

# **FINANCIAL STATEMENTS**

**(REVIEWED)**

FOR THE HALF YEAR ENDED  
MARCH 31, 2025



**FARAN SUGAR MILLS LTD.**

# CORPORATE INFORMATION

**Date of Incorporation**

November 3, 1981

**Date of Commencement of Business**

November 25, 1981

**Board of Directors**

Muhammad Omar Amin Bawany	Chairman
Ahmed Ali Bawany	Chief Executive
Bilal Omar Bawany	
Mohammad Altamash Bawany	
Ahmed Ghulam Hussain	
Irfan Zakaria Bawany	
Dawood E. 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.  
Al Baraka 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 M. Khan.

**E-mail & Website**

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

**Stock Exchange Symbol**

FRSM

**Registration Number**

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

## CHIEF EXECUTIVE REVIEW

FOR THE PERIOD ENDED MARCH 31, 2025

Dear Shareholders,

By the grace of Almighty Allah, on behalf of the Board of Directors, I present a brief review of the performance of your Company for the Half year ended March 31, 2025, which have been reviewed by the External Auditors.

It was a challenging season for the sugar sector, which experienced low recovery rates due to diseases affected cane and a constrained supply of cane during 2024–25. These difficulties were further exacerbated by low domestic selling prices of refined sugar, putting significant pressure on profit margins

Financial results for the Half year are summarized as follows:

	2025 Rs. '000	2024 Rs. '000
Gross sales	6,301,930	5,791,576
Operating (Loss) / Profit before Financial Charges	(107,579)	202,170
Finance Cost	(431,114)	(584,780)
(Loss) / Profit before share of Associates & taxation	(538,694)	(382,610)
Share in profit from equity accounted investments-Net	15,333	1,038
(Loss) before taxation	(523,360)	(381,572)
Levies and Taxation	111,688	(72,680)
(Loss) after Taxation	(411,672)	(454,252)
(Loss) per Share (restated)	(12.34)	(16.68)

Gross sales during the period amounted to Rs. 6.280 billion, compared to Rs. 5.791 billion in the previous period, reflecting an 8.5% growth. This included export sales of Rs. 763.6 million. However, the selling price of sugar, which initially ranged between Rs. 120–125 per kg during the crushing season, led to sluggish sales volumes for the 2024–25 season produced. Prices remained well below the cost of production, primarily due to carryover stock and anticipated higher production in the 2024–25 season.

The cost of refined sugar remained significantly higher than the selling price due to a constrained supply of cane, which resulted in an unprecedented increase in sugarcane prices. This, coupled with a 34% reduction in refined sugar production, low recovery rates, and a substantial financial cost of Rs. 431 million, further impacted the company's performance. As a result of these combined factors, the company incurred an after-tax loss of Rs. 411 million.

Unicol Limited reported a gross profit for the period of Rs. 1.461 billion (March 2024: Rs. 1.854 billion). Profit after taxation stood at Rs. 46.380 million for the period while the earnings per share stood at Re. 0.31 (March 2024: Re. 0.01). Out of which our share of profit was Rs. 15.33 million which was reflected as 'share of profit of Associates.

Alhamdulillah, despite a challenging period marked by constrained cash flow, we managed efficiently our funds with the continued support of our bankers, enabled to ensure procurement of available cane and to discharge all obligations timely.

**Operational Performance:**

According to the government data, 5.796 million tons sugar produced in the country during the season 2024-25 compared to 6.762 produced in the previous season 2023-24, reduced by 15.3%. As of 1st December 2024, carry over stock was 0.766 million tons, cumulative available sugar for the country was 6.562 for the year 2024-25 which is nearly sufficient to meet the country yearly consumption requirement.

FSML's sugar production also reduced due to constraint supply of cane and lower recovery. No support price was notified by any province for the season 2024-25 in compliance with the condition of International Monetary Fund (IMF).

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

		Season 2024-25	Season 2023-24
Season commenced	Date	<b>18 – November – 2024</b>	10 – November – 2023
Season end	Date	<b>01 – March – 2025</b>	24 – February – 2024
Duration of Operation	Days	<b>104</b>	107
Sugar-cane Crushed	Metric tons	<b>611,266</b>	867,332
Sugar Production	Metric tons	<b>60,052</b>	90,727
Recovery	%	<b>9.824</b>	10.461
Minimum Support Price-Sindh Zone	Per 40 kg	<b>No support price</b>	425

However, following the close of the season, the selling price of refined sugar has risen sharply and continues on an upward trend. This is primarily due to lower-than-anticipated production and elevated production costs. Our strategic decision to delay the sale of new season sugar has proven beneficial, as improved domestic prices have led to stronger recovery of margins. Additionally, the recent decline in the discount rate is a positive development that is expected to support our financial performance. These favorable factors are anticipated to enhance our bottom line during the remainder of the 2024–25 fiscal year, and the company is confident of reporting a profit by year-end, Insha'Allah

Unicol Sugar Division successfully completed its 2nd season of sugar operations. The sugar production volume was recorded at 54,374 tons (2023-24: 60,415 tons). Unicol Limited 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 season 2023-24. We expect further profit in the remaining period of financial year 2024-25 in wake of rise in selling price of refined sugar.

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



**Ahmed Ali Bawany**  
Chief Executive



**Bilal Omar Bawany**  
Director

Karachi  
May 29, 2025

### آپریشنل کارکردگی

حکومتی اعداد و شمار کے مطابق، سیزن 2023-24 کے دوران ملک میں 5.796 ملین ٹن چینی پیدا ہوئی، جو کہ پچھلے سیزن 2022-23 میں پیدا ہونے والی 6.762 ملین ٹن کے مقابلے میں 15.3% کم ہے۔ یکم دسمبر 2024 تک 0.766 ملین ٹن کا کیری اور اسٹاک موجود تھا، جس کے نتیجے میں مجموعی طور پر 6.562 ملین ٹن چینی دستیاب تھی، جو کہ ملک کی سالانہ کھپت کی ضروریات کو پورا کرنے کے لیے تقریباً کافی تھی۔

ایف ایس ایم ایل کی چینی کی پیداوار میں بھی کمی آئی، جس کی وجہ گنے کی فراہمی میں رکاوٹ اور کم ریکوری رہی۔ سیزن 2023-24 کے لیے کسی بھی صوبے نے بین الاقوامی مالیاتی فنڈ (IMF) کی شرائط کے تحت سپورٹ پرائس کا اعلان نہیں کیا۔

آپ کی ملز کے مکمل سیزن کے تقابلی خلاصہ شدہ آپریشننگ نتائج درج ذیل ہیں:

سیزن 2023-24	2024-25 سیزن	تاریخ	سیزن کا آغاز
10 نومبر 2023	18 نومبر 2024	تاریخ	سیزن کا اختتام
24 فروری 2024	01 مارچ 2025	دن	آپریشن کا دورانیہ
107	104	ٹن Metric	گنا کرش کیا
867,332	611,266	ٹن Metric	چینی کی پیداوار
90,727	60,052	%	وصلی
10.461	9.824	فی 40 کلو	کم از کم امدادی قیمت- سندھ زون
425	کوئی قیمت مقرر نہیں	گرام	

