Faran Sugar Mills Limited

Annual Report 2025

New array of possibilities

www.faran.com.pk

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 fulfill its commitments to the society. Our strategic business vision and 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.

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CONTENTS

ORGANIZATIONAL OVERVIEW & EXTERNAL ENVIRONMENT

ORGANIZATIONAL OVERVIEW & EXTERNAL ENVIRONMENT


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إني كنت من الظالمين
BEDFORD
NWFP
E-5965
PESHAWAR

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)*
- Dawood E. Bawany
- Bilal Omar Bawany
- Mohammed Altamash Bawany
- Ahmed Ghulamhussain
- Irfan Zakaria Bawany
- Matiuddin Siddiqui *(NIT)*
- Tasneem Yusuf

AUDIT COMMITTEE

- Ahmed Ghulamhussain *(Chairman)*
- Muhammad Omar Amin Bawany *(Member)*
- Irfan Zakaria Bawany *(Member)*

HUMAN RESOURCE & REMUNERATION COMMITTEE

- Ahmed Ghulamhussain *(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, public listed company engaged in the manufacture and sale of white refined sugar. Incorporated in Pakistan on 03 November 1981, FSML's shares are listed on the Pakistan Stock Exchange (PSX). The Company is a member of the Amin Bawany Group, a diversified business group with interests in sugar, ethanol, insurance, modaraba, trading, power, construction and other sectors of the Pakistani economy.

Head Office in Block 6, P.E.C.H.S., Karachi with its manufacturing facility in Shaikh Bhirkio, District Tando M. Khan, the plant commenced commercial production in 1983. Through consistent modernization and rehabilitation, FSML have expanded the installed cane crushing capacity from an initial 2,000 TCD to an average of over 12,000 TCD today.

Al-Hamdulillah, FSML is ranked among the leading sugar mills in the province of Sindh in terms of production. Our diversified customer base includes manufacturers of cereals, confectionery, syrups, beverages, ice cream and biscuits, together with government institutions and the Armed Forces. With one of the region's most efficient cane-processing facilities, FSML focuses on maintaining a market-leading position by anticipating and responding to the principal factors that affect our business verticals. FSML is dedicated to upholding the highest standards of quality while ensuring responsible and sustainable environmental stewardship and we are a proud RIBA / INTEREST-FREE CORPORATE ENTITY. All working capital and long-term financing requirements are managed through Shariah-compliant financial modes.

Quality Assurance & Halal Certification:

FSML has been awarded Halal Certification by SANHA Halal Associates Pakistan (Pvt.) Ltd. This certification affirms that our products meet the strict standards of quality, safety, and compliance as prescribed under Shariah principles. The SANHA endorsement serves as an authoritative assurance that FSML's products are fully permissible for consumption and use in accordance with Islamic law.

COMPANY PROFILE

Credit Rating:

VIS Credit Rating Company Limited has assigned FSML long-term and short-term ratings of A- / A-2 respectively. The long-term rating ('A-') indicates good credit quality with adequate protection factors; the short-term rating ('A-2') reflects strong certainty of timely payment. The outlook has improved from Negative to Stable, demonstrating healthier liquidity and stronger access to capital markets.

Continuous Improvement:

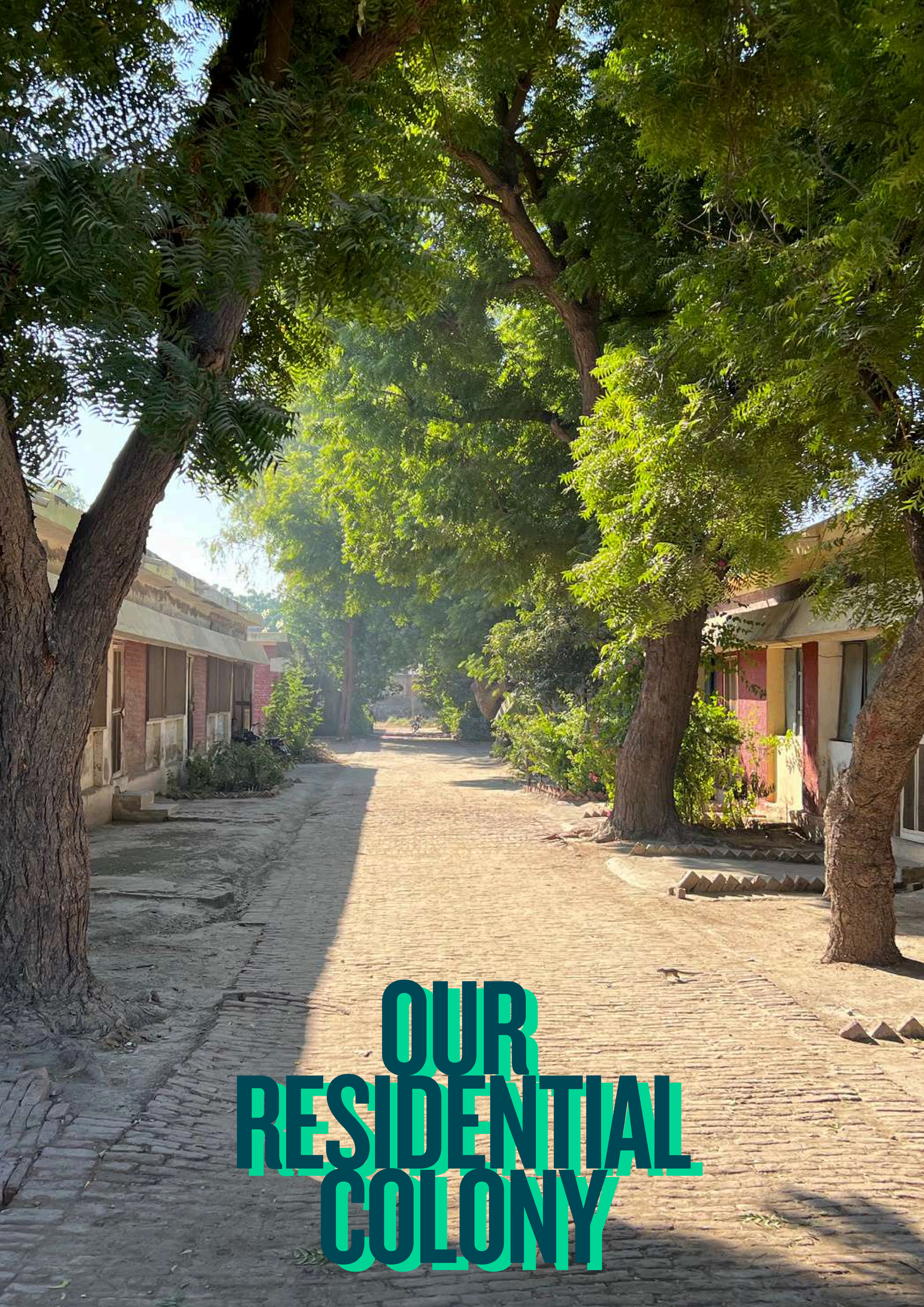
FSML continues to invest in rehabilitation and modernization of manufacturing facilities and equipment to ensure long-term sustainability. We engage respected local and international technical consultants to improve plant efficiency and to build capability for sustainable future growth.

Strategic Investment:

FSML holds a long-term investment in Unicol Limited, a joint-venture distillery formed by three prominent Sindh sugar mills. Unicol is one of Pakistan's largest producers of ENA (extra neutral alcohol) and a leading supplier of food-grade CO_2.

The plant has a design capacity of 200,000 liters (≈160 metric tonnes) of ethanol per day from cane molasses and a CO_2 liquefaction capacity of 72 metric tons per day. Currently, 100% of Unicol's ethanol production is exported, with key markets in Europe, the Middle East, Africa and the Far East. Unicol's certifications include ISO 9001, ISO 14001, FSSC-22000, OHSAS-18001 and GMP, reflecting its commitment to quality and good manufacturing practices.

In 2023, Unicol completed the acquisition of the assets of Popular Sugar Mills Limited (Jan Muhammad Wala, District Sargodha) and commenced operations of its sugar division thereafter. Since the acquisition, the Company has successfully completed the 2024—25 crushing season, marking its second operational season under Unicol's management. The integration has contributed positively to operational stability and capacity utilization, broadening Unicol's revenue base and supporting sustainable profitability. Insha'Allah, the Company remains confident of continuing successful operations into the 2026 season, reinforcing its long-term growth strategy.



OUR RESIDENTIAL COLONY

OUR CORE VALUES

At Faran Sugar Mills, Our Values Define Our Culture, Drive Our Work, and Guide Our Commitment to Excellence

Innovation

Defining quality through continuous improvement and customer expectations.

Leadership

Success through professional competence and challenging the status quo.

Excellence

Performance excellence rooted in satisfying customer quality needs.

Ethics & Integrity

Success built on honesty, integrity, and professional standards.

Profitability

Maximizing stakeholder returns by constantly meeting their expectations.

Teamwork

Achieving success through specialized, high-performance professional teams.

Employees' Growth & Development

We foster a congenial environment where employee dignity is paramount, empowering our workforce to actively drive the company's growth and success.

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.

CODE OF CONDUCT

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.

CERTIFICATIONS & ACCREDITATIONS

Serial Number: 8455
Client Identification No: K-0029
Certificate Number: A0-A4/SN/FSM/088/0525

Initial Certification Date: 14th July 2019
Issue Date: 18th July 2025
Valid Until: 17th July 2026

HALAAL SANHA PAKISTAN

SANHA HALAL ASSOCIATES PAKISTAN (PVT) LIMITED

This is to certify that

FARAN SUGAR MILLS LIMITED TMK.

located at

Head office: 43-1-E (B), P.E.C.H.S, Block-6, Off Razi Road, Shahrah-e-Faisal, Karachi.
Manufacturing Plant: Tando Ebrahim Bawany, Shaikh Bhirkio, District Tando Muhammad Khan.

has been assessed by our organization and found to be **Halal** as per Pakistan Standard PS:3733-2022 OIC/SMIIC 1: 2019, 2nd ed (MOD)

This certificate is valid for the following scope & category:

Scope	Manufacturing of White Refine Sugar
Category	CIV

Mufti Shoaib Alam (Shariah Advisor)

Mufti Yousuf Abdul Razzaq (CEO)

NON TRANSFERABLE - NO PHOTOCOPIES
MISUSE OF THIS CERTIFICATE CONSTITUTES FRAUD

HEAD OFFICE
Suite 103, Plot 11-C, 9th Commercial Lane Zamzama D.H.A., Phase-V, Karachi, Pakistan
To check validity of this certificate please visit: www.sanha.org.pk or Contact our offices
Tel: +92 (21) 3529 5263 Email: karachi@sanha.org.pk

HALAL CERTIFICATE

ACERTA Middle East

"When you want to be sure!"
ACERTA MIDDLE EAST

CERTIFICATE

Certificate Number: AC-FSSC129P
Date First Registered: 18/02/2024
Initial Certification Date: 31/03/2024
Certification Decision on: 18/05/2025
Issued on: 18/05/2025
31/03/2027

Awarded to

FARAN SUGAR MILLS LIMITED

Tando Ebrahim Bawany, Shaikh Bhirkio, District Tando Muhammad Khan, Sindh, Pakistan

COID: PAK-1-1229-838063

in recognition of the Organization's Food Safety Management System which complies with

Food Safety System Certification 22000
FSSC 22000
Certification scheme for food safety management systems consisting of the following elements: ISO22000:2018, ISO/TS22002-1:2009 and additional FSSC 22000 requirements (Version 6).

For the scope of activities described below:

Manufacturing of White Refined Sugar Packed in Polyethylene and Polypropylene Bags

Food chain category : CIV

At least one (1) surveillance audit is required to be undertaken unannounced after the initial certification audit and within each three (3) year period thereafter

Date of Last unannounced audit:

This Certificate is issued by:

Executive Director

FSSC 22000

THINKING GLOBALLY, ACTING LOCALLY

The validity of this certificate can be checked asking by phone or email to ACERTA, or visiting the section ISSUED CERTIFICATES on our website: www.acerta-me.com
Further clarifications regarding the scope of this certificate or the applicability of the management system requirements can be obtained by consulting directly ACERTA by phone or email.

F-3/FSSC/ A 100 Issue date : 12/2024 Version:1

FSSC 22000

Certificate PK15/05179

The management system of

Faran Sugar Mills Limited

Tando Ebrahim Bawany, Shaikh Bhirkio, District Tando Muhammad Khan, Pakistan.

has been assessed and certified as meeting the requirements of

ISO 9001:2015

For the following activities
Production of white refined cane sugar.

This certificate is valid from 09 May 2024 until 16 April 2027 and remains valid subject to satisfactory surveillance audits.
Issue 4. Certified since 16 April 2015

Last certificate expiry date 16 April 2024
Recertification audit date 12 February 2024

Authorised by
Jonathan Hall
Global Head - Certification Services

SGS United Kingdom Ltd
Rossmore Business Park, Ellesmere Port, Cheshire, CH65 3EN, UK
t +44 (0)151 350-6666 - www.sgs.com

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ISO 9001

ZEPHYR WASTE SOLUTIONS

Issue Date: November 30, 2024 Ref #DC010602/FSML/11/2024

Certificate of Disposal

Summary:

This is to confirm that the following item, obtained from **Faran Sugar Mills Limited-** Tando Ibrahim Bawani, Shaikio Muhammad Khan, Sindh in the month of **November-2024** has been responsibly collected and disposed off in an environmentally friendly manner at the Zephyr Waste Solutions Incineration Plant. The plant is situated at Ittehad Town, Northern Bypass Industrial Area, Karachi, and is approved by the Sindh Environmental Protection Agency (SEPA) under reference # SEPA/2023/04/13/EIA/372/1116/2023.

S. No	Description of Waste	Client	Weight	Disposal Method
01.	Dry Sludge (Hazardous)	Faran Sugar Mills Limited	1130 Kg	Incineration

Incinerator Details: -

Temperature – I) Primary Chamber 800 to 1200 °C
Temperature – II) Secondary Chamber 1200 to 1600 °C

Nayyer Abbas
Manager Operation
Zephyr Waste Solutions

ZWS-F-03-05 Version (01)

Office # 01, Mezzanine Floor Building 10-C, 12th Commercial Street Ext. DHA Phase-2 Karachi.

CERTIFICATE OF DISPOSAL

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 enhanced to 2,700 TCD

1990 Crushing Capacity further enhanced to 3,700 TCD

1994 Second Line started and Capacity enhanced to 6,500 TCD

2004

De-bottlenecking at Mill 1 & 2 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 expanded the 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) rating by JCR
- Secured HALAL Certificate from Sanha Halal Associates Pakistan Pvt. Limited.

2022

Successfully installed energy efficient VKT - Vertical Continuous Pan, FFE - Falling Film Evaporator to immensely improve plant efficiency

2023

- Highest ever Profit Rs. 1.22 Billion & EPS of Rs. 48.79 / Share.
- Distillery reported all time high profit
- Expanded sugar operations into Punjab province through its JV company "Unicol Limited"

2025

- Highest ever Net Sales of Rs. 11.966 Billion
- Solar Capacity enhanced to 880 kW.

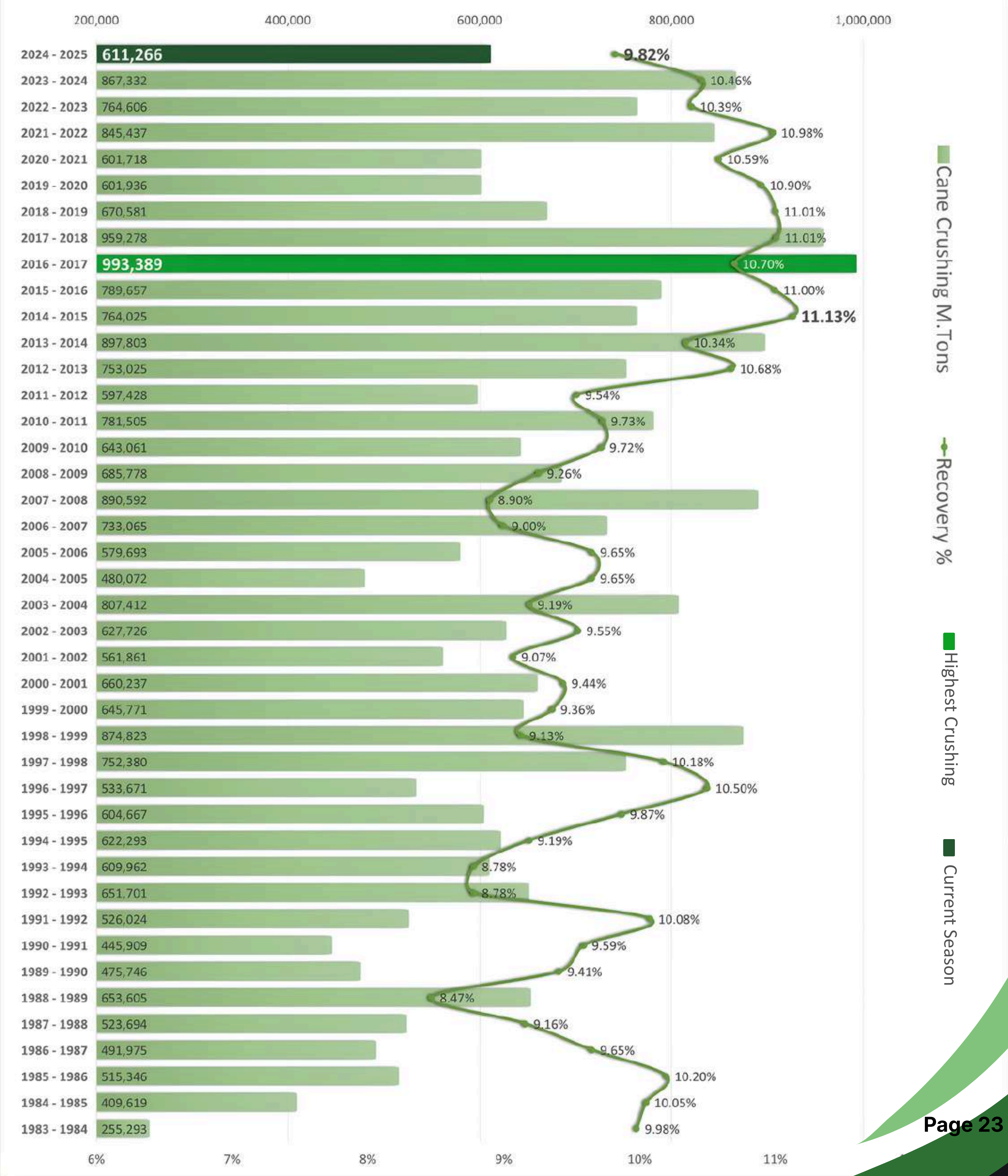
Continuing our journey into 2026

GROUP STRUCTURE

CANE CRUSHING HISTORY

993,389 2016-2017
Highest Cane Crushing

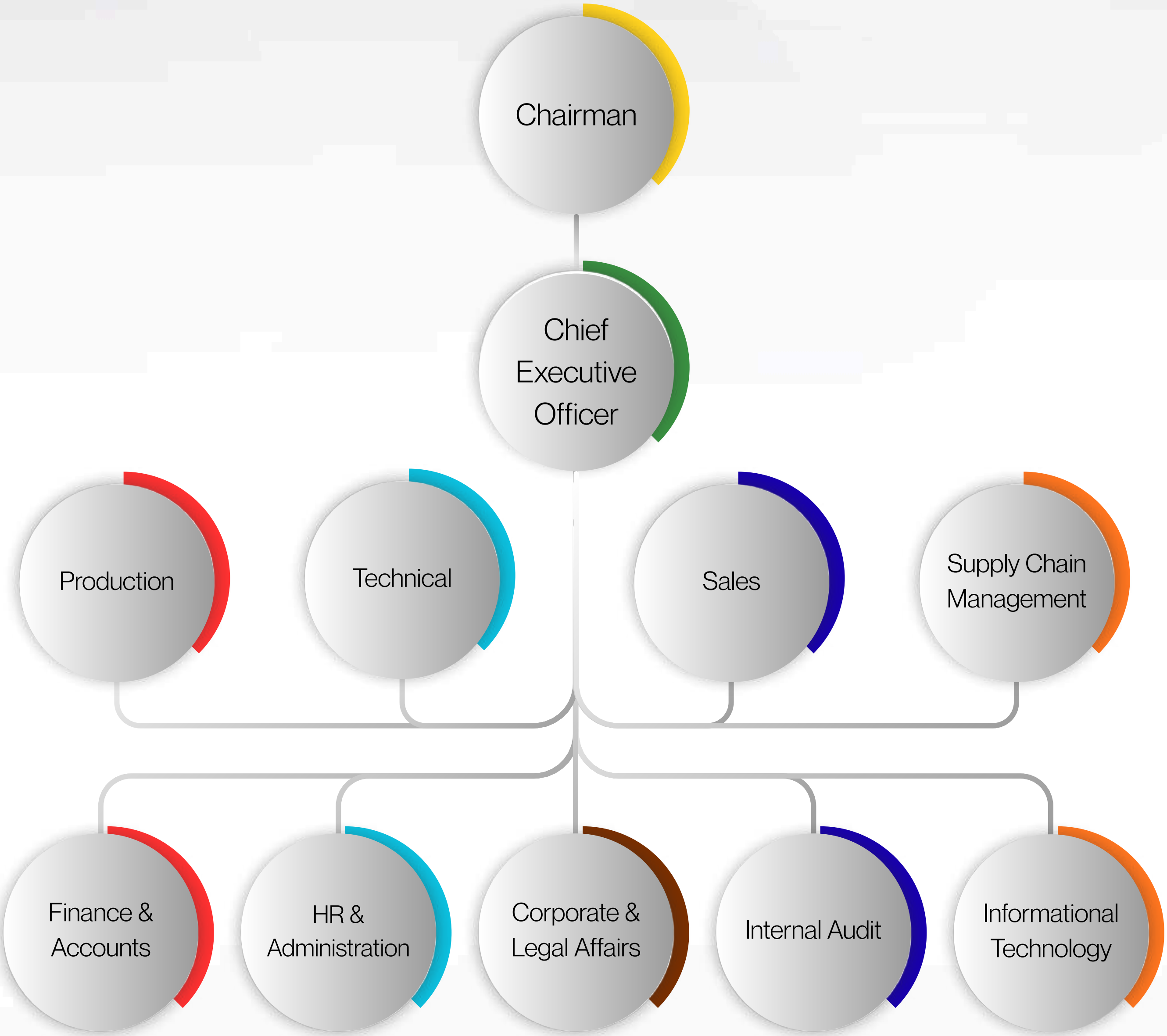
11.13% 2014-2015
Highest Recovery Percentage




FARAN SUGAR MILLS LTD
فاران شوگر ملز لمیٹڈ
MANAGEMENT OFFICES
BIOLOGICAL CONTROL LAB
RESIDENTIAL COLONY

GEOGRAPHICAL PRESENCE

MANAGEMENT STRUCTURE



Key Management Positions

Sanaullah
Sr. GM Factory Operations

Riaz Jawed Suleri
Resident Director

Khalid Hayat Khan
Chief Operating Officer

Muhammad Ayub
CFO & Company Secretary

STRATEGY AND RESOURCE ALLOCATION

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.

S

Strengths

1. A—/A—2 credit rating
2. In house power generation
3. SANHA Halal-certified
4. Strategic initiative aimed at achieving zero wastewater through advanced water-conservation measures
5. Basic essential food
6. No homogeneous commodity
7. Ample human resource deployment sector

W

Weaknesses

1. Procurement concentrated in the 3-4 months crushing season creates cash-flow mismatches and working-capital pressure
2. High volatility in sugar-cane price and refined sugar
3. No comprehensive policy for sugar industry and an ad-hoc policy is changed from time to time without thorough study

O

Oportunities

1. Rising demand from Pakistan's food and beverage sector continues to drive higher domestic sugar consumption
2. Value addition in by-product to earn additional income
3. Alternative power generation at cheap rate
4. Improvement in sugar yield (sucrose recovery) R&D resulting reduction in cost of production

T

Threats

1. Government's high regulations in sugar industry
2. Growers switching land to higher-return crops reduces cane availability and raises procurement costs
3. High sugarcane costs combined with declining sugar prices in both domestic and international markets have increased the cost of sugar production
4. State Bank of Pakistan's restrictions on short-term borrowing can tighten working-capital access and raise financing costs
5. Intervention by the State Bank of Pakistan by imposing certain conditions for short term borrowings (working capital loan).
6. The unstable political and economic scenario of Pakistan
7. High inflation, sustained currency devaluation, and increasing fuel prices
8. Sugarcane varieties are prone to diseases that hamper the crop yield

CORPORATE STRATEGY

Our corporate strategy is aligned with our resource allocation system and effectively carried down to all operational levels, ensuring proper implementation and the achievement of desired results

Financial

Reduce cost and time overruns to strengthen financial performance.
Maximize profits by investing surplus funds in viable, profitable opportunities.
Make investment decisions based on strong economic indicators and project ranking.
Ensure sustainable growth and deliver superior returns to stakeholders.

Learning & Growth

Motivate and train employees while upgrading equipment to support operational efficiency.
Enhance technical and commercial skills through modern HR practices.
Continuously develop managerial capabilities and remain aligned with emerging technologies and industry standards.

Customer

Improve product quality to enhance customer satisfaction and reinforce our reputation as a reliable and efficient company.
Provide consistent and dependable supplies through cost-effective processes.

Internal Process

Form cross-functional task forces to improve internal decision-making and strategic planning.
Provide shareholders and customers with timely and accurate information.
Implement effective business practices and strengthen a collaborative culture to enhance coordination across the organization.

