سیزن 2024-25 کے لیےسیزنل سہولیات بھی دستیاب ہیں۔ الحمدللہ، ہم سود سے پاک کارپوریٹ ادارہ ہیں۔

سیزن 2023-24 کے دوران گنے کی بے مثال قیمتوں اور کم فروخت قیمتوں کے ساتھ ساتھ کمزور فروخت کے حجم نے اضافی ورکنگ کیپیٹل کی ضرورت پیدا کی تاکہ کاشتکاروں کو بروقت ادائیگی یقینی بنائی جا سکے۔ ان مشکلات کے باوجود، ہم نے اپنے فنڈز کو مؤثر طریقے سے مینج کیا اور تمام ذمہ داریوں کو وقت پر پورا کیا۔

سال کے دوران، **وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ** نے کریڈٹ ریٹنگ انجام دی اور پچھلے سال کی مقرر کردہ ریٹنگ یعنی 'A- / A-2' A)مائنس – A / ٹو (کو برقرار رکھا۔ طویل مدتی ریٹنگ '-A' اچھی کریڈٹ کوالٹی کے ساتھ مناسب تحفظاتی عوامل کو ظاہر کرتی ہے۔ اگر معیشت میں تبدیلیاں آئیں تو خطرے کے عوامل متغیر سمجھے جاتے ہیں۔ مختصر مدتی ریٹنگ 'A-2' وقت پر ادائیگی کی اچھی یقین دہانی کو ظاہر کرتی ہے۔ لیکویڈیٹی عوامل اور کمپنی کے بنیادی اصول مضبوط ہیں، سرمایہ مارکیٹ تک اچھی رسائی ہے، خطرے کے عوامل کم ہیں، اور مقررہ ریٹنگ کا نقطہ نظر 'منفی' سے بہتر ہو کر 'مستحکم' ہو گیا ہے۔

توسیع اور جدید کاری کے منصوبے:

کمپنی صرف ضروری سرمایہ کاری پر توجہ دے رہی ہے، جن میں لاگت بچانے کے چھوٹے منصوبے اور مشینری کی منتخب مرمت شامل ہیں۔ سال کے دوران انتظامیہ نے 600 کلو واٹ کے اضافی سولر یونٹس کی تنصیب شروع کی، جس کی مجموعی گنجائش 850 کلو واٹ ہے، اور اس کے لیے تمام مالی وسائل **اسٹیٹ بینک کی رعایتی مالیاتی اسکیم** کے تحت حاصل کیے گئے۔

یونی کال لمیٹڈ - ڈسٹلری پروجیکٹ:

ایتھنول:
سال کے دوران یونیکول نے 55,568 میٹرک ٹن ایتھنول پیدا کیا (2023: 57,575 میٹرک ٹن) جو پچھلے سال کے مقابلے میں 3.49 فیصد کم ہے۔ سال کے دوران پیداوار کا تناسب 19.3 فیصد فی ٹن مولاسیس رہا (2023: 19.2 فیصد)۔ آپریشنل دن 343 دن (2023: 342 دن) رہے۔ کمپنی نے 54,709 میٹرک ٹن ایتھنول برآمد کیا (2023: 55,924 میٹرک ٹن) جو پچھلے سال کے مقابلے میں 2.17 فیصد کم ہے۔

ڈائریکٹرز کی رپورٹ
سال ختم ہوا: 30 ستمبر 2024
محترم شیئر ہولڈرز،

اللہ کے نام سے، جو نہایت مہربان اور رحم کرنے والا ہے، آپ کے ڈائریکٹرز سالانہ رپورٹ اور کمپنی کے آڈٹ شدہ مالی بیانات برائے سال ختم ہونے والا 30 ستمبر 2024 پیش کرتے ہیں۔

:مالی کارکردگی

یہ چینی صنعت کے لیے بدترین سال تھا، جس میں حکومت کی غیر مستقل پالیسیوں نے غیر متوقع کاروباری ماحول کو فروغ دیا۔ کمپنی کو بھاری نقصان اٹھانا پڑا، جو بڑی حد تک حکومت کے چینی صنعت کے خلاف غیر موافق رویے جیسے قابو سے باہر عوامل کی وجہ سے ہوا۔

:مالی نتائج کا خلاصہ

اشیاء	2024 (روپے '000)	2023 (روپے '000)
مجموعی فروخت	12,966,406	10,737,400
مالی اخراجات سے قبل آپریٹنگ منافع	265,802	1,405,901
مالی اخراجات	(1,415,159)	(779,781)
(نقصان) / ٹیکس سے پہلے منافع	(1,149,357)	626,120
ایسوسی ایٹ کمپنیوں میں سرمایہ کاری سے منافع (نیٹ)	(652,346)	911,883
(نقصان) / ٹیکس اور لیویز سے پہلے منافع	(1,801,704)	1,538,002
لیویز:	(139,934)	(180,099)
ٹیکس: موجودہ	-	(58,688)
مؤخرہ ٹیکس	408,619	(79,443)
(نقصان) / ٹیکس کے بعد منافع	(1,533,018)	1,220,026
فی حصص (نقصان) / منافع	(61.30)	48.79

:تجزیہ

سال کے دوران مجموعی آمدنی 12.966 ارب روپے رہی، جس میں برآمدات کی فروخت 202.75 ملین روپے شامل تھی، جبکہ پچھلے سال یہ 10.737 ارب روپے اور برآمدات کی فروخت 398.52 ملین روپے تھی۔ یہ 20.28 فیصد اضافہ بنیادی طور پر صاف شدہ چینی اور گڑ کی قیمتوں میں بہتری اور گڑ اور بگاس کی فروخت کے حجم میں اضافے کی وجہ سے ہوا، حالانکہ صاف شدہ چینی کی فروخت کے حجم میں گزشتہ سال کے مقابلے میں 4.7 فیصد کمی ہوئی۔

تاہم، زیادہ آپریٹنگ لاگت اور کم فروخت قیمت نے منافع کو بری طرح متاثر کیا، جو بڑے مالی اخراجات کا احاطہ کرنے میں ناکام رہا۔ مزید یہ کہ، دیگر آمدنی 203 ملین روپے کم ہوئی کیونکہ گزشتہ سال یہ یونی فوڈ میں مکمل حصص کی فروخت سے حاصل شدہ 188.38 ملین روپے سے معاون تھی۔

کمپنی نے 265.8 ملین روپے کا آپریٹنگ منافع رپورٹ کیا، لیکن یہ بھاری مالیاتی اخراجات سے ختم ہو گیا، جس کے نتیجے میں 1.801 ارب روپے کا ٹیکس سے پہلے کا خالص نقصان ہوا، جس میں 652.5 ملین روپے کا نقصان یونی کول لمیٹڈ کا حصہ شامل ہے۔ یونی کول لمیٹڈ نے 1.957 ارب روپے کا تاریخی خالص نقصان رپورٹ کیا، جو طویل مدتی اور مختصر مدتی قرضوں پر بھاری مالیاتی اخراجات کی وجہ سے ہوا۔

کمپنی کے بھاری نقصان میں اہم عوامل شامل ہیں:

1. **مہنگائی کی شرح میں اضافہ:**
کم از کم گنا امدادی قیمت (MSP) میں 41% اضافہ، یعنی 302 روپے سے 425 روپے فی 40 کلوگرام، اضافی گنا لاگت کے ساتھ جو مقابلے اور اشیاء کی بڑھتی ہوئی مہنگائی کی وجہ سے بڑھی۔ پاکستان میں مہنگائی کی بلند سطح نے اوور ہیڈ اور انتظامی اخراجات میں بھی نمایاں اضافہ کیا۔

2. **مالی اخراجات:**
KIBORشرح میں زبردست اضافے نے ہمارے مالیاتی اخراجات کو تقریباً دوگنا کر دیا ہے، جس کی وجہ سے یہ گنا لاگت کے بعد دوسرا سب سے بڑا خرچ کا جزو بن گیا ہے۔

3. **چینی کی پیداوار اور فروخت پر حکومتی پالیسیاں:**
غیر مستقل برآمدی پالیسیاں برآمدی منڈیوں کے ذریعے استحکام پیدا کرنے کی ہماری صلاحیت کو محدود کر رہی ہیں۔ برآمد کی بروقت منظوریوں کی عدم موجودگی کے باعث ملک میں 2.0 ملین میٹرک ٹن چینی کا ذخیرہ موجود ہے، جس سے مقامی فروخت کی قیمتوں پر اثر پڑ رہا ہے۔ مزید برآں، برآمدی کوٹہ فیصلوں میں تاخیر نے مارکیٹ میں اضافی سپلائی کو جنم دیا، جس سے مقامی قیمتیں پیداواری لاگت سے بہت کم ہو گئیں۔

4. **غیر قانونی منڈی کی سرگرمیاں اور غیر مؤثر مانیٹرنگ:**
ٹریک اینڈ ٹریس سسٹم کی نااہلی نے غیر مجاز فروخت کو آسان بنایا، جس سے قانونی منڈی کی قیمتوں اور مارجن پر اثر پڑا۔

5. **زیر التواء سبسڈیز:**
طویل مدت سے حکومت کی 388 ملین روپے کی بقایا سبسڈیز نے ہمارے مالیاتی اخراجات میں اضافہ کیا۔

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of M/S. Faran Sugar Mills Limited

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ('the Regulations') prepared by the Board of Directors of M/s. Faran Sugar Mills Limited ('the Company') for the year ended September 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations, and report if it does not, and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended September 30, 2024.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of M/S. Faran Sugar Mills Limited

Further, we highlight below the instances of non-compliance made by the Company with certain requirements of the Code as stated in paragraph no. 19 of the Statement of Compliance:

S. No.	Nature of Requirement	Paragraph No.	Description of the Non-Compliance
1	Explanation for non-compliance is required	19	Considering the volume and nature of transactions and corporate structure of the Company, positions of CFO and Company Secretary have not been segregated. However, the Company may segregate the duties of two offices should the need arise.
2	Explanation for non-compliance is required	19	As per the Regulation 10A, the Board is responsible for governance and oversight of sustainability risks and opportunities and, for this purpose, is required / encouraged to take a number of measures including, in particular, implementation of policies to promote diversity, equity and inclusion (DE&I); taking steps to proactively understand and address the principal as well as emerging sustainability risks and opportunities; ensuring that the Company's sustainability and DE&I related strategies, priorities and targets as well as performance against these targets are periodically reviewed and monitored; and establishment of dedicated sustainability committee having at least one female director, or assignment of additional responsibilities to an existing board committee. In light of the recent requirements introduced through S.R.O. 920(I)/2024 dated June 12, 2024, the Board intends to evaluate the establishment of a dedicated Sustainability Committee or the delegation of sustainability-related responsibilities to an existing Board Committee. This matter will be addressed following the reconstitution of the Board, which is scheduled for March 2025.
3	Explanation for non-compliance is required	19	As per the Regulation no. 29 & 30 of the Regulations, the Board may constitute a separate committee, designated as the Nomination Committee & Risk Management Committee, of such number and class of directors, as it may deem appropriate in the circumstances.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi
Date: January 02, 2025
UDIN: CR202410210tTsDzgJEk

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

(Code of Corporate Governance) Regulations, 2019

M/s. **Faran Sugar Mills Limited** ('the Company') has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2019, ('the Regulations) in the following manner:

1. The total number of directors are 9 as per the following:
   a) Male *8*
   b) Female *1*

2. The Composition of the Board is as follows:

Category	N a m e
Independent Directors	Mr. Khurram Aftab Mr. Ahmed Ghulam Hussain Ms. Tasneem Yusuf
Non-Executive Directors	Mr. Omar Amin Bawany Mr. Hamza Omar Bawany Mr. Muhammad Altamash Ahmed Bawany Mr. Irfan Zakaria Bawany
Executive Directors	Mr. Ahmed Ali Bawany Mr. Bilal Omar Bawany
Female Director	Ms. Tasneem Yusuf

3. The Directors have confirmed that none of them is serving as a director on more than seven (7) listed companies, including this company;

4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 and these Regulations;

7. The meetings of the Board were presided over by the Chairman, and in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Companies Act, 2017 and Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 and these Regulations;

9. Up to the date of reporting period (i.e. September 30, 2024), following Directors have attained Directors training program:
   - Mr. Irfan Zakaria
   - Ms. Tasneem Yusuf
   - Mr. Khurram Aftab
   - Mr. Ahmed Ghulam Hussain
   - Mr. Ahmed Ali Bawany
   - Mr. Bilal Omar Bawany
   - Mr. Hamza Omar Bawany

One Director Mr. Muhammed Omar Amin Bawany, meets the criteria of exemption from Directors Training Program. The remaining director, Mr. Muhammad Altamash, will obtain certification under the Director's Training Program in due course of time as encouraged under the Regulations.

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below;

Audit Committee	
Mr. Ahmed Ghulam Hussain	*Chairman*
Mr. Mohammed Omar Amin Bawany	*Member*
Mr. Irfan Zakaria Bawany	*Member*

HR and Remuneration Committee	
Mr. Ahmed Ghulam Hussain	*Chairman*
Mr. Mohammed Omar Amin Bawany	*Member*
Mr. Ahmed Ali Bawany	*Member*

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.

14. The frequency of meetings of the committees were as per following:

i.	Audit Committee	Quarterly
ii.	HR and Remuneration Committee	Annually

15. The Board has set-up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and their partners of the firm involved in the audit are not close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or a director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act 2017, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

(Code of Corporate Governance) Regulations, 2019

19. We confirm that there has been no non–compliance with the requirements of the Regulations, other than those covered under Regulations 3, 6, 7, 8, 27, 32, 33 and 36, except for the matter stated below;

- Considering volume & nature of transactions and corporate structure of the Company, positions of CFO and Company Secretary are not segregated. However, we may segregate duties of two offices if situation needed.

- As per the Regulation 10A, the Board is responsible for governance and oversight of sustainability risks and opportunities and, for this purpose, is required / encouraged to take a number of measures including, in particular, implementation of policies to promote diversity, equity and inclusion (DE&I); taking steps to proactively understand and address the principal as well as emerging sustainability risks and opportunities; ensuring that the Company's sustainability and DE&I related strategies, priorities and targets as well as performance against these targets are periodically reviewed and monitored; and establishment of dedicated sustainability committee having at least one female director, or assignment of additional responsibilities to an existing board committee. Since the said requirements have been recently introduced vide S.R.O. 920 (I)/2024 dated June 12, 2024, as of the reporting date, the board will comply with the aforesaid regulation following the reconstitution of the Board, which is scheduled in March 2025.

- As per the Regulation no. 29 & 30 of the Regulations, the Board may constitute separate committees, designated as the Nomination Committee & Risk Management Committee, of such number and class of directors, as it may deem appropriate in the circumstances. However, Company has not established separate Nomination and Risk Management Committees. The Company believes that the responsibilities of these committees are being effectively managed by the HR&R Committee and senior management.

On behalf of the Board

MUHAMMAD OMAR BAWANY
Chairman of the Board of Directors

INDEPENDENT AUDITORS' REPORT

To the members of M/S. Faran Sugar Mills Limited

REPORT ON THE AUDIT OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed unconsolidated financial statements of Faran Sugar Mills Limited ('the Company'), which comprise the unconsolidated statement of financial position as at September 30, 2024, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information ('the unconsolidated financial statements'), and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and, respectively, give a true and fair view of the state of the Company's affairs as at September 30, 2024 and of the loss, total comprehensive loss, changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters (KAMs)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters are addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. However, we have determined that there are no key audit matters to communicate in our report.

Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information in the annual report, but does not include the unconsolidated financial statements and our auditor's reports thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. However, we have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements (continued)

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Rafiq Dosani**.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: January 02, 2025
UDIN: AR202410210SGqXjf1tZ

FINANCIAL STATEMENT

STATEMENT OF FINANCIAL POSITION

As at September 30, 2024

	Note	2024	2023
ASSETS		------------- Rupees	-------------
Non-current assets			
Property, plant and equipment	4	**3,051,983,067**	2,987,763,424
Long term investments	5	**1,134,652,499**	1,808,758,066
Long term advances		**322,410**	44,209,190
Long term deposits	6	**8,662,933**	13,632,391
Deferred tax asset	16	**146,461,662**	-
		4,342,082,571	4,854,363,071
Current assets			
Stores and spares	7	**127,449,426**	172,797,045
Stock in trade	8	**3,063,789,150**	1,693,997,261
Trade debts	9	**606,094,565**	360,941,863
Short term investments	10	**6,231,409**	5,507,278
Loans, advances, deposits and other receivables	11	**685,762,931**	611,227,787
Taxation – net	12	**-**	5,488,082
Cash and bank balances	13	**97,330,221**	109,493,028
		4,586,657,702	2,959,452,344
Total Assets		**8,928,740,273**	7,813,815,415
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital	14	**400,000,000**	400,000,000
Issued, subscribed and paid up capital	14	**250,069,550**	250,069,550
Capital reserve			
Share premium		**8,472,152**	8,472,152
Surplus on re-measurement of investment		**4,187,879**	946,970
		12,660,031	9,419,122
Revenue reserves			
Unappropriated profit		**1,146,001,102**	2,741,537,043
		1,408,730,683	3,001,025,715
Non-current liabilities			
Long term borrowings from banking companies	15	**528,468,037**	572,284,960
Deferred liabilities	16	**218,168,602**	496,849,547
		746,636,639	1,069,134,507
Current liabilities			
Trade and other payables	17	**1,181,851,486**	2,064,248,657
Current maturity of long term liabilities	18	**207,619,553**	413,366,395
Short term borrowings from banking companies	19	**4,730,898,000**	1,137,719,953
Accrued mark up		**619,781,551**	119,486,474
Unclaimed dividend		**9,407,036**	8,833,714
Income tax payable	12	**23,815,325**	-
		6,773,372,951	3,743,655,193
Contingency and commitment	20		
Total equity and liabilities		**8,928,740,273**	7,813,815,415

The annexed notes from 1 to 41 forms an integral part of these condensed interim financial statements.

Ahmed Ali Bawany
Chief Executive Officer

Muhammad Omar Bawany
Chairman

Muhammad Ayub
Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

For the year ended September 30, 2024

	Notes	2024	2023
		------------- Rupees -------------	
Sales revenue - net	*21*	**11,143,054,575**	9,336,723,567
Cost of sales	*22*	**(10,601,660,910)**	(7,787,050,458)
Gross profit		**541,393,665**	1,549,673,109
Administrative expenses	*23*	**(249,301,333)**	(223,141,258)
Selling and distribution expenses	*24*	**(106,298,061)**	(148,232,470)
Other income	*25*	**109,406,726**	312,656,508
Other expenses	*26*	**(29,399,025)**	(85,054,902)
Operating profit		**265,801,972**	1,405,900,987
Finance costs	*27*	**(1,415,159,128)**	(779,781,468)
		(1,149,357,156)	626,119,519
Share of (loss) / profit or loss of associates - net	*28*	**(652,346,477)**	911,882,504
(Loss) / profit before levies and taxation		**(1,801,703,633)**	1,538,002,023
Levies	*29*	**(139,934,519)**	(180,099,103)
(Loss) / profit before taxation		**(1,941,638,152)**	1,357,902,920
Taxation	*30*	**408,619,598**	(137,876,583)
(Loss) / Profit after taxation		**(1,533,018,554)**	1,220,026,337
(Loss) / earnings per share - basic and diluted	*31*	**(61.30)**	48.79

The annexed notes from 1 to 41 forms an integral part of these financial statements.

Ahmed Ali Bawany	Muhammad Omar Bawany	Muhammad Ayub
Chief Executive Officer	Chairman	Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

For the year ended September 30, 2024

	2024	2023
	------------- Rupees -------------	
(Loss) / profit after taxation	**(1,533,018,554)**	1,220,026,337
Other comprehensive Income		
Items that will not be reclassified subsequently to profit or loss:		
Increase in the fair value of investment in certificates of B.F. Modaraba	**3,240,909**	281,818
Total comprehensive (loss) / income for the year	**(1,529,777,645)**	1,220,308,155

The annexed notes from 1 to 41 forms an integral part of these financial statements.

Ahmed Ali Bawany	Muhammad Omar Bawany	Muhammad Ayub
Chief Executive Officer	Chairman	Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

For the year ended September 30, 2024

	Issued, subscribed and paid up capital	Capital reserves		Revenue Reserve	Total
		Share premium	Surplus on re-measurement of investment	Unappropriated profits	
	-- Rupees --				
Balance as at September 30, 2022	250,069,550	8,472,152	665,152	1,521,510,706	1,780,717,560
Total comprehensive income for the year ended September 30, 2023					
- Profit after taxation	-	-	-	1,220,026,337	1,220,026,337
- Other comprehensive income	-	-	281,818	-	281,818
	-	-	281,818	1,220,026,337	1,220,308,155
Balance as at September 30, 2023	**250,069,550**	**8,472,152**	**946,970**	**2,741,537,043**	**3,001,025,715**
Total comprehensive income for the year ended September 30, 2024					
- Profit after taxation	-	-	-	**(1,533,018,554)**	**(1,533,018,554)**
- Other comprehensive loss	-	-	**3,240,909**	-	**3,240,909**
	-	-	**3,240,909**	**(1,533,018,554)**	**(1,529,777,645)**
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 September 30, 2024	**250,069,550**	**8,472,152**	**4,187,879**	**1,146,001,102**	**1,408,730,682**

The annexed notes from 1 to 41 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 CASH FLOWS

For the year ended September 30, 2024

	Notes	2024	2023
		------------- Rupees -------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	*33*	**(2,107,892,883)**	2,824,937,163
Income tax paid		**(110,631,112)**	(102,977,997)
Payment to Workers' Welfare Fund		**(408,388)**	-
Payment to Workers' Profit Participation Fund		**(31,264,270)**	(11,626)
Finance cost paid		**(861,727,155)**	(792,677,677)
Net cash generated from / (used in) operating activities		**(3,111,923,808)**	1,929,269,863
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		**(241,174,727)**	(361,402,819)
Proceeds from disposal of investment in associate held for sale		**-**	199,916,232
Proceeds from sale of property, plant and equipment		**12,457,993**	17,285,563
Dividend received		**25,040,499**	275,066,494
Profit received on deposit accounts		**10,463,151**	9,236,831
Long term advances made		**43,886,780**	(20,550,850)
Long term deposits - net		**4,969,458**	(974,449)
Net cash (used in) / generated from investing activities		**(144,356,846)**	118,577,002
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**(61,944,066)**	(1,841,063)
Diminishing Musharaka financing obtained	*15.3*	**-**	56,205,654
Financing obtained under ITERF facility	*15.2.2*	**72,036,000**	29,907,695
Repayments under Diminishing Musharaka financing	*15.3*	**(271,709,942)**	(286,967,210)
Repayment under financing for salaries and wages-principal portion		**-**	(22,606,380)
Repayment under ITERF and IFRE Facility		**(87,442,192)**	(23,633,408)
Short term borrowings – net		**3,493,578,046**	(1,817,693,517)
Net cash generated from / (used in) financing activities		**3,144,517,846**	(2,066,628,229)
Net decrease in cash and cash equivalents		**(111,762,808)**	(18,781,364)
Cash and cash equivalents at the beginning of the year		**113,893,028**	132,674,392
Cash and cash equivalents at the end of the year	*32*	**2,130,220**	113,893,028

The annexed notes from 1 to 41 forms an integral part of these condensed interim financial statements.

Ahmed Ali Bawany	Muhammad Omar Bawany	Muhammad Ayub
Chief Executive Officer	Chairman	Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

For the year ended September 30, 2024

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 Companies Act, 1913 (repealed with the enactment of the Companies Ordinance, 1984 on October 08, 1984 and, subsequently, by the 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.

1.2 The geographical location and address of the Company's business units, including plant are as follows:

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 unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise:

- International Financial Reporting Standards (IFRS) 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 from the IFRS, the provisions of, and directives issued under, the Companies Act, 2017 have been followed.

2.2 **Basis of measurement of items in these unconsolidated financial statements**

All items in these unconsolidated financial statements have been measured at their historical cost except for:

(a) Long term investments in unquoted ordinary shares of associates which are carried under the equity method of accounting;

(b) Long term investment in quoted equity securities of B.F Modarba which is carried at fair value through other comprehensive income; and

(c) Short term investment in quoted equity securities which are carried at fair value through profit or loss.

(d) Short term investment in term deposits which are carried at amortised cost.

2.3 **Functional and presentation currency**

Items included in these unconsolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. These unconsolidated 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 unconsolidated financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the unconsolidated financial statements is included in the following notes:

Area of judgement	Brief description of the judgement applied
Property, plant and equipment	Whether the consumption of future economic benefits embodied in the Company's fixed assets is reduced over time and, accordingly, whether it is appropriate to use 'diminishing balance method' as the depreciation method.
Investment in subsidiary	Whether the Company has **control** over M/s. Faran Power Limited.
Investment in associates	Whether the Company has **significant influence** over M/s. Unicol Limited and M/s. Uni Energy Limited.
Timing of revenue recognition	*Local sales revenue:* Whether **control** of the promised goods is transferred to the customer when the goods are dispatched from the Company's premises;. *Export sales revenue:* Whether **control** of the promised goods is transferred to the customer when the goods are loaded onto the shipping vessel and, as an acknowledgement thereof, a bill of lading is issued by the shipping company.
Investment in B.F. Modaraba	Whether the investment is a long-term strategic investment and the irrevocable election to present subsequent changes in the fair value of the investment in other comprehensive income (as described in the IFRS 9 *'Financial Instruments'*) can be applied.
Financing for payment of wages and salaries / ITERF	Whether the financing contains an element of government grant that should be recognized separately as deferred income.

(a) Assumptions and other major sources of estimation uncertainty

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Area of estimation uncertainty	Brief description of the assumption or the source of estimation uncertainty
Property, plant and equipment	Estimation of useful lives and residual values of the operating fixed assets
Stores and spares	Estimation of the net realizable value of stores and spares inventory and recognition of the provision for slow-moving items
Deferred taxation	Recognition of deferred tax assets on unused tax losses and unused tax credits - availability of future taxable profit against which deductible temporary differences and unused tax losses and unused tax credits can be utilised

2.5 Changes in accounting standards, interpretations and amendments to published approved accounting standards

2.5.1 Amendments to existing standards that became effective during the year

The following new or amended standards and interpretations became effective during the period which are considered to be relevant to the financial statements :

- Classification of liabilities as current or non-current (Amendments to IAS 1);
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The above amendments / interpretations do not likely have an effect on the financial statements of the Company except noted below:

The Company adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice statements 2 'Making Materiality Judgments') from July 01, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

There amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user requires to understand other information in the financial statements.

2.5.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after the dates specified below:

- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the Group company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after January 01, 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for accompany to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after January 01, 2024, with early application permitted.

- Amendment in IAS 21 'The Effects of Changes in Foreign Exchange Rates', - lack of exchangeability (effective for annual reporting periods beginning on or after January 01, 2025) a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.

- IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. SECP vide its SRO 1715(I)/2023 dated November 21, 2023 has directed that IFRS 17 shall be followed for the period commencing January 01, 2026 by companies engaged in insurance / takaful and re-insurance / re-takaful business.

- The International Accounting Standards (the IASB or the Board) issued Amendments to IFRS 9 and IFRS 7. Amendments to the Classification and Measurement of Financial instruments. The amendments:

  - Clarify that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged or cancelled or expired or the liability otherwise qualified for derecognition. They also introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

  - Clarify how to assess the contractual cash now characteristics of financial assets that include environmental, social and governance (ESG)-Linked features and other similar contingent features.

  - Clarify the treatment of non-recourse assets and contractually linked instruments (CLI).

  - Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income (FVTOCI).

- Annual Improvements - Volume Eleven:

  - Hedge Accounting by a First-time Adopter (Amendments to IFRS 1) - Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. The amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.

  - Gain or loss on derecognition (Amendments to IFRS 7) - Paragraph B38 of IFRS 7 has been amended to update the language on unobservable inputs and to include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement.

  - Introduction (Amendments to Guidance on implementing IFRS 7) - Paragraph IG1 of the Guidance on implementing IFRS 7 has been amended to clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.

  - Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7) - Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.

  - Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7) - Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.

- Lessee Derecognition of Lease Liabilities (Amendments to IFRS 9) - Paragraph 2.1 of IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 Leases and an extinguishment of a lease liability in accordance with IFRS 9.

-

- Transaction Price (Amendments to IFRS 9) - Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term ''transaction price' in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.

- Determination of a 'De Facto Agent' (Amendments to IFRS 10) - Paragraph B74 of IFRS 10 has been amended to clarify that the relationship described in 874 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor. The amendment is intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents.

- Cost Method (Amendments to IAS 7) - Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method''.

The above standards, amendments to approved accounting standards and interpretations have not been early adopted by the Company and are not likely to have any material impact on the company's financial statements.

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2024:

- IFRS 1 (First-time Adoption of International Financial Reporting Standards) ;
- IFRS 18 (Presentation and Disclosure in Financial Statements) ; and
- IFRS 19 (Subsidiaries without Public Accountability: Disclosures).

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these unconsolidated financial statements are set out below. These policies have been applied consistently to all years presented.

3.1 Property, plant and equipment

Operating fixed assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any, except freehold land and capital work in progress which are stated at cost less impairment, if any. Cost includes expenditure that are directly attributable to the acquisition of an asset.

Subsequent costs are included in an asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. Cost incurred to replace a component of an item of property, plant and equipment is capitalized, the asset so replaced is retired from use and its carrying amount is derecognized. Normal repairs and maintenance are charged to the statement of profit or loss during the period in which they are incurred.

Major spare parts qualify for recognition as property, plant and equipment when an entity expects to use them during more than one year. Transfers are made to relevant operating assets category as and when such items are available for use.

Depreciation of an asset begins from the date when the asset becomes available for use and continues till the date it is disposed of. Depreciation on all property, plant and equipment is charged to the statement of profit or loss using the reducing balance method over the asset's useful life at the rates specified in note 4.1 to these unconsolidated financial statements.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year in which the asset is derecognized.

Capital work-in progress

Capital work-in-progress is stated at cost less impairment if any, and consists of expenditure incurred in respect of property, plant and equipment in the course of their construction and installation. Transfers are made to operating fixed assets as and when the assets become available for use.

3.2 Long term investments

Investment in subsidiary

In these unconsolidated financial statements, investment in subsidiary is carried at its cost less accumulated impairment loss recognized thereon (if any).

Investment in associates

The Company accounts for its investments in associates using the equity method. Under this method, the investment is initially recognized at cost, being the fair value of consideration given and includes acquisition charges associated with such investments. Subsequently, the Company's share in profit / loss of the investee is recognized in the statement of profit or loss. Distributions received from the investee reduce the carrying amount of the investment. Adjustment to the carrying amount are also made for changes in the Company's proportionate interest in the investee arising from changes in the investee's other comprehensive income.

Where the Company's share of loss of an associates equals or exceeds its interest in the associates, the Company discontinues to recognize its share of further losses except to the extent that Company has incurred legal or constructive obligation to make payment on behalf of the associates. If the associate subsequently reports profits, the Company resumes recognizing its share of those profits only after its share of the profit equals the share of losses not recognized.

3.3 Stores and spares

Stores and spares excluding items in transit are valued at lower of average cost and net realizable value.

Items in transit are valued at cost comprising invoice values plus other charges incurred thereon accumulated to the reporting date.

A provision is made in the unconsolidated financial statements for obsolete and slow moving stores and spares based on management's best estimate regarding their future usability.

3.4 Stock-in-trade

Basis of valuation

All items of stock-in-trade are valued at the lower of cost and their net realizable value as of the reporting date.

Determination of cost

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the company from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

The costs of conversion of inventories include costs directly related to the units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. The allocation of fixed production overheads to the costs of conversion is based on the normal capacity of the production facilities (which is the production expected to be achieved on average over a number of periods or seasons under normal circumstances, taking into account the loss of capacity resulting from planned maintenance). However, in periods of abnormally high production, the amount of fixed overhead allocated to each unit of production is decreased so that inventories are not measured above cost. Variable production overheads are allocated to each unit of production on the basis of the actual use of the production facilities.

The cost of the items consumed or sold and those held in stock at the reporting date is determined using the weighted average cost formula.

Determination of net realizable value

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories may not be recoverable if their selling prices have declined. The cost of inventories may also not be recoverable if or the estimated costs to be incurred to make the sale have increased.

The Company estimates the net realisable value of inventories based on the most reliable evidence available, at the reporting date, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the reporting period to the extent that such events confirm conditions existing at the end of the reporting period.

While estimating the net realisable value, the Company also takes into consideration the purpose for which the inventory is held. For example, the net realisable value of the quantity of inventory held to satisfy firm sales contracts is based on the contract price. If the sales contracts are for less than the inventory quantities held, the net realisable value of the excess quantity is based on general selling prices.

A new assessment is made of net realisable value in each subsequent period. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed (i.e. the reversal is limited to the amount of the original write-down) so that the new carrying amount is the lower of the cost and the revised net realisable value.