تاہم، سیزن کے اختتام کے بعد ریفائنڈ شوگر کی فروخت کی قیمت میں تیزی سے اضافہ ہوا ہے اور یہ رجحان اب بھی جاری ہے۔ اس کی بنیادی وجہ پیداوار میں متوقع سے کم اضافہ اور پیداواری لاگت میں اضافہ ہے۔ نئے سیزن کی چینی کی فروخت میں تاخیر کا ہمارا اسٹریٹجک فیصلہ فائدہ مند ثابت ہوا ہے، کیونکہ بہتر مقامی قیمتوں نے مارجن کی بحالی کو بہتر بنایا ہے۔ مزید یہ کہ حالیہ دنوں میں ڈسکاؤنٹ ریٹ میں کمی ایک مثبت پیش رفت ہے جو ہماری مالی کارکردگی کو بہتر بنانے میں مدد دے گی۔ یہ سازگار عوامل مالی سال 2023-24 کے باقی عرصے میں ہمارے منافع کو بہتر بنانے کی توقع رکھتے ہیں، اور کمپنی کو سال کے اختتام تک منافع رپورٹ کرنے کا یقین ہے، ان شاء اللہ۔

یونیکول شوگر ڈویژن نے اپنی چینی کی پیداوار کے دوسرے سیزن کو کامیابی سے مکمل کیا۔ چینی کی پیداوار 54,374 ٹن رہی (2023-24: 60,415 ٹن)۔ یونیکول لمیٹڈ نے سیزن 2023-24 کے آغاز سے قبل "پاپولر شوگر ملز لمیٹڈ" کے تمام اثاثے حاصل کیے جو جان محمد والا، چوک سیال، تحصیل کوٹ مومن، ضلع سرگودھا، پنجاب میں واقع ہیں۔ ہمیں مالی سال 2024-25 کے باقی عرصے میں ریفائنڈ شوگر کی فروخت کی قیمت میں اضافے کی بدولت مزید منافع کی توقع ہے۔

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



بلال عمر باوانی  
ڈائریکٹر



احمد علی باوانی  
چیف ایگزیکٹو

**چیف ایگزیکٹو کا جائزہ**  
مدت جو 31 مارچ 2025 کو ختم ہوئی

محترم شیئر ہولڈرز،

اللہ تعالیٰ کے فضل و کرم سے، بورڈ آف ڈائریکٹرز کی جانب سے، میں آپ کی کمپنی کی کارکردگی کا مختصر جائزہ پیش کرتا ہوں برائے ششماہی مدت جو 31 مارچ 2025 کو ختم ہوئی، جسے بیرونی آڈیٹرز نے جانچا ہے۔

یہ چینی کے شعبے کے لیے ایک مشکل سیزن تھا، جس میں بیماری سے متاثرہ گئے اور 2024-25 کے دوران گئے کی محدود فراہمی کی وجہ سے ریکوری ریٹ کم رہے۔ ان مشکلات میں مقامی سطح پر ریفائنڈ شوگر کی کم فروخت قیمتوں نے مزید اضافہ کیا، جس سے منافع کے مارجن پر شدید دباؤ پڑا۔

ششماہی مدت کے مالیاتی نتائج کا خلاصہ درج ذیل ہے:

2024	2025	
روپے'000	روپے'000	
5,791,576	6,301,930	مقامی فروخت - مجموعی
202,170	(107,579)	مالیاتی اخراجات سے قبل آپریٹنگ (نقصان) / منافع
(584,780)	(431,114)	مالیاتی لاگت
(382,610)	(538,694)	ایسوسی ایٹس اور ٹیکسیشن سے قبل (نقصان) / منافع
1,038	15,333	ایسوسی ایٹس سے منافع کا حصہ (نیٹ)
(381,572)	(523,360)	ٹیکس سے قبل (نقصان)
(72,680)	111,688	لیویز اور ٹیکسیشن
(454,252)	(411,672)	ٹیکس کے بعد (نقصان)
(16.68)	(12.34)	فی شیئر (نقصان)

مذکورہ مدت کے دوران مجموعی فروخت 6.280 ارب روپے رہی، جو پچھلی مدت کی 5.791 ارب روپے کے مقابلے میں 8.5% اضافہ ظاہر کرتی ہے۔ اس میں 763.6 ملین روپے کی ایکسپورٹ سلیز شامل تھیں۔ تاہم، شوگر کی فروخت کی قیمت جو کرشنگ سیزن کے دوران ابتدائی طور پر 120-125 روپے فی کلو رہی، 2024-25 سیزن کی پیداوار کی فروخت میں سستی کا باعث بنی۔ قیمتیں پیداواری لاگت سے کہیں کم رہیں، جو بنیادی طور پر اضافی اسٹاک اور 2024-25 میں متوقع زیادہ پیداوار کی وجہ سے تھیں۔

ریفائنڈ شوگر کی لاگت فروخت کی قیمت سے کہیں زیادہ رہی، کیونکہ گئے کی محدود دستیابی کی وجہ سے گئے کی قیمتوں میں غیر معمولی اضافہ ہوا۔ اس کے ساتھ ساتھ ریفائنڈ شوگر کی پیداوار میں 34% کمی، کم ریکوری ریٹس، اور 431 ملین روپے کی بھاری مالی لاگت نے کمپنی کی کارکردگی کو مزید متاثر کیا۔ ان تمام عوامل کے نتیجے میں کمپنی نے 411 ملین روپے کا بعد از ٹیکس نقصان برداشت کیا۔

یونیکول لمیٹڈ نے اس مدت کے لیے 1.461 ارب روپے کا مجموعی منافع رپورٹ کیا (مارچ 1.854: 2024 ارب روپے)۔ اس مدت کا بعد از ٹیکس منافع 46.380 ملین روپے رہا جبکہ فی شیئر آمدنی 0.31 روپے رہی (مارچ 0.01: 2024 روپے)۔ اس میں سے ہماری شراکت 15.33 ملین روپے کی رہی، جو ایسوسی ایٹس سے منافع کے حصے کے طور پر ظاہر کی گئی۔

الحمدللہ، محدود کیش فلو کے اس مشکل وقت کے باوجود، ہم نے اپنے بینکروں کی مسلسل حمایت کے ساتھ اپنے فنڈز کو مؤثر طریقے سے منظم کیا، جس کی بدولت ہم نے دستیاب گئے کی خریداری اور تمام واجبات کی بروقت ادائیگی کو ممکن بنایا۔

# INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF M/S FARAN SUGAR MILLS LIMITED

## Report on Review of Condensed Interim Financial Statements

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **M/s. Faran Sugar Mills Limited** ("the Company") as at **March 31, 2025** and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes thereto for the half yearly period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

### Scope of review

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

As per the terms of our engagement, we were only required to review the cumulative figures for the six-month period ended March 31, 2025. Accordingly, we have not reviewed the figures in the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the three-month period ended March 31, 2025.

### Conclusion

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

The engagement partner on the review resulting in this independent auditors' review report is **Mr. Muhammad Rafiq Dosani**.