EFFLUENT TREATMENT FACILITY

RISKS AND OPPORTUNITIES

RISK MANAGEMENT

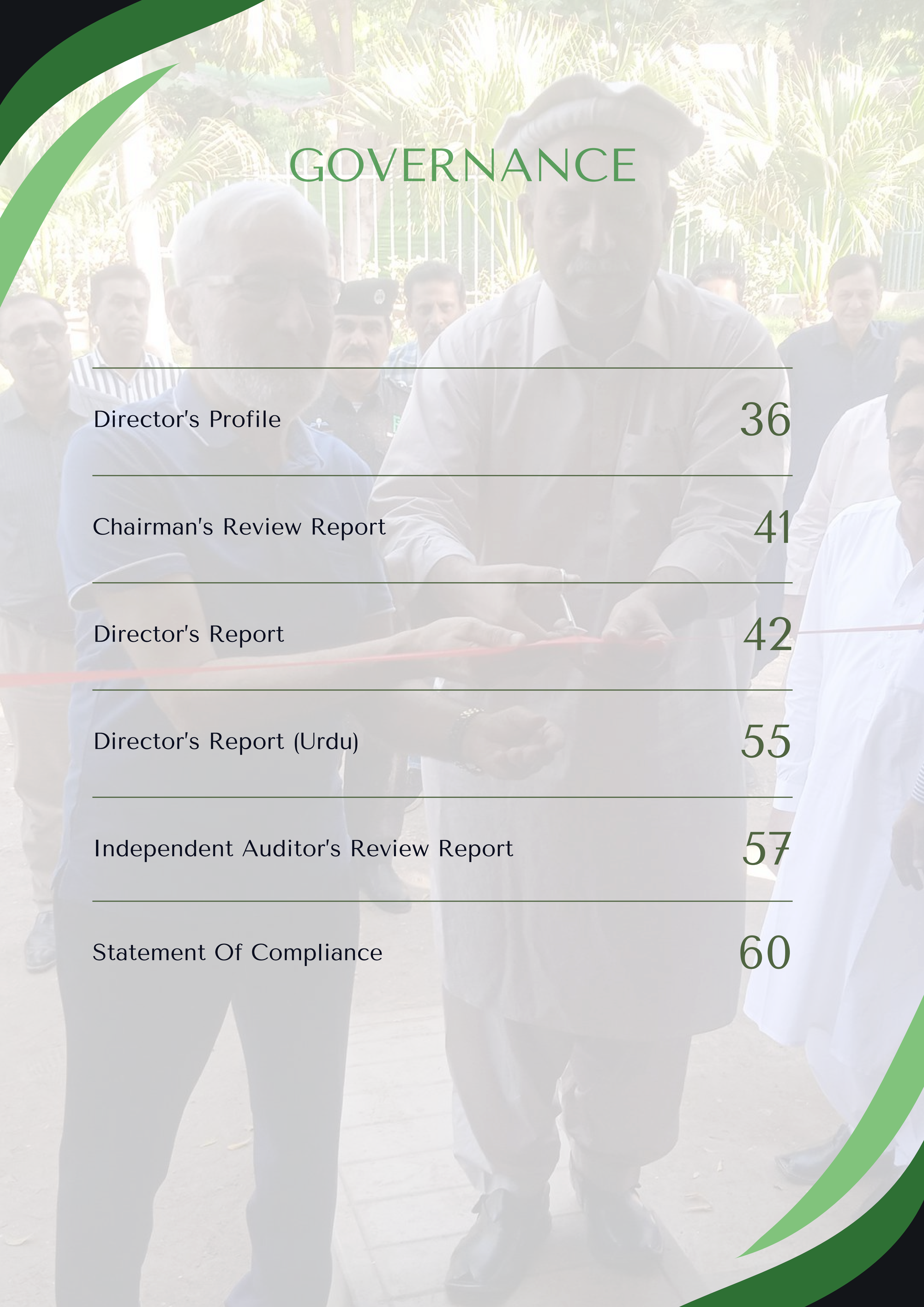
Risk & Risk Level	Origin	Risk Description	Risk Mitigating Strategies
PROCUREMENT Risk Level - High	External	FRSM coordinates with ~1,700–1,800 growers within a 50-mile radius. Securing consistent cane supply is critical because sugarcane is ~75% of production cost; delays, pricing disputes, quality deterioration (climate / policy) or switching of growers to other crops/millers can materially disrupt operations.	Build & maintain strong farmer relationships; timely payments to growers; farmer education on modern farming techniques; long-term supply arrangements and outreach; monitoring of cane quality and pricing; harvesting advances and grievance/liaison mechanism.
SUCROSE RECOVERY Risk Level — Medium	Internal / External	Inefficiencies or failures in the extraction process (sub-optimal milling, equipment faults, processing losses) reduce sugar yield and margins.	Optimize milling techniques; regular preventive maintenance of milling equipment; staff training on best practices; invest in process controls / technology; loss monitoring system and periodic performance audits to identify and correct inefficiencies.
MAINTENANCE Risk Level — Medium	Internal	Although major maintenance is undertaken pre-season, unexpected technical breakdowns can cause unplanned downtime and financial loss.	Comprehensive pre-season overhauls; preventive and predictive maintenance program; spare parts inventory; skilled maintenance team; rapid breakdown response plan and periodic reliability audits.

RISK MANAGEMENT

Risk & Risk Level	Origin	Risk Description	Risk Mitigating Strategies
LIQUIDITY Risk Level — High	Internal / Seasonal	Procurement of cane is concentrated (Nov—Mar) while sugar is sold year-round — creating a cash outflow/sales mismatch and potential liquidity crunch.	Maintain adequate committed credit lines and working capital facilities; cashflow forecasting and seasonally adjusted budgeting; staggered procurements where possible; strengthen receivables management and use of advances/ short-term financing.
CREDIT Risk Level — Low/Medium	External (customers)	Risk of customer default where credit is extended (institutional buyers); although trade is largely on advance payments, some credit exposure exists.	Formal credit policy with creditworthiness checks; use of post-dated cheques and local letters of credit; credit limits and monitoring; regular collections follow-up and provisioning for doubtful receivables.
IT GOVERNANCE & DATA SECURITY Risk Level — Medium	Internal / External (cyber threats)	Risk of data loss, system downtime or regulatory non-compliance from IT failures, cyberattacks or human error.	Robust IT governance framework; disaster recovery and business continuity plans; off-site backups and backup facilities; regular testing of DR procedures; periodic security assessments and patching; access controls and staff awareness training; compliance monitoring.

RISK MANAGEMENT

Risk & Risk Level	Origin	Risk Description	Risk Mitigating Strategies
SOCIAL & ENVIRONMENTAL RESPONSIBILITY Risk Level — Medium	External / Operational	Potential environmental impacts (resource inefficiency, waste generation) and social issues can harm reputation and invite regulatory action.	Commitment to reduce environmental footprint; implement sustainability initiatives (waste reduction, efficient resource use); environmental monitoring and reporting; community engagement programs and continuous improvement of social & environmental performance.
CONFLICT OF INTEREST Risk Level — Low	Internal	Risk that directors, executives or staff may have personal interests conflicting with the Company's interests, affecting decision integrity.	Mandatory disclosure of interests; adherence to Companies Ordinance 2017 and stock exchange rules; clear conflict-of-interest policy; board oversight and independent review of related-party transactions.
SUGARCANE DEVELOPMENT Risk Level — Medium	External / Operational	With increasing competition for sugarcane, failure to secure adequate cane supply may adversely affect production capacity and financial performance. Dependence on farmer participation and crop availability exposes the company to supply-side risks.	FRSM is making all-out efforts to facilitate farmers by promoting plantation of proper cane varieties, providing technical guidance, and encouraging dual cropping along with sugarcane to enhance farmer returns and ensure sustainable cane availability.



GOVERNANCE

DIRECTOR'S PROFILE

MUHAMMAD OMAR AMIN BAWANY

CHAIRMAN

Mr. Muhammad Omar Amin Bawany serves as Chairman of the Board & Non-Executive Director. He has been associated with the Company since November 1981, assumed the role of Vice Chairman in April 2007, and has been serving as Chairman since March 2016.

He also serves as a Director on the Boards of BF Modaraba, Reliance Insurance Company Ltd. and Unicol Ltd. Mr. Bawany has rich corporate experience and has successfully led Annoor Textile Mills Ltd. and Arafat Woolen Mills as Chief Executive Officer.

He is actively engaged in philanthropic and welfare initiatives. He is the Chairman of – World Memon Foundation, Trustee in – Memon Hospital Karachi, Trustee in – Begum Aisha Bawany Trust since 1997 and Managing Trustee in – Begum Aisha Bawany Taleem-ul-Quran Trust since 2016

He completed his education at Karachi American School and later obtained an Associate Degree from the American College of Switzerland in 1977.

AHMED ALI BAWANY

CHIEF EXECUTIVE

Mr. Ahmed Ali Bawany is the Chief Executive Officer of Faran Sugar Mills Limited. He has been a member of the Board since 1995 and as the Chief Executive Officer since April 2007.

Beside Faran Sugar Mills, He is actively involved in Unicol Limited- joint venture project engaged in the production and marketing of refined sugar, ethanol and food grade CO2 in the capacity of executive director representing Faran Sugar Mills Limited. He is also a director of Reliance Insurance Co. Ltd., UniEnergy, and serves as Chairman of BF Modaraba. He has served as Chairman – Pakistan Sugar Mills Association (Sindh Zone) in 2014.

He completed his schooling from CAS, Karachi, and holds a Degree in Business Entrepreneurship from the University of Southern California, USA.

DIRECTOR'S PROFILE

BILAL OMAR BAWANY

DIRECTOR

Mr. Bilal Omar Bawany is the Executive Director of Faran Sugar Mills and has been a member of the Board of Directors since 2015 .
Since joining the company in 2010, he has played a pivotal role in strengthening the company's technical and operational capabilities, driving efficiency, process automation, and capacity expansion.

Besides Faran Sugar Mills , Mr Bilal also serves as the Chief Executive Officer of B.F. Modaraba. He is also a member of the Board of Directors at UniEnergy.

He brings with him a wealth of professional experience and expertise having held key positions in companies across Abu Dhabi, Scotland and Pakistan, including leading companies like Baker Hughes and Avanceon.

Mr. Bilal graduated from the American University of Sharjah, having earned a Bachelors in Electrical Engineering with honors, and later pursued an MBA from IBA. In his quest for continual education he has completed 2 years of Dirasaat course from Wifaq ul Madaris Al Arabia, Pakistan, which also covers Islamic Finance and its principles.

MOHAMMED ALTAMASH BAWANY

DIRECTOR

Mr. Mohammed Altamash Bawany is serving as a Non-Executive Director of Faran Sugar Mills Limited, having joined the Board in March 2016.

Mr. Altamash brings with him strong technical and professional expertise gained through his association with KS&EW under the Ministry of Defense, Pakistan, where he acquired valuable hands-on experience in mechanical design and manufacturing. He has also been actively involved in multiple large-scale projects in the U.A.E., with a particular focus on emerging technologies and disruptive innovation.

As a founding member and Business Development Manager at one of the region's promising technology startups in the Middle East, he has further strengthened his capabilities in strategic consulting, business development, and growth-oriented planning, contributing meaningful insights at both operational and strategic levels.

He holds a Bachelor of Science in Mechanical Engineering from the American University in Dubai, with academic exposure at Georgia Institute of Technology, USA.

DIRECTOR'S PROFILE

IRFAN ZAKARIA BAWANY

DIRECTOR

Mr. Irfan Zakaria Bawany serves as a Non-Executive Director of the Company and has been associated with the Board since March 2013. During his tenure, he also served as an Independent Director from March 2013 to March 2022. He was re-elected as a Non-Executive Director in March 2022 for a tenure of three years, reflecting the Board's continued confidence in his experience and contribution.

Mr. Bawany has extensive and diversified professional experience across multiple industries. He has been serving as a Non-Executive Director of Reliance Insurance Company Limited since 1991 and is the Chief Executive Officer of Anam Fabrics (Pvt.) Limited. Previously, he served on the Board of Pioneer Cables Limited from 1983 to 1991. His professional expertise spans electrical cable manufacturing and the textile made-ups business, bringing valuable strategic insight and industry knowledge to the Board.

He holds a Bachelor of Business Administration (Accounting) degree from the University of Houston, USA, and is a Fellow Member of the Texas Society of Certified Public Accountants. He is also a Certified Director from the Pakistan Institute of Corporate Governance (PICG).

AHMAD GHULAMHUSSAIN

DIRECTOR

Mr. Ahmad Ghulamhussain serves as an Independent Director of Faran Sugar Mills Limited, a position held since March 2019. He is also the chairman of Audit and the Human Resource and Remuneration Committee.

He is presently the Chief Executive Officer — Agro Processors and Atmospheric Gases Ltd. (APAG). He played a key role in launching "Soya Supreme" (1991) and later diversified the business into sauces under the SMART brand. Earlier in his career, he worked at the City Economic Development Office, Los Angeles, under the Mayor of Los Angeles gaining valuable public-sector exposure.

He has served as President — Rotary Club Sunset Millennium, Karachi, Assistant Governor — Rotary District, Director — Aga Khan Education Services Pakistan (6 years) and Director — Focus Humanitarian Assistance (4 years), reflecting his strong commitment to community and development work.

He holds a Bachelor's Degree in Economics and a Master's in Public Administration (MPA) from the University of Southern California, USA.

DIRECTOR'S PROFILE

DAWOOD E. BAWANY

Mr. Dawood E. Bawany serves on the Board of Faran Sugar Mills Limited as a Non-Executive Director, rejoining the Board in March 2025. He has a long affiliation with the Company, having joined as Executive Director in 1983, a role in which he made valuable contributions through the mid-1990.

Mr. Bawany brings extensive and diversified experience in management and industry. He has served as CEO and Chairman – Bawany Sugar Mills Ltd., and has also held directorships at Annoor Textile Mills Ltd. and B.F. Modaraba.

He is a Trustee – Begum Aisha Bawany Educational Trust, reflecting his devotion to social and educational development.

He received early education at Emanuel School, London, and completed B.Sc. (Economics) – Accounting & Financial Management from the University of Buckingham, UK.

DIRECTOR

MATIUDDIN SIDDIQUI

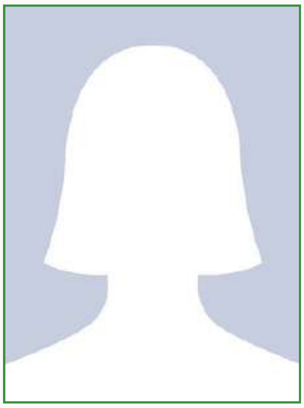
Mr. Matiuddin Siddiqui serves on the Board of Faran Sugar Mills Limited as an Independent Director, having joined the Board in November 2025 to fill the casual vacancy arising from the resignation of Mr. Khurram Aftab.

Mr. Siddiqui brings over three decades of professional experience in accountancy and finance. He is currently serving as the Head of Accounts & Finance at National Investment Trust Limited, where he is responsible for overseeing financial management, reporting, and governance-related functions. His extensive expertise enables him to contribute effectively to financial oversight and strategic decision-making at the Board level.

He holds a Master's degree in Commerce from the University of Karachi and is a Certified Director from the Institute of Cost and Management Accountants of Pakistan (ICMAP).

DIRECTOR

DIRECTOR'S PROFILE



TASNEEM YUSUF

Ms. Tasneem Yusuf serves as Independent Director & Female Director, joining the Board in March 2022.

Her diverse professional experience includes senior positions at Unilever Pakistan, Deloitte, and Nasdaq Dubai. Since 2009, she has been associated with her family firm, currently heading the Audit & Assurance Division.

She is on the Boards of Reliance Insurance Co. Ltd., Ismail Industries (Pvt.) Ltd., B.F. Modaraba, Trading Corporation of Pakistan (Pvt.) Ltd., and Pakistan Industrial Development Corporation.

She is a Chartered Accountant (ICAP), FCCA, CPA, and a Certified Director — Pakistan Institute of Corporate Governance (PICG).

DIRECTOR

CHAIRMAN'S REVIEW REPORT

The year under review remained challenging for the sugar industry, marked by crop constraints, sugar price fluctuations and inconsistent policies by the government. Despite these conditions, the Company maintained operational discipline with a focus on cost efficiency and Shariah-compliant financing, ensuring Halal earning for stakeholders. Expansion of solar capacity reflects our commitment to long-term energy efficiency and sustainability.

At the industry level, discussions on sugar sector deregulation continued, aimed at market-driven mechanisms for pricing and trade, creating opportunities for improved sector efficiency. Meanwhile, the continuous decline in discount rates supported business sentiment by easing future financing pressures and improving cash flow outlook.

The Board continue to provide effective oversight, ensuring sound governance practices and regulatory compliance. 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 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 as when required.

As Chairman and one of the sponsor director, I will continue to the best of my ability to see that the company should perform in right direction with the help of Almighty Allah.

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

Muhammad Omar Amin Bawany
Chairman

Karachi,
January 05, 2026

DIRECTOR'S REPORT

For the year ended September 30, 2025

Dear Shareholders,

In the name of ALLAH, the most gracious and most merciful, the Directors of the Company are pleased to present the Annual Report together with the Audited Financial Statements for the year ended September 30, 2025.

Financial Performance:

Financial results are summarized as follows:

	2025 Rs. '000	2024 Rs. '000
Gross sales	13,588,061	12,763,647
Export sale	763,686	202,759
Operating Profit before Financial Charges	862,542	266,892
Finance Cost	(801,227)	(1,416,249)
Profit / (Loss) before share of Associates & taxation	61,315	(1,149,357)
Share in profit / (Loss) from equity accounted investments-Net	117,067	(652,346)
Profit / (Loss) before Levies and taxation	178,382	(1,801,704)
Less: Levies	(154,050)	(139,934)
Profit / (Loss) before taxation	24,332	(1,941,638)
Deferred asset	230,360	408,619
Profit / (Loss) after Taxation	254,691	(1,533,018)
Earnings / (Loss) per Share (Restated)	6.99	(56.30)

The year under review remained challenging for the sugar sector, primarily due to lower sugar recovery resulting from disease-affected cane and a constrained cane supply driven by reduced crop size. These conditions were further aggravated by depressed domestic sugar prices during most of the crushing season, which only began to improve in the third quarter, exerting considerable pressure on profitability. Moreover, exceptionally high cane procurement prices combined with elevated financial costs amounting to Rs. 801 million, and a 33.81% decline in refined sugar production, adversely impacted the Company's performance.

During the fourth quarter, as anticipated, the Company earned further a pre-tax profit of Rs. 362.815 million, totaling to Rs. 701.742 million since the close of the half-year period. Post-crushing season, refined sugar prices witnessed a sharp increase owing to lower-than-expected production levels and rising production costs. The management's strategic decision to defer sugar sales yielded favorable results, enabling the Company to benefit from improved domestic prices and stronger margin recovery. The decrease in discount rate during the period also provided incremental support to the financial results.

Consequently, the operating loss reported in the first half was reversed, and the Company closed the year with an operating profit of Rs. 862.542 million. However, elevated finance costs continued to weigh on the bottom line, resulting in a net profit after taxation of Rs. 254.691 million, inclusive net share of profit amounting to Rs. 117.06 million from associates.

Operational Performance:

As per government statistics, sugar production in Pakistan during the 2024-25 season stood at 5.796 million tons, compared to 6.762 million tons in 2023-24, reflecting a decline of 15.3%. As of 1st December 2024, the carry-over stock was 0.766 million tons, bringing total available sugar supply to 6.562 million tons for 2024-25—nearly sufficient to meet the country's annual consumption requirements. Despite this availability, the Federal Government approved the import of up to 500,000 metric tons of sugar in July 2025 to stabilize domestic prices amid perceptions of shortage. As per available data, the Government imported total quantity of 306,737 tons refined sugar through TCP at the official level. Furthermore, tax exemptions were granted on these imports to reduce cost and ensure timely availability.

DIRECTOR'S REPORT

For the year ended September 30, 2025

FSML's sugar production was adversely affected during the season, primarily due to constrained cane availability and lower recovery rates. Additionally, no support price was announced by any province for the 2024-25 season, in line with International Monetary Fund (IMF) conditionality.

The comparative summary of the operating results of your Mills for the complete season is presented below:

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

Liquidity management and capital structure:

Faran Sugar Mills Limited (FSML) has consistently met its financial requirements exclusively through Shariah-compliant financing facilities since FY 2004-05, thereby ensuring *HALAL earnings* for its stakeholders. The Company holds approved working capital Islamic financing limits of approximately Rs. 8 billion for FY 2024-25, of which 2.143 billion (2024: 4.731 billion) remained outstanding as at the balance sheet date. The long-term borrowings primarily comprise Islamic Temporary Economic Refinance Facility (ITERF) and Solar Financing (IFRE), availed under concessional Islamic financing schemes of the State Bank of Pakistan at 3.75% and 6%, respectively. Alhamdulillah, FSML continues to operate as an entirely interest-free (Riba) corporate entity (RIBA-free).

During the year under review, JCR-VIS Credit Rating Company Limited conducted the Company's credit rating assessment and issued its report on April 11, 2025, reaffirming FSML's previous credit rating of 'A- / A-2' (A minus / A-Two). The long-term rating of 'A-' indicates good credit quality with adequate protection factors, subject to potential variation with economic changes. The short-term rating of 'A-2' reflects strong certainty of timely payment, sound liquidity, and solid fundamentals with good access to capital markets. The rating outlook remained 'Stable', reflecting enhanced financial and operational stability.

Expansion and Modernization Projects:

The Company continued to prioritize only essential capital expenditures during the year, with selective investments aimed at cost efficiency and necessary machinery overhauling. In 2024, FSML undertook the installation of an additional 600 kw solar power system, enhancing the total planned solar capacity to 900 kw, financed entirely under the SBP concessional Islamic Financing Scheme (IFRE), out of which 880 kw has been successfully commissioned. This initiative is expected to contribute significantly to long-term energy cost savings.

Unicol Limited - Distillery Project:

Unicol Sugar Division successfully completed its 2nd season of sugar operations. 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. Summarized Profit and Loss Account is as below.

DIRECTOR'S REPORT

For the year ended September 30, 2025

	2025	2024
	---- Rupees in '000s ----	
Sales – Ethanol	10,814,938	13,012,425
Sales – Sugar	9,555,433	5,865,979
Sales – CO2	595,516	339,156
Total Sales	**20,965,887**	**19,217,560**
Cost of sales	(17,862,900)	(17,805,933)
Gross profit	**3,102,986**	**1,411,627**
Expenses and Taxes	(890,404)	(507,906)
Finance Cost	(1,819,159)	(2,861,354)
Profit / (Loss) for the year	**385,168**	**(1,957,633)**
Earnings / (Loss) per share (in Rupees)	2.57	(18.23)

During the year, the sales revenue of the Ethanol segment was 17% lower than the previous year due to decrease in both volume and the pricing as compared to the previous year. The sales revenue of the Sugar segment was 63% higher due to an increase in both the volume and the pricing as compared to the previous year. The sales revenue of the CO2 segment was 76% higher than the previous year due to the increase in pricing. Thus, the gross profit margin for the year was recorded at 15% (2024: 7%), which is 101% higher as compared to last year. The recorded finance cost for the year at Rs. 1,819 million (2024: Rs. 2,861 million), which is 36% lower than the last year due to the decrease in the average borrowing rate.

After taking into consideration various expenses and taxes, the Company was able to post an after-tax profit of Rs. 385 million after meeting all its expenses and financial commitments, compared to the loss of Rs. 1,957 million in previous years.

Comparative production and sales figures of Ethanol, Sugar and CO2 are as under:

	2025	2024
Ethanol		
• Days operated	291	343
• Ethanol produced (Metric Tons)	47,251	55,568
• Yield in % (per ton of molasses)	19.3%	19.3%
• Ethanol Sale (Metric Tons)	47,810	54,709
Sugar		
• Days operated	103	97
• Sugar Cane Crushed (Metric Tons)	566,158	636,482
• Sugar Production (Metric Tons)	54,374	60,481
• Yield in %	9.60%	9.50%
• Sugar Sale (Metric Tons)	67,497	42,365

The outlook for the year 2025-26 is expected to be stable as the ethanol pricing and demand are expected to remain stable for the year, with the feedstock prices expected to be less than the last year. Moreover, the sugar segment is expected to remain competitive in accordance with the market conditions.

UniEnergy Limited (UEL):

During the year under review, the Board of Directors of Unicol Limited resolved to wind up UniEnergy Limited (UEL). Accordingly, UEL has recognized a full provision against its investment in UEL.

UniEnergy Limited (UEL) was initially established as a 50 MW wind power project at Jhimpir, District Thatta, Sindh, with the objective of developing, operating and maintaining a wind power facility for supplying electricity to the national grid. A Letter of Intent was issued on October 16, 2015, followed by formal land allocation for the project. However, due to unfavorable tariff structures and changes in governmental policies, the project could not progress further. FSML had invested Rs. 19.9 million, representing a 20% equity stake, in the venture.

DIRECTOR'S REPORT

For the year ended September 30, 2025

Financial Reporting Framework:

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. 118.64/- Million.

Board of Directors:

During the year following 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	No. of HR&R Meetings attended
Total no. of meetings held during the year	6	4	1
Mr. Muhammad Omar Bawany	6	4	1
Mr. Ahmed Ali Bawany	6	-	1
Mr. Bilal Omar Bawany	5	-	-
Mr. Hamza Omar Bawany	4	-	-
Mr. Mohammad Altamash Ahmed Bawany	5	-	-
Mr. Irfan Zakaria Bawany	6	4	-
Mr. Ahmed Ghulam Hussain	6	4	1
Mr. Khurram Altaf	6	-	-
Mr. Dawood E. Bawany	2	-	-
Mr. Tasneem Yousuf	5	-	-

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

Subsequent to the year end, Mr. Khurram Aftab (NIT), Independent Director, resigned from the Board, resulting in a casual vacancy. The vacancy was duly filled by Mr. Mattiuddin Siddiqui (NIT), Independent Director, for the remainder of the current directorship tenure.