3.5 Trade debts

These are carried at their transaction price less any allowance for lifetime expected credit losses. A receivable is recognized when the customer obtains control of the good sold as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

3.6 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated to its assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investees are no longer equity accounted.

3.7 Financial assets

3.7.1 Initial recognition, classification and measurement

The Company recognizes a financial asset when and only when it becomes a party to the contractual provisions of the financial instrument. The Company classifies its financial assets into either of following three categories:

(a) financial assets measured at amortized cost,
(b) fair value through other comprehensive income (FVOCI); and
(c) fair value through profit or loss (FVTPL);

(a) *Financial assets measured at amortized cost*

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) *Financial assets at FVOCI*

A financial asset is classified as at fair value through other comprehensive income when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) *Financial assets at FVTPL*

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

3.7.2 Subsequent measurement

(a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the statement of profit or loss.

(b) Financial assets at FVOCI

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognised in profit or loss.

(c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss.

3.7.3 Impairment

The Company recognises a loss allowance for expected credit losses in respect of financial assets measured at amortised cost.

For trade receivables, the Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

For other financial assets, the Company applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Company measures expected credit losses on financial assets in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Company recognises in profit or loss, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

3.7.4 De-recognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

3.8 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise short term investment in term deposits, cash in hand and bank balances.

3.9 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the cash flows of the financial liability have been substantially modified.

3.10 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle liability simultaneously.

3.11 Provisions and contingent liabilities

Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.12 Revenue

(a) Revenue from sale of goods

Typically, all the contracts entered into by the Company with its customers contain a single performance obligation i.e. the transfer of goods promised in the contract (which may be sugar, molasses or bagasse).

The Company does not expect to have contracts with its customers where the period between the transfer of the promised goods the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction price for the time value of money.

Revenue from sale of goods is recognized when the customer obtains control of the promised goods. This is further analyzed as below:

(i) In case of local sale of goods, the customer is deemed to have obtained control of the promised goods being when the goods are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the goods.

Delivery occurs when the goods have been dispatched from the Company's premises and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have elapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

(ii) Revenue from export sales is recognised when the customer obtains control of the goods being when the goods are loaded on to the shipping vessel and there remains no other unfulfilled obligation to be satisfied by the Company.

(b) Export subsidy

Export subsidy is recognized as income in the period in which it becomes receivable i.e. when all the prescribed eligibility criteria have met and the receipt of the related proceeds from the concerned government authority is probable.

3.13 Staff retirement benefits - Provident fund (defined contribution plan)

The Company operates a funded provident scheme for its employees which is classified as a defined contribution plan. Equal monthly contributions are made by the Company and the employees to the plan at the rate equal to 9% of their basic salary.

When an employee has rendered service to the Company during a period, the Company recognises the contribution payable to a defined contribution plan in exchange for that service as an expense in profit or loss and as a liability in the statement of financial position (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Company recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

When contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, they are discounted using the discount rate determined by reference to market yields at the end of the reporting period on high quality corporate bonds (or when there is no deep market in such bonds, the government bonds) having term consistent with the estimated term of the post-employment benefit obligations.

3.14 Ijarah lease arrangements

Upon its inception, an Ijarah lease contract entered into with a bank / other financial institution is evaluated to establish if it meets the Shariah essentials of Ijarah financing as approved by the Shariah Board of the State Bank of Pakistan. If, in substance, all the prescribed Shariah essentials are assessed to be met, the contract is accounted for in accordance with the requirements of the Islamic Financial Accounting Standard (IFAS) 2 'Ijarah' (notified by the Securities & Exchange Commission of Pakistan vide its S.R.O. 431(I)/2007 dated May 22, 2007) whereby the ujrah payments are recognized as an expense in the statement of profit or loss on a straight-line basis over the ijarah term. If, however, it is assessed that the Shariah essentials prescribed for Ijarah financing are not met, the lease contract is accounted in accordance with the requirements of the International Financial Reporting Standard (IFRS) 16 'Leases'.

3.15 Other income

Interest income

Return on bank deposits is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

Dividend income

Dividends received from investments measured at fair value through profit or loss and at fair value through other comprehensive income are recognized in the statement of profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

3.16 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of impairment loss for a cash generating unit is allocated to the assets of the unit pro rata with the carrying amounts of those assets. The increase in the carrying amounts is treated as reversals of impairment losses for individual assets and recognized in profit or loss.

3.17 Translation of foreign currency transactions and balances

On initial recognition, a foreign currency transaction is recognized, in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of each reporting period, foreign currency monetary items are translated using the closing rate (i.e. the spot exchange rate at the end of the reporting period).

At the end of each reporting period, non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. However, non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

3.18 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which such costs are capitalized as part of the cost of that asset.

3.19 Levies and Taxation

Levies

A levy is an outflow of resources embodying economic benefits imposed by the government that does not meet the definition of income tax provided in the International Accounting Standard (IAS) 12 'Income Taxes' because it is not based on taxable profit.

In these financial statements, levy includes minimum tax under section 113 or other sections of Income tax ordinance, Income tax under final tax regime, workers' welfare fund expense and workers' profit participation. The corresponding effect of levy other than worker's welfare fund expense and workers' profit participation, advance tax paid has been netted off and the net position is shown in the statement of financial position.

Current tax

'The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred taxes are liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax are not accounted for if they arise from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit nor loss. Deferred tax is measured using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses and credits only if it is probable that future taxable amounts will be available to utilise those temporary differences and unused tax losses and credits. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Offsetting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.20 Dividend distribution

Dividend distribution is recognised as a liability in the period in which the dividends are approved by the Company's shareholders.

			2024	2023
4	PROPERTY, PLANT AND EQUIPMENT	Note	------------ Rupees	------------
	Operating fixed assets	*4.1*	**2,978,482,854**	2,953,884,743
	Capital work-in-progress	*4.2*	**73,500,213**	33,878,681
			3,051,983,067	2,987,763,424

4.1 Operating fixed assets

	Freehold land	Factory building	Non-factory building	W.S. and drainage systems	Plant and machinery	Power generation & distribution systems	Furniture and fixtures	Office and mill equipment	Electrical equipment	Communication systems	Vehicles	Total
	Rupees											
As at September 30, 2022												
Cost	99,690,777	231,962,222	244,991,803	5,738,868	3,490,017,725	4,657,905	14,198,679	35,393,782	43,984,512	4,849,761	113,146,619	4,288,632,653
Accumulated depreciation	-	(158,158,439)	(110,836,520)	(5,372,378)	(1,224,490,552)	(4,509,625)	(6,936,465)	(20,173,359)	(23,887,147)	(3,560,593)	(67,437,570)	(1,625,362,648)
Net book value	99,690,777	73,803,783	134,155,283	366,490	2,265,527,173	148,280	7,262,214	15,220,423	20,097,365	1,289,168	45,709,049	2,663,270,005
Movement during the year ended September 30, 2023												
Opening net book value	**99,690,777**	**73,803,783**	**134,155,283**	**366,490**	**2,265,527,173**	**148,280**	**7,262,214**	**15,220,423**	**20,097,365**	**1,289,168**	**45,709,049**	**2,663,270,005**
Additions during the year:												
- Transfer from CWIP	-	-	-	-	**164,737,294**	-	-	-	**49,067,692**	-	-	**213,804,986**
- Other additions	-	-	-	-	**205,350,800**	-	-	**506,000**	**80,500**	-	**34,145,900**	**240,083,200**
	-	-	-	-	**370,088,094**	-	-	**506,000**	**49,148,192**	-	**34,145,900**	**453,888,186**
Disposals:												
- Cost	-	-	-	-	-	-	-	-	-	-	**(15,104,448)**	**(15,104,448)**
- Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	**11,319,381**	**11,319,381**
	-	-	-	-	-	-	-	-	-	-	**(3,785,067)**	**(3,785,067)**
Depreciation for the year	-	**(7,108,198)**	**(12,920,778)**	**(35,297)**	**(122,765,850)**	**(14,281)**	**(699,439)**	**(1,551,023)**	**(4,158,556)**	**(72,015)**	**(10,162,943)**	**(159,488,381)**
Closing net book value	**99,690,777**	**66,695,585**	**121,234,505**	**331,193**	**2,512,849,417**	**133,999**	**6,562,775**	**14,175,400**	**65,087,001**	**1,217,153**	**65,906,939**	**2,953,884,743**
As at September 30, 2023												
Cost	**99,690,777**	**231,962,222**	**244,991,803**	**5,738,868**	**3,860,105,819**	**4,657,905**	**14,198,679**	**35,899,782**	**93,132,704**	**4,849,761**	**132,188,071**	**4,727,416,391**
Accumulated depreciation	-	**(165,266,637)**	**(123,757,298)**	**(5,407,675)**	**(1,347,256,402)**	**(4,523,906)**	**(7,635,904)**	**(21,724,382)**	**(28,045,703)**	**(3,632,608)**	**(66,281,132)**	**(1,773,531,647)**
Net book value	**99,690,777**	**66,695,585**	**121,234,505**	**331,193**	**2,512,849,417**	**133,999**	**6,562,775**	**14,175,400**	**65,087,001**	**1,217,153**	**65,906,939**	**2,953,884,743**
Movement during the year ended September 30, 2024												
Opening net book value	**99,690,777**	**66,695,585**	**121,234,505**	**331,193**	**2,512,849,417**	**133,999**	**6,562,775**	**14,175,400**	**65,087,001**	**1,217,153**	**65,906,939**	**2,953,884,743**
Additions during the year:												
- Transfer from CWIP	-	**16,686,013**	-	-	**143,174,020**	-	-	-	-	-	-	**159,860,033**
- Other additions	-	-	-	-	-	-	-	-	**12,065,888**	-	**29,627,275**	**41,693,163**
	-	**16,686,013**	-	-	**143,174,020**	-	-	-	**12,065,888**	-	**29,627,275**	**201,553,196**
Disposals:												
- Cost	-	-	-	-	-	-	-	-	-	-	**(12,179,402)**	**(12,179,402)**
- Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	**9,023,388**	**9,023,388**
	-	-	-	-	-	-	-	-	-	-	**(3,156,014)**	**(3,156,014)**
Depreciation for the year	-	**(7,644,018)**	**(11,676,351)**	**(31,898)**	**(129,104,786)**	**(12,906)**	**(632,075)**	**(1,429,725)**	**(6,282,237)**	**(65,079)**	**(16,919,997)**	**(173,799,072)**
Closing net book value	**99,690,777**	**75,737,580**	**109,558,154**	**299,295**	**2,526,918,651**	**121,093**	**5,930,700**	**12,745,675**	**70,870,652**	**1,152,074**	**75,458,203**	**2,978,482,854**
As at September 30, 2024												
Cost	**99,690,777**	**248,648,235**	**244,991,803**	**5,738,868**	**4,003,279,839**	**4,657,905**	**14,198,679**	**35,899,782**	**105,198,592**	**4,849,761**	**149,635,944**	**4,916,790,185**
Accumulated depreciation	-	**(172,910,655)**	**(135,433,649)**	**(5,439,573)**	**(1,476,361,188)**	**(4,536,812)**	**(8,267,979)**	**(23,154,107)**	**(34,327,940)**	**(3,697,687)**	**(74,177,741)**	**(1,938,307,331)**
Net book value	**99,690,777**	**75,737,580**	**109,558,154**	**299,295**	**2,526,918,651**	**121,093**	**5,930,700**	**12,745,675**	**70,870,652**	**1,152,074**	**75,458,203**	**2,978,482,854**
Annual rate of depreciation	**-**	**10%**	**10%**	**10%**	**5%**	**10%**	**10%**	**10%**	**10%**	**10%**	**20%**	

4.1.1 Particulars of the Company's immovable fixed assets are as follows:

Freehold land approximately represents 176 acres of land situated at Sheikh Bhirkio, District Tando Mohammad Khan, Sindh on which factory and non-factory buildings (utilized as manufacturing facility for production of sugar) are constructed and 1155.55 sq. yard land situated at 43/1/E(B) on which Head Office Building is constructed..

4.1.2 During the year, the following items of operating fixed assets with a net book value exceeding Rs. 500,000 were disposed off.

Particular of Assets	Class of Asset	Cost	Accumulated Depreciation	Book Value	Sales Proceeds	Gain on Disposal	Particulars of Purchaser	Relation with Buyer	Mode of Disposal
		Rupees							
Honda City BHN-603	Vehicle	1,970,000	(672,842)	1,297,158	1,352,000	54,842	Farhan Khan	Employee	Negotiation
2024		1,970,000	(672,842)	1,297,158	1,352,000	54,842			
2023		6,884,119	(4,950,954)	1,933,165	6,142,540	4,209,375			

	Note	2024	2023
		------------- Rupees -------------	
4.1.3 Depreciation charge for the year has been allocated as follows:			
Cost of goods manufactured	*22.1*	136,761,710	129,888,329
Administration expenses	*23*	37,037,362	29,600,052
		173,799,072	159,488,381
4.2 Capital work-in-progress			
Opening balance		33,878,681	126,364,048
Additions during the year		199,481,564	121,319,619
Transfers to operating fixed assets		(159,860,032)	(213,804,986)
Closing balance		73,500,213	33,878,681
5. LONG TERM INVESTMENTS			
Investment in subsidiary	*5.1*	99,970	99,970
Investment in associates	*5.2*	1,126,614,650	1,803,961,126
Investment in certificates of B.F. Modaraba	*5.3*	7,937,879	4,696,970
		1,134,652,499	1,808,758,066

5.1 Investment in subsidiary - at cost

2024	2023		2024	2023
--- Number of shares ---			---------- Rupees ---------	
9,970	9,970	Ordinary shares of Rs. 10/- each	99,970	99,970

5.1.1 The Company has a subsidiary, M/s. Faran Power Limited ('FPL'), a public unlisted company. The authorized and paid up capital of FPL is Rs. 50 million and Rs. 0.1 million respectively, which is presently wholly owned by the Company. The registered office of FPL is situated at 43/1/E(B), P.E.C.H.S Block 6, Karachi.

The principal activity of FPL is to generate power and supply it to Hyderabad Electric Supply Corporation (HESCO) via Central Power Purchasing Authority (CPPA). However, FPL has not yet commenced its business operations. Though FPL had already achieved major milestones i.e. obtaining tariff approval, Letter of Support (LOS) and generation license in 2017, the project has been halted due to CPPA's denial to sign the Implementation Agreement (IA) and the Purchase Power Agreement (PPA).The Company has principally decided to shelf the project as it no longer appears to be financially viable due to significant increase in cost. FPL entered into a mutually agreed "Deed of Release" in December 2022 with Alternate Energy Development Board (AEDB) which resulted in the cancellation of the LOS and the subsequent release of the performance guarantee by AEDB. As cancellation LOS of the project and release of guarantee signifies the discontinuation of the project, there is no purpose to continue the company as it was formed as SPV. With these developments, FPL has proceeded with voluntary winding-up & which has been subsequently approved by Securities Exchange Commission Of Pakistan (SECP).

	Note	2024	2023
		------------- Rupees -------------	
5.2 Investment in associates			
Unquoted investments			
Unicol Limited	*5.2.1*	1,105,629,827	1,783,174,159
Uni Energy Limited	*5.2.2*	20,984,823	20,786,967
		1,126,614,650	1,803,961,126

5.2.1 Investment in Unicol Limited

As at September 30, 2024, the Company held 49,999,998 (2023: 49,999,998) ordinary shares of M/s. Unicol Limited (UL) which gives the Company 33.33% (2023: 33.33%) voting power in UL. The Company's arrangement with the associate entails diversification of business activities, and is part of its strategic investment. The principal business activity of UL is to produce ethanol from sugarcane molasses. The registered office of UL is situated at 3rd Floor Modern Motors House, Beaumont Road, Karachi.

	Note	2024	2023
		------------- Rupees -------------	
(a) Carrying amount of the investment and changes therein			
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
Accumulated share of profit:			
Opening balance		1,283,174,179	646,524,173
Cash dividend received during the year		(24,999,999)	(274,999,994)
Share of (loss) / profit for the year	28	(652,544,333)	911,650,000
		605,629,847	1,283,174,179
Carrying amount as of the reporting date		1,105,629,827	1,783,174,159

(b) Summarized financial information of the associate

Based on its audited financial statements for the year ended September 30, 2024, the summarized financial information of M/s. Unicol Limited is as under:

	Note	2024	2023
		------------- Rupees -------------	
Current assets		7,089,444,000	6,361,317,000
Non-current assets		9,186,213,000	9,101,744,000
Current liabilities		8,567,130,000	6,113,539,000
Non-current liabilities		4,391,640,000	4,000,000,000
Revenue		19,217,560,000	15,064,436,000
Profit after tax for the year		(1,957,633,000)	2,734,950,000
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(1,957,633,000)	2,734,950,000

5.2.2 Investment in Uni Energy Limited

As at September 30, 2024, the Company held 1,999,998 (2023: 1,999,998) ordinary shares of M/s. Uni Energy Limited (UEL) which gives the Company 20% (2023: 20%) voting power in UEL. The Company's arrangement with the associate entails diversification of business activities, and is part of its strategic investment. The principal business activity of UEL is to produce power from wind, solar and other alternate power sources, however, it has not commenced its operations yet. The registered office of UEL is situated at 3rd Floor Modern Motors House, Beaumont Road, Karachi.