  
✓ RAHMAN SARFRAZ RAHIM IQBAL RAFIQ  
Chartered Accountants

Karachi

Date: May 30, 2024

UDIN: RR202510210ASJLfnjx

# FINANCIAL STATEMENTS



# Faran Sugar Mills Limited

## Condensed Interim Statement of Financial Position

As at March 31, 2025

		(Un-audited) March 31, 2025	(Audited) September 30, 2024
		----- Rupees -----	
<b>ASSETS</b>	<i>Note</i>		
<b>Non-current assets</b>			
Property, plant and equipment	3	3,024,354,474	3,051,983,067
Long term investments	4	1,148,702,216	1,134,652,499
Long term advances		1,324,797	1,671,425
Long term deposits		10,608,434	8,662,933
Deferred tax asset	5	325,858,784	146,461,662
		<b>4,510,848,705</b>	<b>4,343,431,586</b>
<b>Current assets</b>			
Stores and spares		164,189,679	127,449,426
Stock in trade	6	5,579,651,305	3,063,789,150
Trade debts	7	213,336,655	606,094,565
Short term investments		3,520,865	6,231,409
Loans, advances, deposits, and other receivables	8	334,601,149	685,762,931
Cash and bank balances		175,654,391	97,330,221
		<b>6,470,954,044</b>	<b>4,586,657,702</b>
<b>Total assets</b>		<b>10,981,802,749</b>	<b>8,930,089,288</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<i>Authorized capital</i>			
60,000,000 (September 30, 2024: 40,000,000)		<b>600,000,000</b>	<b>400,000,000</b>
ordinary shares of Rs. 10/- each			
Issued, subscribed and paid up capital	9	395,109,889	250,069,550
<i>Capital reserves</i>			
Share premium	9.2	371,073,000	8,472,152
Surplus on re-measurement of investment		3,004,243	4,187,879
		<b>374,077,243</b>	<b>12,660,031</b>
<i>Revenue reserves</i>			
Unappropriated profit		734,329,059	1,146,001,102
		<b>1,503,516,191</b>	<b>1,408,730,683</b>
<b>Non-current liabilities</b>			
Long term borrowings from banking companies	10	485,653,814	528,468,037
Deferred liabilities	11	205,462,711	218,168,602
		<b>691,116,525</b>	<b>746,636,639</b>
<b>Current liabilities</b>			
Trade and other payables	12	739,733,095	1,183,200,501
Current portion of long term liabilities		167,684,977	207,619,553
Accrued mark up		183,606,022	619,781,551
Unclaimed dividend		9,407,036	9,407,036
Short term borrowings from banking companies	13	7,634,504,608	4,730,898,000
Income tax payable	14	52,234,295	23,815,325
		<b>8,787,170,033</b>	<b>6,774,721,966</b>
<b>Contingency and commitments</b>	15		
<b>Total equity and liabilities</b>		<b>10,981,802,749</b>	<b>8,930,089,288</b>

The annexed notes from 1 to 30 form an integral part of these financial statements.

  
Ahmed Ali Bawany  
Chief Executive Officer

  
Bilal Omar Bawany  
Director

  
Muhammad Ayub  
Chief Financial Officer

## Faran Sugar Mills Limited

### Condensed Interim Statement of Profit or Loss

For the six months and quarter ended March 31, 2025 (unaudited)

		Six-month period ended		Quarter ended	
		Mar. 31, 2025	Mar. 31, 2024 (Restated)	Mar. 31, 2025	Mar. 31, 2024 (Restated)
	Note	Rupees			
Sales revenue - net	16	5,409,091,226	5,082,523,685	1,792,220,729	2,628,051,707
Cost of sales	17	(5,379,404,803)	(4,733,899,648)	(2,028,938,117)	(2,556,114,192)
Gross profit / (loss)		29,686,423	348,624,037	(236,717,388)	71,937,515
Administrative expenses	18	(112,008,783)	(126,139,848)	(54,676,500)	(66,308,290)
Selling and distribution costs		(55,735,525)	(60,663,661)	(41,320,262)	(45,056,537)
		(167,744,308)	(186,803,509)	(95,996,762)	(111,364,827)
Operating (loss) / profit		(138,057,885)	161,820,528	(332,714,150)	(39,427,312)
Other income	19	34,239,801	43,498,049	19,245,794	22,941,779
Other expenses	20	(3,761,587)	(3,148,210)	119,032	3,376,485
		30,478,214	40,349,839	19,364,826	26,318,264
		(107,579,671)	202,170,367	(313,349,324)	(13,109,048)
Finance costs	21	(431,114,259)	(584,780,718)	(275,811,233)	(455,918,271)
		(538,693,930)	(382,610,351)	(589,160,557)	(469,027,319)
Share of profit / (loss) of associates - net	22	15,333,333	1,038,609	11,847,666	(9,734,391)
Loss before levies and taxation		(523,360,597)	(381,571,742)	(577,312,891)	(478,761,710)
Levies	23	(67,708,567)	(67,287,621)	(22,923,060)	(36,944,662)
Loss before taxation		(591,069,164)	(448,859,363)	(600,235,951)	(515,706,372)
Taxation - net	24	179,397,121	(5,392,321)	179,397,121	(5,392,321)
Loss after taxation		(411,672,043)	(454,251,684)	(420,838,830)	(521,098,693)
Loss per share - basic and diluted (restated)	25	(12.34)	(16.68)	(10.65)	(19.14)

The annexed notes from 1 to 30 form an integral part of these financial statements.

  
**Ahmed Ali Bawany**  
 Chief Executive Officer

  
**Bilal Omar Bawany**  
 Director

  
**Muhammad Ayub**  
 Chief Financial Officer

## Faran Sugar Mills Limited

### Condensed Interim Statement of Comprehensive Income

For the six months and quarter ended March 31, 2025 (unaudited)

	Six-month period ended		Quarter ended	
	Mar. 31, 2025	Mar. 31, 2024	Mar. 31, 2025	Mar. 31, 2024
	Rupees			
Loss after taxation	(411,672,043)	(454,251,684)	(420,838,830)	(521,098,693)
<b>Other comprehensive income / (loss)</b>				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
(Decrease) / Increase in fair value of the investment in certificates of B.F. Modaraba	(1,183,636)	469,697	(281,818)	-
<b>Total comprehensive loss for the period</b>	<b>(412,855,679)</b>	<b>(453,781,987)</b>	<b>(421,120,648)</b>	<b>(521,098,693)</b>

The annexed notes from 1 to 30 form an integral part of these financial statements.