Corporate Social Responsibility (CSR):

The Company continued to actively participate in welfare initiatives primarily benefiting the surrounding communities, with a focus on education, healthcare, and community development activities.

The Company remained committed to its role as a socially responsible corporate citizen by supporting underprivileged individuals and contributing to religious and educational causes through donations to the Begum Aisha Bawany Taleem-ul-Quran Trust. Educational support was provided to the children of employees and local residents through the Faran Abadgar Ebrahim Bawany Memorial High School & College.

DIRECTOR'S REPORT

For the year ended September 30, 2025

Effective August 2025, the management and operations of both School & College were transferred to The Citizens Foundation (TCF)—a reputable non-profit organization dedicated to providing quality education to underprivileged children across Pakistan. This transition aims to enhance academic standards through TCF's experience and expertise in school management. The Company will continue to support TCF for a further period of four years.

Further detail of our CSR initiatives is highlighted in this Annual Report 2025.

Pattern of Share Holding

The Company is listed on Pakistan Stock Exchange. There were 2180 shareholders of the Company as on 30th September 2025. The detail pattern of shareholding and categories of shareholding of the Company as on 30th September 2025 are annexed to this Annual Report.

During the year following transactions were made:

S.no	Traded By	Position	Number Of Shares	Nature
1	Dawood E. Bawany	Director	2500	Purchase
2	Muhammad Ayub	CFO & CS	933	Sell

Further, the Directors subscribed to their respective rights issue entitlements, while the unsubscribed shares were disposed of in accordance with applicable regulations.

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. 2.32 billion (2023-24 Rs. 1.56 billion) on account of Sales tax / Federal excise duty, Income Tax and other statutory levies which are 56% (2023-24: 38%) of value generated by the Company. During the year, the company has exported 5,000 tons refined sugar and fetched foreign exchange equivalent to Rs. 763.6 million. Unicol Limited also assisted in contributing equivalent to Pak rupees amounting to Rs. 11.6 billion towards country's precious foreign exchange reserve.

Right Share Issue:

During the year, the Company raised PKR 507.64 million through a rights issue of 14,504,034 ordinary shares, representing 58% of the Company's existing paid-up capital at an issue price of PKR 35 per share inclusive of a share premium of PKR 25 per share, which supported working capital need and strengthened liquidity.

Dividend:

In view of the meagre profitability in the year under review, Company's financial and cash flow position, impacted by significant losses incurred during the previous financial year 2023–24, and considering projected future inflows as well as the need for essential capital expenditure and machinery overhauling in the coming year, the Board has decided not to recommend any cash or stock dividend for the year under review.

Post Balance Sheet Events:

There has been no material changes since September 30, 2025 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:

The Board remains cautiously optimistic about the upcoming year, recognizing the critical role of the sugar sector in Pakistan's economy as a major contributor to rural livelihoods, employment, and agro-industry growth.

While the industry faces challenges such as weather variability, input costs, and global market fluctuations, ongoing operational improvements, efficient resource management, and market responsiveness are expected to provide a stable environment for production, supply, and pricing, ensuring sustainable value creation for shareholders. Certainly, crafting an effective sales strategy is akin to wielding a powerful tool against rising production costs and market volatility. A well-devised strategy allows the Company to proactively respond to market dynamics, optimize the timing of sales, and sustain profitability. The FSML management is vigilantly monitoring market trends and factors influencing sugar prices to make strategic decisions that support financial stability and margin protection for the 2024–25 financial year.

Global Sugar Market; According to the International Sugar Organization (ISO), global sugar production during the 2024-25 season was estimated at approximately 176.2–176.9 million tonnes, with forecasts for 2025-26 indicating an increase to 180–189 million tonnes, driven by record or near-record harvests in major producing countries, including Brazil, India, and Thailand. The USDA projects global output could reach a record 189.3 million tonnes, representing an increase of 12–13 million tonnes (6–7%) compared to the previous season, while ISO anticipates a rise to 180.6 million tonnes, approximately 4–5 million tonnes (2.5–3.5%) higher than 2024/25.

Although global demand is expected to grow moderately, the abundant supply is likely to maintain relatively subdued international sugar prices, providing a stable and competitive environment for trade and potential imports. This global perspective ensures that Pakistan's sugar sector remains aligned with worldwide market trends, supporting informed decision-making and strategic planning for all stakeholders.

Pakistan Sugar Market:

For the 2025–26 season, Pakistan's sugar industry is expected to record moderate growth over the previous year, supported by slightly higher sugarcane availability and a timely start to the crushing season. For the 2025–26 season, Pakistan's sugarcane production is estimated at 84–85 million tonnes, with mills expected to crush most of this crop, resulting in sugar production of approximately 6.6–7.0 million tonnes, compared with 5.77 million tonnes in 2024–25. Domestic supply is expected to remain adequate, with limited price volatility. At the global level, sugar production is projected at 180–189 million tonnes, with modest demand growth and abundant supply keeping international prices subdued, providing FSML management with a clear view of market trends to optimize its sales strategy and maintain operational efficiency.

The Punjab government announced the 2025–26 crushing season will begin on November 15, 2025 across provinces. Number of Mills started crushing on this date and some mills after this date. But almost all mills of Province of Sindh started crushing in the 1st week of December 2025.

For ongoing season 2025-26, No support price was fixed by any province to follow the condition of International Monetary Fund (IMF).

We started our mills on 5th December 2025 and, receiving inadequate quantum of cane with better sugar recovery. But situation is gradually improving and by the grace of Allah, we crushed 137,481 tons cane and produced 12,080 tons refined sugar with average recovery of 10.189% as on 31st December.

The Board also notes that deregulation of the sugar sector- conditions set by the International Monetary Fund (IMF) could attract investment, enhance productivity, and help meet domestic demand without relying on imports. By adopting free-market practices, the sector may mirror the success of other deregulated industries, achieving strong export growth while aligning the interests of sugarcane farmers and mill owners. Proposed policy changes include amendments to sugarcane-related laws and lifting the ban on new sugar mills, while the Sugar Advisory Board (SAB) will continue to safeguard growers' interests. The SAB emphasizes that IMF conditions must be fulfilled to ensure that reforms promote the long-term stability and sustainability of the sugarcane sector.

Looking ahead, the Board is confident that the Company is well-positioned to achieve improved financial performance in the 2025–26 season. With higher sugar production anticipated, FSML has developed a carefully planned sales strategy to optimize the timing and mix of sugar sales, thereby mitigating the risk of sudden price fluctuations experienced in the 2024 financial year. The management also expects to benefit from the recent decline in discount rates to single digits, which is likely to reduce financing costs and strengthen cash flows. Through prudent planning, disciplined operations, and proactive market engagement, FSML aims to sustain profitability, safeguard margins, and deliver sustainable value to all stakeholders, reinforcing confidence in the Company's strategic direction.

Acknowledgement:

On behalf of the Board of Directors, I would like to express sincere gratitude to all our senior executives, staff members and workers, shareholders, valued customers, growers, and financial institutions for their continued support and trust.

We pray for strength and guidance to navigate these challenging times and to return to a path of sustained growth and success. Ameen.

On behalf of the Board of Directors

Ahmed Ali Bawany
Chief Executive

Muhammad Omar Amin Bawany
Chairman

Karachi: January 5, 2026

اور کرشنگ سیزن کے بروقت آغاز کی معاونت شامل ہے۔ سیزن 26-2025 کے لیے، پاکستان میں گنے کی پیداوار کا تخمینہ 84–85 ملین ٹن ہے، جس میں ملوں کی جانب سے اس فصل کا زیادہ تر حصہ کرش کرنے کی توقع ہے، جس کے نتیجے میں چینی کی پیداوار تقریباً 6.6–7.0 ملین ٹن ہوگی، جبکہ 25-2024 میں یہ 5.77 ملین ٹن تھی۔ مقامی سپلائی مناسب رہنے کی توقع ہے، جس میں قیمتوں میں محدود اتار چڑھاؤ ہوگا۔

عالمی سطح پر، چینی کی پیداوار کا تخمینہ 180–189 ملین ٹن ہے، جس میں معمولی طلب میں اضافہ اور وافر سپلائی بین الاقوامی قیمتوں کو دباؤ میں رکھے ہوئے ہے، جو FSML انتظامیہ کو مارکیٹ کے رجحانات کا واضح منظر پیش کرتی ہے تاکہ وہ اپنی فروخت کی حکمت عملی کو بہتر بنا سکے اور آپریشنل کارکردگی کو برقرار رکھ سکے۔

پنجاب حکومت نے اعلان کیا کہ 26-2025 کا کرشنگ سیزن تمام صوبوں میں 15 نومبر 2025 کو شروع ہوگا۔ کئی ملوں نے اس تاریخ پر کرشنگ شروع کی اور کچھ ملوں نے اس تاریخ کے بعد۔ لیکن صوبہ سندھ کی تقریباً تمام ملوں نے دسمبر 2025 کے پہلے ہفتے میں کرشنگ شروع کی۔ جاری سیزن 26-2025 کے لیے، بین الاقوامی مالیاتی فنڈ (IMF) کی شرائط پر عمل کرتے ہوئے کسی بھی صوبے کی طرف سے کوئی امدادی قیمت مقرر نہیں کی گئی۔

ہم نے اپنی ملیں 5 دسمبر 2025 کو شروع کیں اور بہتر چینی کی ریکوری کے ساتھ گنے کی ناکافی مقدار وصول کر رہے ہیں۔ لیکن صورتحال بتدریج بہتر ہو رہی ہے اور اللہ کے فضل سے، ہم نے 31 دسمبر تک 137,481 ٹن کرش کیا اور 10.19% کی اوسط ریکوری کے ساتھ 12,080 ٹن ریفائنڈ چینی پیدا کی۔

بورڈ یہ بھی نوٹ کرتا ہے کہ شوگر سیکٹر کی ڈی ریگولیشن - جو بین الاقوامی مالیاتی فنڈ (IMF) کی شرائط ہیں - سرمایہ کاری کو راغب کر سکتی ہے، پیداواری میں اضافہ کر سکتی ہے، اور درآمدات پر انحصار کیے بغیر مقامی طلب کو پورا کرنے میں مدد کر سکتی ہے۔ فری مارکیٹ کے طریقوں کو اپنا کر، یہ سیکٹر دیگر ڈی ریگولیٹڈ صنعتوں کی کامیابی کی عکاسی کر سکتا ہے، جس سے گنے کے کسانوں اور مل مالکان کے مفادات کو ہم آہنگ کرتے ہوئے مضبوط برآمدی نمو حاصل کی جا سکتی ہے۔ مجوزہ پالیسی تبدیلیوں میں گنے سے متعلق قوانین میں ترامیم اور نئی شوگر ملوں پر پابندی اٹھانا شامل ہے، جبکہ شوگر ایڈوائزری بورڈ (SAB) کاشتکاروں کے مفادات کا تحفظ جاری رکھے گا۔ SAB اس بات پر زور دیتا ہے کہ IMF کی شرائط کو پورا کیا جانا چاہیے تاکہ یہ یقینی بنایا جا سکے کہ اصلاحات گنے کے شعبے کے طویل مدتی استحکام اور پائیداری کو فروغ دیں۔

مستقبل کی طرف دیکھتے ہوئے، بورڈ کو یقین ہے کہ کمپنی سیزن 26-2025 میں بہتر مالیاتی کارکردگی حاصل کرنے کے لیے اچھی پوزیشن میں ہے۔ چینی کی زیادہ پیداوار کی توقع کے ساتھ، FSML نے چینی کی فروخت کے وقت اور مکس (mix) کو بہتر بنانے کے لیے ایک احتیاط سے منصوبہ بند فروخت کی حکمت عملی تیار کی ہے، جس سے مالی سال 2024 میں تجربہ کردہ قیمتوں میں اچانک اتار چڑھاؤ کے خطرے کو کم کیا جا سکے گا۔ انتظامیہ کو ڈسکاؤنٹ ریٹ میں حالیہ کمی سے سنگل ڈیجٹ تک آنے سے فائدہ اٹھانے کی بھی توقع ہے، جس سے مالیاتی اخراجات کم ہونے اور کیش فلو مضبوط ہونے کا امکان ہے۔ دانشمندانہ منصوبہ بندی، نظم و ضبط پر مبنی آپریشنز، اور فعال مارکیٹ انگیجمنٹ کے ذریعے، FSML کا مقصد منافع کو برقرار رکھنا، مارجن کا تحفظ کرنا، اور تمام اسٹیک ہولڈرز کو پائیدار قدر فراہم کرنا ہے، جس سے کمپنی کی اسٹریٹجک سمت پر اعتماد مضبوط ہوگا۔

اظہارِ تشکر

بورڈ آف ڈائریکٹرز کی جانب سے، میں اپنے تمام سینئر ایگزیکٹوز، اسٹاف ممبران اور ورکرز، شیئر ہولڈرز، معزز صارفین، کاشتکاروں اور مالیاتی اداروں کا ان کے مسلسل تعاون اور اعتماد پر دلی شکریہ ادا کرنا چاہوں گا۔ ہم ان مشکل وقتوں سے نکلنے اور پائیدار ترقی اور کامیابی کی راہ پر واپس آنے کے لیے طاقت اور رہنمائی کی دعا کرتے ہیں۔ آمین۔

منجانب بورڈ آف ڈائریکٹرز

احمد علی باوانی
چیف ایگزیکٹو

محمد عمر امین باوانی
چیئرمین

کراچی: 5 جنوری 2026

حقِ حصص اجرا

سال کے دوران، کمپنی نے 14,504,034 عام شیئرز کے حقوقی اجرا کے ذریعے PKR 507.64 ملین جمع کیے، جو کمپنی کے موجودہ ادا شدہ سرمایہ کا 58% نمائندگی کرتے ہیں، جس کی اجرا کی قیمت PKR 35 فی شیئر تھی جس میں PKR 25 فی شیئر کا شیئر پریمیم شامل تھا، جس سے ورکنگ کیپیٹل کی ضرورت کو پورا کرنے اور لیکویڈیٹی کو مضبوط بنانے میں مدد ملی۔

منافع (Dividend)

زیرِ جائزہ سال کے دوران محدود منافع، گزشتہ مالی سال 24-2023 کے دوران ہونے والے بھاری نقصانات کی وجہ سے کمپنی کی مالی اور کیش فلو کی متاثرہ صورتحال، نیز مستقبل کی متوقع آمدنی اور آنے والے سال میں مشینری کی اوور ہالنگ اور ضروری سرمایہ کاری (Capital Expenditure) کی ضرورت کو مدنظر رکھتے ہوئے، بورڈ نے زیرِ جائزہ سال کے لیے کسی بھی قسم کے کیش یا اسٹاک ڈویڈنڈ کی سفارش نہ کرنے کا فیصلہ کیا ہے۔

بیلنس شیٹ کے بعد کے واقعات:

30 ستمبر 2025 سے اس رپورٹ کی تاریخ تک کوئی مادی تبدیلیاں نہیں ہوئی ہیں سوائے حتمی نقد ڈویڈنڈ کے اعلان کے، اگر کوئی ہو، جو اکاؤنٹس کے نوٹس میں ظاہر کیا گیا ہے۔ اس طرح کے اعلان کا اثر اگلے سال کے مالیاتی گوشواروں میں ظاہر ہوگا۔

اگلا سیزن اور مستقبل کا منظرنامہ

بورڈ آنے والے سال کے بارے میں محتاط طور پر پرامید ہے، اور دیہی معاش، روزگار اور زرعی صنعت کی ترقی میں ایک بڑے شراکت دار کے طور پر پاکستان کی معیشت میں شوگر سیکٹر کے اہم کردار کو تسلیم کرتا ہے۔ اگرچہ صنعت کو موسم کی تبدیلی، ان پٹ لاگت اور عالمی منڈی کے اتار چڑھاؤ جیسے چیلنجوں کا سامنا ہے، جاری آپریشنل بہتری، وسائل کا موثر انتظام، اور مارکیٹ کے ردعمل سے پیداوار، سپلائی اور قیمتوں کے لیے ایک مستحکم ماحول فراہم کرنے کی توقع ہے، جس سے شیئر ہولڈرز کے لیے پائیدار قدر کی تخلیق یقینی ہوگی۔

یقینی طور پر، فروخت کی موثر حکمت عملی تیار کرنا بڑھتی ہوئی پیداواری لاگت اور مارکیٹ کے اتار چڑھاؤ کے خلاف ایک طاقتور ہتھیار استعمال کرنے کے مترادف ہے۔ ایک اچھی طرح سے وضع کردہ حکمت عملی کمپنی کو مارکیٹ کی حرکیات پر فعال ردعمل دینے، فروخت کے وقت کو بہتر بنانے اور منافع کو برقرار رکھنے کی اجازت دیتی ہے۔ فاران شوگر (FSML) کی انتظامیہ مارکیٹ کے رجحانات اور چینی کی قیمتوں پر اثر انداز ہونے والے عوامل کی چوکسی سے نگرانی کر رہی ہے تاکہ مالی سال 25-2024 کے لیے مالی استحکام اور مارجن کے تحفظ کی حمایت کرنے والے اسٹریٹجک فیصلے کیے جا سکیں۔

عالمی شوگر مارکیٹ: انٹرنیشنل شوگر آرگنائزیشن (ISO) کے مطابق، سیزن 25-2024 کے دوران عالمی چینی کی پیداوار کا تخمینہ تقریباً 176.2–176.9 ملین ٹن تھا، جبکہ 26-2025 کے لیے پیشین گوئیاں 180–189 ملین ٹن تک اضافے کی نشاندہی کرتی ہیں، جس کی وجہ برازیل، ہندوستان اور تھائی لینڈ سمیت بڑے پیداواری ممالک میں ریکارڈ یا قریب ریکارڈ فصل کی کٹائی ہے۔ یو ایس ڈی اے (USDA) کا تخمینہ ہے کہ عالمی پیداوار 189.3 ملین ٹن کے ریکارڈ تک پہنچ سکتی ہے، جو گزشتہ سیزن کے مقابلے میں 12-13 ملین ٹن (6-7 فیصد) کے اضافے کی نمائندگی کرتی ہے، جبکہ آئی ایس او (ISO) 2024/25 کے مقابلے میں تقریباً 4-5 ملین ٹن (2.5-3.5 فیصد) اضافے کے ساتھ 180.6 ملین ٹن تک پہنچنے کی توقع کرتا ہے۔ اگرچہ عالمی طلب میں معتدل اضافہ متوقع ہے، لیکن وافر سپلائی کی وجہ سے بین الاقوامی چینی کی قیمتوں کے نسبتاً کم رہنے کا امکان ہے، جو تجارت اور ممکنہ درآمدات کے لیے ایک مستحکم اور مسابقتی ماحول فراہم کرے گا۔ یہ عالمی تناظر یقینی بناتا ہے کہ پاکستان کا شوگر سیکٹر دنیا بھر کے مارکیٹ کے رجحانات کے ساتھ ہم آہنگ رہے، جو تمام اسٹیک ہولڈرز کے لیے باخبر فیصلہ سازی اور اسٹریٹجک منصوبہ بندی میں معاون ہے۔

پاکستان شوگر مارکیٹ

سیزن 26-2025 کے لیے، پاکستان کی شوگر انڈسٹری میں گزشتہ سال کے مقابلے میں معتدل نمو متوقع ہے، جس میں گنے کی قدرے زیادہ دستیابی

ڈائریکٹرز کا نام	میٹنگز میں شرکت کی BOD تعداد	آڈٹ کمیٹی میٹنگز میں شرکت کی تعداد	HR&R میٹنگز میں شرکت کی تعداد
جناب خرم الطاف	6	-	-
جناب داؤد ای باوانی	2	-	-
جناب تسنیم یوسف	5	-	-

جو ڈائریکٹرز کچھ میٹنگز میں شرکت نہیں کر سکے انہیں رخصت دی گئی۔ جناب خرم آفتاب (NIT)، آزاد ڈائریکٹر، نے بورڈ سے استعفیٰ دیا، جس کے نتیجے میں ایک casual vacancy پیدا ہوئی۔ اس خلا کو موجودہ ڈائریکٹر شپ کی بقیہ مدت کے لیے جناب مطیع الدین صدیقی (NIT)، آزاد ڈائریکٹر نے پر کیا۔

کارپوریٹ سماجی ذمہ داری (CSR)

کمپنی نے فلاحی اقدامات میں سرگرمی سے حصہ لینا جاری رکھا جس سے بنیادی طور پر آس پاس کی کمیونٹیز کو فائدہ پہنچا، جس میں تعلیم، صحت کی دیکھ بھال اور کمیونٹی کی ترقی کی سرگرمیوں پر توجہ دی گئی۔ کمپنی بیگم عائشہ باوانی تعلیم القرآن ٹرسٹ کو عطیات کے ذریعے پسماندہ افراد کی مدد اور مذہبی و تعلیمی مقاصد میں حصہ ڈال کر ایک سماجی طور پر ذمہ دار کارپوریٹ شہری کے طور پر اپنے کردار کے لیے پرعزم رہی۔

فاران آبادگار ابراہیم باوانی میموریل ہائی اسکول اینڈ کالج کے ذریعے ملازمین کے بچوں اور مقامی رہائشیوں کو تعلیمی مدد فراہم کی گئی۔ اگست 2025 سے مؤثر، اسکول اور کالج دونوں کا انتظام اور آپریشنز "دی سٹیزن فاؤنڈیشن" (TCF) کو منتقل کر دیے گئے جو پاکستان بھر میں پسماندہ بچوں کو معیاری تعلیم فراہم کرنے کے لیے وقف ایک معروف غیر منافع بخش تنظیم ہے۔ اس منتقلی کا مقصد اسکول مینجمنٹ میں TCF کے تجربے اور مہارت کے ذریعے تعلیمی معیار کو بڑھانا ہے۔ کمپنی مزید چار سال کی مدت کے لیے TCF کی مدد جاری رکھے گی۔ ہمارے CSR اقدامات کی مزید تفصیل اس سالانہ رپورٹ 2025 میں نمایاں کی گئی ہے۔

حصص کی ملکیت کا نمونہ

کمپنی پاکستان اسٹاک ایکسچینج میں فہرست شدہ ہے۔ 30 ستمبر 2025ء تک کمپنی کے 2180 حصہ دار تھے۔ کمپنی کے حصص کے حاملین اور حصص رکھنے کے زمروں کا تفصیلی ڈھانچہ 30 ستمبر 2025ء تک اس سالانہ رپورٹ کے ساتھ منسلک ہے۔ سال کے دوران کمپنی کے حصص کی خریدوفروخت کی گئی:

نمبر	تجارت کنندہ	حصص کی تعداد	فطرت
1	داؤد ابراہیم باوانی	2500	خرید
2	محمد ایوب	933	فروخت

مزید برآں، ڈائریکٹروں نے اپنے متعلقہ رائٹس ایشو کے حصص وصول کیے، جبکہ غیر سبسکرائب شدہ حصص کو متعلقہ قوانین کے مطابق فروخت کر دیا گیا۔

آڈیٹرز

موجودہ آڈیٹرز، رحمٰن سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس، نے آئندہ سال کے لیے دوبارہ تقرری پر آمادگی ظاہر کی ہے۔

معیشت میں شراکت

آپ کی کمپنی قومی معیشت میں ایک قابل ذکر حصہ دار ہے۔ کمپنی نے سیلز ٹیکس / فیڈرل ایکسائز ڈیوٹی، انکم ٹیکس اور دیگر قانونی لیویز کی مد میں قومی خزانے میں 2.32 بلین روپے (24-2023: 1.56 بلین روپے) جمع کرائے ہیں جو کمپنی کی پیدا کردہ قدر کا 56 فیصد (24-2023: 38 فیصد) ہیں۔ سال کے دوران، کمپنی نے 5,000 ٹن ریفائنڈ چینی برآمد کی اور 763.6 ملین روپے کے برابر زرمبادلہ کمایا۔ یونیکول لمیٹڈ نے بھی ملک کے قیمتی زرمبادلہ کے ذخائر میں 11.6 بلین پاکستانی روپے کے مساوی رقم کا حصہ ڈالنے میں مدد کی۔

سال 26-2025 کے لیے آؤٹ لک کے مستحکم ہونے کی امید ہے کیونکہ ایتھنول کی قیمتوں کا تعین اور طلب سال کے لیے مستحکم رہنے کی توقع ہے، فیڈ اسٹاک کی قیمتیں گزشتہ سال سے کم ہونے کی توقع ہے۔ مزید برآں، چینی طبقہ سے مارکیٹ کے حالات کے مطابق مسابقتی رہنے کی توقع ہے۔

یونی انرجی لمیٹڈ (UEL)

زیر نظر سال کے دوران، Unicol لمیٹڈ کے بورڈ آف ڈائریکٹرز نے (UEL) کو ختم کرنے کا عزم کیا۔ اس کے مطابق، کمپنی نے UEL میں اپنی سرمایہ کاری کے خلاف ایک مکمل پرووژن کو تسلیم کیا ہے۔

(UEL) کو ابتدائی طور پر جھمپیر، ضلع ٹھٹھہ، سندھ میں 50 میگاواٹ کے ونڈ پاور پراجیکٹ کے طور پر قائم کیا گیا تھا، جس کا مقصد قومی گرڈ کو بجلی کی فراہمی کے لیے ونڈ پاور کی سہولت کی ترقی، آپریٹنگ اور برقرار رکھنا تھا۔ 16 اکتوبر 2015 کو لیٹر آف انٹینٹ جاری کیا گیا جس کے بعد اس منصوبے کے لیے باضابطہ زمین مختص کی گئی۔ تاہم، ناموافق ٹیرف ڈھانچے اور حکومتی پالیسیوں میں تبدیلیوں کی وجہ سے یہ منصوبہ مزید آگے نہیں بڑھ سکا۔ فاران شوگر نے 19.9 ملین روپے کی سرمایہ کاری کی تھی جو کہ 20% ایکویٹی حصص کی نمائندگی کرتا ہے۔