	Note	2024	2023
		------------- Rupees -------------	
(a) Carrying amount of the investment and changes therein			
Cost of investment: 1,999,998 shares of Rs.10/- each		19,999,980	19,999,980
Accumulated share of loss / profit:			
Opening balance		786,987	554,483
Share of profit for the year	*28*	197,856	232,504
		984,843	786,987
Carrying amount as of the reporting date		20,984,823	20,786,967

(b) Summarized financial information of the associate

Based on its un-audited financial statements for the year ended June 30, 2024, the financial information of M/s. Uni Energy Limited is summarized below:

	Note	2024	2023
		------------- Rupees -------------	
Current assets		55,866,686	53,450,384
Non-current assets		49,458,304	50,628,304
Current liabilities		1,230,522	973,500
Non-current liabilities		-	-
Revenue		-	-
Profit after tax for the year		989,280	1,162,519
Other comprehensive income for the year		-	-
Total comprehensive income for the year		989,280	1,162,519

5.3 **Investment in B.F. Modaraba - related party**
(Quoted investment permissible under Sharia)

As at September 30, 2024, the Company held 939,394 (2023: 939,394) certificates of M/s. B.F. Modaraba ('the Modaraba') which gives the Company 12.50% (2023: 12.50%) voting power in the Modaraba. The principal business activity of the Modaraba is trading of sugar, investment in quoted securities, leasing, musharika and murahaba transactions. The registered office of Modaraba is situated at 43/1/E(B) P.E.C.H.S Block 6 Karachi. Mr. Muhammad Omar Amin Bawany, the Chairman of the Board of Directors of the Company, also acts as the Chief Executive of the Modaraba.

	Note	2024	2023
		------------- Rupees -------------	
(a) Carrying amount of the investment and changes therein			
Cost of the investment: 939,394 certificates (including 144,980 bonus certificates)		3,750,000	3,750,000
Unrealised gain on re-measurement:			
Opening balance		946,970	665,152
Increase in fair value during the year		3,240,909	281,818
		4,187,879	946,970
Carrying amount as of the reporting date		7,937,879	4,696,970

(b) Other relevant information

(i) Since the investment is a long-term strategic investment (i.e. not held for trading purposes), in accordance with the provisions of the International Financial Reporting Standard (IFRS) 9 'Financial Instruments', the Company has made an irrevocable election to present subsequent changes in the fair value of the investment in other comprehensive income.

(ii) During the year ended September 30, 2024, the Company received a dividend from M/s. B.F. Modaraba amounting to Rs. nil (2023: nil).

	Note	2024	2023
		------------- Rupees -------------	
6. LONG TERM DEPOSITS			
Security deposits in respect of:			
- Utilities		5,722,387	4,182,891
- Ijarah financing facility		2,869,899	9,429,500
- Others		70,647	20,000
		8,662,933	13,632,391

		Note	2024	2023
			------------- Rupees -------------	
7.	**STORES AND SPARES**			
	Stores on hand		113,066,357	128,438,481
	Spares on hand		24,757,333	41,226,073
			137,823,690	169,664,554
	Less: Provision for slow moving stores and spares		(13,754,365)	(11,789,445)
			124,069,325	157,875,109
	Packing materials		3,380,101	14,921,936
			127,449,426	172,797,045
8.	**STOCK-IN-TRADE**			
	Finished goods:			
	- Sugar	*8.1*	3,049,216,855	1,647,697,361
	- Bagasse		14,020,000	42,728,000
			3,063,236,855	1,690,425,361
	Work in process		552,295	3,571,900
			3,063,789,150	1,693,997,261

8.1 As of the reporting date, the value of stock pledged against bank borrowings amounted to Rs. 3.998 billion (2023: Rs. 1.426 billion).

		Note	2024	2023
			------------- Rupees -------------	
9.	**TRADE DEBTS – unsecured**			
	Local receivables		606,094,565	360,941,863

9.1 Ageing analysis of the balance due from a related party as of the reporting date

	September 30, 2024				
Party name	Not yet due	1-30 days past due	31-60 days past due	More than 60 days past due	Total
			Rupees		
Unicol Limited	2,026,235	-	-	-	2,026,235
	September 30, 2023				
Unicol Limited	2,022,226	-	-	-	2,022,226

		Note	2024	2023
			------------- Rupees -------------	
9.2	**Maximum aggregate amounts outstanding during the year**			
	Unicol Limited		2,026,235	2,022,226

10. SHORT TERM INVESTMENTS

Investment at fair value through profit or loss:
in quoted equity securities

2024	2023	Scrip name	2024 Cost	2024 Fair Value	2023 Cost	2023 Fair Value
-- (Number of shares) --			Rupees			
5,000	5,000	Oil and Gas Development Company	**728,856**	**717,150**	728,856	482,300
2,500	2,500	Pakistan State Oil Company Limited	**545,925**	**403,225**	545,925	306,850
28,125	28,125	Fauji Cement Company Limited	**424,237**	**711,000**	424,237	318,094
			1,699,018	**1,831,375**	1,699,018	1,107,244
Investment at amortized cost:						
		Term Deposit Certificates	**4,400,000**	**4,400,000**	4,400,000	4,400,000
			6,099,018	**5,507,244**	6,099,018	5,507,244

		Note	2024	2023
			------------- Rupees	-------------
10.1	Unrealized loss on remeasurement of investments as of the reporting date			
	Market value of the investment		6,231,409	5,507,278
	Cost of investment		(6,099,052)	(6,099,052)
			132,357	(591,774)
10.2	Movement in unrealized loss on remeasurement of investments			
	At the beginning of the year		(591,774)	(539,593)
	Change in fair value of investment during the year	25	724,131	(52,181)
	At the end of the year		132,357	(591,774)
11.	LOANS, ADVANCES, DEPOSITS AND OTHER RECEIVABLES - Unsecured			
	Loans (interest-free)	11.1	20,579,253	48,556,962
	Advances (interest-free)	11.2	65,240,718	83,145,858
	Deposits	11.3 & 41.4	50,747,900	3,007,500
	Other receivables	11.4	549,195,060	476,517,467
			685,762,931	611,227,787
11.1	Loans (interest-free)			
	Loan to growers		19,011,856	46,718,469
	Loan to employees	11.1.1	1,567,397	1,838,493
			20,579,253	48,556,962

11.1.1 These loans have been provided to employees in accordance with the terms of employment. These loans are recovered through deduction from monthly payroll.

	Note	2024	2023
		-------------- Rupees --------------	
11.2 Advances (interest-free)			
Advance to suppliers:			
- Suppliers of goods		56,981,065	41,365,123
- Suppliers of services		4,536,671	37,832,471
		61,517,736	79,197,594
Advance to contractors		-	1,215,667
Other advances		3,722,982	2,732,597
		65,240,718	83,145,858
11.3 Deposits			
Performance guarantee deposit	*11.3.1*	50,740,400	3,000,000
Others		7,500	7,500
		50,747,900	3,007,500

11.3.1 This represents amount deposited against tenders for the supply of sugar to the following parties:

	Note	2024	2023
		-------------- Rupees --------------	
Pakistan Army		2,000,000	3,000,000
Utility Stores Corporation of Pakistan (Pvt.) Limited		48,740,400	-
		50,740,400	3,000,000
11.4 Other receivables			
Freight subsidy receivable	*11.4.1*	388,014,167	388,014,167
Sales tax receivable	*16.2*	56,424,979	56,424,979
Excise duty receivable	*16*	7,005,677	7,005,677
Road cess receivable		7,180,538	7,180,538
Insurance claim		32,197,512	-
Others	*26.3*	58,372,187	17,892,106
		549,195,060	476,517,467
11.4.1 Freight subsidy receivable			
Government of Sindh	*11.4.1.1*	304,730,417	304,730,417
Trading Development Authority of Pakistan (TDAP)	*11.4.1.2*	83,283,750	83,283,750
Federal Government	*26.1*	-	-
		388,014,167	388,014,167

11.4.1.1 This represents the Cash Freight Support receivable from the Government of Sindh (in relation to exports made by the Company in the FY 2016-17 and FY 2017-18). The long-standing amount of Rs. 304.73 million represents the Government of Sindh's 50% share in said export incentive announced by the Federal Government in October 2017 (vide the notification no. F. No. 7(2)/2012-EXP.III dated October 03, 2017 issued by the Ministry of Commerce). In this relation, in September 2021, the Company, along with several other sugar mills, filed a Constitutional Petition (bearing no. 5368/2021) before the Honourable Court of Sindh for the recovery of the said subsidy. The SHC disposed off the petition through their order dated 30th March 2023, directed to release the subsidy within first quarter of forthcoming financial year. However, the subsidy have not been released till date. The legal counsel has sent reminder letter on September 22, 2023 to the relevant authorities urging to release the subsidy.

11.4.1.2 This represents the Inland Freight Subsidy receivable from TDAP (in relation to exports made by the Company in the FY 2012-13 and FY 2013-14). In this relation, the Pakistan Sugar Mills Association (PSMA) as well as the Company have recently approached TDAP requesting the release of the said subsidy; however, any response from TDAP is still forthcoming. In this relation, in January 2023, the Company, along with several other sugar mills, filed a Constitutional Petition (bearing no. 653/2023) before the Honourable Court of Sindh (SHC) for the release of the subsidy, As of reporting date, the petition is currently pending with SHC.

12. TAXATION - net

	2024	2023
	------------- Rupees -------------	
Opening balance	5,488,082	113,085,679
Taxes deducted at source during the year	110,631,112	87,987,320
	116,119,194	201,072,999
Less: Provision for levies for the year	(139,934,519)	136,896,856)
Less: Provision for taxation for the year	-	(58,688,061)
	(23,815,325)	5,488,082

12.1 Status of income tax assessments

The income tax assessments of the Company are deemed to have been finalized up to, and including, the tax year 2024 (accounting year ended September 30, 2023) based on the returns of income filed by the Company with the concerned taxation authority. As per section 120 of the Income Tax Ordinance, 2001 ('the Ordinance'), a tax return filed by a taxpayer is treated as an assessment order issued by the concerned taxation authority unless the same is selected for re-assessment / audit as per the legal provisions stipulated in the Ordinance.

13. CASH AND BANK BALANCES

	Note	2024	2023
		------------- Rupees -------------	
Cash at bank:			
- In current accounts		81,152,427	59,033,136
- In deposit accounts with Islamic banks	*13.1*	6,505,193	37,185,974
		87,657,620	96,219,110
Cash in hand		9,672,601	13,273,918
		97,330,221	109,493,028

13.1 These represent balances held in deposit accounts carrying profit at the rates ranging from 5.25% to 17.25% (2023: 6.65% to 19.79%).

14. AUTHORIZED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2024	2023		2024	2023
--- Number of shares ---			------------- Rupees -------------	
		Authorized capital		
40,000,000	40,000,000	Ordinary shares of Rs. 10/- each	400,000,000	400,000,000
		Issued, subscribed and paid up capital		
18,201,714	18,201,714	Ordinary shares of Rs. 10/- each issued:	**182,017,140**	182,017,140
6,805,241	6,805,241	- for cash	**68,052,410**	68,052,410
25,006,955	25,006,955	- as bonus shares	**250,069,550**	250,069,550

14.1 There are no agreements among shareholders in respect of voting rights, board selection, rights of first refusal and block voting.

15. LONG TERM BORROWINGS FROM BANKING COMPANIES

	Note	2024 Rupees	2023 Rupees
Financing under SBP schemes			
Islamic Temporary Economic Refinance Facility (ITERF)	*15.1*	375,346,864	424,585,824
Islamic Financing for Renewable Energy (IFRE)	*15.2*	89,452,090	29,907,695
		464,798,954	454,493,519
Other financing schemes			
Diminishing Musharaka financing	*15.3*	63,669,083	117,791,441
	15.4	528,468,037	572,284,960

15.1 Financing under Islamic Temporary Economic Refinance Facility (ITERF)

	Note	2024 Rupees	2023 Rupees
Faysal Bank Limited	*15.1.1*	318,349,065	361,011,049
Bank Islami Pakistan Limited	*15.1.2*	56,997,799	63,574,775
		375,346,864	424,585,824

15.1.1. ITERF from Faysal Bank Limited

The Company has obtained a long-term financing facility from M/s. Faysal Bank Limited (BAHL) under the SBP's scheme of Temporary Economic Refinance Facility (TERF) notified vide IH & SMEFD Circular No. 01 of 2020 dated March 17, 2020.

Following is the reconciliation of the amount of financing carried in the statement of financial position:

	Note	2024 Rupees	2023 Rupees
Opening carrying amount - net of deferred grant		443,030,370	436,400,241
Interest recognized on unwinding of the liability	*27*	44,273,173	47,021,802
Loan installments paid during the year		(77,840,051)	(40,391,673)
		409,463,492	443,030,370
Less: Current maturity shown under current liabilities	*18.1*	(91,114,427)	(82,019,321)
Non-current maturity		318,349,065	361,011,049

Terms and conditions of the financing arrangement

The principal terms and conditions of the facility are as follows:

(a) The applicable markup rate is 2.75% p.a. (2023: 2.75% p.a.);

(b) The tenure of the each tranche of the facility is 10 years (including 2-year moratorium period, commencing from the date of disbursement of the funds);

(c) Each tranche of the loan is to be repaid in 32 equal quarterly instalments; and

(d) The facility is secured against first pari passu hypothecation charge over the plant and machinery of the Company amounting to Rs. 800 million (with 25% margin) and mortgage charge over the land and building of the Company amounting to Rs. 300 million.

15.1.2 ITERF from Bank Islami Pakistan Limited

The Company has obtained a long-term financing facility from M/s.Bank Islami Pakistan Limited under the SBP's scheme of Temporary Economic Refinance Facility (TERF) notified vide IH & SMEFD Circular No. 01 of 2020 dated March 17, 2020. As at the reporting date, the facility available to the Company under the Scheme amounted to Rs.100 million (2023: 100 million) and the drawn down amount is Rs. 94.34 million (2023: Rs. 97.38 million).

Following is the reconciliation of the amount of financing carried in the statement of financial position:

	Note	2024	2023
		------------- Rupees	-------------
Opening carrying amount - net of deferred grant		73,179,637	68,739,182
Interest recognized on unwinding of the liability	*27*	8,863,724	8,472,892
Loan installments paid during the year		(7,901,042)	(4,032,437)
		74,142,319	73,179,637
Less: Current maturity shown under current liabilities	*18.1*	(17,144,520)	(9,604,862)
Non-current maturity		56,997,799	63,574,775

Terms and conditions of the financing arrangement

The principal terms and conditions of the facility are as follows:

(a) The applicable markup rate is 4% per annum (2023:4% per annum);

(b) The tenure of the each tranche of the facility is 10 years (including 2-year moratorium period, commencing from the date of disbursement of the funds);

(c) Each tranche of the loan is to be repaid in 32 equal quarterly instalments; and

(d) The facility is secured against first pari passu hypothecation charge over the plant and machinery of the Company amounting to Rs. 200 million (with 25% margin).

15.1.3 Since the above ITERF facilities carry markup rates that are well below the prevailing market interest rates, in accordance with a technical opinion issued by the Institute of Chartered Accountants of Pakistan (ICAP) in November 2020, the financing is considered to contain an element of government grant as per the IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'. Accordingly, at initial recognition, the Company measured the loan liability at its fair value (determined on a present value basis) and recognized the difference between the disbursement proceeds received from the bank and the said fair value as deferred government grant in the statement of financial position. This deferred grant is being recognized as income in profit or loss in proportion to the recognition of interest cost on the outstanding loan balance (based on the effective interest method).