  
Ahmed Ali Bawany  
Chief Executive Officer

  
Bilal Omar Bawany  
Director

  
Muhammad Ayub  
Chief Financial Officer

## Faran Sugar Mills Limited

### Condensed Interim Statement of Changes in Equity

For the six months ended March 31, 2025 (unaudited)

	Issued, subscribed and paid up capital	Capital reserves		Revenue reserves		
		Share premium	Surplus on re- measurement of investment	General reserve	Unappropriated profits	Total
	----- (Rupees) -----					
<b>Balance as at September 30, 2023 (audited)</b>	250,069,550	8,472,152	946,970	-	2,741,537,043	3,001,025,715
<i>Total comprehensive loss for the half year ended March 31, 2024</i>						
- Loss after taxation	-	-	-	-	(454,251,684)	(454,251,684)
- Other comprehensive income	-	-	469,697	-	-	469,697
	-	-	469,697	-	(454,251,684)	(453,781,987)
<b>Balance as at March 31, 2024 (un-audited)</b>	250,069,550	8,472,152	1,416,667	-	2,287,285,359	2,547,243,728
<b>Balance as at September 30, 2024 (audited)</b>	250,069,550	8,472,152	4,187,879	-	1,146,001,102	1,408,730,683
<i>Total comprehensive loss for the half year ended March 31, 2025</i>						
- Loss after taxation	-	-	-	-	(411,672,043)	(411,672,043)
- Other comprehensive loss	-	-	(1,183,636)	-	-	(1,183,636)
	-	-	(1,183,636)	-	(411,672,043)	(412,855,679)
<i>Transactions with owners</i>						
Issuance of right shares	145,040,339	362,600,848	-	-	-	507,641,187
<b>Balance as at March 31, 2025 (un-audited)</b>	395,109,889	371,073,000	3,004,243	-	734,329,059	1,503,516,191

The annexed notes from 1 to 30 form an integral part of these financial statements.

  
**Ahmed Ali Bawany**  
 Chief Executive Officer

  
**Bilal Omar Bawany**  
 Director

  
**Muhammad Ayub**  
 Chief Financial Officer

# Faran Sugar Mills Limited

## Condensed Interim Statement of Cash Flows

For the six months ended March 31, 2025 (unaudited)

### CASH FLOWS FROM OPERATING ACTIVITIES

Loss before levies and taxation

March 31, 2025	March 31, 2024
----- Rupees -----	
(523,360,597)	(381,571,742)

Adjustments for non-cash and other items:

- Depreciation
- Dividend income
- Gain on sale of property, plant and equipment
- Amortization of deferred government grant
- Provision for slow moving inventory
- Specific written down of inventory
- Finance costs
- (Gain)/ loss on re-measurement of investments carried at fair value
- Share of profit or loss of associates - net

84,931,753	86,834,115
(108,375)	(40,500)
(283,980)	(8,115,317)
(14,685,751)	(16,469,760)
-	2,967,835
-	31,617,734
431,114,259	584,780,718
(1,689,456)	(428,448)
(15,333,333)	(1,038,609)
483,945,117	680,107,768
(39,415,480)	298,536,026

### Working capital changes

(Increase) / decrease in current assets

- Stores and spares
- Stock in trade
- Trade debts
- Loans, advances, deposits and other receivables

(36,740,253)	42,246,486
(2,515,862,155)	(6,802,083,664)
392,757,910	(182,041,529)
351,161,782	18,387,838

Decrease in current liabilities

- Trade and other payables

(443,467,406)	(120,200,565)
(2,252,150,122)	(7,043,691,434)
(2,291,565,602)	(6,745,155,408)

### Cash used in operations

- Income tax paid
- Payment of Workers' profit participation fund
- Payment of Workers' welfare fund
- Finance cost paid

(39,289,588)	(101,225,536)
-	(30,937,817)
-	(408,388)
(852,491,164)	(231,847,381)
(3,183,346,354)	(7,109,574,530)

### Net cash used in operating activities

### CASH FLOWS FROM INVESTING ACTIVITIES

- Capital expenditure
- Proceeds from disposal of subsidiary
- Proceeds from issuance of shares
- Proceeds from issuance of share premium
- Proceeds from sale of TDR
- Proceeds from sale of property, plant and equipment
- Dividend received
- Long term advances - net
- Long term deposits - net

(57,474,580)	(108,059,852)
99,970	-
145,040,339	-
362,600,848	-
4,400,000	-
455,400	9,507,093
108,375	25,040,499
346,628	-
(1,945,501)	(4,181,560)
453,631,479	(77,693,820)

### Net cash (used in) / generated from investing activities

### CASH FLOWS FROM FINANCING ACTIVITIES

- Dividend paid
- Long term loans repaid
- Short term finance - net

-	(61,944,066)
(95,567,563)	(165,005,222)
2,903,606,608	7,435,847,487
2,808,039,045	7,208,898,199

### Net cash generated from financing activities

### Net increase in cash and cash equivalents

Cash and cash equivalents at the beginning of the period

78,324,170	21,629,849
97,330,221	105,178,937
175,654,391	126,808,786

### Cash and cash equivalents at the end of the period

The annexed notes from 1 to 30 form an integral part of these financial statements.

  
Ahmed Ali Bawany  
Chief Executive Officer

  
Bilal Omar Bawany  
Director

  
Muhammad Ayub  
Chief Financial Officer

# Faran Sugar Mills Limited

## Notes to the Condensed Interim Financial Statements

For the six months ended March 31, 2025 (unaudited)

### 1. STATUS AND NATURE OF BUSINESS

#### 1.1 Brief profile of the Company

Faran Sugar Mills Limited ('the Company') was incorporated in Pakistan on November 03, 1981 as a public limited company under the repealed Companies Act, 1913 (repealed with the enactment of the Companies Ordinance, 1984 on October 8, 1984 and, subsequently, by Companies Act, 2017 on May 30, 2017). The shares of the Company are listed on Pakistan Stock Exchange (PSX). The principal business of the Company is the production and sale of white crystalline sugar.

#### Head office:

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

#### Mill:

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

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, and directives issued under, the Companies Act, 2017

Where the provisions of, and directives issued under, the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of, and directives issued under, the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with Company's annual financial statements for the year ended September 30, 2024.

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

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

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

#### 2.3 Functional and presentation currency

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

#### 2.4 Judgments and sources of estimation uncertainty

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied in the Company's annual financial statements as at and for the year ended September 30, 2024.

#### 2.5 Material accounting policies

The material accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the Company's annual financial statements for the year ended September 30, 2024.

		(Un-audited)	(Audited)
		March 31, 2025	September 30, 2024
3. PROPERTY, PLANT AND EQUIPMENT	Note	Rupees	
Operating fixed assets	3.1	2,945,014,254	2,978,482,854
Capital work in progress		79,340,220	73,500,213
		<u>3,024,354,474</u>	<u>3,051,983,067</u>