مالی رپورٹنگ فریم ورک

کارپوریٹ گورننس کوڈ 2019 کی تعمیل میں، ڈائریکٹران تصدیق کرتے ہیں کہ:

- انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے کمپنی کے معاملات کی حالت، اس کے آپریشن کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
- کمپنی نے قانون کے تقاضوں کے مطابق کھاتوں کی مناسب کتابیں (books of accounts) برقرار رکھی ہیں۔
- مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- اکاؤنٹنگ کی پالیسیاں اور انکشافات پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS) کے مطابق ہیں، جب تک کہ دوسری صورت میں انکشاف نہ کیا گیا ہو۔
- اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے نافذ اور مانیٹر کیا جا رہا ہے۔
- کمپنی کے بطور گوئنگ کنسرن (going concern) جاری رہنے کی صلاحیت پر کوئی خاص شبہ نہیں ہے۔
- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں کیا گیا، جیسا کہ لسٹنگ ریگولیشنز میں تفصیل دی گئی ہے۔
- گزشتہ چھ سالوں کے اہم آپریٹنگ اور مالیاتی اعداد و شمار کا خلاصہ اور اہم شماریات کی گرافک پیشکش منسلک ہے۔
- بقایا ڈیوٹیوں، لیویز اور چارجز کے بارے میں معلومات اکاؤنٹس کے نوٹس میں دی گئی ہیں۔
- کمپنی فنڈڈ پروویڈنٹ فنڈ اسکیم چلاتی ہے۔ فنڈ کے تازہ ترین غیر آڈٹ شدہ اکاؤنٹس کی بنیاد پر اثاثوں کی منصفانہ قیمت ---- ملین روپے ہے۔

بورڈ آف ڈائریکٹرز

سال کے دوران بورڈ آف ڈائریکٹرز کی مندرجہ زیل میٹنگز منعقد ہوئیں۔ ڈائریکٹرز کی شرکت حسب ذیل ہے:

ڈائریکٹرز کا نام	BOD میٹنگز میں شرکت کی تعداد	آڈٹ کمیٹی میٹنگز میں شرکت کی تعداد	HR&R میٹنگز میں شرکت کی تعداد
سال کے دوران منعقدہ میٹنگز کی کل تعداد	6	4	1
جناب محمد عمر باوانی	6	4	1
جناب احمد علی باوانی	6	-	1
جناب بلال عمر باوانی	5	-	-
جناب حمزہ عمر باوانی	4	-	-
جناب محمد التمش احمد باوانی	5	-	-
جناب عرفان زکریا باوانی	6	4	-
جناب احمد غلام حسین	6	4	1

2024 میں، فاران شوگر نے اضافی 600 kW سولر پاور سسٹم نصب کیا، جس سے مجموعی سولر صلاحیت 900 kW ہو گئی، جس میں سے 880 kW کامیابی سے فعال ہو چکا ہے۔ یہ منصوبہ طویل المدتی توانائی لاگت میں نمایاں بچت کا باعث بنے گا۔

یونیکول لمیٹڈ-ڈسٹلری منصوبہ

یونیکول شوگر ڈویژن نے شوگر آپریشنز کا دوسرا سیزن کامیابی سے مکمل کیا۔ یونیکول لمیٹڈ نے سیزن 2023-24 کے آغاز سے قبل پاپولر شوگر ملز لمیٹڈ (جن محمد والا، چوک سیال، تحصیل کوٹ مومن، ضلع سرگودھا، پنجاب) کے تمام اثاثہ جات حاصل کیے۔ خلاصہ منافع و نقصان اکاؤنٹ حسبِ ذیل ہے:

تفصیل	2025 (000' روپے)	2024 (000' روپے)
فروخت - ایتھانول	10,814,938	13,012,425
فروخت - شوگر	9,555,433	5,865,979
فروخت - CO_2	595,516	339,156
مجموعی فروخت	20,965,887	19,217,560
لاگتِ فروخت	(17,862,900)	(17,805,933)
مجموعی منافع	3,102,986	1,411,627
مالی لاگت	(1,819,159)	(2,861,354)
سال کا منافع/(نقصان)	385,168	(1,957,633)
فی حصص آمدنی/(نقصان) (روپے)	2.57	(18.23)

سال کے دوران، ایتھنول سیگمنٹ کی سیلز ریونیو گزشتہ سال کے مقابلے میں 17% کم رہی جس کی وجہ گزشتہ سال کے مقابلے میں حجم اور قیمتوں میں کمی ہے۔ شوگر سیگمنٹ کی سیلز ریونیو گزشتہ سال کے مقابلے میں 63% زیادہ رہی جس کی وجہ حجم اور قیمتوں میں اضافہ ہے۔ CO2 سیگمنٹ کی سیلز ریونیو گزشتہ سال کے مقابلے میں 76 فیصد زیادہ رہی جس کی وجہ قیمتوں میں اضافہ ہے۔ اس طرح، سال کے لیے مجموعی منافع کا مارجن 15% ریکارڈ کیا گیا (2024: 7%)، جو گزشتہ سال کے مقابلے میں 101% زیادہ ہے۔

سال کے لیے ریکارڈ شدہ مالیاتی لاگت 1,819 ملین روپے (2024: 2,861 ملین روپے) رہی، جو کہ اوسط قرضے کی شرح (borrowing rate) میں کمی کی وجہ سے گزشتہ سال کے مقابلے میں 36% کم ہے۔ مختلف اخراجات اور ٹیکسوں کو مدنظر رکھنے کے بعد، کمپنی تمام اخراجات اور مالی وعدوں کو پورا کرنے کے بعد 385 ملین روپے کا بعد از ٹیکس منافع پوسٹ کرنے میں کامیاب رہی، جبکہ گزشتہ سالوں میں 1,957 ملین روپے کا نقصان ہوا تھا۔

ایتھنول، چینی اور CO2 کی پیداوار اور فروخت کے تقابلی اعداد و شمار حسب ذیل ہیں:

تفصیل	2025	2024
ایتھنول		
آپریٹڈ ایام	291	343
ایتھنول کی پیداوار (میٹرک ٹن)	47,251	55,568
پیداوار (Yield) فیصد میں (فی ٹن مولیسس)	19.30%	19.30%
ایتھنول کی فروخت (میٹرک ٹن)	47,810	54,709
چینی		
آپریٹڈ ایام	103	97
گنے کی کرشنگ (میٹرک ٹن)	566,158	636,482
چینی کی پیداوار (میٹرک ٹن)	54,374	60,481
پیداوار (Yield) فیصد میں	9.60%	9.50%
چینی کی فروخت (میٹرک ٹن)	67,497	42,365

نتیجتاً، پہلی ششماہی میں رپورٹ ہونے والا آپریٹنگ نقصان واپس پلٹ گیا اور کمپنی نے سال کا اختتام 862.542 ملین روپے کے آپریٹنگ منافع پر کیا۔ تاہم، بلند مالی اخراجات نچلی سطح پر اثر انداز ہوتے رہے، جس کے باعث ٹیکسیشن کے بعد خالص منافع 254.691 ملین روپے رہا، جس میں ایسوسی ایٹ سے حاصل ہونے والا 117.06 ملین روپے کا حصۂ منافع شامل ہے۔

عملیاتی کارکردگی

سرکاری اعداد و شمار کے مطابق، پاکستان میں 2024-25 کے سیزن کے دوران شوگر کی پیداوار 5.796 ملین ٹن رہی، جبکہ 2023-24 میں یہ 6.762 ملین ٹن تھی، جو 15.3٪ کمی کو ظاہر کرتی ہے۔ یکم دسمبر 2024 کو کیری اوور اسٹاک 0.766 ملین ٹن تھا، جس سے 2024-25 کے لیے دستیاب مجموعی شوگر سپلائی 6.562 ملین ٹن بنی، جو ملک کی سالانہ کھپت کے لیے تقریباً کافی تھی۔ اس کے باوجود، وفاقی حکومت نے جولائی 2025 میں قیمتوں کے استحکام کے لیے 500,000 میٹرک ٹن تک شوگر درآمد کرنے کی منظوری دی۔ دستیاب اعداد و شمار کے مطابق، ٹی سی پی کے ذریعے سرکاری سطح پر 306,737 ٹن ریفائنڈ شوگر درآمد کی گئی، جبکہ لاگت کم کرنے اور بروقت دستیابی یقینی بنانے کے لیے ٹیکس استثنیٰ بھی دیا گیا۔

فاران شوگر ملز لمیٹڈ (FSML) کی شوگر پیداوار سیزن کے دوران بنیادی طور پر گنے کی محدود دستیابی اور کم ریکوری کی وجہ سے متاثر ہوئی۔ مزید یہ کہ آئی ایم ایف کی شرائط کے تحت 2024-25 کے سیزن کے لیے کسی بھی صوبے نے سپورٹ پرائس کا اعلان نہیں کیا۔

مکمل سیزن کے لیے آپ کی ملز کے عملیاتی نتائج کا تقابلی خلاصہ درج ذیل ہے:

تفصیل	2024-25	2023-24
سیزن آغاز (تاریخ)	18/11/2024	10/11/2023
سیزن اختتام (تاریخ)	01/03/2025	24/02/2024
دورانیہ آپریشن (دن)	104	107
پسے ہوئے گنے کی مقدار (میٹرک ٹن)	611,266	867,332
شوگر پیداوار (میٹرک ٹن)	60,052	90,727
ریکوری (٪)	10	10
کم از کم سپورٹ پرائس - سندھ زون (فی 40 کلو)	کوئی سپورٹ پرائس نہیں	425

لیکویڈیٹی مینجمنٹ اور سرمایہ جاتی ساخت

فاران شوگر مالی سال 2004-05 سے اب تک اپنی تمام مالی ضروریات مکمل طور پر شریعت کے مطابق مالی سہولیات کے ذریعے پوری کر رہی ہے، جس سے اسٹیک ہولڈرز کے لیے حلال آمدنی کو یقینی بنایا گیا ہے۔ کمپنی کے پاس مالی سال 2024-25 کے لیے تقریباً 8 ارب روپے کی منظور شدہ ورکنگ کیپیٹل اسلامی فنانسنگ حدود ہیں، جن میں سے 2.143 ارب روپے (2024: 4.731 ارب روپے) بیلنس شیٹ کی تاریخ تک واجب الادا تھے۔ طویل المدتی قرضہ جات میں بنیادی طور پر اسٹیٹ بینک آف پاکستان کی رعایتی اسلامی اسکیموں کے تحت حاصل کردہ TERF اور سولر فنانسنگ (IFRE) شامل ہیں، جن پر بالترتیب 3.75٪ اور 6٪ شرح لاگو ہے۔ الحمدللہ، فاران شوگر مکمل طور پر سود (ربا) سے پاک کارپوریٹ ادارے کے طور پر کام کر رہی ہے۔

زیر جائزہ سال کے دوران، JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے کمپنی کی کریڈٹ ریٹنگ کا جائزہ لیا اور 11 اپریل 2025 کو اپنی رپورٹ جاری کی، FSML کی 'A-/A-2' (A مائنس/A-Two) کی سابقہ کریڈٹ ریٹنگ کی تصدیق کی۔ 'A-' کی طویل مدتی درجہ بندی مناسب تحفظ کے عوامل کے ساتھ اچھے کریڈٹ کوالٹی کی نشاندہی کرتی ہے، اقتصادی تبدیلیوں کے ساتھ ممکنہ تغیرات کے تابع۔ 'A-2' کی قلیل مدتی درجہ بندی بروقت ادائیگی، درست لیکویڈیٹی، اور کیپٹل مارکیٹوں تک اچھی رسائی کے ساتھ ٹھوس بنیادی باتوں کے مضبوط یقین کی عکاسی کرتی ہے۔ درجہ بندی کا آؤٹ لک 'مستحکم' رہا، جو مالی اور آپریشنل استحکام میں اضافہ کی عکاسی کرتا ہے۔

توسیعی و جدید کاری منصوبے

کمپنی نے سال کے دوران صرف ناگزیر سرمایہ جاتی اخراجات کو ترجیح دی، جن کا مقصد لاگت میں افادیت اور ضروری مشینری کی اوورہالنگ تھا۔

ڈائریکٹرز رپورٹ

برائے سال 30 ستمبر 2025

محترم شیئر ہولڈرز،

اللہ تعالیٰ کے نام سے جو نہایت مہربان اور رحم فرمانے والا ہے، کمپنی کے ڈائریکٹران 30 ستمبر 2025 کو اختتام پذیر سال کے لیے سالانہ رپورٹ بمعہ آڈٹ شدہ مالی بیانات آپ کی خدمت میں پیش کر رہے ہیں۔

مالی کارکردگی

سال کے مالی نتائج کا خلاصہ حسبِ ذیل ہے:

تفصیل	2025 (روپے '000)	2024 (روپے '000)
مجموعی فروخت	13,588,061	12,763,647
برآمدی فروخت	763,686	202,759
مالی اخراجات سے قبل آپریٹنگ منافع	862,542	266,892
مالی اخراجات	(801,227)	(1,416,249)
حصص منسلکہ و ٹیکسیشن سے قبل منافع/(نقصان)	61,315	(1,149,357)
اسوسی ایٹ کمپنیوں میں سرمایہ کاری سے حصہ منافع/(نقصان) - خالص	117,067	(652,346)
لیویز و ٹیکسیشن سے قبل منافع/(نقصان)	178,382	(1,801,704)
لیویز	(154,050)	(139,934)
ٹیکسیشن سے قبل منافع/(نقصان)	24,332	(1,941,638)
موخر شدہ ٹیکس اثاثہ	230,360	408,619
ٹیکسیشن کے بعد منافع/(نقصان)	254,691	(1,533,018)
فی حصص آمدنی/(نقصان) (از سرِ نو ترتیب شدہ)	6.99	(56.30)

زیرِ جائزہ سال شوگر سیکٹر کے لیے مشکل رہا، جس کی بنیادی وجوہات بیماری سے متاثرہ گنے کے باعث کم شوگر ریکوری اور فصل کے کم حجم کے نتیجے میں گنے کی محدود دستیابی تھیں۔ ان حالات کو کرشنگ سیزن کے بیشتر حصے میں مقامی شوگر قیمتوں کی دباؤ زدہ صورتحال نے مزید سنگین بنا دیا، جو تیسرے سہ ماہی میں بہتر ہونا شروع ہوئیں، جس سے منافع پر نمایاں دباؤ پڑا۔ مزید برآں، گنے کی غیر معمولی بلند خریداری قیمتیں، 801 ملین روپے کی بلند مالی لاگت، اور ریفائنڈ شوگر کی پیداوار میں 33.81٪ کمی نے کمپنی کی کارکردگی کو منفی طور پر متاثر کیا۔

چوتھی سہ ماہی میں، توقعات کے مطابق، کمپنی نے 362.815 ملین روپے کا قبل از ٹیکس منافع کمایا، جو نصف سال کے اختتام کے بعد مجموعی طور پر 701.742 ملین روپے بنتا ہے۔ کرشنگ سیزن کے بعد، کم متوقع پیداوار اور بڑھتی ہوئی لاگت کے باعث ریفائنڈ شوگر کی قیمتوں میں نمایاں اضافہ ہوا۔ انتظامیہ کے شوگر فروخت مؤخر کرنے کے اسٹریٹیجک فیصلے نے سازگار نتائج دیے، جس سے بہتر مقامی قیمتوں اور مضبوط مارجن ریکوری سے فائدہ حاصل ہوا۔ اسی دوران ڈسکاؤنٹ ریٹ میں کمی نے مالی نتائج کو اضافی سہارا فراہم کیا۔

OUR POWER HOUSE

INDEPENDENT AUDITOR'S REVIEW REPORT

To The Members of Faran Sugar Mills Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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, 2025 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, 2025.

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	Mandatory	7	In accordance with section 176(3) of the Companies Act, 2017, the Board of a public company is required to meet at least once in each quarter. However, the Board meeting for the first quarter ended December 31, 2024 was not held within the prescribed quarter.

INDEPENDENT AUDITOR'S REVIEW REPORT

To The Members of Faran Sugar Mills Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

S. No.	Nature of Requirement	Paragraph No.	Description of the Non-Compliance
2	Explanation for non-compliance is required (Non-Mandatory	9	As per Regulation 19, it is encouraged that all directors serving on the Board obtain the prescribed certification under a Directors' Training Program offered by institutions, whether local or foreign, that meet the criteria specified and approved by the Commission. A newly appointed director may obtain the certification within one year from the date of appointment to the Board. To date, five directors have successfully completed the Directors' Training Program. Two directors, Mr. Muhammad Omar Amin Bawany and Mr. Dawood E. Bawany, meet the criteria for exemption from the Directors' Training Program. The remaining directors, Mr. Muhammad Altamash Ahmed Bawany and Mr. Ahmed Ghulamhussain, had not obtained certification under the Directors' Training Program as at the reporting date and are expected to complete the required training in the near future.
3	Mandatory	14	As per Regulation 27(2), the Audit Committee of a company is required to meet at least once in every quarter of the financial year. Such meetings are to be held prior to the approval of interim results by the Board and after completion of the external audit. However, no meeting of the Audit Committee was held during the first quarter ended December 31, 2024.
4	Explanation for non-compliance is required	19	As per the proviso to Regulation 24 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the same individual shall not simultaneously hold the offices of Chief Financial Officer and Company Secretary. As stated in Clause 19 of the Statement of Compliance, management is of the view that, considering the volume and nature of the Company's transactions and its corporate structure, the positions of Chief Financial Officer and Company Secretary have not been segregated. The Company may, however, segregate the duties of the two offices should the need arise in the future.

INDEPENDENT AUDITOR'S REVIEW REPORT

To The Members of Faran Sugar Mills Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

S. No.	Nature of Requirement	Paragraph No.	Description of the Non-Compliance
5	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. 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 in the following financial year.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: January 5, 2026
UDIN: CR2025102107QLoTfxlu

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	Name
Independent Directors	Mr. Ahmed Ghulamhussain
	Ms. Tasneem Yusuf
	Mr. Khurram Aftab
Non-Executive Directors	Mr. Muhammad Omar Amin Bawany
	Mr. Mohammad Altamash Ahmed Bawany
	Mr. Irfan Zakaria
	Mr. Dawood E. Bawany
Executive Directors	Mr. Ahmed Ali Bawany
	Mr. Bilal Omar Bawany
Female Directors	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. Except for the Board meeting for the first quarter ended December 31, 2024, which was held on January 2, 2025.

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

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

(Code of Corporate Governance) Regulations, 2019

9. Up to the date of reporting period (i.e. September 30, 2025), following Directors have attained Directors training program:
    - Mr. Irfan Zakaria
    - Ms. Tasneem Yusuf
    - Mr. Khurram Aftab
    - Mr. Ahmed Ali Bawany
    - Mr. Bilal Omar Bawany

   Two Directors Mr. Muhammed Omar Amin Bawany and Mr. Dawood E. Bawany, meets the criteria of exemption from Directors Training Program. The remaining directors, Mr. Muhammad Altamash Ahmed Bawany and Mr. Ahmed Ghulamhussain, had not obtained certification under the Directors' Training Program as at the reporting date. These directors are expected to obtain the required certification in accordance with the applicable 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 Ghulamhussain	Chairman
Mr. Muhammad Omar Amin Bawany	Member
Mr. Irfan Zakaria	Member

HR Remuneration Committee	
Mr. Ahmed Ghulamhussain	Chairman
Mr. Muhammad 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	Four meetings were held during the financial year ended September 30, 2025. However, meeting for the Oct - Dec 2024 was held on January 2, 2025.
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;

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

(Code of Corporate Governance) Regulations, 2019

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

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 financial year.
    - 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

MOHAMMAD OMAR AMIN BAWANY
Chairman

STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT

ENGAGING WITH OUR GROWERS

Pakistan ranks among the top 5 countries globally in terms of cultivated area, while it stands top 10 in overall sugar production, highlighting significant potential for yield enhancement through improved agricultural practices. At Faran Sugar Mills Limited, our experienced agricultural team remains in continuous engagement with growers throughout the year to support productivity and sustainability.

The Company continued to actively promote Land Laser Levelling (3L) as a key agronomic intervention. Up to September 2025, approximately 6,019.8 hectares were laser levelled during the year, bringing the cumulative total to 37,951.83 hectares over the project period from 2015–16 to 2024. In addition to improving crop productivity, 3L facilitates efficient water distribution, conservation of scarce water resources, enhanced nutrient utilization and greater precision in farming practices.

ENGAGING WITH OUR GROWERS

Our Solar Energy Tube Well Program also progressed successfully. A total of 247 solar tube wells were installed up to 2025, compared to 219 tube wells in 2024, enabling irrigation of approximately 864 acres through renewable energy sources. As a result, growers are collectively saving around Rs. 2 million per day in electricity and fuel costs.

These initiatives contributed to a notable improvement in crop performance, with the average yield per acre reaching 921 maunds in plant crop at the FSML Farm and 665 maunds per acre across the overall zone area of approximately 17,500 acres. The Company further strengthened its Biological Control Program, applying 546,550 bio-cards in cane fields during 2025 to support sustainable pest management.

Capacity-building and training initiatives for growers and field staff continued in collaboration with government departments, agricultural research institutions and agro-based private companies. During the year, more than 57 coordinated village meetings were conducted on various agronomic topics, along with 21 field demonstration plots showcasing mechanised sugarcane planters and ring pit planting methods at multiple locations, delivering encouraging and measurable results.

RESEARCH, DEVELOPMENT & EXTENSION INITIATIVES

Faran Sugar Mills Limited has been providing research and development (R&D) support to its growers for over 22 years, with the objective of promoting sustainable, high-quality sugarcane production across its operational area. The Company works closely with farmers through a cooperative approach to build long-term Research, Development and Extension (RD&E) relationships that generate mutual benefits for growers, the Company and the national agricultural economy.

Over the years, FSML has played a pioneering role in advancing agricultural practices within the Pakistan sugar industry by introducing innovative and modern farming techniques. These include improved planting geometry, mechanised cultivation, high-efficiency irrigation systems, laser land levelling, intercropping with sugarcane, capacity building of farmers and field staff, and the implementation of a comprehensive and environmentally friendly Biological Control Program, aimed at reducing costs while improving crop health and productivity.

The Company has implemented High Efficiency Irrigation Systems (HEIS) at multiple locations, enabling farmers to cultivate sugarcane under optimal conditions, particularly in areas facing water scarcity. In addition, Controlled Environment Crop (CEC) solutions, such as vertical farming, demonstrate the potential to produce crops using 40—50% less water compared to conventional cultivation, making them especially relevant for low-water regions. As a result of these initiatives, plant water-use efficiency has improved significantly, and reliance on canal water has been substantially reduced. Even at moderate crushing levels, water recovered from sugarcane during processing becomes surplus after plant operations and is reutilized for sugarcane irrigation, further strengthening sustainability outcomes.

ENGAGING WITH OUR GROWERS

Drone Technology For Agriculture Use At FSML

Faran Sugar Mills Limited has also introduced drone technology within its operational zone to enhance crop monitoring, research, and field-level decision-making. The professional use of drone technology enables improved performance and operational efficiency through timely and accurate field assessments.

The application of drones represents an emerging technological advancement in agriculture that supports growers and agribusinesses in addressing future challenges and meeting the increasing demand for efficient and data-driven farming solutions. Currently, the Company operates 3 drones, which are utilized for:

- E-acreage and crop surveys
- Monitoring crop health and pest activity
- High-resolution imaging to support research and development initiatives

BIOLOGICAL CONTROL ACTIVITIES

Faran Sugar Mills Limited has implemented a biological control—based Integrated Pest Management (IPM) program across its cane procurement area in collaboration with the internationally renowned scientist Dr. A. I. Mohiuddin and his team. The Company is a pioneer in adopting this environmentally friendly technology within the sugar industry.

The IPM program has been in continuous operation since 1989, effectively protecting sugarcane crops from major pest outbreaks and ensuring crop stability. This initiative is supported by the Company's Biological Control Laboratory, which conducts regular field monitoring and pest scouting, enabling timely and targeted interventions while avoiding blanket chemical applications and reducing environmental impact.

Along with other agronomic measures, the biological control program, supported by continuous field monitoring, pest scouting and targeted interventions, has contributed to sustaining and improving sugar recovery, while minimizing environmental impact and protecting crops from pest flare-ups.

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 mentioned points.

ENGAGING WITH OUR GROWERS

- 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 primary objective of the Cane Development Program is to facilitate growers in adopting Latest Crop Production Technologies (LCPT), optimizing the use of available resources, overcoming prevailing agricultural challenges, and enhancing productivity per unit area, ultimately contributing to improved grower profitability and long-term sustainability.

INTRODUCTION OF SUGARCANE TRASH MULCHING

Each hectare of harvested sugarcane leaves behind approximately 10 tons of dried cane trash. To address this, Faran Sugar Mills Limited's R&D function introduced trash mulching machines to promote sustainable residue management. Trash mulching plays an effective role in reducing borer infestation while also serving as a valuable source of organic matter, thereby improving soil health and enhancing long-term soil fertility.

OUR EMPLOYEES

At Faran Sugar Mills Limited, we are committed to fostering a workplace culture that promotes a supportive working environment, competitive remuneration, performance-based incentives, and meaningful opportunities for personal and professional growth. Our objective is to attract, motivate, and retain highly qualified professionals and encourage long-term association with the Company.

Employees are the cornerstone of our organization. We firmly believe that job satisfaction and employee well-being translate into higher productivity, improved collaboration, and stronger organizational performance. A motivated workforce demonstrates greater focus, a positive attitude, and a deeper sense of ownership towards their responsibilities.