		Note	2024	2023
			------------- Rupees	-------------
15.2	Islamic Financing for Renewable Energy (IFRE)			
	Bank Islami Pakistan Limited	*15.2.1*	24,804,398	29,907,695
	Bank Al Habib Limited	*15.2.2*	64,647,692	-
			89,452,090	29,907,695
15.2.1	Bank Islami Pakistan Limited			
	Opening Balance		29,907,695	-
	Loan proceeds received from bank		-	29,907,695
	Principal repaid during the year		(1,701,099)	-
			28,206,596	29,907,695
	Less: Current maturity shown under current liabilities	*18.1*	(3,402,198)	-
	Opening Balance		24,804,398	29,907,695

The Company had obtained long-term financing facilities of Rs. 35 million from M/s Bank Islami Pakistan Limited (BIPL) under the SBP's Islamic Financing for Renewable Energy (IFRE) notified vide IH and SMEED Circular No. 12 of 2019 dated august 21, 2019. upto the reporting date, the amount disbursed by BIPL under the said facility amounted to Rs. 29.90 million.

The principal terms and conditions of the facility are as follows:

(a) The applicable markup rate is 6% per annum;

(b) The tenure of the each tranche of the facility is 10 years (including 3 months as grace period);

(c) Each tranche of the loan is to be repaid in 39 equal quarterly instalments; and

(d) The facility is secured against first pari passu/ joint pari passu hypothecation charge over the plant and machinery of the Company amounting to Rs. 46.67 million (with 25% margin).

			2024	2023
		Note	------------- Rupees	-------------
15.2.2	Bank Al Habib Limited			
	Opening Balance		-	-
	Loan proceeds received from bank		72,036,000	-
			72,036,000	-
	Less: Current maturity shown under current liabilities	*18.1*	(7,388,308)	-
			64,647,692	-

During the year, the Company has obtained long-term financing facilities of Rs. 77 million from M/s Bank AL Habib Limited (BAHL) under the SBP's Islamic Financing for Renewable Energy (IFRE) notified vide IH and SMEED Circular No. 12 of 2019 dated august 21, 2019. upto the reporting date, the amount disbursed by BAHL under the said facility amounted to Rs. 72.03 million.

The principal terms and conditions of the facility are as follows:

(a) The applicable markup rate is 6% per annum;

(b) The tenure of the facility is 10 years (including 3 months as grace period);

(c) Each tranche of the loan is to be repaid in 39 equal quarterly instalments; and

(d) The facility is secured against hypothecation charge over machinery of the Company amounting to Rs. 77 million (with 25% margin) and mortgage charge over the land and building of the Company amounting to Rs. 775 million.

15.3 Diminishing Musharaka financing

Facilities obtained from Islamic banks

	Movement in Diminishing Musharaka facilities during the year ended September 30, 2024		Total outstanding balance as at September 30	
	Bank Al habib Limited	BankIslami Pakistan Limited	2024	2023
	------------------------------- Rupees ------------------------------			
Opening balance	386,968,861	8,278,788	395,247,649	626,009,205
Obtained during the year	-	-	-	56,205,654
	386,968,861	8,278,788	395,247,649	682,214,859
Payments made during the year	(269,640,230)	(2,069,712)	(271,709,942)	(286,967,210)
	189,364,631	6,209,076	123,537,707	395,247,649
Current maturity shown under current liabilities	(57,798,912)	(2,069,712)	(59,868,624)	(277,456,208)
	131,565,719	4,139,364	63,669,083	117,791,441

15.3.1 The principal terms and conditions of the above financing facilities are as under:

	Diminishing Musharaka facility	
	Bank Al habib Limited	BankIslami Pakistan Limited
Purpose:	For procurement of plant and machinery	For procurement of vehicles
Facility amount (Rs.):	785,827,000	50,000,000
Instalment frequency	Monthly / Quarterly	Monthly
Markup rate (formula):	6-Month KIBOR + 0.5% to KIBOR + 1%	3-Month KIBOR + 1%
Markup rate (floor):	5%	5%
Markup rate (cap):	20%	40%
Tenure	2-10 years	5 Years
Security:	Pari Passu / Exclusive Hypothecation Charge over plant and machinery of Rs. 692.91 million (2022: Rs. 692.91 million)	Title over DM assets with comprehensive Takaful / Insurance Coverage

15.4 As of the reporting date, unavailed long-term financing facilities amounted, in aggregate, to Rs. 45.90 million (2023: Rs. 40.94 million).

	Note	2024	2023
		-------------- Rupees --------------	
16. DEFERRED LIABILITIES			
Deferred taxation - net	*16.1*	-	262,157,936
Sales tax payable	*16.2 & 11.4*	109,419,576	109,419,576
Provision for excise duty	*11.4*	7,005,677	7,005,677
Deferred government grant	*16.3*	101,743,349	118,266,358
		218,168,602	496,849,547

		Note	2024	2023
			------------- Rupees -------------	
16.1	**Deferred taxation - net**			
	Deferred tax liability arising in respect of:			
	Property, plant and equipment		424,845,710	440,857,713
	Investment in associates		90,992,204	192,476,127
	Long term borrowing from banking companies		57,623,961	43,105,197
			573,461,875	676,439,037
	Deferred tax asset arising in respect of:			
	Provision for slow moving stores and spares		(3,988,766)	(3,418,939)
	Deferred government grant		(37,828,999)	(47,140,185)
	Minimum Tax		(139,934,519)	-
	Unused tax losses		(678,105,772)	(363,721,977)
			(859,858,056)	(414,281,101)
			(286,396,181)	262,157,936
	Unrecognised deferred tax asset	*16.1.1*	139,934,519	-
			(146,461,662)	262,157,936

16.1.1 Deferred tax asset amounting to Rs. 139.931 million has not been recognised in respect of the minimum tax charged under section 113 because it is not probable that normal tax charge will be available against which the Company can use the benefits therefrom.

16.2 **Sales tax payable**

This represents the amount of further tax collected in terms of repealed section 3(1A) of the Sales Tax Act, 1990 and paid to the extent disclosed in note 11.4 to these financial statements in view of the judgment of the Honourable High Court of Sindh against the said levy. The Collectorate's appeal with the Honourable Supreme Court of Pakistan was remanded back to the Honourable High Court of Sindh where it is currently pending for further adjudication.

		Note	2024	2023
			------------- Rupees -------------	
16.3	**Deferred government grant**			
	Deferred government grant recognized in respect of:			
	- Islamic Temporary Economic Refinance Facility	*16.3.1*	101,743,349	118,266,358
16.3.1	**Deferred grant on ITERF**			
	Opening balance		162,552,362	195,433,526
	Less: Amortization for the year		(32,107,537)	(32,881,164)
			130,444,825	162,552,362
	Less: Current maturity shown under current liabilities	*18.2*	(28,701,476)	(44,286,004)
	Non-current maturity		101,743,349	118,266,358

	Note	2024	2023
		------------- Rupees -------------	
17. TRADE AND OTHER PAYABLES			
Trade creditors:			
- Sugarcane growers	41.4	69,638,693	20,674,553
- Suppliers of stores and spares		123,236,164	223,394,895
		192,874,857	244,069,448
Other payables:			
Advance and deposit from customers	*17.1*	392,243,257	1,333,185,300
Sales tax payable		422,774,017	343,176,695
Accrued liabilities		71,274,883	55,285,287
Workers' Welfare Fund	*17.2*	11,896,298	12,304,686
Workers' Profit Participation Fund	*17.3*	3,219,589	34,483,859
Special Excise Duty payable	*17.4*	13,208,869	13,208,869
Road cess payable		4,774,825	4,774,797
Security deposits		7,322,332	4,893,853
Withholding income tax payable		34,686,231	6,098,337
Others	*17.5*	27,576,328	12,767,526
		988,976,629	1,820,179,209
		1,181,851,486	2,064,248,657

17.1 During the year, the performance obligations underlying the opening contract liability of Rs. 1,333.185 million were satisfied in full. Accordingly, the said liability was recorded as revenue during the year.

In addition, information regarding the timing of satisfaction of performance obligations underlying the closing contract liability of Rs. 392.243 million is not presented since the expected duration of all the contracts entered into with the customers is less than one year.

17.1.1 This includes an amount of Rs. 49.30 million (2023: Rs. 54.231 million) received as advance from M/s. B.F. Modaraba, a related party.

	2024	2023
	------------- Rupees -------------	
17.2 Workers' Welfare Fund		
Opening balance	12,304,686	38,641,793
Add: charge for the year	-	11,896,271
	12,304,686	50,538,064
Less : reversal of provision earlier recorded	-	(23,242,702)
Less : adjustment during the year	-	(14,990,676)
Less: Payment during the period/ year	(408,388)	-
Closing balance	11,896,298	12,304,686
17.3 Workers' Profit Participation Fund		
Opening balance	34,483,859	3,189,509
Add: charge for the year	-	31,305,976
	34,483,859	34,495,485
Less: payment during the year	(31,264,270)	(11,626)
Closing balance	3,219,589	34,483,859

17.4 This represents the amount of provision made on account of Special Excise Duty (SED) provided for the months of May and June 2011. In February 2013, the Honourable High Court of Sindh decided the petition in the favour of the Company following which the Commissioner Inland Revenue - Large Taxpayers' Unit filed an appeal against the said decision in the Honorable Supreme Court of Pakistan where it is currently pending for further adjudication.

17.5 This includes an amount of Rs. 25.94 million (2023: Rs. 11.21 million) due to M/s. Reliance Insurance Limited, a related party.

		Note	2024	2023
			------------- Rupees -------------	
18	CURRENT MATURITY OF LONG TERM LIABILITIES			
	Current maturity of:			
	- Islamic Temporary Economic Refinance Facility (ITERF)	*18.1*	108,258,947	91,624,183
	- Islamic Financing for Renewable Energy (IFRE)	*15.2*	10,790,506	-
	- Diminishing Musharaka financing	*15.3*	59,868,624	277,456,208
			178,918,077	369,080,391
	- Deferred government grant	*18.2*	28,701,476	44,286,004
18.1	Current maturity of ITERF			
	Faysal Bank Limited	*15.1.1*	91,114,427	82,019,321
	Bank Islami Pakistan Limited	*15.1.2*	17,144,520	9,604,862
			108,258,947	91,624,183
18.2	Current maturity of deferred government grant			
	Islamic Temporary Economic Refinance Facility	*16.3.1*	28,701,476	44,286,004
19.	SHORT TERM BORROWINGS - Secured			
	Islamic financing arrangements	*19.1*	4,730,898,000	1,137,719,953

19.1 This represents the amount availed against Islamic finance facilities provided by various Islamic banks. As at the reporting date, the aggregate limit of these available finances amounted to Rs. 8,050 million (2023: Rs. 5,550 million). These finances are secured against pledge of refined sugar and first pari passu charge over fixed assets of the Company including land, building and plant & machinery carrying profit at the rate of KIBOR + 0.50% to 1 % per annum (2023: KIBOR + 0.50% to 1.25% per annum).

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

20.1.1 Contingent liabilities existing as at the reporting date

(a) On November 05, 2020, the Competition Commission of Pakistan (CCP) issued a show cause notice (SCN) to the Company alleging violation of various sections of Competition Act, 2010. The SCN was replied to by Company's learned legal counsel. However, CCP vide its order dated August 12, 2021, imposed upon the Company a penalty of Rs. 230 million for sharing certain information with Pakistan Sugar Mills Association (PSMA) to avail sugar export permission, and another penalty of Rs. 50 million for availing a tender from M/s. Utility Store Corporation. Being aggrieved with the aforesaid order, on October 07, 2021, the Company filed a Suit (bearing no. 2273 of 2021) before the Honorable High Court of Sindh ('the Court') which, vide its order dated October 08, 2021 suspended the operation of the impugned order till the next date of hearing. Thereafter, the case was fixed for hearing on various dates falling in the period February - April 2022.

In its order dated June 13, 2022, the Court accepted the Company's stance for illegally exercising casting vote in the impugned CCP order, and held that a casting vote in the judicial matter was not available under Competition Act, 2010 and, accordingly, suspended the said order till the final disposal of the Suit subject to furnishing of a 50% bank guarantee. In compliance with the said Court's order, the bank guarantee was duly submitted by the Company with the Nazir of the Court on July 25, 2022. Subsequently, the Company preferred an appeal before the Competition Appellate Tribunal, Islamabad (CAT) which, vide its order dated August 02, 2022, directed that, till the final adjudication of the appeal, no coercive measures shall be taken by the CCP against the appellant for recovery of the aforesaid penalties.

Thereafter, the Company also filed a High Court Appeal (H.C.A.) before the Court against the aforesaid submission of the bank guarantee. In its order dated August 25, 2022, the Court disposed of the above H.C.A. in terms of a 'Joint Statement' signed by the learned counsel for both the parties to the case. As per the said Joint Statement, the Court's order dated June 13, 2022 was set aside, the bank guarantees previously submitted by the plaintiffs in Suit No. 2273 of 2021 (and other connected suits) were directed to be discharged and returned, the CCP was directed not to initiate recovery proceedings against the plaintiffs until the final decision of the appeals pending before the CAT, and the Single Judge was directed to frame the issues in Suit No. 2273 of 2021 (and other connected suits) and decide the suits expeditiously.

As of the reporting date, the Company's appeal before the Court and CAT were yet pending for final adjudication. In the opinion of its legal counsel, the Company has a good case on merit and, hence, the final outcome of aforesaid appeals was expected to be in favour of the Company. Accordingly, no provision for the aforesaid imposed penalties amounting, in aggregate to Rs. 280 million, has been recognized in these unconsolidated financial statements.

(b) The Government of Sindh arbitrarily imposed minimum support price of cane at the Rs. 182 per 40 kgs on November 07, 2014. However, the Government of Sindh issued another notification of interim minimum support price of Rs. 155 per 40 kgs on December 03, 2014 to commence crushing season. All of a sudden, the government issued a notification on December 09, 2014 withdrawing its notification dated December 03, 2014 and restored arbitrarily its earlier notification of minimum price of sugarcane at Rs 182 per 40kg.

The Company filed a review petition bearing No. 960 of 2023 on October 23, 2023, before the Supreme Court of Pakistan, against the dismissal of Civil Appeal No. 48/2015 vide their order dated September 13, 2023. The said Civil Appeal was preferred by the Company against the Judgement dated December 30, 2014 passed by Sindh High Court (SHC) in Constitutional Petition bearing No. 6416 of 2014. Through the said Constitutional petition, the legality and validity of the notification dated December 09, 2014 issued in respect of fixation of minimum price of Sugar Cane for the crushing Season 2014-2015 was challenged. In the opinion of legal counsel, the Company has a good case on merit and, hence the final outcome of aforesaid Civil Review Petition in favor of the Company therefore, no provision for the short payment of Rs. 192 million ,has been recorded in these unconsolidated financial statements.

(c) The Company entered into a sale agreement with Garib Sons (Pvt) Ltd (GSL) for supply of 20,000 M.tons of Baggasse under specific term and conditions. Under the said terms, GSL committed to maintain an amount equivalent to 2,000 M.Tonne as advance throughout the terms of contract. However, GSL breached the terms of agreement and failed to maintain an advance payment of 2,000 Metric ton after lifting first shipment of 1,000 M.Tonne.

During the year ended September 30, 2023, GSL has filed suit vide suit No. 507 of 2023 before the high court of Sindh, alleging non-performance of the sale agreement by the company. The company is actively defending its position through its legal counsel before the SHC. According to the legal counsel of the company, the Company has a good case on merit and, hence the final outcome of aforesaid Suit in favor of the Company.

(d) The Pakistan Standard and Quality Control Authority (the Authority) demanded from the company a marking fee @0.1 % of the ex-factory price of sugar produced for the year 2008-09.

The Company then filed a petition with Honorable High Court of Sindh challenging a marking fee under PSQCA Act -VI of 1996 pleading that the impugned demand so raised are without any lawful authority under the said Act and in violation of the Constitution of the Islamic Republic of Pakistan. Other mills in the industry too have filed similar petitions. The High Court passed order dated December 04.2012 on the company's petition terming the impugned notification as issued without lawful authority on the grounds that the subject of agricultural produced is a provincial subject and the Federal Government or its departments has no jurisdiction to prescribe the standard or to regulate licensing, marking and levying of any fee on the petitioners.

In March 2013, the authority filed an Appeal against the aforesaid order of the High Court before the Supreme Court of Pakistan (the Apex Court) which is currently pending in adjudication. The Company has not made any provision against the impugned demand in view of the legal counsel of the company that the company has a good case on merit and the judgment of the High Court is likely to be upheld.

(e) The Deputy Commissioner Inland Revenue (DCIR) vide its order, dated January 03, 2024, raised a demand of Rs. 30.054 million (including default surcharge u/s. 205 amounting to Rs. 7.880 million and penalty u/s. 182 amounting to Rs. 2.015 million) for the tax year 2021 and Rs. 20.516 million (including default surcharge u/s. 205 amounting to Rs. 4.054 million and penalty u/s. 182 amounting to Rs. 1.496 million) for the tax year 2022 on the alleged failure of the company to collect/deduct tax under sections 236G, 236H and 153 of the Income Tax Ordinance (ITO), 2001.