### 3.1 Operating fixed assets

	— Rupees											
<b>As at September 30, 2023</b>												
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)	(1,773,531,648)
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
<b>Movement during the Period ended March 31, 2024</b>												
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	-	-	-	-	-	-	-	104,060	-	-	22,749,778	22,853,838
Transfer from CWIP	-	16,686,013	-	-	143,820,964	548,192	-	-	-	-	-	161,055,169
Disposals:												
- Cost	-	-	-	-	-	-	-	-	-	-	(8,251,302)	(8,251,302)
- Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	(1,391,776)	(1,391,776)
Depreciation for the period	-	-	(3,710,245)	(5,985,954)	(16,353)	(64,691,097)	(6,616)	(324,037)	(3,213,671)	(33,363)	(8,109,219)	(86,834,115)
Closing net book value	99,690,777	79,671,353	115,248,551	314,840	2,591,979,284	675,575	6,238,738	13,535,900	61,873,330	1,183,790	79,155,722	3,049,567,859
<b>As at March 31, 2024</b>												
Cost	99,690,777	248,648,235	244,991,803	5,738,868	4,003,926,783	5,206,097	14,198,679	36,003,842	93,132,704	4,849,761	146,686,547	4,903,074,096
Accumulated depreciation	-	(168,976,882)	(129,743,252)	(5,424,028)	(1,411,947,499)	(4,530,522)	(7,959,941)	(22,467,942)	(31,259,374)	(3,665,971)	(67,530,825)	(1,853,506,237)
Net book value	99,690,777	79,671,353	115,248,551	314,840	2,591,979,284	675,575	6,238,738	13,535,900	61,873,330	1,183,790	79,155,722	3,049,567,859
<b>As at September 30, 2024</b>												
Gross carrying amount	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
<b>Movement during the Period ended March 31, 2025</b>												
Opening 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
Additions	-	-	-	-	-	-	-	-	927,418	-	-	927,418
Transfer from CWIP	-	-	-	-	50,707,155	-	-	-	-	-	-	50,707,155
Disposals:												
- Gross carrying amount	-	-	-	-	-	-	-	-	-	-	(455,400)	(455,400)
- Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	283,980	283,980
Depreciation for the period	-	-	(3,776,504)	(5,462,900)	(14,924)	(63,633,729)	(6,038)	(295,723)	(3,539,119)	(57,446)	(171,420)	(171,420)
Closing net book value	99,690,777	71,961,076	104,095,254	284,371	2,513,992,077	115,055	5,634,977	12,110,137	68,258,951	1,094,628	67,776,951	2,945,014,254
<b>As at March 31, 2025</b>												
Gross carrying amount	99,690,777	248,648,235	244,991,803	5,738,868	4,053,986,994	4,657,905	14,198,679	35,899,782	106,126,010	4,849,761	149,180,544	4,967,969,358
Accumulated depreciation	-	(176,687,159)	(140,896,549)	(5,454,497)	(1,539,994,917)	(4,542,850)	(8,563,702)	(23,789,645)	(37,867,059)	(3,755,133)	(81,403,593)	(2,022,955,104)
Net book value	99,690,777	71,961,076	104,095,254	284,371	2,513,992,077	115,055	5,634,977	12,110,137	68,258,951	1,094,628	67,776,951	2,945,014,254
Annual rates of depreciation	-	10%	10%	10%	5%	10%	10%	10%	10%	10%	20%	

		(Un-audited) March 31,	(Audited) September 30,
		Rupees	
<b>3.2 Capital work-in-progress</b>	<i>Note</i>		
Opening balance		73,500,213	33,878,681
Additions during the period/year		65,547,162	199,481,564
Transfers to operating fixed assets		(50,707,155)	(159,860,032)
Amount refunded by supplier for solar project		(9,000,000)	-
<b>Closing balance</b>		<b>79,340,220</b>	<b>73,500,213</b>

#### 4. LONG TERM INVESTMENTS

Investment in subsidiary	4.1	-	99,970
Investment in associates	4.2	1,141,948,008	1,126,614,650
Investment in certificates of B.F. Modaraba		6,754,208	7,937,879
		<b>1,148,702,216</b>	<b>1,134,652,499</b>

- 4.1 The Company had 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 was 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.

During this period, FPL was wound up and accordingly ceased to be a subsidiary of the Company with effect from December 2024.

		(Un-audited) March 31, 2025	(Audited) September 30, 2024
		Rupees	
<b>4.2 Investment in associates</b>	<i>Note</i>		
<i>Unquoted investments</i>			
Unicol Limited	4.2.1	1,120,963,184	1,105,629,827
Uni Energy Limited		20,984,824	20,984,823
		<b>1,141,948,008</b>	<b>1,126,614,650</b>

##### 4.2.1 Investment in Unicol Limited

Cost of investment: 10,499,998 shares of Rs.10/- each		104,999,980	104,999,980
Bonus shares issued: 39,500,000 shares		395,000,000	395,000,000
		<b>499,999,980</b>	<b>499,999,980</b>

##### *Accumulated share of profit:*

Opening balance		605,629,847	1,283,174,179
Cash dividend received during the period / year		-	(24,999,999)
Share of profit for the period / year	4.2.1.1	15,333,333	(652,544,333)
		<b>620,963,180</b>	<b>605,629,847</b>
<b>Carrying amount as of the reporting date</b>		<b>1,120,963,160</b>	<b>1,105,629,827</b>

- 4.2.1.1 The share of profit of the associate for the period presented above is based on its un-audited financial statements for the half year ended March 31, 2024.

- 4.2.1.2 As of the reporting date, the Company held 33.33% (September 30, 2024: 33.33%) voting shares of Unicol Limited.

		(Un-audited) March 31, 2025	(Audited) September 30, 2024
		Rupees	
<b>5. DEFERRED TAX ASSET</b>	<i>Note</i>		
<i>Deferred tax liability arising in respect of:</i>			
Property, plant and equipment		(434,247,523)	(424,845,710)
Investment in associates		(93,292,207)	(90,992,204)
Long term finance		(32,441,920)	(57,623,961)
		<b>(559,981,650)</b>	<b>(573,461,875)</b>
<i>Deferred tax asset arising in respect of:</i>			
Provision of slow moving stock		3,988,766	3,988,766
Deferred government grant		33,570,132	37,828,999
Minimum Tax		200,006,221	139,934,519
Unused tax losses		848,281,536	678,105,772
		<b>1,085,846,655</b>	<b>859,858,056</b>
		<b>525,865,005</b>	<b>286,396,181</b>
Unrecognised deferred tax asset	5.1	(200,006,221)	(139,934,519)
		<b>325,858,784</b>	<b>146,461,662</b>

- 5.1 Deferred tax asset amounting to Rs. 200.006 million (September 2024: Rs. 139.829 million) has not been recognised in respect of the minimum tax charged under Section 113 of the Income Tax Ordinance, 2001, as it is not probable that sufficient normal tax charge will be available in the foreseeable future against which the Company can utilise the related tax credits.



		(Un-audited) March 31, 2025	(Audited) September 30, 2024
<b>6. STOCK-IN-TRADE</b>	<i>Note</i>	<b>Rupees</b>	
Finished goods	6.1	5,579,251,425	3,063,236,855
Work in process		399,880	552,295
		<b>5,579,651,305</b>	<b>3,063,789,150</b>

**6.1** As of the reporting date, the value of stock pledged against bank borrowings amounted to Rs.5,487.6 billion (September 30, 2024: Rs. 3.998 billion).

		(Un-audited) March 31, 2025	(Audited) September 30, 2024
<b>7. TRADE DEBTS - unsecured, considered good</b>	<i>Note</i>	<b>Rupees</b>	
Local receivables	7.1	213,336,655	606,094,565

**7.1** This includes amount due from a related party, M/s. Unicol Limited Rs. 46.79 million (September 30, 2024: Rs.1.793 million). Maximum balance outstanding at any time during the year, computed with reference to month-end balances amounted to Rs. 144.5 million (September 30, 2024: Rs.134.04 million).