To strengthen this culture, the Company continuously plans, develops, and implements strategies aimed at enhancing employee engagement across all levels of the organization. Emphasis is placed on building an effective internal communication system that encourages transparency, alignment, and collaboration.

Faran Sugar Mills Limited upholds a strong commitment to equality of opportunity. In accordance with the Company's Code of Conduct and Ethics, all employment decisions are made without discrimination on the basis of gender, age, race, religion, physical ability, or political belief. The Company remains mindful of its responsibilities towards persons with disabilities and strives to ensure a fair and inclusive workplace for both existing and prospective employees.

OUR EMPLOYEES

We actively encourage continuous learning and professional development among our employees. Through the Education Assistance Scheme, the Company provides financial support towards educational expenses, enabling employees to enhance their qualifications, develop new skills, and contribute more effectively to the business.

In addition, regular in-house and external training programs are arranged to strengthen technical, managerial, and functional capabilities. Executives and staff members are nominated for workshops and specialized training programs relevant to their roles and career progression.

During the year, Quality Management System (QMS) training was conducted for relevant employees, providing a structured understanding of documented processes, procedures, and responsibilities aimed at achieving quality objectives and continuous improvement.

The Company operates on a structured three-shift system, each of eight hours, ensuring operational continuity while maintaining manageable working hours for employees. Clear workplace rules and standards are in place, and adherence is actively monitored. Any violations are addressed through a defined disciplinary framework, reinforcing a culture of responsibility, compliance, and professionalism.

While minor workplace incidents may occur in routine operations, the Company emphasizes preventive measures, employee awareness, and corrective actions to minimize such occurrences and maintain a safe and orderly working environment.

Faran Sugar Mills Limited provides access to medical facilities through its mill dispensary, which serves employees and their families on a daily basis. On average, approximately 100 individuals receive medical attention each day, reflecting the Company's ongoing commitment to employee welfare and community support within the surrounding area.

SUSTAINABILITY REPORTING AND CORPORATE SOCIAL RESPONSIBILITY (CSR)

SUSTAINABILITY AND RESOURCE EFFICIENCY

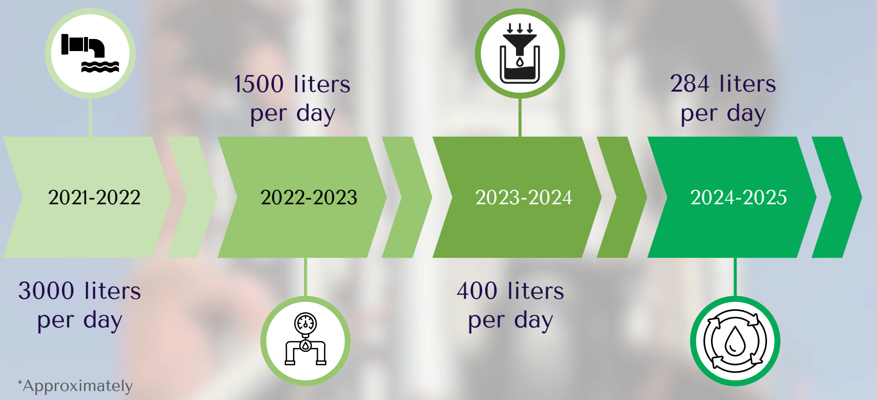
Sustainability remains a core focus of our operations, with continuous efforts directed toward renewable energy adoption, water conservation, efficient resource utilization, and environmentally responsible waste management. During the reporting period, several initiatives were strengthened and expanded to reduce environmental impact while improving operational efficiency.

A key component of our sustainability framework is the use of a solar tube well, which supports agricultural water requirements through renewable energy. This initiative significantly reduces dependency on conventional power sources and contributes to lower carbon emissions. In addition, we actively practice intercropping, whereby more than one type of seed is planted within the same land area. This method improves soil health, optimizes land use, enhances biodiversity, and supports sustainable agricultural productivity.

To further enhance efficiency in processing, advanced evaporation and condensation systems are in operation. The FFE (Falling Film Evaporator) system efficiently separates water from cane juice, resulting in reduced energy consumption and improved process efficiency. Additionally, the VKT condensation tower, which operates similarly to a pan system, has been implemented. This vertically structured unit produces one batch every 2.5 hours, with each batch processing 80 tons, and operates continuously. Compared to the previous horizontal system, it occupies less space, delivers superior efficiency, and improves product quality, ultimately generating sugar in liquid form.

SUSTAINABILITY AND RESOURCE EFFICIENCY

Water conservation remains a critical priority for our sustainability agenda. Through continuous improvements in mill operations, we have achieved a substantial reduction in wastewater generation and our Water Effluent Treatment Plant (ETP), with an installed capacity of 2,400 cubic meters, treats this discharge efficiently, recycling it back for agricultural use.



Our ultimate objective is zero effluent discharge by the 2025—2026 season (Insha'Allah), reinforcing our absolute commitment to water neutrality.

Renewable energy adoption has been significantly scaled up through increased solar power installations. During 2023—2024, approval was granted for 300 kilowatts, of which 250 kilowatts were installed at the mill. In 2024—2025, approval increased to 600 kilowatts, resulting in the installation of 400 kilowatts at the mill and 200 kilowatts in the colony, along with 50 kilowatts carried forward from the previous year at the mill. As a result, total installed solar capacity now stands at 700 kilowatts at the mill and 200 kilowatts at the colony, including 10 kilowatts installed at the school, bringing total solar capacity to 900 kilowatts. The organization aims to exceed one megawatt of total solar capacity in the near future.

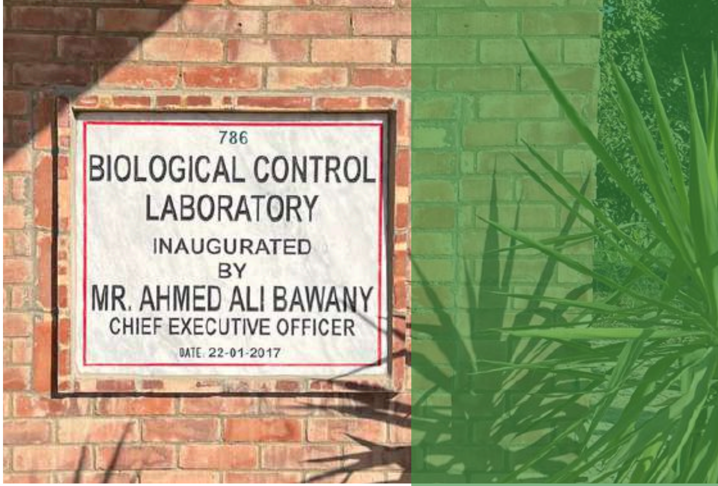
In line with responsible waste management practices, all hazardous dry sludge generated during operations was handled in accordance with environmental regulations. A total of 1,130 kilograms of hazardous dry sludge was responsibly collected and disposed of at the Zephyr Waste Solutions Incineration Plant, as certified by an official Disposal Certificate. This ensures safe handling and environmentally sound disposal of waste materials.

Gender Pay Gap:

Gender Pay Gap statement under Securities and Exchange Commission of Pakistan (SECP) Circular 10 of 2024 following is gender pay gap calculated for the year ended September 30, 2025:

a) Mean Gender Pay Gap: 100%
b) Median Gender Pay Gap: 100%
c) Any other data / details as deemed relevant: Nil

During the year under review, the Company had no female employee.



BIOLOGICAL CONTROL LABORATORY

The Company is committed to minimizing reliance on chemical pesticides and to promoting environmentally responsible crop protection. To that end, our Bio-Control Laboratory carries out targeted research to identify the key insect pests affecting our sugarcane fields and to locate their natural enemies. This scientific approach enables us to adopt safer, biology-based solutions that protect field ecology while supporting crop health.

Working under an Integrated Pest Management (IPM) framework, the laboratory breeds beneficial predator and parasitoid species under controlled conditions and releases them into infested fields. These naturally occurring agents suppress pest populations through predation and parasitism, completing their lifecycle after controlling the target pests and thereby restoring ecological balance. During 2025, the Company strengthened its Biological Control Program by applying 546,550 bio-cards across cane fields, a tangible step toward scalable, sustainable pest management.

These initiatives reduce the need for chemical inputs, enhance biodiversity, and contribute to safer working conditions and cleaner produce for local communities. The Biological Control Program reflects the Company's broader commitment to environmental stewardship, HSE best practices, and long-term agricultural sustainability.

FALLING FILM EVAPORATOR (FFE)

HEALTH, SAFETY & ENVIRONMENT

Faran Sugar Mills Limited conducts its operations with the highest regard for the health and safety of employees, contractors, customers, neighbours and the public, as well as the environment in which we operate. Our safety philosophy recognises that technically sound equipment must be matched with competent people and an active HSE strategy. All operational activities are governed by clearly defined HSE policies that are regularly reviewed and aligned with industry best practice.

The Company ensures that employees and where applicable contractors are made aware of potential hazards and the Company's requirements for safe and environmentally responsible working practices. Our Health & Safety Department places particular emphasis on timely care and rehabilitation of injured persons, working closely with medical practitioners to ensure that the needs of affected employees are met. Management promotes a culture of responsibility where compliance with safety rules is expected and supported through training, supervision and corrective action.

Health and safety training is routinely provided to employees, covering first aid, defensive driving, occupational health and safety and other role-specific topics. Regular safety briefings and in-house training sessions are conducted to help employees recognize hazards and apply corrective measures. Fire and emergency evacuation drills are practiced to maintain preparedness and improve emergency response times.

HEALTH, SAFETY & ENVIRONMENT

We maintain a disciplined approach to workplace safety and enforce a defined disciplinary framework to uphold standards (for example, mandatory use of personal protective equipment). Our emergency response infrastructure includes three types of fire extinguishers (DCP — all-purpose, CO_2 and Foam) for different classes of fire, and automatic fire-suppression devices ("fireballs") installed in every transformer room to reduce risk and improve response speed.

FSML has improved plant energy efficiency. The mill operates on bagasse (biomass) as its sole fuel source for process energy; by displacing fossil fuels with this biomass-based green fuel, the Company has significantly reduced its reliance on fossil energy and contributed to lowering greenhouse gas emissions. This approach supports circular use of resources (process water recovered from milling is reused for irrigation where feasible) further strengthening our sustainability outcomes.

Key HSE Metrics & Infrastructure:

- Incident rate: Low incidence (approximately 1 minor incident per month); continual emphasis on prevention, awareness and corrective measures to further reduce incidents.
- Working hours: Operations run on a three-shift system (08:00–16:00; 16:00–00:00; 00:00–08:00).
- Fire protection: DCP (all-purpose), CO_2 and Foam extinguishers across the facility; automatic fire-suppression units in transformer rooms.
- Medical support: On-site dispensary and active rehabilitation procedures in coordination with medical practitioners.

Certifications:

Faran Sugar Mills Limited maintains certification and third-party recognition that reflect our commitment to quality, food safety and halal compliance:

- ISO 9001:2015 (Quality Management System)
- FSSC 22000 (Food Safety System Certification 22000)
- Halal assessment by SANHA Halal Associates Pakistan (Pvt) Ltd — compliant with Pakistan Standard PS:3733-2022 / OIC/SMIIC I:2019

CORPORATE SOCIAL RESPONSIBILITY

At Faran Sugar Mills Limited (FSML), we recognize that corporate social responsibility (CSR) strengthens communities, enhances employee productivity, and reinforces the Company's reputation while contributing to sustainable business growth. Our CSR initiatives focus on health, education, environment, sports, and community welfare, ensuring tangible benefits for our employees, their families, and the surrounding communities.

FSML is committed to improving literacy in the vicinity of its mills. The Company operates a secondary school in Sheikh Bhirkio, providing quality education to over 565 students. As part of its inclusive education policy, need-based scholarships are offered, enabling approximately 10% of students to study free of cost, while children of FSML employees benefit from subsidized fee arrangements. To further strengthen the quality, governance, and outreach of this educational initiative, FSML has entered into a Memorandum of Understanding (MoU) with The Citizens Foundation (TCF), under which the management of the school has been transitioned to TCF. This collaboration is aimed at leveraging TCF's proven expertise in efficient school management, enhanced academic resources, and structured learning systems, while also expanding the school's reach to educate a larger number of students than previously possible. These initiatives reflect FSML's continued focus on sustainable social development and community empowerment through education.

CORPORATE SOCIAL RESPONSIBILITY

FSML places a strong emphasis on healthcare and well-being. Medical facilities are provided through multiple channels:

- Mill Dispensary: Open every day (24/7 during crushing season), serving an average of 100 patients daily, with 90—95% being employees and their families, and 5—10% from nearby villages.
- Ambulance Service: A fully equipped ambulance is available 24/7 at the staff colony.
- Hepatitis B & C Screening: Regular testing is conducted for employees, their families, and contractor labor, with vaccinations and treatment provided as needed.
- Employees' Children: All children enrolled at FSML School receive vaccination and routine medical check-ups.

Additionally, FSML organizes free medical camps in various locations. These camps provide consultations with specialist doctors and free medicines, helping improve access to healthcare for surrounding communities.

FSML uses bagasse exclusively as fuel in the mill, eliminating reliance on fossil fuels and reducing greenhouse gas emissions, thereby contributing to a cleaner environment. In addition, solar tube wells are promoted among farmers in our operational areas, supporting sustainable agriculture and reducing dependence on conventional energy sources.

FSML encourages physical activity and healthy lifestyles among its employees and their families. Every year, sports tournaments are organized, during which teams are formed from each department to compete in various games, including cricket, volleyball, badminton, tug of war, and races, fostering teamwork and employee engagement.

The Company provides modern recreational facilities through officers' and workers' clubs, featuring playgrounds, floodlit courts, and indoor games such as snooker and table tennis. These annual tournaments culminate in prize distribution ceremonies to recognize participation, performance, and dedication, reinforcing a culture of healthy competition and camaraderie.

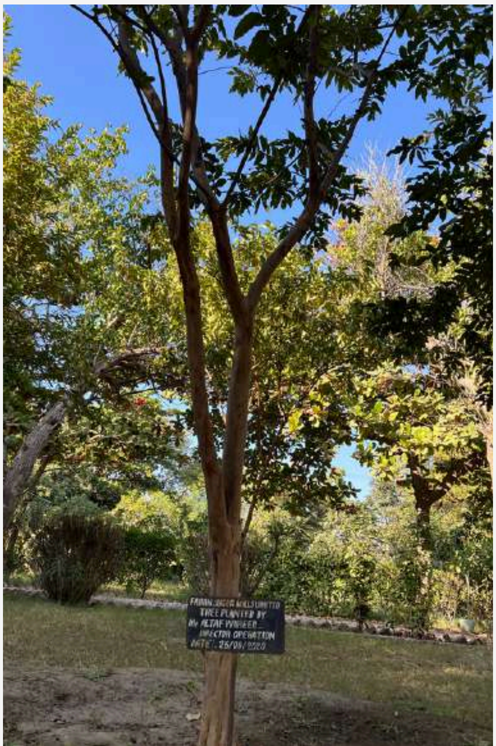
FSML also extends its support to employees and the wider community through practical initiatives. Transportation and housing facilities are provided, with buses operating along routes from Hyderabad, Tando Allahyar, Matli, and Talaar to ensure safe and convenient commuting for staff further reinforcing FSML's role as a responsible and supportive community partner.



Our Nursery & Tree Plantation Drive



Faran Sugar Mills Limited actively promotes environmental sustainability through multiple initiatives. This year, employees, including the CEO and Directors, participated in planting between 2,500 and 3,000 trees across the mill site and surrounding areas. The Company also operates a nursery with a target of growing 100,000 plants for the 2025–2026 period, demonstrating its long-term commitment to greening and ecosystem development.



ANNUAL EVENTS

FSML conducts a series of annual events to reinforce its commitment to community welfare, health, and employee engagement:

Free Eye Camps:

FSML has organized free eye camps for 20 consecutive years, in collaboration with the Blind Association of Pakistan. These camps, equipped with advanced Phacoemulsification technology, provide:

- Eye consultations and surgeries.
- Lenses, spectacles, and medicines.
- Follow-up examinations and care.

To date, more than 16,488 patients attended the camps, with more than 2,527 surgeries successfully performed. Highly skilled surgeons manage the camps, ensuring state-of-the-art treatment for all patients.

ANNUAL EVENTS

Employee Medical Care:

FSML prioritizes employee health through comprehensive care programs:

- Regular medical check-ups and provision of medicines.
- Hospitalization and 24/7 ambulance services.
- Fully equipped dispensary staffed with qualified doctors and standard medicines.
- Screening and treatment for Hepatitis B and C, along with vaccinations for children of employees.

Free Medical Camps:

Regularly organized four free medical camps annually serve communities within a 2—25 km radius of the mill. 16,598 patients (annually) have benefited from this and received specialist consultations and free medicines, reflecting FSML's sustained commitment to public health.

Sports & Recreational Activities:

FSM actively promotes healthy lifestyles and employee engagement through structured sports and recreational initiatives. The Company provides officers' and workers' clubs equipped with playgrounds and facilities for snooker, table tennis, badminton, and volleyball, including flood-lit courts to encourage participation beyond regular working hours. Annual in-house sports tournaments are organized featuring cricket, volleyball, badminton, tug of war, and various athletic races, followed by prize distribution ceremonies to recognize participation and performance.

In addition, FSM organizes sports events and an annual sports day at FSM School, utilizing a large grassy playground to promote physical activity among students and foster community involvement. During the year, FSM also participated in a cricket tournament organized by its joint venture partners in Tando Allahyar, in which four companies competed. Alhamdulillah, FSM won the tournament, reflecting strong teamwork and a positive sports culture. Collectively, these initiatives demonstrate FSM's commitment to the well-being of its employees, their families, and the surrounding community.

These events and programs highlight FSML's dedication to employee welfare, community development, and social responsibility, creating lasting value for both our workforce and the wider society.

Our Medical Camps & Sports Activities


FSM
SPORTS GROUND
WELL COME


ANNUAL SPORTS TOURNAMENT

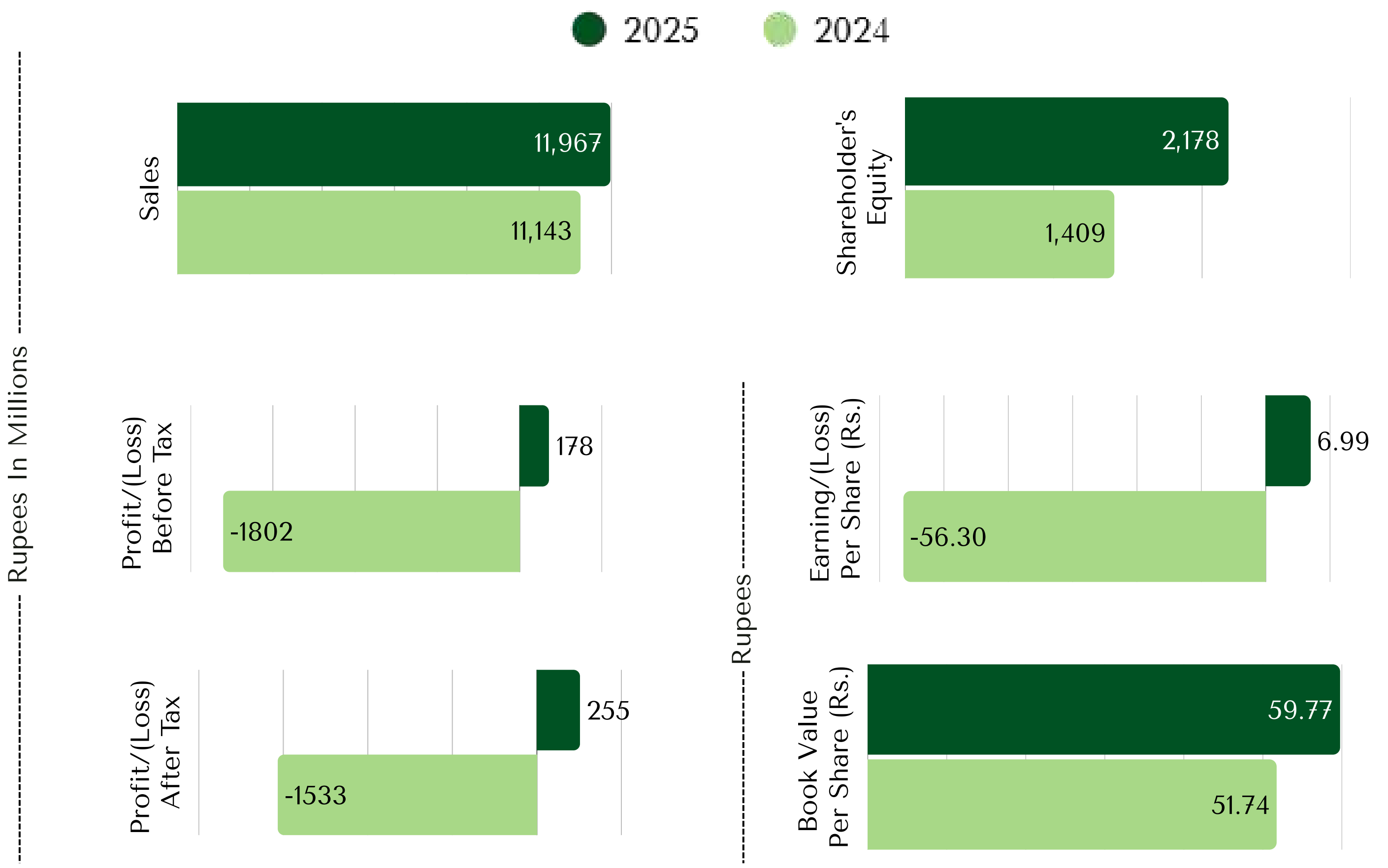

فری میگا میڈیکل
فاران شوگر ملز P.P.H.I انڈس میڈیکل
Parhma اور HIGH-Q

ANALYSIS OF THE FINANCIAL INFORMATION

FINANCIAL HIGHLIGHTS

	UOM	2025	2024	%
Sales	Rs. In Million	**11,967**	11,143	7.40%
Gross Profit	Rs. In Million	**1,055**	541	94.86%
Operating Profit	Rs. In Million	**863**	267	223.18%
Profit / (Loss) Before Levies &Tax	Rs. In Million	**178**	(1,802)	109.90%
Profit / (Loss) After Levies & Tax	Rs. In Million	**255**	(1,533)	116.61%
Earnings / (Loss) per Share	Rupees	**6.99**	(56.30)	112.42%
Shareholders' Equity	Rs. In Million	**2,178**	1,409	54.60%
Book Value per Share	Rupees	**59.77**	51.74	15.53%
Property, Plant & Equipment	Rs. In Million	**3,014**	3,052	-1.24%

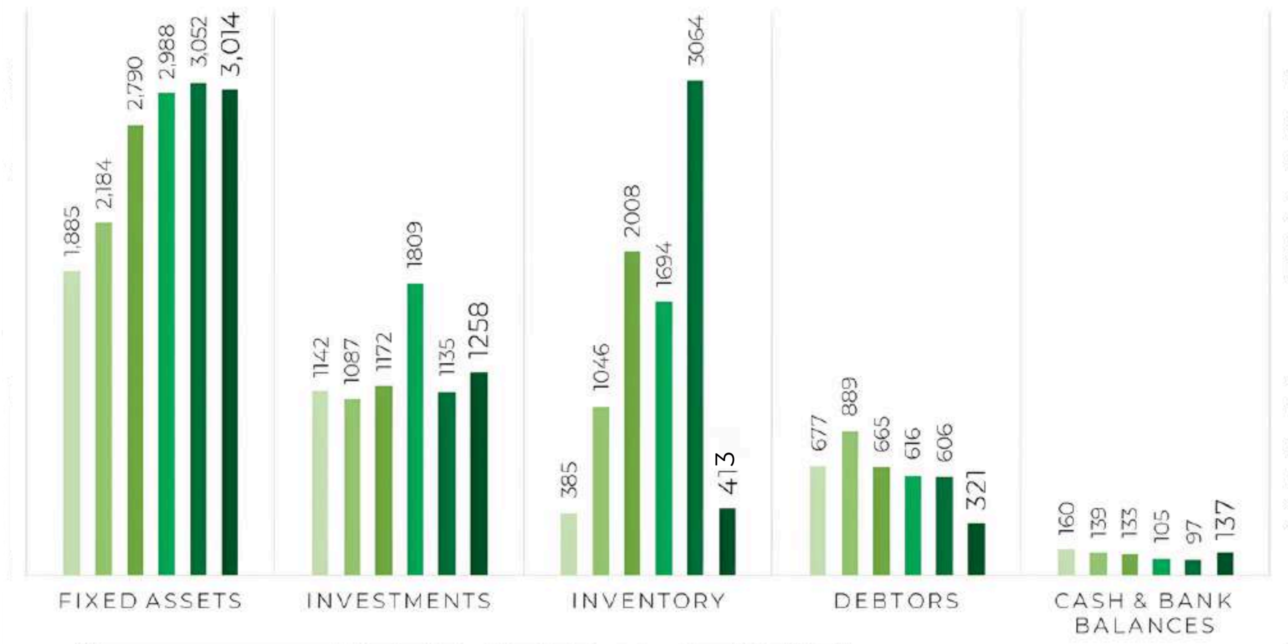
Business Growth **Shareholder Value Accretion**