In response to the said order, on January 01 2024 , the Company filed an appeal before the Commissioner Inland Revenue (Appeals-I) challenging the demand raised by the DCIR on the grounds that the order passed was bad in law and the DCIR has grossly erred in raising the demand @ 1% u/s 236H of the income tax ordinance, 2001 which was not applicable to the Company and similarly also erred in calculating the withholding tax liability against various heads of expenses claimed which were duly reconciled with the reconciliation filed with the DCIR as required under rule 44(4) of the Income Tax Rules (ITR), 2002. Accordingly, the levy created against the impugned expenses arbitrarily is unjustified and unwarranted.

On February 23, 2024, Commissioner Inland Revenue, Appeals-I, CIR (A), through its order set aside the appeal filed by the Company and upheld the order passed by the DCIR previously.

Being aggrieved with the aforesaid order by the Company filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) on the grounds that order passed by the learned CIR (A) was bad in law and against the facts of the case.

As of the reporting date, the case is pending for adjudication before the ATIR. After due consultation with its legal advisor, the Company expects a favourable decision and, accordingly, has not made any provision in this regard.

20.1.2 Previously reported contingent liabilities that were resolved during the year

In its financial statements for the year ended September 30, 2023, the Company had disclosed the following matter as contingent liabilities. However, during the year, certain key developments occurred due to which the previously reported uncertainties surrounding such matters were resolved and, hence, the same are no longer regarded as contingent liabilities as at September 30, 2024.

The Economic Coordination Committee of the Federal Cabinet (ECC), in its meeting dated January 11, 2023, held that, in relation to the crushing season 2022-23, a total export quota of 32% (i.e. 80,000 M.T.) be allocated to the Province of Sindh and directed the Cane Commissioner, Sindh to distribute the said quota among all the sugar mills currently functioning in the province of Sindh. In response thereto, the Cane Commissioner, Sindh issued various notices to the sugar mills (dated January 26, 2023 and January 30, 2023) whereby an equal quota of 2,500 M.T. was allocated to each mill.

Being aggrieved with the aforesaid equal quota allocation, M/s. JDW Sugar Mills Limited and M/s. JK Sugar Mills (Private) Limited (along with certain other petitioners) filed suits (numbered as Suit 145 of 2023 and Suit No. 149 of 2023, respectively) in the Honourable High Court of Sindh ('the High Court'). In these suits, it was claimed that the equal quota allocation by the Cane Commissioner, Sindh was designed to unfairly and unlawfully benefit a group of mill owners having no significant contribution at all in the process of crushing of sugarcane and the production of sugar, and that they were given benefit at the expense of other mill owners being efficient and contributing to a large extent towards the national need. Subsequently, on March 07, 2023, the High Court finally decided the matter in favour of the sugar mills holding the equal quota allocation as being illegal and unlawful and directing the Cane Commissioner, Sindh to submit the revised quota allocation within two weeks from the date of the order.

Thereafter, on March 10 2023, the Cane Commissioner, Sindh filed two appeals (numbered as H.C.A No. 66 of 2023 and H.C.A. 67 of 2023) in the High Court praying, on various grounds, that the said High Court order be set aside and its operation be suspended. In addition, on March 12, 2023, certain other sugar mills also instituted an appeal against M/s. JDW Sugar Mills Limited (in H.C.A No. 64 of 2023) and M/s. JK Sugar Mills (Private) Limited (in H.C.A No. 65 of 2023)..In response to these appeals, the High Court, via its interim order dated March 09, 2023, modified its earlier order dated March 07, 2023 (referred to above) directing that the claimed export quota of the respondent sugar mills in H.C.A No. 64 and 65 of 2023 be secured by the Cane Commissioner, Sindh, and that PSMA and all its member sugar mills be allowed to export 1,500 M.T of sugar till further order of the Court.

Subsequently, in May 2023, the respondent sugar mills in the aforementioned H.C.A. No. 64 and 65 of 2023 filed CMA No. 2297 of 2023 in the High Court requesting that, till the decision in the instant H.C.A.s, an interim arrangement for export of the remaining quota (i.e. 32,000 M.T.) be allowed subject to deposit of an amount before the Nazir of the Court (explained below). The said CMA was duly supported by a joint statement dated May 29, 2023 prepared on behalf of the respondents and appellants in the instant H.C.A.s wherein a detailed proposal for the interim arrangement to allow export of the aforesaid remaining quota was given. In terms of the said joint statement, the total disputed quantity was 15,776 M.T. which, when divided into 32 functioning sugar mills, came to 493 M.T. per mill. Based on the said quantity of 493 M.T. and the rate of Rs. 96.10 per kg. (worked out as the difference between the price per kg. of sugar realized in the export market relative to that realized in the local market), each mill was required to deposit an amount of Rs. 47.377 million with the Nazir of the Court. Accordingly, subsequent to year ended September 30, 2023, the said amount was duly deposited by the Company with the Nazir of the Court on October 10, 2023. In the event that the H.C.A.s are decided in favour of the respondent mills, the said deposit amount (along with profit accruing thereon) shall be disbursed to them; otherwise, the same shall be distributed between all the sugar mills, including the appellant and respondent sugar mills, in the same proportion in which they deposited the amount with the Nazir of the Court, or as may be ordered by the Court.

The total sum deposited by the Sugar mills (including, the company) with the Nazir amounted to Rs. 1,176 million. On July 15, 2024, the Company and other sugar mills filed CMA No. 1037 of 2023 in the SHC, supported by a joint statement, seeking the distribution of these deposits. As mutually agreed, JDW Sugar Mills, JK Sugar Mills, and Deharki Sugar Mills were immediately remitted Rs. 270.841 million each, while the Company received Rs. 20.661 million subequent to year end (calculated as Rs. 351.245 million divided among 17 sugar mills). On September 24, 2024, the Court disposed of the matter and directed the Nazir to release the agreed amounts.

		Note	2024	2023
			Rupees	
20.2	Commitments			
	Financial guarantee provided	*20.2.1*	-	48,429,140
	Letters of credit issued in respect of - import of stores items		35,634,301	-
	Commitments for capital expenditures		-	18,479,000

20.2.1 This represented a bank guarantee amounting to Rs. 48,429,140/- arranged by the Company for the benefit of M/s. Controller of Military Accounts (Defence Purchase), Rawalpindi, in accordance with the agreement in respect of the sale of sugar dated January 02, 2023, between M/s Faran Sugar Mills Limited and the Controller of Military Accounts. The guarantee expired on January 31, 2024.

		Note	2024	2023
			------------- Rupees -------------	
21.	**SALES REVENUE - net**			
	Revenue from local sales - net	*21.1*	10,940,295,275	8,938,195,371
	Revenue from export sales		202,759,300	398,528,196
			11,143,054,575	9,336,723,567
21.1	**Revenue from local sales - net**			
	Sales of sugar - gross		11,094,186,273	9,084,430,404
	Less: Sales tax / advance income tax		(1,746,976,081)	(1,377,720,893)
			9,347,210,192	7,706,709,511
	Sales of molasses-gross		1,374,680,029	1,098,832,099
	Less: Sales tax		(27,135,000)	-
			1,347,545,029	1,098,832,099
	Sales of power-gross		11,314,389	-
	Less: Sales tax		(1,725,924)	-
			9,588,465	-
	Sales of bagasse - gross		283,465,983	155,609,781
	Less: Sales tax		(47,514,394)	(22,956,020)
			235,951,589	132,653,761
	Net sales revenue		10,940,295,275	8,938,195,371
22.	**COST OF SALES**			
	Opening stock of finished goods		1,690,425,361	2,005,042,327
	Cost of goods manufactured	*22.1*	11,974,472,404	7,472,433,492
			13,664,897,765	9,477,475,819
	Closing stock of finished goods		(3,063,236,855)	(1,690,425,361)
			10,601,660,910	7,787,050,458

		Note	2024	2023
			------------- Rupees -------------	
22.1	Cost of goods manufactured			
	Raw materials consumed		10,827,195,878	6,436,174,749
	Conversion costs incurred:	22.1.1	467,385,874	372,704,355
	- Salaries, wages and benefits		169,006,143	207,678,479
	- Repairs and maintenance		169,317,113	156,125,919
	- Stores and spares consumed	4.1.3	136,761,710	129,888,329
	- Depreciation		101,818,637	71,955,023
	- Packing materials consumed		37,313,881	43,145,652
	- Fuel and power		26,325,907	26,698,219
	- Insurance		19,038,342	15,288,838
	- Vehicle running expenses		17,289,314	12,956,036
	- Others		1,144,256,921	1,036,440,850
			11,971,452,799	7,472,615,599
	Opening stock of work in process		3,571,900	3,389,793
	Closing stock of work in process		(552,295)	(3,571,900)
			3,019,605	(182,107)
			11,974,472,404	7,472,433,492

22.1.1 This includes Rs. 4.15 million (2023: Rs. 3.85 million) in respect of staff retirement benefits.

22.2 As on reporting date, the finished goods stock has been written down to net realisable value (NRV) by Rs. 129.291 million

		Note	2024	2023
23.	ADMINISTRATIVE EXPENSES		------------- Rupees -------------	
	Salaries and benefits	23.1	131,794,436	117,134,332
	Depreciation	4.1.3	37,037,362	29,600,052
	Vehicle running		12,098,529	12,106,159
	Ijarah lease rental		4,043,743	11,330,195
	Legal charges		6,285,798	7,053,636
	Fees and subscription		7,082,026	6,061,315
	Traveling and conveyance charges		4,576,500	4,720,801
	Utilities charges		4,369,464	3,696,840
	Telephone, postage and telegraph		3,105,356	3,008,086
	Insurance		3,974,671	2,737,035
	Auditors' remuneration	23.2	1,792,000	1,441,000
	Repairs and maintenance		9,865,383	2,324,485
	Professional services		2,146,800	1,602,731
	Printing and stationery		1,129,038	1,023,090
	Rent, rates and taxes		844,783	773,844
	Advertisement expenses		137,500	372,400
	IT related expenses		1,025,310	262,900
	General expenses		17,992,634	17,892,357
			249,301,333	223,141,258

23.1 This includes Rs. 3.20 million (2023: Rs. 3.257 million) in respect of staff retirement benefits.

		Note	2024	2023
			------------- Rupees -------------	
23.2	Auditors' remuneration			
	Statutory audit fee		1,110,000	925,000
	Half yearly review		500,000	341,000
	Certification charges		150,000	150,000
	Out of pocket expenses		32,000	25,000
			1,792,000	1,441,000
24	SELLING AND DISTRIBUTION EXPENSES			
	Transportation		86,530,918	126,198,885
	Loading, stacking, bagging and storage		18,755,141	12,501,755
	Export Expenses		1,012,002	9,531,830
			106,298,061	148,232,470
25	OTHER INCOME			
	Sale of Associate		-	188,380,393
	Amortization of deferred government grant		32,107,537	32,881,164
	Liability written-off	*17.2*	-	23,242,702
	Sale of scrap		15,868,587	22,434,726
	Exchange gain		-	17,458,851
	Insurance claim		32,197,512	-
	Gain on sale of property, plant and equipment		9,301,979	13,500,496
	Profit on deposit accounts		10,463,151	9,236,831
	Miscellaneous		8,703,329	5,454,845
	Unrealized loss on remeasurement of investments in quoted equity securities to fair value		724,131	-
	Dividend income	*10.2*	40,500	66,500
			109,406,726	312,656,508
26	OTHER EXPENSES			
	Assets written off	*26.1*	-	84,191,591
	Donation	*26.2*	498,597	811,130
	Exchange loss		219,724	-
	Provision for slow moving stores		1,964,920	
	Unrealized loss on remeasurement of investments in quoted equity securities to fair value	*10.2*	-	52,181
	Others	*26.3*	26,715,784	-
			29,399,025	85,054,902
26.1	Assets written off			
	Freight Support Subsidies written off	*26.1.1*	-	69,971,591
	Bid Money - Utility Stores Corporation	*26.1.2*	-	14,220,000
			-	84,191,591

26.1.1 Last year Sindh High Court (SHC) disposed off the petitions, filed by sugar mills in Sindh for the release of Freight Subsidy, with the direction to Government of Sindh (GoS) to disburse reconciled subsidy claims by first quarter of Financial 2023-2024. However, as per record submitted by SBP to the SHC, reconciled subsidy claims amount to Rs. 304.73 Million. Thereby, the management has decided to write off the differential amount of Rs. 69.97 Million.

26.1.2 This represents bid money withheld by Utility Stores Corporation (USC) deposited against tender for procurement of sugar during December 2019.

26.2 None of the directors or their spouses have any interest in the donee institutions. Further, there is no single party to whom the donation exceeds the higher of: (a) 10% of the Company's total donation expense for the year or; (b) Rs. 1 million.

26.3 As disclosed in note 20.1.4 to these financial statements, this includes an amount of Rs. 26.715 million, which has been expensed following the Court's order and the terms outlined in the joint statement.

	Note	2 0 2 4	2 0 2 3
		------------- Rupees	-------------
27. FINANCE COSTS			
Markup on short term borrowings		1,288,656,040	603,074,649
Markup on long term borrowings:			
- Diminishing Musharaka financing		68,069,279	114,170,557
- ITERF from Faysal Bank Limited	*15.1.1*	44,273,173	47,021,802
- ITERF from Bank Islami Pakistan Limited	*15.1.2*	8,863,724	8,472,892
- Salaries and wages financing		-	69,789
		121,206,176	169,735,040
		1,409,862,216	772,809,689
Bank charges		5,296,912	6,971,779
		1,415,159,128	779,781,468
28. SHARE OF PROFIT OR LOSS OF ASSOCIATES - net			
Unicol Limited	*5.2.1*	(652,544,333)	911,650,000
Uni Energy Limited	*5.2.2*	197,856	232,504
Uni Food Industries Limited		-	-
		(652,346,477)	911,882,504
29. LEVIES			
Income tax under final tax regime		-	45,419,845
Excess of minimum tax over normal tax		139,934,519	68,324,141
Super tax		-	23,152,870
		139,934,519	136,896,856
Worker's Profit Participation Fund	*41.4*	-	31,305,976
Worker's Welfare Fund	*41.4*	-	11,896,271
		-	43,202,247
		139,934,519	180,099,103

30. TAXATION	2 0 2 4	2 0 2 3 (Restated)
Current	-	58,688,061
Deferred	(408,619,598)	79,188,522
	(408,619,598)	137,876,583

30.1 The numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate as required by IAS 12 'Income Taxes' has not been presented in these unconsolidated financial statements since the Company's income in both reporting years is subject to taxation under the normal tax regime and has attracted the provisions of section 113 of the Income Tax Ordinance, 2001 (Minimum tax).

	Note	2 0 2 4	2 0 2 3
		------------- Rupees -------------	
31. EARNINGS / (LOSS) PER SHARE			
31.1 Basic earnings / (loss) per share			
(Loss) / profit after taxation		(1,533,018,554)	1,220,026,337
		------------- Number -------------	
Weighted average number of ordinary shares outstanding during the year		25,006,955	25,006,955
		------------- Rupees -------------	
(Loss) / earnings per share - basic and diluted		(61.30)	48.79

31.2 **Diluted earnings / loss per share**

There was no dilutive effect on the basic earnings / loss per share of the Company, since there were no potential ordinary shares in issue as at September 30, 2024 and September 30, 2023.

32. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows are reconciled to the related items in the statement of financial position as follows:

	Note	2 0 2 4	2 0 2 3
		------------- Rupees -------------	
Cash and bank balances	*13 & 41.4*	97,330,221	109,493,028
Short term investment- term deposit certificates		4,400,000	4,400,000
Running finance		(99,600,001)	-
		2,130,220	113,893,028

		Note	2024	2023
			------------- Rupees -------------	
33.	**CASH USED IN OPERATIONS**			
	(Loss) / profit before levies and taxation		(1,801,703,633)	1,538,002,023
	Adjustment for non-cash and other items:			
	- Depreciation	*4.1.3*	173,799,072	159,488,381
	- Sale of Associate	*25*	-	(188,380,393)
	- Amortization of deferred government grant	*25*	(32,107,537)	(32,881,164)
	- Gain on sale of property, plant and equipment	*25*	(9,301,979)	(13,500,496)
	- Profit on deposit accounts	*25*	(10,463,151)	(9,236,831)
	- Dividend income	*25*	(40,500)	(66,500)
	- Unrealized (gain) / loss on remeasurement of investments	*25*	(724,131)	52,181
	- Finance costs	*27*	1,415,159,128	779,781,468
	- Share of loss / (profit) of associates - net	*28*	652,346,477	(911,882,504)
			386,963,746	1,321,376,165
	Working capital changes			
	(Increase) / decrease in current assets			
	- Stores and spares		45,347,619	(53,825,058)
	- Stock in trade		(1,369,791,889)	314,434,859
	- Trade debts		(245,152,702)	(132,272,201)
	- Loans, advances, deposits and other receivables	*41.4*	(74,535,144)	66,020,809
	Increase / (decrease) in current liabilities			
	- Trade and other payables		(850,724,513)	1,309,202,589
			(2,494,856,629)	1,503,560,998
	Cash (used in) / generated from operations		(2,107,892,883)	2,824,937,163

34. **TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

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 of the Chief Executive and Directors is disclosed in note 35 to these unconsolidated financial statements. Transactions entered into during the year, and balances held with, related parties are given below:

	2024	2023
	------------- Rupees -------------	
ASSOCIATES		
Transactions		
Sale of molasses to Unicol Limited	1,374,680,568	935,770,667
Sale of bagasse to Unicol Limited	71,382,175	35,322,059
Balances outstanding		
Trade receivable from Unicol Limited	2,026,235	2,022,226

	2024	2023
	------------- Rupees -------------	
OTHER RELATED PARTIES		
Transactions		
Insurance premium to Reliance Insurance Ltd.	35,226,389	28,800,000
Sale of Sugar to BF Modaraba	4,931,795	2,089,744
Provident fund contribution	7,355,522	7,107,700
Balances outstanding		
Insurance premium payable to Reliance Insurance Ltd.	25,944,590	11,215,946
Amount receivable from / Contribution payable to provident fund	1,449,116	6,160,672
KEY MANAGEMENT PERSONNEL		
Hamza Omar Bawany (Director)		
Transaction - *Sale of vehicle*	-	4,500,000
Muhammad Ayub (Chief financial officer)		
Transaction - *Sale of vehicle*	-	1,642,540

35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration, including certain benefits to Chief Executive, Directors and executives of the Company, are as follows:

		Year ended September 30, 2024			
		Chief Executive	**Directors**	**Executives**	**Total**
	Note	**Rupees**			
Managerial remuneration		**18,833,236**	**14,587,418**	**38,519,510**	**71,940,164**
Contribution to provident fund		**-**	**-**	**3,045,989**	**3,045,989**
Other perquisites and benefits	*35.1*	**1,883,324**	**1,458,742**	**37,745,574**	**41,087,640**
Bonus		**-**	**-**	**9,800,674**	**9,800,674**
		20,716,560	**16,046,160**	**89,111,747**	**125,874,467**
Number of persons		**1**	**2**	**15**	

		Year ended September 30, 2023			
		Chief Executive	Directors	Executives	Total
		Rupees			
Managerial remuneration		**16,376,727**	**16,124,727**	**34,072,726**	**66,574,181**
Contribution to provident fund		**-**	**-**	**2,679,054**	**2,679,054**
Other perquisites and benefits	*35.1*	**1,637,673**	**1,612,473**	**32,769,224**	**36,019,369**
Bonus		**-**	**-**	**7,568,704**	**7,568,704**
		18,014,400	**17,737,200**	**77,089,708**	**112,841,308**
Number of persons		**1**	**2**	**15**	

35.1 Other perquisites and benefits mainly include house rent allowance, utilities allowances and medical allowance.

35.2 In addition to above, seven non-executive directors (2023: two non-executive directors) of the Company were paid fees to attend the board meetings amounting, in aggregate, to Rs. 1,155,000 (2023: Rs. 100,000).

35.3 The Chief Executive, Directors and executives are also provided with free use of Company-maintained cars in accordance with their terms of service.

36. FINANCIAL INSTRUMENTS

36.1 Financial risk analysis

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

36.1.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

A financial asset is regarded as credit impaired as and when it falls under the definition of a 'defaulted' financial asset. For the Company's internal credit management purposes, a financial asset is considered as defaulted when it is past due for 90 days or more.

The Company writes off a financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means. The financial assets written off are not subject to enforcement activity.

Maximum exposure to credit risk

As of the reporting date, the maximum exposure to credit risk was as follows :

	Note	2024	2023
		------------- Rupees	-------------
Long term deposits		8,662,933	13,632,391
Trade debts	*(a)*	606,094,565	360,941,863
Short term loans		20,579,253	48,556,962
Short term advances		3,722,982	2,732,597
Short term deposits		50,747,900	3,007,500
Other receivables		58,372,187	17,892,106
Bank balances	*(b)*	87,657,620	96,219,110
		835,837,440	542,982,529

Note (a) - Credit risk exposure on trade debts

As part of its credit risk management strategy on trade debts, the Company receives advances from customers against sales of goods. In addition, the Company has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored.

As of the reporting date, the ageing analysis of trade debts was as follows:

	September 30, 2024		September 30, 2023	
	Gross carrying amount	**Provision for expected credit losses**	Gross carrying amount	Provision for expected credit losses
	------------------	**Rupees**	------------------	
Not past due	**606,094,565**	-	360,941,863	-
Past due 1 to 180 days	-	-	-	-
More than 180 days	-	-	-	-
	606,094,565	-	360,941,863	-

Based on past experience, consideration of financial position, past track records and recoveries, the Company believes that trade debtors considered good do not require any impairment. Further, substantial amount of debtors have been collected post year end, therefore, expected credit loss has not been considered.

Note 'b' - Credit risk management of bank balances

To minimize its exposure to credit risk, the Company maintains its cash balances only with banks with high quality credit worthiness. As of the reporting date, the external credit ratings of the Company's major bankers were as follows:

Bank Name	Credit Rating Agency	Rating Short term	Rating Long term
Bank Al Habib Limited	PACRA	A1+	AAA
Bank Al Falah Limited	PACRA	A1+	AA+
Faysal Bank Limited	PACRA	A1+	AA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
MCB Bank Limited	PACRA	A1+	AAA
MCB Islamic Bank Limited	PACRA	A1	A
Askari Bank Limited	PACRA	A1+	AA+
JS Bank Limited	PACRA	A1+	AA-
Soneri Bank Limited	PACRA	A1+	AA-
Standard Chartered Bank	PACRA	A1+	AAA
Bank Islami Pakistan Limited	PACRA	A1	A+
Al Baraka Bank (Pakistan) Limited	JCR-VIS	A1	A+
Dubai Islamic Bank Pakistan Ltd	JCR-VIS	A1+	AA
Habib Bank Limited	JCR-VIS	A1+	AAA
Meezan Bank Limited	JCR-VIS	A1+	AAA
United Bank Limited	JCR-VIS	A1+	AAA

Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same party, or when counter parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. As of the reporting date, the Company was exposed to the following concentrations of credit risk:

	September 30, 2024			September 30, 2023		
	Total exposure	**Concentration**	**% of total exposure**	Total exposure	Concentration	% of total exposure
	------------- Rupees -------------			------------- Rupees -------------		
Trade debts	**606,094,565**	**499,453,520**	**82%**	360,941,863	298,186,394	83%
Bank balances	**87,657,620**	**52,984,285**	**60%**	91,904,976	55,075,392	60%
		552,437,805			353,261,786	

36.1.2 *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities: The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of non-derivative financial liabilities:

	September 30, 2024					
	Carrying amount	**Contractual cash flows**	**One to six months**	**Seven to twelve months**	**More than 1 to 5 years**	**More than 5 years**
	---------- (Rupees) ----------					
Non-derivative financial liabilities						
Long term borrowings	**707,386,114**	**915,014,344**	**91,045,185**	**89,994,270**	**558,815,004**	**175,159,885**
Short term borrowings	**4,730,898,000**	**4,730,898,000**	**4,730,898,000**	**-**	**-**	**-**
Trade and other payables	**264,149,740**	**264,149,740**	**264,149,740**	**-**	**-**	**-**
Accrued markup	**619,781,551**	**619,781,551**	**619,781,551**	**-**	**-**	**-**
	6,322,215,405	**6,529,843,635**	**5,705,874,476**	**89,994,270**	**558,815,004**	**175,159,885**

	September 30, 2023					
	Carrying amount	Contractual cash flows	One to six months	Seven to twelve months	More than 1 to 5 years	More than 5 years
	---------- (Rupees) ----------					
Non-derivative financial liabilities						
Long term borrowings	941,365,351	1,143,440,502	183,034,022	191,606,503	540,967,002	227,832,975
Short term borrowings	1,137,719,953	1,137,719,953	1,137,719,953	-	-	-
Trade and other payables	299,354,735	299,354,735	299,354,735	-	-	-
Accrued markup	119,486,474	119,486,474	119,486,474	-	-	-
	2,497,926,513	2,700,001,664	1,739,595,184	191,606,503	540,967,002	227,832,975

36.1.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

(i) Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to a change in a foreign exchange rate. It arises mainly where receivables and payables exist due to transactions in foreign currency. As of the reporting date, the Company was not exposed to any foreign currency risk.

(ii) Interest rate risk

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

At the reporting date, the interest rate profile of the Company's significant interest bearing financial instruments with variable interest rates was as follows:

	Effective interest rate (%)		**Carrying amount (Rs.)**	
	2024	2023	**2024**	2023
Financial liabilities				
Long term borrowings	**6.00%-22.84%**	6.00%-24.22%	**123,537,707**	395,247,649
Short term borrowings	**16.83%-22.75%**	17.24%-23.15%	**4,730,898,000**	1,137,719,953
Financial assets				
Bank deposits - pls account	**5.25%-17.25%**	9-20%	**6,505,193**	37,185,974

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate will not affect the carrying amount of any financial instrument.

The following information summarizes the estimated effects of 1% hypothetical increase and decrease in interest rates on cash flows from financial assets and financial liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	(Decrease) / increase in profit before taxation	
As at September 30, 2024	100 bp increase	100 bp decrease
Cash flow sensitivity - Variable rate financial instruments	(48,479,305)	48,479,305
As at September 30, 2023		
Cash flow sensitivity - Variable rate financial instruments	(14,957,816)	14,957,816

(iii) Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity prices. As at the reporting date, the Company was not exposed to any material other price risk.

	Note	2 0 2 4	2 0 2 3
		------------- Rupees -------------	
36.2 Financial instruments by categories			
36.2.1 Financial assets			
At amortised cost			
Long term deposits		8,662,933	13,632,391
Trade debts		606,094,565	360,941,863
Short term loans		20,579,253	48,556,962
Short term advances		3,722,982	2,732,597
Short term deposits		50,747,900	7,321,634
Other receivables		58,372,187	17,892,106
Cash and bank balances		97,330,221	105,178,894
		845,510,041	556,256,447
At fair value through profit or loss			
Short term investments in quoted equity securities		1,831,375	1,107,244
At fair value through other comprehensive income			
Long term investment in B.F. Modaraba		7,937,879	4,696,970

36.2.2 Financial liabilities

At amortised cost

Long term borrowings from banking companies	707,386,114
Short term borrowings from banking companies	4,730,898,000
Trade and other payables	264,149,740
Accrued mark up	619,781,551
	6,322,215,405

37. 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).

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 categorised 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.

Following is the fair value hierarchy of the assets carried at fair value:

	Level 1	Level 2	Level 3
		Rupees	
September 30, 2024			
Investment in certificates B.F. Modaraba	**7,937,879**	-	-
Short term investment in quoted equity securities	**1,831,375**	-	-
	9,769,254	-	-
September 30, 2023			
Investment in certificates B.F. Modaraba	4,696,970	-	-
Short term investment in quoted equity securities	1,107,244	-	-
	5,804,214	-	-

38. CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence, sustain future development of the business, safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board of Directors monitors the return on capital, which the Company defines as net profit or loss after taxation divided by total shareholders' equity. The Board of Directors also monitors the level of dividend to ordinary shareholders. There were no changes to the Company's approach to capital management during the year.

Following is the quantitative analysis of what the Company manages as capital:

	Note	2024	2023
		------------- Rupees	-------------
Borrowings			
Long term borrowings		834,053,429	1,090,003,961
		834,053,429	1,090,003,961
Share capital and reserves			
Issued, subscribed and paid up capital		250,069,550	250,069,550
Share premium		8,472,152	8,472,152
Unappropriated profits		1,146,001,102	2,741,537,043
		1,404,542,804	3,000,078,745
Total capital being managed by the Company		2,238,596,233	4,090,082,706

The Company is not subject to externally imposed capital requirements.

39. SEGMENT INFORMATION

These unconsolidated 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 85.42% (2023: 75.42%) of the total revenue of the Company.

(b) 98% (2023: 96.3%) gross sales of the Company were made to customers based in Pakistan.

(c) As at September 30, 2024 and September 30, 2023 all non-current assets of the Company were located in Pakistan.

(d) Revenue earned from one major customer, excluding sales tax, of more than 20% of total sales amounted to Rs. 2,235.340 million (2023: Rs. 1098.83 million). The major customer resides in Pakistan.

40. CHANGE IN ACCOUNTING POLICY

In May 2024, the Institute of Chartered Accountants of Pakistan issued Circular 07/2024 titled as 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes'. The circular clarifies that any taxes whose calculation is not based on 'taxable profit' (as defined in the International Accounting Standard (IAS) 12 'Income Taxes') do not meet the definition of 'current tax' as per that standard. Instead, such taxes should be treated as 'levies' falling within the scope of IFRIC 21 'Levies' and the IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

In light of the guidance provided in, and as required by, the said circular, the Company has changed its accounting policy for current tax whereby only the portion of the income tax charge that is based on the 'taxable income' for a reporting period (as determined in accordance with the provisions of the Income Tax Ordinance, 2001 and the rules made thereunder) is now classified as a 'current tax'. Any excess charge over the said amount (for example, excess of Minimum Tax under section 113 of the Income Tax Ordinance, 2001 over the normal tax charge) is now classified as a 'levy' in the statement of profit or loss.

The aforesaid change in accounting policy has been accounted for retrospectively in accordance with the requirements of the International Accounting Standard (IAS) 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and all the corresponding figures affected thereby have been restated. However, had the said change in policy not been made, the following expenses reported in the statement of profit or loss would have been (higher) / lower and the profits and earnings per share would have been (lower) / higher by the amounts presented below:

	Note	2024	2023
		------------- Rupees	-------------
Operating profit before other expense		295,200,997	1,490,955,889
Other expense		(29,399,025)	(128,257,149)
Finance costs		(1,415,159,128)	(779,781,468)
Share of profit or loss of associates - net		(652,346,477)	911,882,504
		(2,096,904,630)	3,843,887
(Loss) / profit before levies and taxation		(1,801,703,633)	1,494,799,776
Levies		-	-
(Loss) / profit before taxation		(1,801,703,633)	1,494,799,776
Taxation:			
- Current		(139,934,519)	(195,584,917)
- Deferred		408,619,598	(79,188,522)
		268,685,080	(274,773,439)
(Loss) / profit after taxation		(1,533,018,553)	1,220,026,337

The retrospective effects on the corresponding figures presented in these financial statements are as follows:

Effects on the statement of profit or loss

	For the year ended September 30, 2023		
	As previously reported	As restated	Change
	-------------------	(Rupees)	-------------------
Operating profit before other expense	1,490,955,889	1,490,955,889	-
Other expense	(128,257,149)	(85,054,902)	(43,202,247)
Finance costs	(779,781,468)	(779,781,468)	-
Share of profit or loss of associates - net	911,882,504	911,882,504	-
	3,843,887	47,046,134	(43,202,247)
(Loss) / profit before levies and taxation	1,494,799,776	1,538,002,023	(43,202,247)
Levies	-	(180,099,103)	180,099,103
(Loss) / profit before taxation	1,494,799,776	1,357,902,920	136,896,856
Taxation:			
- Current	(195,584,917)	(58,688,061)	(136,896,856)
- Deferred	(79,188,522)	(79,188,522)	-
	(274,773,439)	(137,876,583)	(136,896,856)
(Loss) / profit after taxation	1,220,026,337	1,220,026,337	-

41. GENERAL

41.1 Plant capacity and actual production

	2024		2023	
	Quantity (metric tons)	**No. of days**	Quantity (metric tons)	No. of days
Sugarcane crushing capacity	**2,160,000**	**180**	2,160,000	180
Sugarcane crushed	**867,332**	**107**	764,606	92

41.1.1 The main reason for underutilization of the installed capacity was limited availability of sugarcane.

41.1.2 **Number of employees**

	2024	2023
	Numbers	
Total number of employees as at September 30	**379**	390
Average number of employees during the year	**384**	398

41.1.3 Investments made by the provident fund

The investments out of the provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

41.4 Reclassification of corresponding figures

Certain corresponding figures in these 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
Worker's Profit Participation Fund *(Other expenses)*	Worker's Profit Participation Fund *(Levies)*	31,305,976
Worker's Welfare Fund *(Other expenses)*	Worker's Welfare Fund *(Levies)*	11,896,271
Deposits *(Loans, advances, deposits and other receivables)*	In deposit accounts with Islamic banks *(Cash and bank balances)*	4,314,134

41.5 Date of authorization of the financial statements for issue

These unconsolidated financial statements have been authorized for issue by the Board of Directors of the Company in their meeting held on January 2, 2025.