		(Un-audited) March 31, 2025	(Audited) September 30, 2024
<b>8. LOANS, ADVANCES, DEPOSITS AND OTHER RECEIVABLES - Unsecured</b>	<i>Note</i>	<b>Rupees</b>	
Loans (interest-free)		15,561,322	20,579,252
Advances (interest-free)		38,177,300	65,240,718
Deposits		55,389,200	50,747,900
Other receivables		225,473,327	549,195,061
		<b>334,601,149</b>	<b>685,762,931</b>
<b>Loans - interest free</b>			
Loan to growers		14,438,925	19,011,361
Loan to employees		1,122,397	1,567,397
		<b>15,561,322</b>	<b>20,579,252</b>
<b>Advances - interest free</b>			
Supplier for goods		29,741,875	56,981,065
Supplier for Services		3,144,846	4,536,671
Other advance		5,290,579	3,722,982
		<b>38,177,300</b>	<b>65,240,718</b>
<b>Deposits</b>			
Bid money		48,740,400	50,740,400
Others		6,648,800	7,500
		<b>55,389,200</b>	<b>50,747,900</b>
<b>Other receivables</b>			
Freight Subsidy receivable	8.1	83,283,750	388,014,167
Sales tax receivable		56,424,979	56,424,979
Excise duty receivable		7,005,677	7,005,677
Road cess receivable		7,180,538	7,180,538
Insurance claim		32,197,512	32,197,512
Others		39,380,871	58,372,188
		<b>225,473,327</b>	<b>549,195,061</b>

**8.1** The Company had recognized a receivable of Rs. 304.73 million from the Government of Sindh on account of its 50% share in the export freight subsidy announced by the Federal Government in October 2017 (vide notification no. F. No. 7(2)/2012-EXP.III dated October 03, 2017) for exports made during FY 2016-17 and FY 2017-18.

A Constitutional Petition (No. 5368/2021) was filed jointly by the Company and other sugar mills before the Honourable Sindh High Court in September 2021, seeking recovery of the outstanding subsidy. The Honourable Court disposed of the petition on March 30, 2023, directing the Government of Sindh to release the subsidy in the first quarter of the forthcoming financial year.

The Company's legal counsel issued a reminder letter dated September 22, 2023 to the relevant authorities. During the current period, the full amount of Rs. 304.73 million has been received from the Government of Sindh and accordingly, the receivable has been settled.

## 9. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

	March 31, 2025 (Number of shares)	September 30, 2024		March 31, 2025 ----- (Rupees) -----	September 30, 2024
	39,510,989	25,006,955	Ordinary shares of Rs. 10/ each fully paid in cash	395,109,889	250,069,550
9.1	Reconciliation of the opening and closing of share capital			Number of shares outstanding	Amount in rupees
	Paid-up capital of the Company as at September 30, 2024			25,006,955	250,069,550
	Issuance of right shares			14,504,034	145,040,339
	Paid-up capital of the Company as at March 31, 2025			39,510,989	395,109,889
9.1.1	During the period, the Company undertook a further issue of capital under Section 83(3) of the Companies Act, 2017 and in accordance with Schedule I of the Companies (Further Issue of Shares) Regulations, 2020 by offering 14,504,034 ordinary shares to existing shareholders by way of a rights issue. The right shares represented 58% of the existing paid-up capital of the Company and were offered at an issue price of PKR 35 per share, comprising a face value of PKR 10 and a share premium of PKR 25 per share. The rights were issued in the proportion of 58 right shares for every 100 shares held, resulting in total proceeds of PKR 507.64 million.				
	The proceeds from the rights issue are being utilized to meet the Company’s day-to-day working capital requirements and for the repayment of working capital loans. This capital infusion is intended to ensure smooth operations by maintaining adequate liquidity levels.				
9.2	Movement in Share premium			Note	Amount in rupees
	Share premium of the Company as at September 30, 2024				8,472,152.00
	Issuance of right shares			9.2.1	362,600,848
					371,073,000
9.2.1	As stated in note 9.1.1 above, during the year, the Company issued 14,504,034 right shares at a strike price of Rs. 35 per share. The difference between the said strike price and the par value of Rs.10 per share has been classified as 'share premium' amounting, in aggregate, to Rs. 362.6 million.				
9.3	Progress on proceeds of Right Issue			Plan utilization	Actual utilization
				--- Amount in rupees ---	Percentage Utilized
	Working capital requirements			107,641,190	100%
	Repayment of Loan			400,000,000	100%
	Total			507,641,190	100%
				(Un-audited)	(Audited)
				March 31, 2025	September 30, 2024
10.	FINANCING UNDER SBP SCHEMES			Note	Rupees
	Islamic Temporary Economic Refinance Facility (ITERF)			10.1	352,526,963
	Diminishing Musharakah - SBP IFRE				
	From Bank Islami Pakistan				20,850,634
	From Bank Al Habib Limited				60,953,538
					81,804,172
					434,331,135
	Other financing schemes				
	Diminishing Musharaka financing				51,322,679
					485,653,814
					63,669,083
					528,468,037

**10.1 Financing under Islamic Temporary Economic Refinance Facility (ITERF)**

Faysal Bank Limited	296,565,104	318,349,065
Bank Islami Pakistan Limited	55,961,859	56,997,799
	<u>352,526,963</u>	<u>375,346,864</u>
	(Un-audited)	(Audited)
	March 31, 2025	September 30, 2024

**11. DEFERRED LIABILITIES**

Note

— Rupees —

Sales tax payable	109,419,576	109,419,576
Provision for excise duty	7,005,677	7,005,677
Deferred government grant	89,037,458	101,743,349
	<u>205,462,711</u>	<u>218,168,602</u>

**11.1 Deferred government grant**

Deferred government grant recognized in respect of financing under ITERF

11.1.1

89,037,458	101,743,349
------------	-------------

**11.1.1 Deferred government grant recognized in respect of financing under Islamic Temporary Economic Refinance Facility (ITERF)**

Opening balance	130,444,825	162,552,362
Less: amortization for the year/period	(14,685,751)	(32,107,537)
	<u>115,759,074</u>	<u>130,444,825</u>
Less: Current maturity shown under current liabilities	(26,721,616)	(28,701,476)
	<u>89,037,458</u>	<u>101,743,349</u>

**12. TRADE AND OTHER PAYABLES**

**Trade creditors:**

- Sugarcane growers	102,006,251	69,638,693
- Suppliers of stores and spares	64,029,991	123,236,164
	<u>166,036,242</u>	<u>192,874,857</u>

**Other payables:**

Advance and deposit from customers	12.1 & 30.1	367,435,436	392,243,257
Sales tax payable		61,221,503	422,774,017
Accrued liabilities		63,964,485	72,623,898
Workers' Welfare Fund	12.2	11,896,298	11,896,298
Workers' Profit Participation Fund	12.3	3,219,589	3,219,589
Special Excise Duty payable		13,208,869	13,208,869
Road cess payable		4,774,825	4,774,825
Security deposits		8,371,682	7,322,332
Withholding income tax payable		9,212,887	34,686,231
Due to related party		28,852,692	25,944,590
Others		1,538,587	1,631,738
		<u>573,696,853</u>	<u>990,325,644</u>
		<u>739,733,095</u>	<u>1,183,200,501</u>

**12.1 Advances and deposits from customers**

During the period, the performance obligations underlying the opening contract liability of Rs. 392.24 million were satisfied in full. Accordingly, the said liability was recorded as revenue during the period.