FINANCIAL HIGHLIGHTS

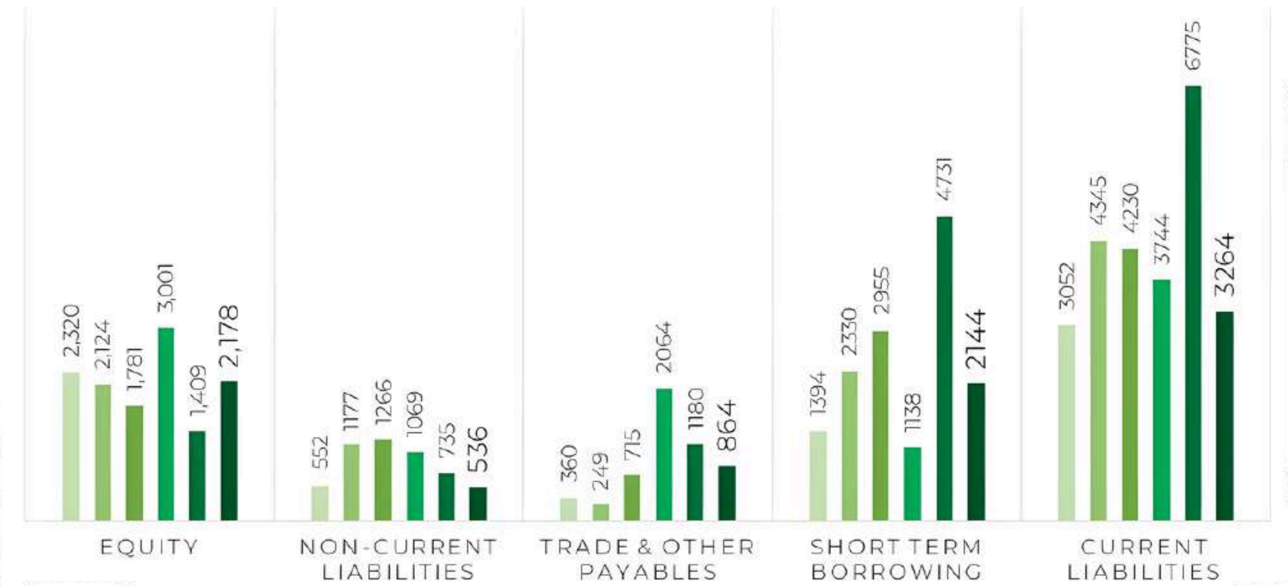
2020 2021 2022 2023 2024 2025

ASSETS



Rupees In Millions

EQUITY & LIABILITIES



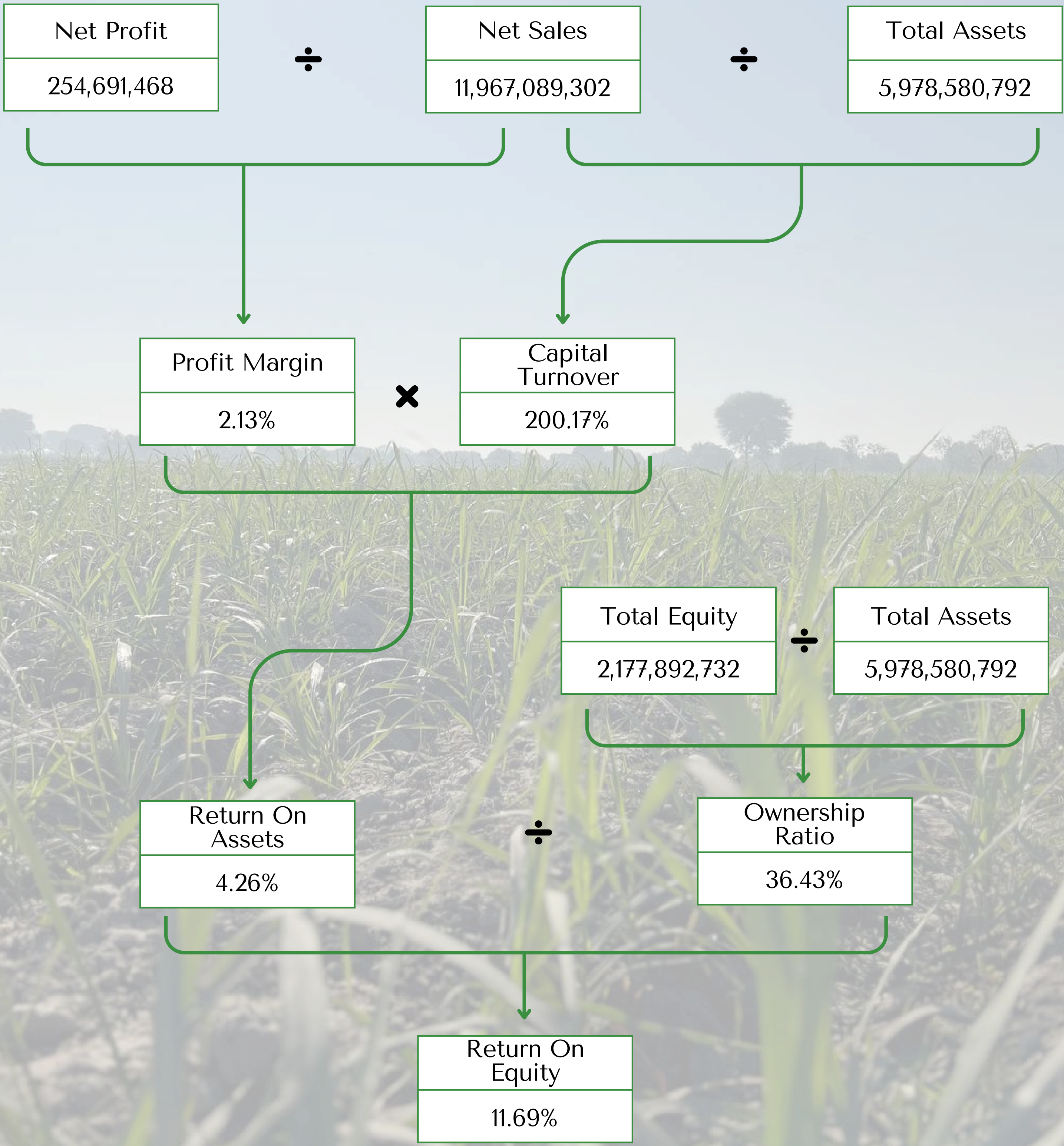
INVESTOR INFORMATION - SIX YEARS

		2020	2021	2022	2023	2024	2025
OPERATIONAL							
Cane Crushing	M.tons	601,936	601,718	845,437	764,606	867,332	611,266
Sugar Production	M.tons	65,739	63,691	92,862	79,427	90,727	60,052
Molasses Production	M.tons	27,475	28,238	39,630	35,562	37,690	28,160
Sugar Recovery	%	10.90	10.59	10.98	10.39	10.46	9.82
Molasses Recovery	%	4.56	4.69	4.69	4.65	4.34	4.61
Average Crushing / Day	M.tons	5,733	6,140	6,554	8,311	8,106	5,878
Season Commenced	Date	25/11/2019	23/11/2020	19/11/2021	28/11/2022	10/11/2023	18/11/2024
Season Ended	Date	08/03/2020	28/02/2021	27/03/2022	27/02/2023	24/02/2024	01/03/2025
Duration of season (days)	Days	105	98	129	92	107	104
PROFIT & LOSS ACCOUNT							
Net Revenue	Rs. In Million	5,751	4,860	6,672	9,337	11,143	11,967
Gross Profit	Rs. In Million	269	40	472	1,550	541	1,055
Selling & Admin Exp.	Rs. In Million	176	214	243	371	356	286
Operating Profit	Rs. In Million	93	174	284	1,363	266	863
Profit before Tax	Rs. In Million	(167)	(67)	177	1,495	(1,802)	178
Profit after Tax	Rs. In Million	(187)	(48)	27	1,220	(1,533)	255
Earnings before interest & Tax	Rs. In Million	134	192	641	2,275	(387)	980
BALANCE SHEET							
Share Capital	Rs. In Million	250	250	250	250	250	395
Reserves	Rs. In Million	1,874	1,505	1,531	2,751	1,159	1,783
Shareholders' Equity	Rs. In Million	2,124	1,755	1,781	3,001	1,409	2,178
Property Plant and Equipment	Rs. In Million	1,885	2,184	2,790	2,988	3,052	3,014
Working Capital	Rs. In Million	(390)	(350)	(950)	(784)	(2,187)	(1,948)
Long Term Loan	Rs. In Million	248	808	801	572	528	400
CASH FLOW ANALYSIS							
Net cash generated from operating activities	Rs. In Million	(164)	(1,412)	(445)	1,925	(3,112)	2,436
Net cash used in investing activities	Rs. In Million	76	(324)	(497)	119	(144)	(135)
Net cash generated from / (used in) financing activities	Rs. In Million	(148)	1,715	936	(2,067)	3,145	(3,666)
PROFITABILITY RATIOS							
Gross Profit Ratio	%	4.67	0.83	7.07	16.60	4.86	8.82
Net Profit / Ratio	%	(3.25)	(0.98)	0.41	13.07	(13.76)	2.13
Earnings before Interest & Tax Margin	%	2.33	3.96	9.61	24.36	(3.47)	8.19
Return on Share Holder Equity	%	(8.79)	(2.71)	1.54	40.65	(108.82)	11.69
Return on Capital Employed	%	5.65	7.51	24.83	63.65	(19.95)	38.00

INVESTOR INFORMATION - SIX YEARS

		2020	2021	2022	2023	2024	2025
LIQUIDITY RATIOS							
Current Ratio	Times	0.80	0.87	0.78	0.79	0.68	**0.40**
Quick Ratio	Times	0.18	0.10	0.09	0.13	0.10	**0.14**
Cash to Current Liabilities	Times	0.08	0.05	0.03	0.03	0.01	**0.04**
Cash flow from Operations to Sales	Times	0.05	(0.21)	-	0.30	(0.19)	**0.33**
ACTIVITY / TURNOVER RATIOS							
Inventory turnover ratio	Times	7.54	6.74	4.06	4.21	4.46	**4.46**
No. of days in inventory	Days	48.43	54.18	89.92	86.77	81.90	**58.13**
Debtors' turnover ratio	Times	36.94	29.70	35.81	31.67	23.05	**25.83**
No of days in receivables	Days	9.88	12.29	10.19	11.52	15.84	**14.13**
Creditors turnover ratio	Times	8.27	15.83	12.87	5.60	6.53	**10.67**
No of days in payables	Days	44.16	23.06	28.36	65.13	55.88	**34.21**
Operating cycle	Days	14.15	43.41	71.74	33.16	41.86	**38.05**
Total Asset Turnover	Times	1.26	0.85	0.92	1.20	1.27	**2.14**
Fixed Asset Turnover	Times	3.05	2.23	2.39	3.12	3.65	**3.97**
INVESTMENT/ MARKET RATIOS							
Earnings per Share After Tax	Rs.	(7.47)	(1.90)	1.09	48.79	(56.30)	**6.99**
Earnings per Share Before Tax	Rs.	(6.69)	(2.69)	7.06	59.78	(66.17)	**4.90**
Market value per share (yearend)	Rs.	50.00	40.84	52.50	52.50	44.00	**54.81**
Break-Up Value per Share	Rs.	84.95	70.20	71.21	120.01	51.74	**59.77**
Price earnings ratio (P/E)	Times	(6.69)	(21.48)	47.95	1.08	(0.78)	**7.84**
Cash Dividend per share	Rs.	-	-	-	2.50	-	-
Stock Dividend per share	%	-	-	-	-	-	-
Dividend payout	%	-	-	-	0.05	-	-
Dividend yield	%	-	-	-	0.05	-	-
Dividend cover	Times	-	-	-	19.51	-	-
CAPITAL STRUCTURE RATIOS							
Financial Leverage Ratio	Times	0.83	1.86	2.32	0.71	3.88	**1.24**
Weighted average Cost of Debt	%	1225%	838%	1065%	1800%	2215%	**1340%**
Debt to Equity Ratio	%	12%	46%	45%	19%	38%	**18%**
Interest Cover	Times	0.44	0.74	1.36	2.92	(0.27)	**1.22**

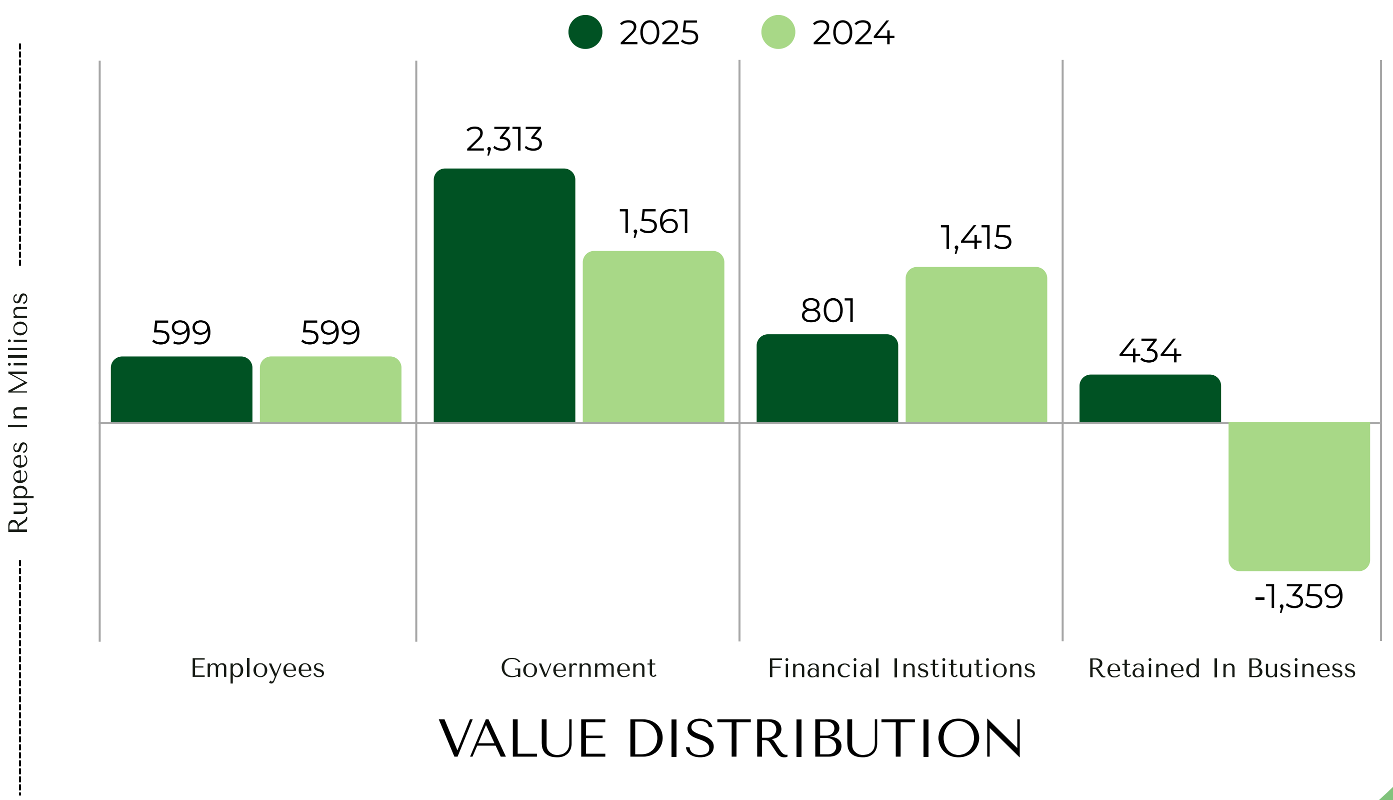
DUPONT ANALYSIS



STATEMENT OF VALUE ADDITION

For the year ended September 30, 2025

	2025	%	2024	%
	------------- Rupees		-------------	
VALUE ADDED AS FOLLOWS				
Gross Sales	14,351,748,138		12,966,405,974	
Other Income	97,756,463		110,497,119	
Share of (loss)/ Profit in Associate	117,066,584		(652,346,477)	
	14,566,571,185		12,423,466,223	
Less : Total Expenses	10,419,533,735		10,207,273,433	
Total Value Added	4,147,037,450		2,217,283,183	
VALUE DISTRIBUTED AS FOLLOWS		%		%
To Employees	598,904,167	14%	599,180,310	14%
To Government	2,312,867,370	56%	1,561,072,833	38%
To Financial Institutions	801,226,677	19%	1,416,249,521	34%
Retained in Business as				
Net Earnings	254,691,468	6%	(1,533,018,554)	-37%
Depreciation	179,347,768	4%	173,799,073	4%
	801,226,677	10%	(1,359,219,481)	-33%
Total Value Distributed	4,147,037,450	100%	2,217,283,183	53%



VALUE DISTRIBUTION

HORIZONTAL & VERTICAL ANALYSIS

Statement of Financial Position

Assets	2020	2021	2022	2023	2024	2025
			Rs. In Thousand			
Non Current Assets	3,036,791	3,283,260	3,997,544	4,854,363	4,342,083	4,662,633
Current Assets	1,526,364	2,416,022	3,280,358	2,959,452	4,577,495	1,315,948
Total	4,563,155	5,699,282	7,277,902	7,813,815	8,919,577	5,978,581
Equity and Liabilities						
Share Holder Equity	2,124,464	1,755,402	1,780,718	3,001,026	1,408,731	2,177,893
Non Current Liabilities	126,929	807,663	800,819	572,285	514,120	400,217
Deffered Liabilities	395,522	369,735	465,569	496,850	221,300	136,122
Current Liabilities	1,916,240	2,766,483	4,230,797	3,743,655	6,775,427	3,264,350
Total	4,563,155	5,699,282	7,277,902	7,813,815	8,919,577	5,978,581

VERTICAL ANALYSIS % of balance Sheet total	2020	2021	2022	2023	2024	2025
Assets						
Non Current Assets	67%	58%	55%	62%	49%	78%
Current Assets	33%	42%	45%	38%	51%	22%
Total Assets	100%	100%	100%	100%	100%	100%
Equity and Liabilities						
Share Holder Equity	46.56%	31%	24%	38%	16%	36%
Non Current Liabilities	2.78%	14%	11%	7%	6%	7%
Deffered Liabilities	8.67%	6%	6%	6%	2%	2%
Current Liabilities	41.99%	49%	58%	48%	76%	55%
Total Equity and Liabilities	100%	100%	100%	100%	100%	100%

HORIZONTAL ANALYSIS Year on Year	2020 over 2019	2021 over 2020	2022 over 2021	2023 over 2022	2024 over 2023	2025 over 2024
Assets						
Non Current Assets	-4%	8%	22%	48%	9%	7%
Current Assets	-38%	58%	36%	22%	40%	-71%
Total Assets	-19%	25%	28%	37%	23%	-33%
Equity and Liabilities						
Share Holder Equity	-8%	-17%	1%	71%	-21%	55%
Non Current Liabilities	-18%	536%	-1%	-29%	-36%	-22%
Deffered Liabilities	-21%	-7%	26%	34%	-52%	-38%
Current Liabilities	-28%	44%	53%	35%	60%	-52%
Total Equity and Liabilities	-19%	25%	28%	37%	23%	-33%

HORIZONTAL & VERTICAL ANALYSIS

Statement of Profit And Loss

	2020	2021	2022	2023	2024	2025
	Rs. In Thousand					
Net Sales	5,751,430	4,860,285	6,671,766	9,336,724	11,143,055	11,967,089
Cost of Sales	(5,482,886)	(4,819,903)	(6,200,076)	(7,787,050)	(10,601,661)	(10,912,131)
Gross Profit	268,544	40,381	471,690	1,549,673	541,394	1,054,959
Operating Expenses	(175,651)	(213,929)	(242,535)	(371,374)	(355,599)	(285,952)
Other Operating Expenses	(6,299)	(651)	(731)	(85,055)	(29,399)	(4,222)
Other Operating Income	21,771	24,629	60,443	312,657	110,497	97,756
Operating Profit	108,365	(149,570)	288,868	1,405,901	266,892	862,542
Finance Cost	(301,324)	(259,788)	(469,556)	(779,781)	(1,416,250)	(801,227)
Share in profit of associate	41,161	18,947	357,305	911,883	(652,346)	117,067
Profit / (Loss) before levies & taxation	(151,799)	(390,412)	176,616	1,538,002	(1,801,704)	178,382
Levies & Taxation	(19,518)	19,753	(149,234)	(317,976)	268,685	76,310
Profit / (Loss) after taxation	(171,317)	(370,659)	27,383	1,220,026	(1,533,019)	254,691

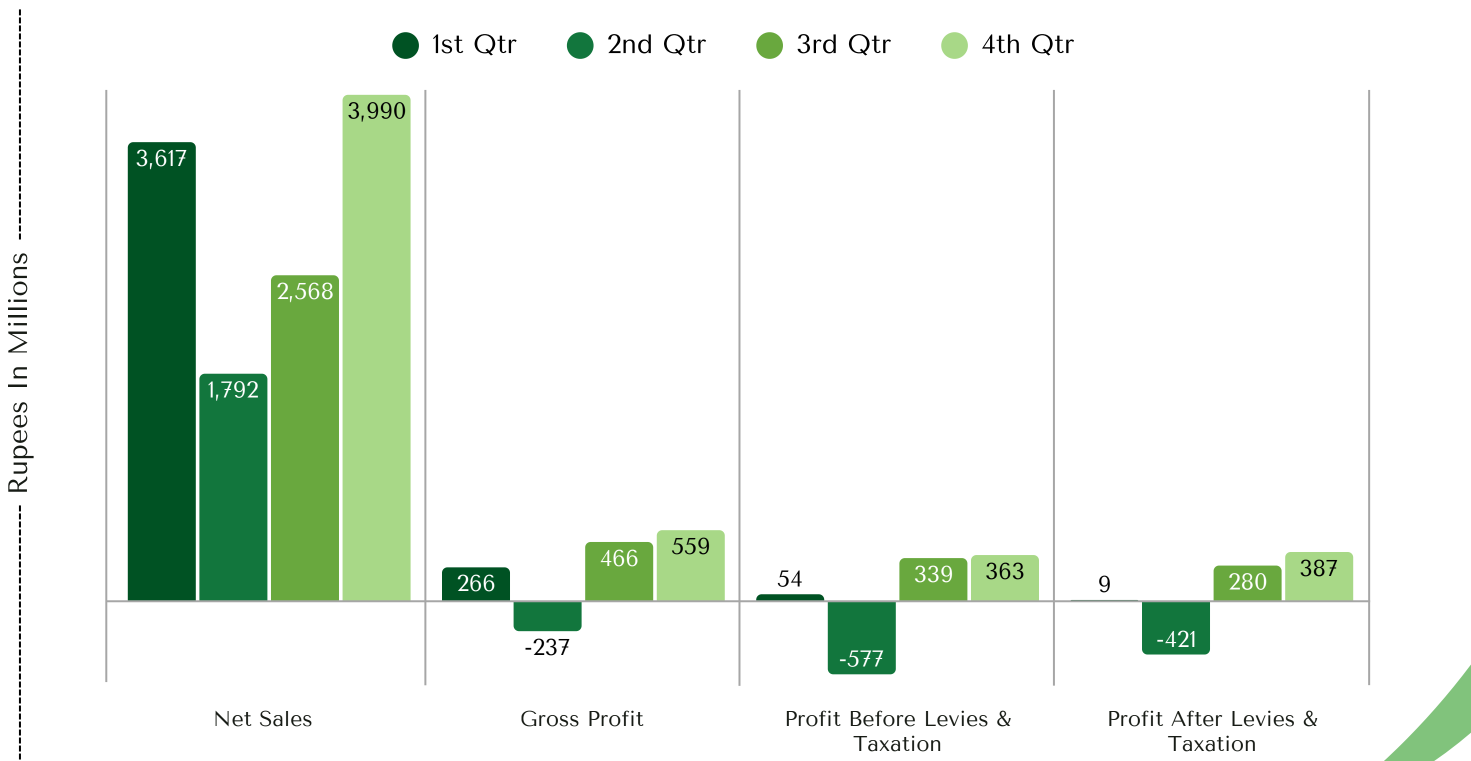
VERTICAL ANALYSIS % of Sales	2020	2021	2022	2023	2024	2025
Net Sales	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Sales	-95.33%	-99.17%	-92.93%	-83.40%	-95.14%	-91.18%
Gross Profit	4.67%	0.83%	7.07%	16.60%	4.86%	8.82%
Operating Expenses	-3.05%	-4.40%	-3.64%	-3.98%	-3.19%	-2.39%
Other Operating Expenses	-0.11%	-0.01%	-0.01%	-0.91%	-0.26%	-0.04%
Other Operating Income	0.38%	0.51%	0.91%	3.35%	0.99%	0.82%
Operating Profit	1.88%	-3.08%	4.33%	15.06%	2.40%	7.21%
Share in profit of associate	-5.24%	-5.35%	-7.04%	-8.35%	-12.71%	-6.70%
Finance Cost	0.72%	0.39%	5.36%	9.77%	-5.85%	0.98%
Profit / (Loss) before taxation	-2.64%	-8.03%	2.65%	16.47%	-16.17%	1.49%
Taxation	-0.34%	0.41%	-2.24%	-3.41%	2.41%	0.64%
Profit / (Loss) after taxation	-2.98%	-7.63%	0.41%	13.07%	-13.76%	2.13%

HORIZONTAL ANALYSIS Year on Year	2020 over 2019	2021 over 2020	2022 over 2021	2023 over 2022	2024 over 2023	2025 over 2024
Net Sales	24.51%	-15.49%	37.27%	39.94%	19.35%	7.40%
Cost of Sales	26.45%	-12.09%	28.63%	25.60%	36.14%	2.93%
Gross Profit	-5.10%	-84.96%	1068.09%	228.54%	-65.06%	94.86%
Operating Expenses	-11.34%	21.79%	13.37%	53.12%	-4.25%	-19.59%
Other Operating Expenses	-83.73%	-89.67%	12.37%	11528.34%	-65.44%	-85.64%
Other Operating Income	-96.10%	13.13%	145.42%	417.27%	-64.66%	-11.53%
Operating Profit	-82.06%	-238.02%	-293.13%	386.69%	-81.02%	223.18%
Share in profit of associate	-232.40%	-13.78%	80.75%	66.07%	81.62%	-43.43%
Finance Cost	-113.26%	-53.97%	1785.84%	155.21%	-171.54%	-117.95%
Profit / (Loss) before taxation	-129.12%	-157.19%	-145.24%	770.82%	-217.15%	109.90%
Taxation	-86.14%	-201.20%	-855.51%	113.07%	-184.50%	-71.60%
Profit / (Loss) after taxation	-145.03%	-116.36%	-107.39%	4355.49%	-225.65%	116.61%