41.6 Level of rounding

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

Ahmed Ali Bawany
Chief Executive Officer

Muhammad Omar Bawany
Chairman

Muhammad Ayub
Chief Financial Officer

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 43rd Annual General Meeting of the Company will be held on Tuesday, January 28, 2025 at 12:00 AM at the Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi, to transact the following business:

Ordinary Business

1. To confirm the minutes of last meeting held on January 26, 2024.

2. To receive, consider and approve annual audited financial statement of the Company for the year ended September 30, 2024 together with the reports of the auditors' and directors' thereon.

3. To appoint auditor of the company for the year September 30, 2025, and to fix their remuneration. The retiring auditors M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants have given their consent and offered themselves for re-appointment of Auditors of the company for the year ending September 30, 2025.

Other Business

4. To transact any other business with permission of the Chair.

BY ORDER OF THE BOARD

Karachi.
Dated: January 02, 2025

Muhammad Ayub
Company Secretary

Notes:

1. Share Transfer Books will be closed from January 22, 2025 to January 28, 2025 (both days inclusive) for the purpose of Annual General Meeting.

2. In compliance with Section 223 of the Companies Act, 2017, and SECP SRO No. 389(1)/2023, dated March 21, 2023, the shareholders of the Company, through a special resolution passed at the Annual General Meeting (AGM) held on January 26, 2024, approved the distribution of the Company's Annual Reports to its members via QR-enabled codes and weblinks. The Annual Report can be accessed using the provided QR code and weblink:

https://faran.com.pk/wp-content/themes/faran/docs/2023-2024/annual-report/2324_Q4_CR.pdf

NOTICE OF ANNUAL GENERAL MEETING

3. Only those members whose names appear in the register of member of the Company as on January 21, 2025 will be entitled to attend and vote at the meeting.

4. A member entitled to attend, speak and vote may appoint any other person as his / her proxy to attend, speak and vote on his / her behalf. Proxies must be received at the Registered Office of the Company duly signed not later than 48 hours before the time of holding the meeting. Form of proxy is enclosed herewith.

5. Any change of address of Members should be notified immediately to the Company's Share Registrar office.

   A. For Attending the Meeting:

   i. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport along with participant ID number and the Account number at the time of attending the meeting.
   ii. In case of corporate entity, the Boards resolution / power of attorney with specimen signature of the nominee shall be produce [unless it has been provide earlier] at the time of the meeting.

   B. For Appointing Proxies:

   i. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulation, shall submit the proxy form as per above requirements.
   ii. The proxy form shall witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
   iii. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
   iv. The proxy shall produce his original CNIC or original passport at the time of the meeting.
   v. In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished [unless it has been provided earlier] along with proxy form to the Company.

6. Availability of Audited Financial Statements on Company's Website
   The audited financial statements of the Company for the year ended September 30, 2024, have been made available on the Company's website: www.faran.com.pk

7. Submission of copies of CNIC and NTN Certificates (Mandatory)
   CNIC of the shareholders is mandatory in terms of the directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(I)/2012 dated July 05, 2012 for the issuance of future dividend warrants etc., and in the absence of such information, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore, the shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs directly to our Independent Share Registrar without any further delay.

8. Form for Video Conference Facility

In accordance with Section 132 and 134 of the Companies Act, 2017, members can also avail video conference facility.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location other than the city of the Meeting, to participate in the meeting through video conference at least 7 days prior to the date of the Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the form and submit the same to the registered address of the Company 7 days before holding of the Annual General Meeting.

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of general meeting along with complete information necessary to enable them to access facility.

9. Unclaimed dividend

Shareholders, who by any reason, could not claim their dividend, if any, are advised to contact our Share Registrar M/s. C&K Management Associates (PVT.) Ltd. 404, Trade Tower, Abdullah Haroon Road, Near Metropole Hotel, Karachi, to collect/enquire about their unclaimed dividend, if any.

PATTERN OF SHAREHOLDING

For the year ended September 30, 2024

No. of Shareholders	Shareholding From		Shareholding To	Total Shares Held
1164	1	-	100	19,383
466	101	-	500	103,624
128	501	-	1000	99,623
153	1001	-	5000	341,913
37	5001	-	10000	298,009
8	10001	-	15000	92,478
5	15001	-	20000	88,926
4	20001	-	25000	92,166
4	25001	-	30000	108,790
1	30001	-	35000	32,225
2	35001	-	40000	73,016
4	50001	-	55000	209,211
1	55001	-	60000	59,709
1	75001	-	80000	79,820
1	90001	-	95000	90,600
3	95001	-	100000	300,000
1	100001	-	105000	102,107
1	130001	-	135000	132,426
1	180001	-	185000	182,663
1	230001	-	235000	232,825
1	255001	-	260000	256,209
1	265001	-	270000	266,300
1	315001	-	320000	318,221
1	480001	-	485000	482,470
1	495001	-	500000	497,585
1	550001	-	555000	551,265
1	640001	-	645000	644,029
1	765001	-	770000	766,245
1	1920001	-	1925000	1,923,713
1	2030001	-	2035000	2,031,683
3	2055001	-	2060000	6,168,415
1	2120001	-	2125000	2,120,274
1	2130001	-	2135000	2,131,256
1	4105001	-	4110000	4,109,776
2002		Total		25,006,955

Sr. No.	Categories of Shareholders	Number of Shareholders	Total Shares Hold	Percentage %
1	INDIVIDUALS	1955	20,844,442	83.35
2	INVESTMENTCOMPANIES	1	5,000	0.02
3	INSURANCECOMPANIES	1	18,329	0.07
4	JOINTSTOCKCOMPANIES	18	760,374	3.04
5	FINANCIALINSTITUTIONS	4	28,689	0.11
6	MODARABAS	1	231	0
7	OTHERS	11	370,292	1.48
8	CHARITABLETRUSTS	2	522,085	2.09
9	MUTUALFUND	1	2,120,274	8.48
10	WELFARESOCIETY	1	52,102	0.21
11	EMPLOYEESPENSIONFUND	1	256,209	1.02
12	EMPLOYEESBENEVOLENTFUND	1	8,990	0.04
13	GRATUITYFUND	1	5,000	0.02
14	EMPLOYEESPROVIDENTFUND	1	10,000	0.04
15	COOPERATIVESOCIETIES	1	438	0
16	PRIVATELIMITED	1	4,000	0.02
17	AUTHORIZEDCARDEALER	1	500	0
		2002	25,006,955	100.00

DETAIL OF SHAREHOLDERS CATEGORIES

As at September 30, 2024

		No. of Shares	Percentage
1	ASSOCIATED COMPANIES , UNDERTAKINGS AND RELATED PARTIES		
	RELIANCE INSURANCE COMPANY LIMITED	18329	0.07
2	MUTUAL FUNDS		
	CDC-TRUSTEE NATIONAL INVESTMENT	2120274	8.48
3	COMPANIES		
	FAWAD YUSUF SECURITIES (PVT.) LIMITED	266300	1.06
	AMIN TAI (PRIVATE) LIMITED	182663	0.73
	O.A.TRADING CO.(PVT) LTD	102107	0.41
	HABIB SUGAR MILLS LTD	90600	0.36
	MADINA ESTATES & PROPERTIES (PVT) LTD	52501	0.21
	MEMON SECURITIES (PVT.) LIMITED	35500	0.14
	GROWTH SECURITIES (PVT) LTD.	10098	0.04
	SUPER PETROCHEMICALS PRIVATE LIMITED	7909	0.03
	SAAS ENTERPRISES (PVT.) LIMITED	5000	0.02
	INTERACTIVE SECURITIES (PVT) LIMITED	4494	0.02
	MARINE SERVICES (PVT.) LIMITED	3000	0.01
	FIKREES (PRIVATE) LIMITED	2400	0.01
	HH MISBAH SECURITIES (PRIVATE) LIMITED	2000	0.01
	HONDA SOUTH (PRIVATE) LIMITED	500	0
	NAEEM'S SECURITIES (PVT) LTD	288	0
	AKD SECURITIES LIMITED - AKD TRADE	288	0
	CONSOLIDATED MODARABA (PVT)LTD	231	0
	SARFRAZ MAHMOOD (PRIVATE) LTD	133	0
	TAURUS SECURITIES LIMITED	78	0
	M/S NAEEM SECURITY LTD.	14	0
	MAPLE LEAF CAPITAL LIMITED	1	0
		766105	3.05
4	FINANCIAL INSTITUTIONS		
	NATIONAL BANK OF PAKISTAN	26520	0.11
	NATIONAL BANK OF PAKISTAN	1731	0.01
	NATIONAL BANK OF PAKISTAN	346	0.00
	MUSLIM COMMERCIAL BANK LTD.	92	0.00
		28689	0.12
5	DIRECTORS, CEO AND THEIR SPOUSES AND MINOR CHILDREN		
	MR. MUHAMMAD OMAR BAWANY	843165	3.37
	MR. AHMED ALI BAWANY	6134659	24.53
	MR. HAMZA OMAR BAWANY	644029	2.58
	MR. BILAL OMAR BAWANY	551265	2.20
	MR. IRFAN ZAKARIA	2625	0.01
	MR. ALTAMASH AHMED ALI	2500	0.01
	MR. AHMED GHULAM HUSSAIN	2500	0.01
	MRS. RUKHSANA OMAR BAWANY	2131256	8.52
	MS. TASNEEM YUSUF	2500	0.01
		10314499	41.24

DETAIL OF SHAREHOLDERS CATEGORIES

As at September 30, 2024

		No. of Shares	Percentage
6	EXECUTIVES	NIL	NIL
7	OTHERS		
	TRUSTEES BEG.AISHA BAWANY TALEEMUL QURAN	497585	1.99
	ZAIBUNISA FOUNDATION	318221	1.27
	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	256209	1.02
	PAKISTAN MEMON EDUCATIONAL & WELFARE	52102	0.21
	BEGUM AISHA AHMED AND LATIF BAWANY FOUNDATION	24500	0.1
	O.R.& SONS	19923	0.08
	TRUSTEES OF MIRPURKHAS SUGAR MILLS LTD	10000	0.04
	SHAHEDA ASSOCIATE	9961	0.04
	AYESHA ASSOCIATE	9961	0.04
	TRUSTEE NATIONAL BANK OF PAKISTAN EM	8990	0.04
	EBRAHIM BAWANY FOUNDATION	5923	0.02
	TRUSTEES AL-ABBAS SUGAR MILLS LTD EM	5000	0.02
	EBRAHIM TRADING CO (PVT) LTD	4414	0.02
	PERWAIZ TRADING CORPORATION (PRIVATE) LIMITED	4000	0.02
	A.SATTAR MOTIWALA SEC PVT LTD	802	0
	NATIONAL INDUSTRIAL CO-OP	491	0
	KHOJA (PIRHAI) SHIA ISNA ASHARI JAMA	438	0
	GHULAMAN-E-ABBAS EDUCATIONAL AND	350	0
	OMEGA SECURITES PVT LTD	235	0
	M/S CONSOLIDATED TRADING &	11	0
		1229116	4.91
8	GENERAL PUBLIC	2739829	10.97

SHARE HOLDERS HOLDING FIVE PERCENTS OR MORE INTEREST	Shares Held	Percentage %
AHMED ALI BAWANY	6134659	24.53
ROSHAN ARA MOHAMMAD AMIN	2056137	8.22
RUKSANA OMAR BAWANY	2131256	8.52
AISHA M.AMIN	2056139	8.22
SHAHIDA AMIN	1923773	7.69
GULSHANRA AMIN	2056139	8.22
NATIONAL INVESTMENT UNIT TRUST	2120274	8.48

GLOSSARY OF TERMS

AGM	Annual General Meeting
AEDB	Alternative Energy Development Board
Bagasse	The dry pulpy residue left after the extraction of juice from sugar cane, used as fuel for electricity generators, etc.
Brix	Measure of dissolved solids in sugar liquor or syrup using a refractometer
Centrifugal	Centrifuge used to separate sugar from mother liquor
Clarified Juice	Juices from clarifiers is referred as clear juice
Clarifier	Apparatus for the separation by sedimentation of suspended solids from turbid sugar solution
Dissolved Solids	All solute materials which is in solution, including sucrose, monosaccharide's, ash and other organic impurities
DuPont Analysis	A method of performance measurement, which examines return on equity (ROE) analyzing profit margin, total asset turnover, and financial leverage
EITDA	Earnings before Interest, Taxes, Depreciation and Amortization.
Ethanol	A colorless volatile flammable liquid which is produced by the natural fermentation of sugars
HESCO	Hyderabad Electric Supply Company
IASB	International Accounting Standards Board.
IFRIC	International Financial Reporting Issues Committee
IFRS	International Financial Reporting Standard
KIBOR	Karachi Inter Bank Offer Rate
LOI	Letter of Intent
Liming	Process in juice purification with lime in the form of milk of lime
Molasses	Thick, dark brown juice obtained from raw sugar during the refining process
NEPRA	National Electric Power Regulator Authority
Operating Cycle	The average time between purchasing or acquiring inventory and receiving cash proceeds from its sale
PSMA	Pakistan Sugar Mills Association:
Sucrose	A pure chemical compound C 1 2 H 2 2 O 1 1.
Vacuum Pan	Vacuum evaporator crystallizer used for rapid crystallization of sugar from liquor syrup or molasses
Wind Power	Power obtained by harnessing the energy of the wind

FARAN SUGAR MILLS LIMTIED
Proxy Form

FARAN SUGAR MILLS LTD.

IMPORTANT
Instrument of Proxy will not be considered as valid unless it is deposited or received at the Company's Head Office at 43-1-E(B), P.E.C.H.S., Off Razi Road, Block 6, Main Shahrah-e-Faisal, Karachi not later than 48 hours before the time of holding the meeting.

Registered Folio/ Participant's
ID No. & A/c No. ____________________
____
No. of Shares held ____________________

I/We ____

of ____

being member of Faran Sugar Mills Limited, hereby appoint ______________________________________

______________________________________ of ______________________________________

another member of the Company as my/ our proxy to attend & vote for me/ us and on my/ our behalf at the 43rd Annual General Meeting of the Company to be held on ___________________________ and at any adjournment thereof.

WITNESSES

1. **Signature** ________________________
   Name ___________________________
   Address _________________________
   ____
   CNIC or Passport No. ______________

2. **Signature** ________________________
   Name ___________________________
   Address _________________________
   ____
   CNIC or Passport No. ______________

Signature of Shareholder

Please affix Revenue Stamp

فاران شوگر ملز لمیٹڈ

43 واں سالانہ اجلاس

FARAN SUGAR MILLS LTD.

پروکسی فارم

رجسٹرڈ فولیو نمبر / پارٹیسپنٹ کرنے والے کی شناخت نمبر ____________

اکاؤنٹ نمبر ____________

____

شیئرز کی تعداد ____________

اہم نوٹ

پراکسی انسٹرومنٹ اس وقت تک قابل قبول نہیں ہوگا جب تک یہ جنرل میٹنگ کے وقت سے **48** گھنٹے پہلے کمپنی کے ہیڈ آفس میں وصول نہ ہوجائے۔

میں مسمی/مسماۃ ____________ سکنہ ____________

ضلع ____________ بحیثیت ممبر فاران شوگر ملز لمیٹڈ مسمی/ مسماۃ ____________

سکنہ ____________ کو بطور مختار (پراکسی) مقرر کرتا/کرتی ہوں تا کہ وہ میری جگہ اور میری طرف سے کمپنی کے سالانہ اجلاس عام (یا جو بھی صورت حال ہو) جو مورخہ منگل، 28 جنوری، 2025، دوپہر 12:00 بجے بمقام دی انسٹیٹوٹ اف چارٹرڈ اکاؤنٹس اف پاکستان، کلفٹن کراچی میں منعقد ہو رہا ہے۔ اس میں اور اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے اور ووٹ ڈالے۔

ریونیو اسٹیمپ

دستخط شیئرز ہولڈر

گواہان

1۔ دستخط ____________

نام ____________

پتہ ____________

NIC/پاسپورٹ نمبر ____________

2۔ دستخط ____________

نام ____________

پتہ ____________

NIC/پاسپورٹ نمبر ____________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