In addition, information regarding the timing of satisfaction of performance obligations underlying the closing contract liability of Rs. 360.03 million is not presented since the expected duration of all the contracts entered into with the customers is less than one year.

**12.2 Workers' Welfare Fund**

(Un-audited) (Audited)  
March 31, September 30,  
2025 2024  
— Rupees —

Opening balance	11,896,298	12,304,686
Less :		
Payment during the period/ year	-	(408,388)
Closing balance	<u>11,896,298</u>	<u>11,896,298</u>

**12.3 Workers' Profit Participation Fund**

Opening balance	3,219,589	34,483,859
Less: payment during the period/ year	-	(31,264,270)
<b>Closing balance</b>	<b>3,219,589</b>	<b>3,219,589</b>

(Un-audited)	(Audited)
March 31,	September 30,
2025	2024

**13. SHORT TERM FINANCE - secured***Note*

Rupees

Islamic financing arrangements	13.1	7,634,504,608	4,730,898,000
--------------------------------	------	---------------	---------------

- 13.1** This represents the availed amount of Islamic finance facilities provided by various Islamic banks. As at the reporting date, the aggregate limit of these available finances amounted to Rs. 8,178.88 million (September 30, 2024: Rs. 8,050 million). These finances are secured against pledge of refined sugar and first pari passu charge on fixed assets of the Company including land, building and plant & machinery carrying profit at the rate of KIBOR + 0.5% to 1.25% per annum (September 30, 2024: KIBOR + 0.50% to 1% per annum).

(Un-audited)	(Audited)
March 31,	September 30,
2025	2024

**14. INCOME TAX PAYABLE**

Rupees

Opening balance	(23,815,325)	5,488,082
Taxes deducted at source during the year	39,289,598	110,631,112
	15,474,273	116,119,194
Less: Provision for levies for the year	(67,708,567)	(139,934,519)
Less: Provision for taxation for the year	-	-
	(52,234,295)	(23,815,325)

**15. CONTINGENCIES AND COMMITMENTS****15.1 Contingencies**

There has been no change in the status of contingencies as disclosed in annual financial statements for the year ended September 30, 2024 except the below:

- 15.1.1** The Competition Commission of Pakistan (CCP), through its order dated August 13, 2021, imposed a penalty of **Rs. 280 million** on the Company for allegedly sharing information with the Pakistan Sugar Mills Association (PSMA) in connection with sugar export permissions. The Company challenged this order by filing **Suit No. 2273 of 2021** before the Honorable High Court of Sindh, which initially suspended the CCP order. Subsequently, based on a Joint Statement by the parties, the Court directed that no recovery action be taken by the CCP until final disposal of the appeals pending before the Competition Appellate Tribunal (CAT) and returned the bank guarantees submitted by the Company.

As of reporting period, the matter has been transferred to the Court of the Senior Civil Judge / Assistant Sessions Judge XV, Karachi South (City Court, Karachi), for further proceedings. The Company's appeal before the CAT also remains pending. Based on the opinion of its legal counsel, the Company believes it has a strong case on merits and expects a favourable outcome. Accordingly, no provision has been recorded in respect of the penalty in the accompanying interim financial statements.

- 15.1.2** The Deputy Commissioner Inland Revenue (DCIR) vide its order, dated November 29, 2024, raised a demand of Rs. 10.308 million (including default surcharge u/s. 205 amounting to Rs. 4.146 million and penalty u/s. 182 amounting to Rs. 0.56 million) for the tax year 2019 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 December 27, 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.

The Company has also obtained the stay on the non-recovery of the said demand from High Court of Sindh through order dated January 13, 2025.

As of the reporting date, the case is pending for adjudication before the Commissioner Inland Revenue (Appeals-I). After due consultation with legal advisor, the Company expects a favourable decision and, accordingly, has not made any provision in this regard.

## 15.2 Commitments

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

		For the six-month period ended	
		March 31, 2025 (Un-audited)	March 31, 2024 (Un-audited)
		----- Rupees -----	
<b>16. SALES REVENUE - net</b>	<i>Note</i>		
Revenue from local sales - net	<i>16.1</i>	4,645,404,701	5,082,523,685
Revenue from export sales		763,686,525	-
		<u>5,409,091,226</u>	<u>5,082,523,685</u>
<b>16.1 Revenue from local sales - net</b>			
Sales of sugar local - gross		4,388,078,510	4,156,637,377
Less: Sales tax / advance income tax		(717,390,543)	(637,897,107)
		3,670,687,967	3,518,740,270
Sales of molasses-gross		973,774,652	1,374,680,029
Less: Sales tax		(148,541,896)	(27,135,000)
		825,232,756	1,347,545,029
Sales of power-gross		8,494,546	11,314,389
Less: Sales tax		(1,295,778)	(1,725,924)
		7,198,768	9,588,465
Sales of bagasse - gross		167,896,546	247,973,168
Less: Sales tax		(25,611,336)	(41,323,247)
		142,285,210	206,649,921
<b>Net sales revenue</b>		<u>4,645,404,701</u>	<u>5,082,523,685</u>
<b>17. COST OF SALES</b>			
Opening stock of finished goods		3,063,236,855	1,690,425,361
Cost of goods manufactured	<i>17.1</i>	7,895,419,373	11,507,118,698
		10,958,656,228	13,197,544,059
Closing stock of finished goods		(5,579,251,425)	(8,463,644,411)
		<u>5,379,404,803.00</u>	<u>4,733,899,648</u>
<b>17.1 Cost of goods manufactured</b>			
Raw materials consumed		7,227,581,711	10,801,570,149
Conversion costs incurred:			
- Salaries, wages and benefits		307,106,107	279,668,361
- Stores and spares consumed		131,384,066	158,151,291
- Packing materials consumed		55,522,803	101,949,206
- Depreciation		66,523,657	68,424,311
- Repair and Maintenance		49,157,404	41,410,202
- Fuel and power		19,983,866	16,579,247
- Insurance		21,833,006	17,032,809
- Vehicle running expenses		8,525,275	10,593,242
- Others		7,649,063	8,986,760
		667,685,247	702,795,429
		7,895,266,958	11,504,365,578
Opening stock of work in process		552,295	3,571,900
Closing stock of work in process		(399,880)	(818,780)
		152,415	2,753,120
		<u>7,895,419,373</u>	<u>11,507,118,698</u>
<b>18. SELLING AND DISTRIBUTION EXPENSES</b>			
Transportation		23,690,515	42,502,766
Loading, stacking, bagging and storage		9,972,397	18,160,895
Export expenses		22,072,613	-
		<u>55,735,525</u>	<u>60,663,661</u>