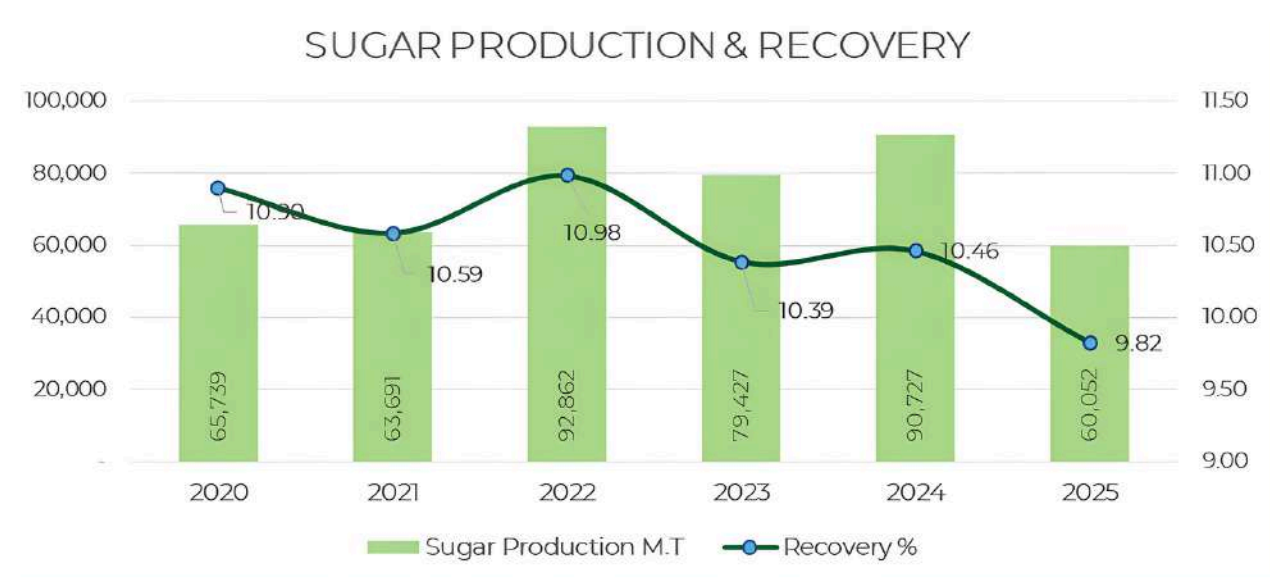
QUARTERLY PERFORMANCE ANALYSIS

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	3,616,870,497	1,792,220,729	2,567,718,053	3,990,280,023	-50.4%	43.3%	55.4%
Cost of Sales	(3,350,466,686)	(2,028,938,117)	(2,101,808,489)	(3,430,917,430)	-39.4%	3.6%	63.2%
Gross Profit	266,403,811	(236,717,388)	465,909,564	559,362,593	-188.9%	296.8%	20.1%
Operating Expenses	(71,747,546)	(95,996,762)	(67,295,264)	(50,911,947)	33.8%	-29.9%	-24.3%
Other Expenses	(3,880,619)	119,032	(386,032)	(73,927)	-103.1%	424.3%	-80.8%
Finance Cost	(155,303,026)	(275,811,233)	(172,004,094)	(198,108,324)	77.6%	-37.6%	15.2%
Other Income	14,994,007	19,245,794	8,613,817	54,902,845	28.4%	-55.2%	537.4%
Share in Profit form equity accounted investment-net	3,485,667	11,847,666	104,089,334	(2,356,083)	239.9%	778.6%	-102.3%
Profit before levies & taxation	53,952,294	(577,312,891)	338,927,325	362,815,157	-1170.0%	158.7%	7.0%
Taxation	(44,785,507)	156,474,061	(59,125,487)	23,746,516	-449.4%	137.8%	-140.2%
Profit after levies & taxation	**9,166,787**	**(420,838,830)**	**279,801,838**	**386,561,673**	**-4690.9%**	**166.5%**	**38.2%**

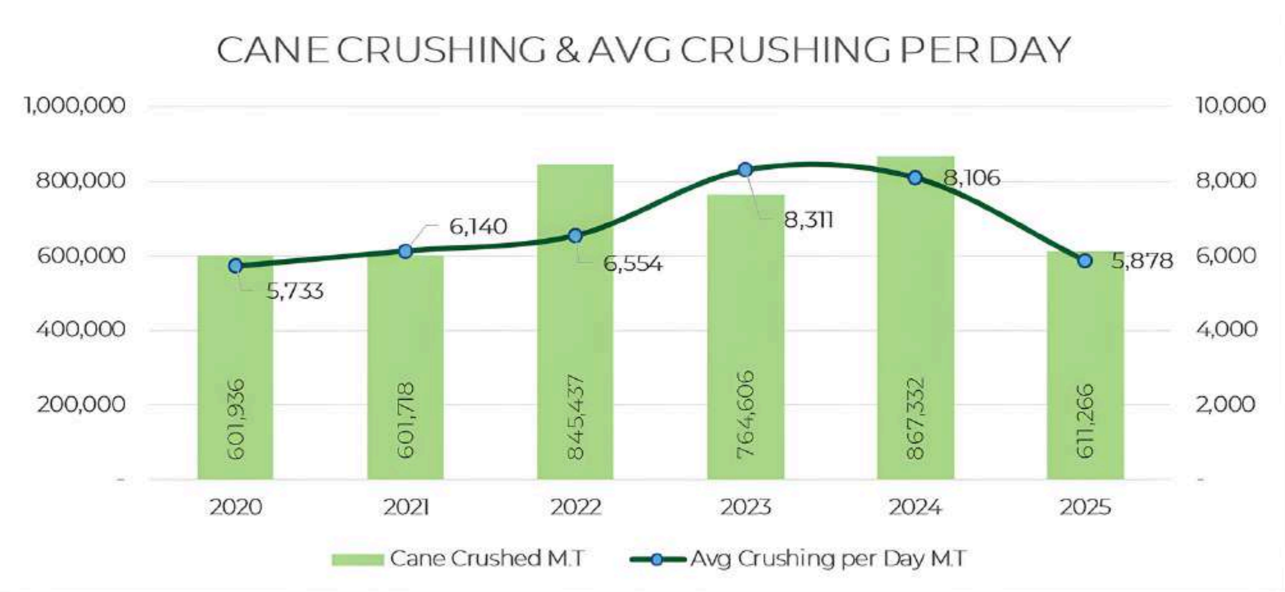
Interim Result with Annual Result	As on Dec-31, 2024	As on Mar-31, 2025	As on Jun-30, 2025	As on Sep-30, 2025	% Variance in Annual from		
	1st Qtr	2nd Qtr	3rd Qtr	Annual	1st Qtr	2nd Qtr	3rd Qtr
Sales-Net	3,616,870,497	5,409,091,226	7,976,809,279	**11,967,089,302**	230.9%	121.2%	50.0%
Cost of Sales	(3,350,466,686)	(5,379,404,803)	(7,481,213,292)	**(10,912,130,722)**	225.7%	102.9%	45.9%
Gross Profit	266,403,811	29,686,423	495,595,987	**1,054,958,580**	296.0%	3453.7%	112.9%
Operating Expenses	(71,747,546)	(167,744,308)	(235,039,572)	**(285,951,519)**	298.6%	70.5%	21.7%
Other Expenses	(3,880,619)	(3,761,587)	(4,147,619)	**(4,221,546)**	8.8%	12.2%	1.8%
Finance Cost	(155,303,026)	(431,114,259)	(603,118,353)	**(801,226,677)**	415.9%	85.9%	32.8%
Other Income	14,994,007	34,239,801	42,853,618	**97,756,463**	552.0%	185.5%	128.1%
Share in Profit form equity accounted investment	3,485,667	15,333,333	119,422,667	**117,066,584**	3258.5%	663.5%	-2.0%
Profit before levies & taxation	53,952,294	(523,360,597)	(184,433,272)	**178,381,885**	230.6%	134.1%	196.7%
Taxation	(44,785,507)	111,688,554	52,563,067	**76,309,583**	-270.4%	-31.7%	45.2%
Profit after levies & taxation	9,166,787	(411,672,043)	(131,870,205)	**254,691,468**	2678.4%	161.9%	293.1%



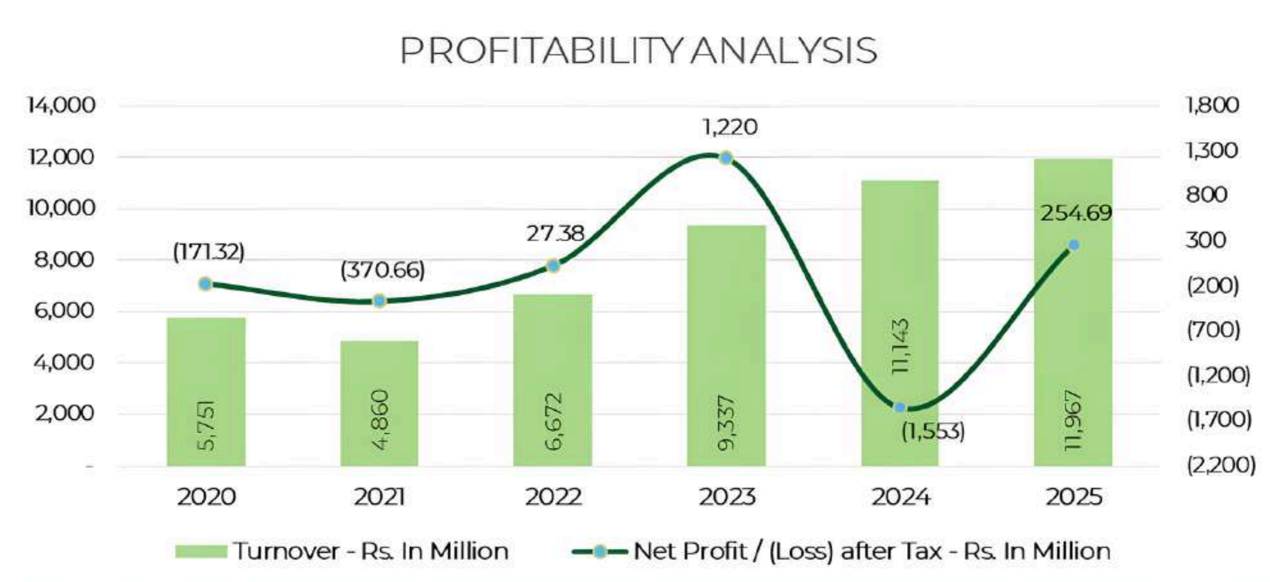
GRAPHS



SUGAR PRODUCTION & RECOVERY
100,000
80,000
60,000
40,000
20,000
-
11.50
11.00
10.50
10.00
9.50
9.00
65,739
63,691
92,862
79,427
90,727
60,052
10.90
10.59
10.98
10.39
10.46
9.82
2020
2021
2022
2023
2024
2025
Sugar Production M.T
Recovery %

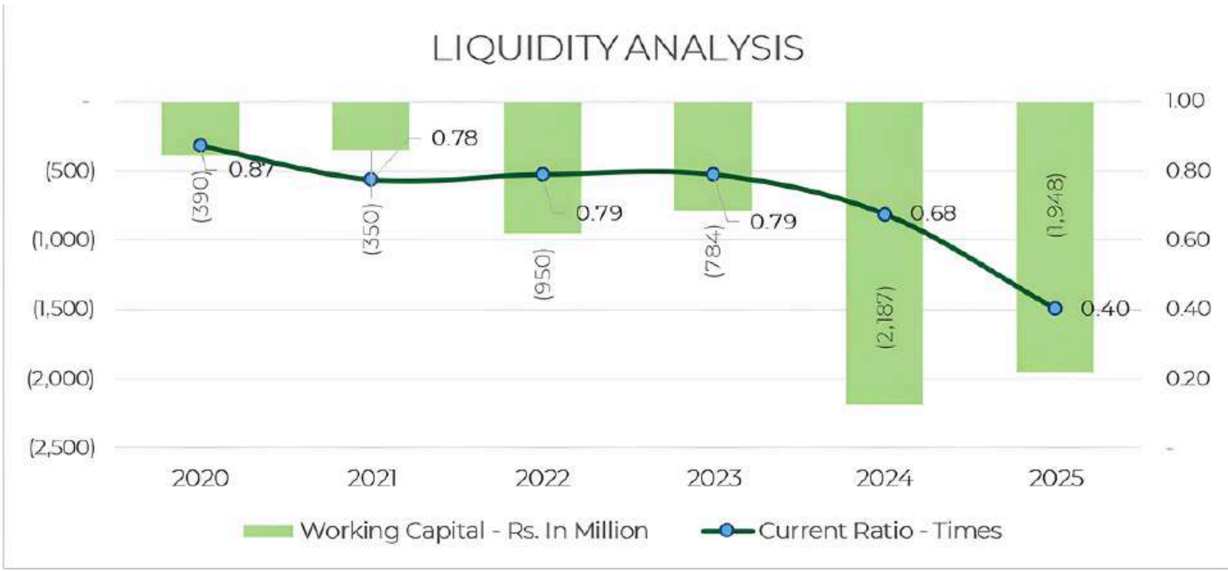


CANE CRUSHING & AVG CRUSHING PER DAY
1,000,000
800,000
600,000
400,000
200,000
-
10,000
8,000
6,000
4,000
2,000
-
601,936
601,718
845,437
764,606
867,332
611,266
5,733
6,140
6,554
8,311
8,106
5,878
2020
2021
2022
2023
2024
2025
Cane Crushed M.T
Avg Crushing per Day M.T

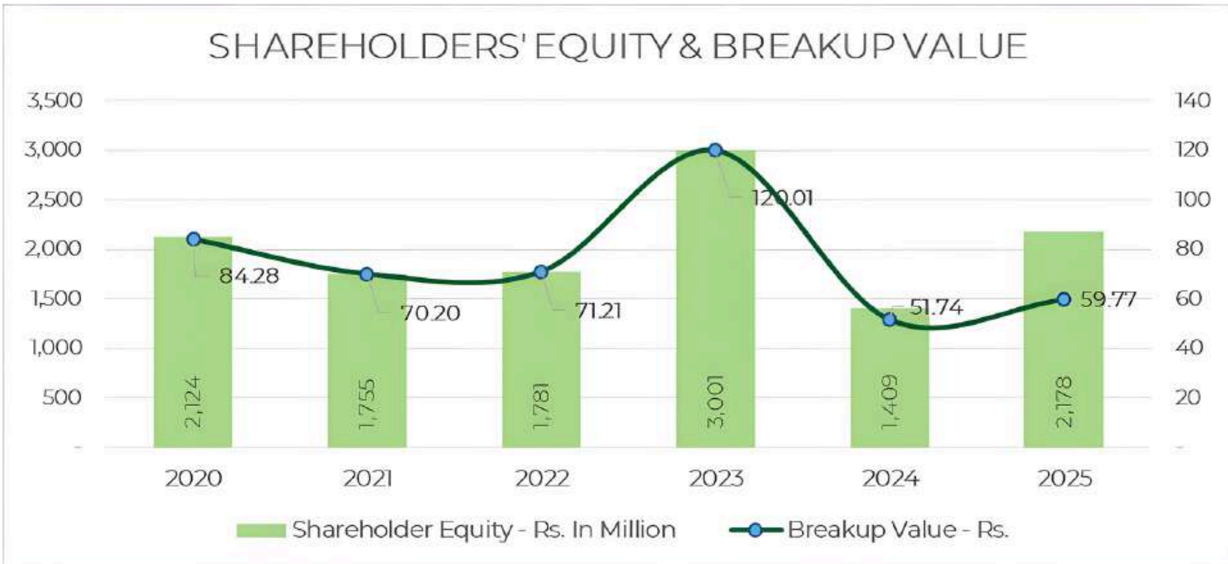


PROFITABILITY ANALYSIS
14,000
12,000
10,000
8,000
6,000
4,000
2,000
-
1,800
1,300
800
300
(200)
(700)
(1,200)
(1,700)
(2,200)
5,751
4,860
6,672
9,337
11,143
11,967
(171.32)
(370.66)
27.38
1,220
(1,553)
254.69
2020
2021
2022
2023
2024
2025
Turnover - Rs. In Million
Net Profit / (Loss) after Tax - Rs. In Million

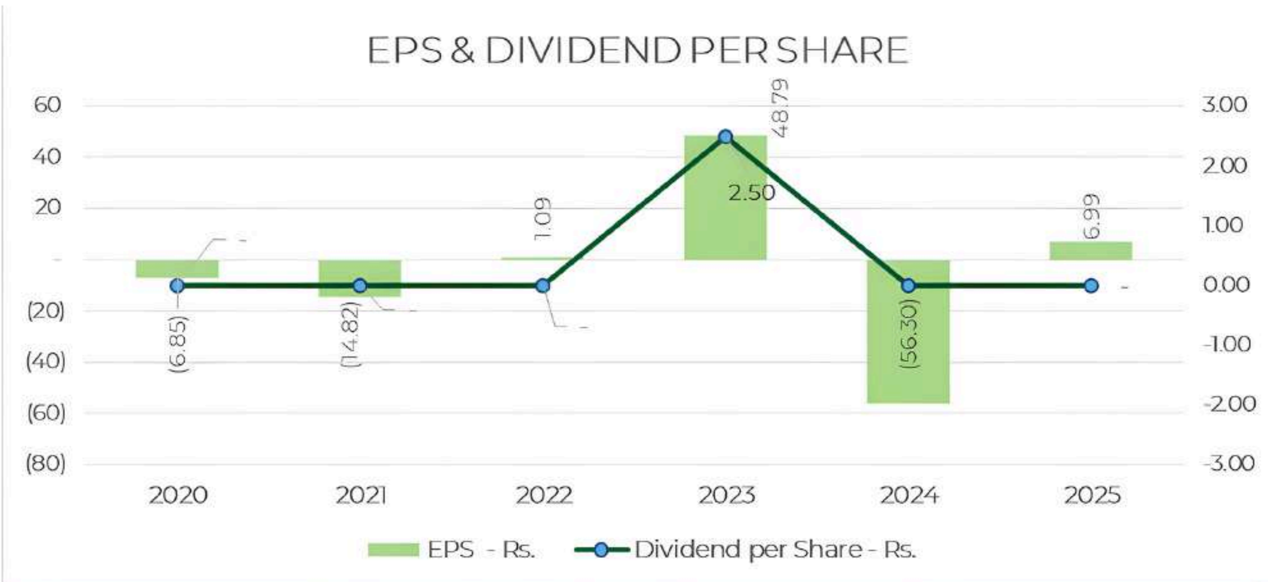
GRAPHS



LIQUIDITY ANALYSIS
(500)
(1,000)
(1,500)
(2,000)
(2,500)
1.00
0.80
0.60
0.40
0.20
(390)
0.87
(350)
0.78
(950)
0.79
(784)
0.79
(2,187)
0.68
(1,948)
0.40
2020
2021
2022
2023
2024
2025
Working Capital - Rs. In Million
Current Ratio - Times



SHAREHOLDERS' EQUITY & BREAKUP VALUE
3,500
3,000
2,500
2,000
1,500
1,000
500
140
120
100
80
60
40
20
2,124
84.28
1,755
70.20
1,781
71.21
3,001
120.01
1,409
51.74
2,178
59.77
2020
2021
2022
2023
2024
2025
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
(6.85)
(14.82)
1.09
48.79
2.50
(56.30)
6.99
2020
2021
2022
2023
2024
2025
EPS - Rs.
Dividend per Share - Rs.

COMMENTS

FINANCIAL HIGHLIGHTS

The Company delivered a strong financial turnaround in FY 2025, marked by improved profitability, higher operating efficiency, and strengthened shareholders' equity. Net sales increased by 7.4%, reaching Rs. 11,967 million, reflecting stable operational performance despite industry and cost pressures.

Gross profit almost doubled, rising by 94.86%, while operating profit increased by 223.18%, highlighting effective cost control and improved margins. The Company reported a profit after tax of Rs. 255 million, compared to a loss in the previous year, demonstrating successful recovery from prior-period challenges.

Shareholders' equity increased by 54.6%, supported by right issue and improved profitability. Earnings per share improved significantly to Rs. 6.99, while book value per share rose to Rs. 59.77, enhancing overall shareholder value.

COMMENTS

INVESTOR INFORMATION - SIX YEAR

Over the six-year period, the Company's operational scale has remained stable, while financial performance shows cyclical trends influenced by sugar recovery rates, crushing volumes, and market prices.

Profitability ratios demonstrate a sharp improvement in FY 2025, with positive gross, operating, and net profit margins after losses in the previous year. Liquidity ratios remain below ideal benchmarks, reflecting tight working capital conditions; however, the improvement in cash flows from operations was mainly influenced by lifting of Inventory.

The decline in the current ratio during the year was mainly due to lower inventory levels at year-end following substantial stock sales. Despite the ratio movement, net working capital remained largely stable, and the change does not indicate any adverse liquidity impact.
Return on capital employed and return on equity improved materially during the year, underlining better asset utilization and improved earnings.

DUPONT ANALYSIS

The DuPont analysis highlights that the Company's Return on Equity of 11.69% is primarily driven by improved operating profitability and strong asset turnover.

Profit margin improved to 2.13%, reflecting better cost management, while capital turnover of 200.17% indicates efficient utilization of assets to generate revenue. Financial leverage remains moderate, suggesting that equity returns are being achieved largely through operational efficiency rather than excessive reliance on debt.

STATEMENT OF VALUE ADDITION

Total value added during the year increased significantly, reflecting higher operational surplus. A substantial portion of value added was distributed to employees, government, and financial institutions, demonstrating the Company's contribution to key stakeholders.\

The increase in value retained within the business indicates improved internal accruals, supporting future growth, capital expenditure, and balance sheet strengthening.

HORIZONTAL AND VERTICAL ANALYSIS

Statement of Financial Position:

Vertical analysis shows a higher proportion of non-current assets, reflecting continued investment in productive capacity and efficiency improvements. Equity as a percentage of total assets improved in FY 2025, mainly due to right issue during the year.

Horizontal analysis reveals growth in shareholders' equity and stabilization of liabilities, confirming improved financial resilience and reduced balance sheet stress compared to the previous year.

COMMENTS

HORIZONTAL AND VERTICAL ANALYSIS

Statement of Profit and Loss:

Net sales recorded year-on-year growth, while cost containment measures resulted in a significant improvement in operating and net margins. The transition from loss to profit reflects the combined impact of higher contribution margins, controlled expenses, and improved operational efficiencies.

QUARTERLY PERFORMANCE ANALYSIS

Quarterly analysis indicates seasonal variations typical of the sugar industry, with dull performance during peak crushing quarters. Profitability improved steadily toward the later quarters, supported by better pricing, and disciplined cost management.

The final quarter recorded the strongest contribution to annual profitability, underscoring operational momentum toward year-end.

GRAPHS

- Sugar production and recovery trends indicate stable production volumes with moderate variation in recovery rates.
- Cane crushing and average crushing per day show operational consistency and capacity utilization improvements.
- Profitability graphs highlight the sharp rebound in FY 2025 after losses in the previous year.
- Liquidity analysis reflects constrained working capital, though gradual improvement is visible. The reduction in the current ratio is mainly attributable to lower inventory balances at year-end following strong sales, while net working capital remained stable, indicating no adverse liquidity impact.
- Shareholders' equity and EPS trends confirm enhanced shareholder value creation in the current year.

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To The Members of Faran Sugar Mills Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of Faran Sugar Mills Limited ('the Company'), which comprise the statement of financial position as at September 30, 2025, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ('the 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 statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the 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, 2025 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 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 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 financial statements and our auditor's reports thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT

To The Members of Faran Sugar Mills Limited

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the 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 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.