		For the six-month period ended	
		March 31, 2025 (Un-audited)	March 31, 2024 (Un-audited)
		Rupees	
<b>19. OTHER INCOME</b>			
Amortization of deferred government grant		14,685,751	16,469,760
Gain on sale of property, plant and equipment		283,980	8,115,317
Sale of scrap		5,295,240	9,805,655
Profit on deposit accounts		4,141,350	5,810,401
Exchange gain		1,456,441	-
Sale of press mud		6,293,608	2,456,108
Unrealized gain on remeasurement of investments in quoted equity securities to fair value		1,689,456	428,448
Dividend income		108,375	40,500
Miscellaneous income		285,600	371,860
		<b>34,239,801</b>	<b>43,498,049</b>
<b>20. OTHER EXPENSES</b>			
Donation		280,706	180,375
Provision for slow moving inventory		-	2,967,835
Right issue expense		3,480,881	-
		<b>3,761,587</b>	<b>3,148,210</b>
<b>21. FINANCE COSTS</b>			
Markup on short term borrowings		391,621,063	518,618,871
Markup on long term borrowings:			
- ITERF from Faysal Bank Limited		20,191,037	19,017,251
- ITERF from Bank Islami Pakistan Limited		4,145,052	2,969,308
- Diminishing Musharaka financing		11,962,705	41,627,976
		<b>36,298,794</b>	<b>63,614,535</b>
		<b>427,919,857</b>	<b>582,233,406</b>
Bank charges		3,194,402	2,547,312
		<b>431,114,259</b>	<b>584,780,718</b>
<b>22. SHARE OF PROFIT OR LOSS OF ASSOCIATES - net</b>			
Unicol Limited		15,333,333	471,333
Uni Energy Limited		-	567,276
		<b>15,333,333</b>	<b>1,038,609</b>
<b>23. LEVIES</b>			
Excess of minimum tax over normal tax		67,708,567	67,287,621
<b>24. TAXATION - net</b>			
Current		-	-
Deferred		(179,397,121)	5,392,321
		<b>(179,397,121)</b>	<b>5,392,321</b>
<b>25. EARNINGS PER SHARE - basic and diluted</b>			

	Half year ended		Quarter ended	
	March 31, 2025	March 31, 2024 (Restated)	March 31, 2025	March 31, 2024 (Restated)
	Rupees			
Loss for the period	<b>(411,672,043)</b>	(454,251,684)	(420,838,830)	(521,098,693)
	Number of shares			
Weighted average number of ordinary shares outstanding during the period	<b>33,369,541</b>	27,228,093	39,510,989	27,228,093
	Rupees			
Earnings per share - basic and diluted	<b>(12.34)</b>	(16.68)	(10.65)	(19.14)

There is no dilutive effect on the basic earnings per share of the Company.

## 26. 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 and benefits to directors and executives of the Company are in accordance with the terms of the employment while contribution to the provident fund is in accordance with staff service rules.

	For the six-month period ended	
	March 31, 2025 (Un-audited)	March 31, 2024 (Un-audited)
	----- Rupees -----	
<u>Transactions during the period</u>		
<u>ASSOCIATES</u>		
Unicol Limited		
Revenue from sale of goods	877,137,332	1,408,038,398
<u>KEY MANAGEMENT PERSONNEL</u>		
Remuneration of the Chief Executive	10,358,280	10,358,280
Remuneration of directors	7,480,980	7,712,250
Directors' meeting fee	385,000	420,000
<u>OTHER RELATED PARTIES</u>		
Reliance Insurance Company Ltd.		
Insurance premium paid	20,868,861	14,400,000
BF Modaraba		
Sale of sugar	41,779,733	4,179,487
Employees' Provident Fund Trust		
Contribution to Provident Fund	4,201,879	3,222,213
	(Un-audited) March 31, 2025	(Audited) September 30, 2024
	----- Rupees -----	
<u>Balances at the end of the reporting period</u>		

## 27. FAIR VALUE OF ASSETS AND LIABILITIES

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

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

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

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

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

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

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

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

	Level 1	Level 2	Level 3
		Rupees	
<b>March 31, 2025</b>			
Investment in certificates B.F. Modaraba	6,754,208	-	-
Short term investment in quoted equity securities	3,520,865	-	-
	<b>10,275,073</b>	-	-
<b>September 30, 2024</b>			
Investment in certificates B.F. Modaraba	7,937,879	-	-
Short term investment in quoted equity securities	1,831,409	-	-
	<b>9,769,288</b>	-	-

## 28. OPERATING SEGMENT

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

- (a) Revenue from sale of Sugar represents 81.98% (March 31, 2024: 69.23%) of the total revenue of the Company.
- (b) 85.88% (March 31, 2024: 100%) gross sales of the Company were made to customers based in Pakistan.
- (c) As at March 31, 2025 and September 30, 2024 all non-current assets of the Company were located in Pakistan.

## 29. 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,

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:

	March 31 2025	March 31 2024
	Rupees	
Loss before levies and taxation	(523,360,597)	(381,571,742)
Levies	-	-
(Loss) / profit before taxation	<b>(523,360,597)</b>	<b>(381,571,742)</b>
Taxation:		
- Current	(67,708,567)	(67,287,621)
- Deferred	179,397,121	(5,392,321)
	<b>111,688,554</b>	<b>(72,679,942)</b>
<b>Loss after taxation</b>	<b>(411,672,043)</b>	<b>(454,251,684)</b>
<b>Loss per share - basic and diluted (Restated)</b>	<b>(12.34)</b>	<b>(16.68)</b>



As stated above the aforementioned 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. Further, since these restatements have material effects on the statement of financial position as at the beginning of the earliest period presented (i.e. September 30, 2022), the said statement has also been presented in these financial statements in accordance with the requirements of the IAS 1 'Presentation of Financial Statements'.

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

**Effects on the statement of profit or loss**

	<b>For the period ended March 31, 2024</b>		
	<b>As previously reported</b>	<b>As restated</b>	<b>Change</b>
	<b>----- (Rupees) -----</b>		
Loss before levies and taxation	(381,571,742)	(381,571,742)	-
Levies:			
- Excess of Minimum Tax (MTR) over Normal Tax (NTR)	-	(63,531,546)	(63,531,546)
- Tax under Final Tax Regime (FTR)	-	(3,756,075)	(3,756,075)
	-	(67,287,621)	(67,287,621)
<b>Loss before taxation</b>	<b>(381,571,742)</b>	<b>(448,859,363)</b>	<b>(67,287,621)</b>
Taxation:			
- Current	(67,287,621)	-	67,287,621
- Prior	-	-	-
- Deferred	(5,392,321)	(5,392,321)	-
	(72,679,942)	(5,392,321)	<b>67,287,621</b>
<b>Loss after taxation</b>	<b>(454,251,684)</b>	<b>(454,251,684)</b>	<b>-</b>
<b>Loss per share - basic and diluted (Restated)</b>	<b>(18.17)</b>	<b>(16.68)</b>	<b>-</b>

**30. GENERAL**

**30.1 Reclassification of corresponding figures**

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

<b>Reclassified from component</b>	<b>Reclassified to component</b>	<b>Note</b>	<b>Amount Rupees</b>
Long term advances	Accrued liabilities (Trade and other payables)	12	1,349,015

**30.2 Date of authorization of the financial statements for issue**

These condensed interim financial statements have been authorized for issue by the Board of Directors of the Company in their meeting held on May 29, 2025.

**30.3 Level of rounding**

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

  
**Ahmed Ali Bawany**  
 Chief Executive Officer

  
**Bilal Omar Bawany**  
 Director

  
**Muhammad Ayub**  
 Chief Financial Officer



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