INDEPENDENT AUDITOR'S REPORT

To The Members of Faran Sugar Mills Limited

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 statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the 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 5, 2026
UDIN: AR202510210H0Q3aBpm6

STATEMENT OF FINANCIAL POSITION

A

	Note	2025	2024
ASSETS		------------- **Rupees** -------------	
Non-current assets			
Property, plant and equipment	4	**3,014,275,336**	3,051,983,067
Long term investments	5	**1,258,448,507**	1,134,652,499
Long term advances		**3,779,974**	322,410
Long term deposits	6	**9,307,534**	8,662,933
Deferred tax asset	7	**376,821,500**	146,461,662
		4,662,632,851	4,342,082,571
Current assets			
Stores and spares	8	**133,043,321**	127,449,426
Stock in trade	9	**412,544,937**	3,063,789,150
Trade debts	10	**320,506,866**	606,094,565
Short term investments	11	**-**	6,231,409
Loans, advances, deposits and other receivables	12	**312,582,670**	676,600,065
Cash and bank balances	13	**137,270,147**	97,330,221
		1,315,947,941	4,577,494,836
Total assets		**5,978,580,792**	8,919,577,407
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital	14	**600,000,000**	400,000,000
Issued, subscribed and paid up capital	14	**395,109,889**	250,069,550
Capital reserves			
Share premium	14.3	**371,073,000**	8,472,152
Surplus on re-measurement of investment		**11,017,273**	4,187,879
		382,090,273	12,660,031
Revenue reserves			
Unappropriated profits		**1,400,692,570**	1,146,001,102
		2,177,892,732	1,408,730,683
Non-current liabilities			
Long term borrowings from banking companies	15	**400,216,576**	514,119,715
Deferred liabilities	16	**136,121,656**	221,300,022
		536,338,232	735,419,737
Current liabilities			
Trade and other payables	17	**863,710,551**	1,179,694,297
Current maturity of long term liabilities	18	**165,780,122**	211,830,778
Short term borrowings from banking companies	19	**2,143,893,903**	4,730,898,000
Accrued mark up		**73,553,316**	619,781,551
Unclaimed dividend		**9,407,036**	9,407,036
Income tax payable	20	**8,004,900**	23,815,325
		3,264,349,828	6,775,426,987
Contingencies and commitments	21		
Total equity and liabilities		**5,978,580,792**	8,919,577,407

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

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

STATEMENT OF PROFIT OR LOSS

	Note	2025	2024
		------------- Rupees -------------	
Sales revenue - net	22	**11,967,089,302**	11,143,054,575
Cost of sales	23	**(10,912,130,722)**	(10,601,660,910)
Gross profit		**1,054,958,580**	541,393,665
Administrative expenses	24	**(219,327,974)**	(249,301,333)
Selling and distribution expenses	25	**(66,623,545)**	(106,298,061)
Other income	26	**97,756,463**	110,497,119
Other expenses	27	**(4,221,546)**	(29,399,025)
Operating profit		**862,541,978**	266,892,365
Finance costs	28	**(801,226,677)**	(1,416,249,521)
		61,315,301	(1,149,357,156)
Share of profit or loss of associates - net	29	**117,066,584**	(652,346,477)
Profit / (Loss) before levies and taxation		**178,381,885**	(1,801,703,633)
Levies	30	**(154,050,255)**	(139,934,519)
Profit / (Loss) before taxation		**24,331,630**	(1,941,638,152)
Taxation	31	**230,359,838**	408,619,598
Profit / (Loss) after taxation		**254,691,468**	(1,533,018,554)
Earnings / (Loss) per share - basic and diluted (restated)	32	**6.99**	(56.30)

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

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

STATEMENT OF COMPREHENSIVE INCOME

	2025	2024
	------------- Rupees	--------------
Profit / (Loss) after taxation	**254,691,468**	(1,533,018,554)
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	**6,829,394**	3,240,909
Total comprehensive income / (loss) for the year	**261,520,862**	(1,529,777,645)

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

Ahmed Ali Bawany
Chief Executive Officer

Muhammad Omar Bawany
Chairman

Muhammad Ayub
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

	Issued, subscribed and paid up capital	Capital reserves		Unappropriated profits	Total
		Share premium	Surplus on re-measurement of investment		
	----------	----------	(Rupees)	----------	----------
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					
- Loss after taxation	-	-	-	(1,533,018,554)	(1,533,018,554)
- Other comprehensive income	-	-	3,240,909	-	3,240,909
	-	-	3,240,909	(1,533,018,554)	(1,529,777,645)
Transactions with owners					
Final cash dividend paid @ 25% for the year ended September 30, 2023 (2022:	-	-	-	(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**	**1,408,730,683**
Total comprehensive income for the year ended September 30, 2025					
- Profit after taxation	-	-	-	**254,691,468**	**254,691,468**
- Other comprehensive income	-	-	**6,829,394**	-	**6,829,394**
	-	-	**6,829,394**	**254,691,468**	**261,520,862**
Transactions with owners					
Issuance of right shares	**145,040,339**	**362,600,848**	-	-	**507,641,187**
Balance as at September 30, 2025	**395,109,889**	**371,073,000**	**11,017,273**	**1,400,692,570**	**2,177,892,732**

The annexed notes from 1 to 41 form 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 FLOW

	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		------------- Rupees	-------------
Cash generated from / (used in) operations	34	**3,897,162,880**	(2,107,892,883)
Income tax paid		**(165,629,924)**	(110,631,112)
Payment to Workers' Welfare Fund		**(8,000,000)**	(408,388)
Payment to Workers' Profit Participation Fund		**-**	(31,264,270)
Finance cost paid		**(1,287,423,421)**	(859,061,912)
Net cash generated from / (used in) operating activities		**2,436,109,535**	(3,109,258,565)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		**(150,889,568)**	(241,174,728)
Proceeds from sale of property, plant and equipment		**653,498**	12,457,993
Refund of advance from contractor		**9,000,000**	-
Proceeds from disposal of short term investment		**3,224,721**	-
Proceeds received after winding up of subsidiary		**99,970**	-
Dividend received		**145,875**	25,040,499
Profit received on deposit accounts		**7,079,714**	10,463,151
Long term advances -net		**(3,457,564)**	43,886,780
Long term deposits - net		**(644,601)**	4,969,458
Net cash (used in) investing activities		**(134,787,955)**	(144,356,847)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**-**	(61,944,066)
Proceeds from issuance of shares		**507,641,187**	-
Financing obtained under IFRE facility	15.2.3	**-**	72,036,000
Repayments under Diminishing Musharaka financing	15.3	**(54,393,360)**	(271,709,942)
Repayment under ITERF and IFRE Facility		**(132,025,384)**	(90,107,434)
Short term borrowings - net		**(3,987,404,096)**	3,493,578,046
Net cash (used in) / generated from financing activities		**(3,666,181,653)**	3,141,852,604
Net decrease in cash and cash equivalents		**(1,364,860,073)**	(111,762,808)
Cash and cash equivalents at the beginning of the year		**2,130,220**	113,893,028
Cash and cash equivalents at the end of the year	33	**(1,362,729,853)**	2,130,220

The annexed notes from 1 to 41 form an integral part of these 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, 2025

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 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 financial statements

All items in these 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 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 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 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 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 IFRE / ITERF	Whether the financing contains an element of government grant that should be recognized separately as deferred income.

(b) 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 for the financial year and are considered relevant to the Company’s financial statements:

IAS 1 – Classification of Liabilities as Current or Non-current (Amendments issued January 2020 and October 2022, effective January 1, 2024):

Under the previous requirements of IAS 1, a liability was classified as current if the Company did not have an unconditional right to defer settlement for at least twelve months after the reporting date. Following the amendments,
the requirement for the right to be "unconditional" has been removed. Instead, the amendments specify that the right to defer settlement must be substantive and must exist as of the reporting date. Such a right may depend on the Company's compliance with conditions (covenants) set out in a loan agreement.

In October 2022, the IASB clarified that only covenants that the Company is required to comply with on or before the reporting date affect whether a liability is classified as current or non-current. Covenants that are tested after the reporting date (i.e., future covenants) do not impact classification at that date. However, if non-current liabilities are subject to future covenants, the Company must provide additional disclosures to enable users to understand the risk that such liabilities could become repayable within twelve months after the reporting date.

IFRS 16 – Lease Liability in a Sale and Leaseback (Amendments issued September 2022, effective January 1, 2024):

The amendments affect how a seller-lessee accounts for variable lease payments arising from a sale-and-leaseback transaction. At the time of initial recognition, the seller-lessee is required to include variable lease payments when measuring the lease liability. Subsequently, the seller-lessee applies the general requirements for lease liability accounting in a way that ensures no gain or loss is recognised in relation to the right-of-use asset it retains. These amendments introduce a new accounting model for variable lease payments and may require seller-lessees to reassess and, in some cases, restate previously recognised sale-and-leaseback transactions.

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

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

The following standards and amendments have been issued but are not effective for the financial year beginning July 1, 2024 and have not been early adopted by the Company:

IAS 21 – The Effects of Changes in Foreign Exchange Rates (Amendments: Lack of Exchangeability, effective January 1, 2025):

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates address circumstances where a currency is not exchangeable, often due to government restrictions. In such cases, entities are required to estimate the spot exchange rate that would apply in an orderly transaction at the measurement date. The amendments permit flexibility by allowing the use of observable exchange rates without adjustment or other estimation methods, provided these meet the overall estimation objective. When assessing this, entities should consider factors such as the existence of multiple exchange rates, their intended use, nature, and frequency of updates. The amendments also introduce new disclosure requirements, including details of the non-exchangeability, its financial impact, the spot rate applied, the estimation approach used, and related risks.

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (effective January 1, 2026)

Amendments to IFRS 7 Financial Instruments: Disclosures and IFRS 9 Financial Instruments – Classification and Measurement provide clarifications and updates in several areas. They refine the requirements around the timing of recognition and derecognition of certain financial assets and liabilities, introducing a new exception for financial liabilities settled via electronic cash transfer systems. The amendments also clarify and expand the guidance on assessing whether a financial asset meets the "solely payments of principal and interest" (SPPI) criterion. In addition, new disclosure requirements are introduced for

instruments with contractual terms that can alter cash flows, such as those linked to environmental, social, and governance (ESG) targets. Further updates are also made to the disclosure requirements for equity instruments designated at fair value through other comprehensive income (FVOCI).

IFRS 17 – Insurance Contracts (effective January 1, 2026 in Pakistan, as directed by SECP vide SRO 1715(I)/2023):

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 1, 2026 by companies engaged in insurance / takaful and re-insurance / re-takaful business.

Annual Improvements – Volume Eleven (effective January 1, 2026):

- Hedge Accounting by a First-time Adopter (Amendments to IFRS 1) - 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) - 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) - 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.

- 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) - 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, 2025:

IFRS 18 – Presentation and Disclosure in Financial Statements

The new standard on presentation and disclosure in financial statements, IFRS 18, focuses on updates to the statement of profit or loss. It introduces key concepts such as the structure of the statement of profit or loss, required disclosures for certain profit or loss performance measures reported outside the financial statements (management-defined performance measures), and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.

Major Impact on Companies' Financial Statements:

IFRS 18 will require the Company to restructure their statement of profit or loss into operating, investing, and financing categories, which may alter familiar subtotals such as operating profit. This standard focuses on disaggregation will expand disclosures, requiring more detailed breakdowns of income, expenses, and significant transactions, rather than broad groupings. Adoption will also demand updates to reporting systems and processes, increasing compliance effort, but ultimately enhancing transparency, comparability, and investor confidence.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

IFRS 19 – Subsidiaries without Public Accountability: Disclosures introduces reduced disclosure requirements for eligible subsidiaries that apply IFRS Accounting Standards. It applies to subsidiaries without public accountability whose parent prepares publicly available consolidated IFRS financial statements. Recognition and measurement remain fully aligned with IFRS, while disclosures are significantly simplified. The standard aims to ease the reporting burden without compromising the usefulness of information, and adoption is voluntary.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these 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 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 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 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 Financial assets

3.6.1 *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.

3.6.2 *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.

3.6.3 ***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.

3.6.4 ***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.

3.7 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.

3.8 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.

3.09 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.

3.10 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.

3.11 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.

3.12 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.

3.13 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'*.

3.14 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.

3.15 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.

3.16 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.

3.17 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.

3.18 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 or 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.

3.19 Dividend distribution

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

		Note	2025	2024
			Rupees	
4.	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating fixed assets	*4.1*	**3,014,275,336**	2,978,482,854
	Capital work-in-progress	*4.2*	**-**	73,500,213
			3,014,275,336	3,051,983,067

4.1 Operating fixed assets

	Freehold land	Factory building	Non-factory building	W.S. and drainage systems	Plant and machinery	Solar System	Power generation & distribution systems	Furniture and fixtures	Office and mill equipment	Electrical equipment	Communication systems	Vehicles	Total
	Rupees												
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	2,953,884,744
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**	**2,953,884,744**
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**
Movement during the year ended September 30, 2025													
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 during the year:													
- Transfer from CWIP	-	**10,737,064**	-	-	**1,464,212**	**63,836,001**	-	-	-	-	-	-	**76,037,277**
- Other additions	-	**1,761,249**	-	-	**133,628,230**	-	-	-	**720,500**	**1,638,125**	-	**1,604,400**	**139,352,504**
	-	**12,498,313**	-	-	**135,092,442**	**63,836,001**	-	-	**720,500**	**1,638,125**	-	**1,604,400**	**215,389,781**
Disposals:													
- Cost	-	-	-	-	-	-	-	-	-	-	-	**(628,200)**	**(628,200)**
- Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	**378,668**	**378,668**
	-	-	-	-	-	-	-	-	-	-	-	**(249,532)**	**(249,532)**
Depreciation for the year	-	**(8,391,415)**	**(10,934,815)**	**(29,929)**	**(129,312,555)**	**(6,383,600)**	**(12,109)**	**(593,070)**	**(1,504,973)**	**(6,987,044)**	**(61,064)**	**(15,137,193)**	**(179,347,767)**
Closing net book value	**99,690,777**	**79,844,478**	**98,623,339**	**269,366**	**2,532,698,538**	**57,452,401**	**108,984**	**5,337,630**	**11,961,202**	**65,521,733**	**1,091,010**	**61,675,878**	**3,014,275,336**
As at September 30, 2025													
Cost	**99,690,777**	**261,146,548**	**244,991,803**	**5,738,868**	**4,138,372,281**	**63,836,001**	**4,657,905**	**14,198,679**	**36,620,282**	**106,836,717**	**4,849,761**	**150,612,144**	**5,131,551,766**
Accumulated depreciation	-	**(181,302,070)**	**(146,368,464)**	**(5,469,502)**	**(1,605,673,743)**	**(6,383,600)**	**(4,548,921)**	**(8,861,049)**	**(24,659,080)**	**(41,314,984)**	**(3,758,751)**	**(88,936,266)**	**(2,117,276,430)**
Net book value	**99,690,777**	**79,844,478**	**98,623,339**	**269,366**	**2,532,698,538**	**57,452,401**	**108,984**	**5,337,630**	**11,961,202**	**65,521,733**	**1,091,010**	**61,675,878**	**3,014,275,336**
Annual rate of depreciation	**-**	**10%**	**10%**	**10%**	**5%**	**10%**	**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.

	Note	2025	2024
4.1.2 Depreciation charge for the year has been allocated as follows:		------------- Rupees -------------	
Cost of goods manufactured	*23.1*	**144,111,274**	136,761,710
Administration expenses	*24*	**35,236,493**	37,037,362
		179,347,767	173,799,072

4.2 Capital work-in-progress

	Note	2025	2024
Opening balance		**73,500,213**	33,878,681
Additions during the year		**11,537,064**	199,481,564
Refund of advance from contractor	*4.2.1*	**(9,000,000)**	-
Transfers to operating fixed assets		**(76,037,277)**	(159,860,032)
Closing balance		**-**	73,500,213

4.2.1 During the year, the Company received a refund from the contractor in respect of delay in supply of products.

5. LONG TERM INVESTMENTS	Note	2025	2024
		------------- Rupees -------------	
Investment in subsidiary	*5.1*	**-**	**99,970**
Investment in associates	*5.2*	**1,243,681,234**	**1,126,614,650**
Investment in certificates of B.F. Modaraba	*5.3*	**14,767,273**	**7,937,879**
		1,258,448,507	**1,134,652,499**

5.1 Investment in subsidiary - *at cost*

2025	2024		2025	2024
--- Number of shares ---			---------- Rupees ---------	
-	9,970	Ordinary shares of Rs. 10/- each	-	99,970

5.1.1 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 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.

5.1.2 The principal activity of FPL was the generation of power and its supply to Hyderabad Electric Supply Corporation (HESCO) through the Central Power Purchasing Authority (CPPA). However, FPL did not commence its operaqtions, as the project as halted due to CPPA's refusal to execute the Implementation Agreement (IA) and the Power Purchase Agreement (PPA). Consequently, the Company initiated voluntary winding-up proceedings, which were approved by the Security & Exchange Commission of Pakistan (SECP), during the year, the Company was wound up.

5.2 Investment in associates	Note	2025	2024
		------------- Rupees -------------	
Unquoted investments			
Unicol Limited	*5.2.1*	**1,234,018,827**	1,105,629,827
Uni Energy Limited	*5.2.2*	**9,662,407**	20,984,823
		1,243,681,234	1,126,614,650

5.2.1 Investment in Unicol Limited

As at September 30, 2025, the Company held 49,999,998 (2024: 49,999,998) ordinary shares of M/s. Unicol Limited (UL) which gives the Company 33.33% (2024: 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.

(a) ***Carrying amount of the investment and changes therein***	*Note*	**2025**	2024
		------------- Rupees	**-------------**
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		**605,629,847**	1,283,174,179
Cash dividend received during the year		**-**	(24,999,999)
Share of profit / (loss) for the year	*29*	**128,389,000**	(652,544,333)
		734,018,847	605,629,847
Carrying amount as of the reporting date		**1,234,018,827**	1,105,629,827

(b) ***Summarized financial information of the associate***

Based on its audited financial statements for the year ended September 30, 2025, the summarized financial information of M/s. Unicol Limited is as under:

	2025	2024
	------------- Rupees	**-------------**
Current assets	**4,438,562,000**	**7,089,444,000**
Non-current assets	**9,376,465,000**	**9,186,213,000**
Current liabilities	**4,346,928,000**	**8,567,130,000**
Non-current liabilities	**5,766,045,000**	**4,391,640,000**
Revenue	**20,965,888,000**	**19,217,560,000**
Profit after tax for the year	**385,167,000**	**(1,957,633,000)**
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**385,167,000**	**(1,957,633,000)**

5.2.2 Investment in Uni Energy Limited

As at September 30, 2025, the Company held 1,999,998 (2024: 1,999,998) ordinary shares of M/s. Uni Energy Limited (UEL) which gives the Company 20% (2024: 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.

M/s. Uni Energy Limited (UEL) commenced the winding-up process. Accordingly, the financial statements have been prepared on a non-going concern basis.

(a) *Carrying amount of the investment and changes therein*

	Note	2025	2024
		------------- Rupees -------------	
Cost of investment: 1,999,998 shares of Rs.10/- each		**19,999,980**	19,999,980
Accumulated share of loss / profit:			
Opening balance		**984,843**	786,987
Share of (loss) / profit for the year	*29*	**(11,322,416)**	197,856
		(10,337,573)	984,843
Carrying amount as of the reporting date		**9,662,407**	20,984,823

(b) *Summarized financial information of the associate*

Based on its un-audited financial statements for the year ended June 30, 2025, the financial information of M/s. Uni Energy Limited is summarized below:

	2025	2024
	------------- Rupees -------------	
Current assets	**56,759,034**	55,866,686
Non-current assets	**-**	49,458,304
Current liabilities	**8,447,000**	1,230,522
Non-current liabilities	**-**	-
Revenue	**-**	-
Profit after tax for the year	**(55,782,434)**	989,280
Other comprehensive income for the year	**-**	-
Total comprehensive income for the year	**(55,782,434)**	989,280

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

As at September 30, 2025, the Company held 939,394 (2024: 939,394) certificates of M/s. B.F. Modaraba ('the Modaraba') which gives the Company 12.50% (2024: 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.

(a) *Carrying amount of the investment and changes therein*

	2025	2024
	------------- Rupees -------------	
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	**4,187,879**	946,970
Increase in fair value during the year	**6,829,394**	3,240,909
	11,017,273	4,187,879
Carrying amount as of the reporting date	**14,767,273**	7,937,879

(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, 2025, the Company received a dividend from M/s. B.F. Modaraba amounting to Rs. nil (2024: nil).

6. LONG TERM DEPOSITS

	Note	2025	2024
		------------- Rupees -------------	
Security deposits in respect of:			
- Utilities		**7,136,887**	5,722,387
- Ijarah financing facility		**2,100,000**	2,869,899
- Others		**70,647**	70,647
		9,307,534	8,662,933

7. Deferred taxation - net

	Note	2025	2024
Deferred tax liability arising in respect of:			
Property, plant and equipment		**669,043,746**	424,845,710
Investment in associates		**180,920,319**	90,992,204
Long term borrowing from banking companies		**57,199,815**	57,623,961
		907,163,880	573,461,875
Deferred tax asset arising in respect of:			
Provision for slow moving stores and spares		**(6,799,542)**	(3,988,766)
Provision for WWF and WPPF		**(4,425,191)**	-
Deferred government grant		**(53,510,686)**	(37,828,999)
Minimum Tax		**(401,250,577)**	(251,661,961)
Unused tax losses		**(929,726,825)**	(678,105,772)
		(1,395,712,822)	(971,585,498)
		(488,548,942)	(398,123,623)
Unrecognised deferred tax asset	*7.1*	**111,727,442**	251,661,961
		(376,821,500)	(146,461,662)

7.1 Deferred tax asset amounting to Rs. 111.727 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.

8. STORES AND SPARES

	Note	2025	2024
		------------- Rupees -------------	
Stores on hand		**115,023,217**	113,066,357
Spares on hand		**29,840,979**	24,757,333
		144,864,196	137,823,690
Less: Provision for slow moving stores and spares		**(17,434,723)**	(13,754,365)
		127,429,473	124,069,325
Packing materials		**5,613,848**	3,380,101
		133,043,321	127,449,426

9. STOCK-IN-TRADE

	Note	2025	2024
Finished goods:			
- Sugar	*9.1*	**404,356,739**	3,049,216,855
- Bagasse		**7,788,314**	14,020,000
		412,145,053	3,063,236,855
Work in process		**399,884**	552,295
		412,544,937	3,063,789,150

9.1 As of the reporting date, the value of stock pledged against bank borrowings amounted to Rs. 303.060 Million (2024: Rs. 3.998 billion).

10. TRADE DEBTS - unsecured

	2025	2024
	------------- Rupees -------------	
Local receivables	**320,506,866**	606,094,565

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

Party name	Not yet due	1-30 days past due	31-60 days past due	More than 60 days past due	Total
	September 30, 2025				
			Rupees		
Unicol Limited	**-**	**-**	**-**	**8,272,542**	**8,272,542**

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

10.2 Maximum aggregate amounts outstanding during the year

	2025	2024
	------------- Rupees -------------	
Unicol Limited	**101,189,153**	2,026,235

11. SHORT TERM INVESTMENTS

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

2025	2024	Scrip name	2025 Cost	2025 Fair value	2024 Cost	2024 Fair value
-- (Number of shares) --			Rupees			
-	5,000	Oil and Gas Development Company	-	-	728,856	717,150
-	2,500	Pakistan State Oil Company Limited	-	-	545,925	403,225
-	28,125	Fauji Cement Company Limited	-	-	424,237	711,000
			-	-	1,699,018	1,831,375
Investment at amortised cost:						
		Term Deposit Certificates	-	-	4,400,000	4,400,000
			-	-	6,099,018	6,231,375

11.1	**Unrealized loss on remeasurement of investments as of the reporting date**	*Note*	**2025**	**2024**
			------------- Rupees -------------	
	Market value of the investment		**-**	6,231,409
	Cost of investment		**-**	(6,099,052)
			-	132,357

11.2	**Movement in unrealized loss on remeasurement of investments**			
	At the beginning of the year		**132,357**	(591,774)
	Change in fair value of investment during the year	*26*	**-**	724,131
	Reversal on disposal		**(132,357)**	-
	At the end of the year		**-**	132,357

12.	**LOANS, ADVANCES, DEPOSITS AND OTHER RECEIVABLES - Unsecured**			
	Loans (interest-free)	*12.1*	**119,907,444**	20,579,253
	Advances (interest-free)	*12.2 & 41.5*	**30,538,107**	63,106,312
	Deposits	*12.3*	**48,747,900**	50,747,900
	Other receivables	*12.4 & 41.5*	**113,389,219**	542,166,600
			312,582,670	676,600,065

12.1	**Loans (interest-free)**			
	Loan to growers		**119,255,047**	19,011,856
	Loan to employees	*12.1.1*	**652,397**	1,567,397
			119,907,444	20,579,253

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

12.2	**Advances (interest-free)**	*Note*	**2025**	2024
			------------- Rupees -------------	
	Advance to suppliers:			
	- Suppliers of goods	*41.5*	**21,863,747**	54,846,659
	- Suppliers of services		**4,678,184**	4,536,671
			26,541,931	59,383,330
	Advance to contractors		**2,100,000**	-
	Other advances		**1,896,176**	3,722,982
			30,538,107	63,106,312

12.3	**Deposits**			
	Performance guarantee deposit	*12.3.1*	**48,740,400**	50,740,400
	Others		**7,500**	7,500
			48,747,900	50,747,900

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

	Note	2025	2024
		------------- Rupees -------------	
Pakistan Army		-	2,000,000
Utility Stores Corporation of Pakistan (Pvt.) Limited		**48,740,400**	48,740,400
		48,740,400	50,740,400

12.4 Other receivables

	Note	2025	2024
Freight subsidy receivable	*12.4.1*	**83,283,750**	388,014,167
Sales tax receivable	*16.1*	-	56,424,979
Road cess receivable		**7,180,538**	7,180,538
Insurance claim		-	32,197,512
Others	*12.4.2 & 41.5*	**22,924,931**	58,349,404
		113,389,219	542,166,600

12.4.1 Freight subsidy receivable

	Note	2025	2024
Government of Sindh	*12.4.1.1*	-	304,730,417
Trading Development Authority of Pakistan (TDAP)	*12.4.1.2*	**83,283,750**	83,283,750
		83,283,750	388,014,167

12.4.1.1 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 of the petition through their order dated 30th March 2023, directed to release the subsidy within first quarter of forthcoming financial year. During the year, the aforesaid subsidy was released by the Government of Sindh.

12.4.1.2 This represents the Inland Freight Subsidy receivable from the Trade Development Authority of Pakistan (TDAP) in respect of exports made by the Company during the financial years 2012-13 and 2013-14.

The Pakistan Sugar Mills Association (PSMA), along with the Company, has pursued the matter with TDAP for release of the said subsidy; however, no payment has been received to date. In January 2023, the Company, together with several other sugar mills, filed a Constitutional Petition (No. 653/2023) before the Honourable Sindh High Court (SHC) seeking release of the subsidy. Pursuant to an order dated May 02, 2025, the Honourable Court directed TDAP to pass a speaking order within 30 days regarding the release of the subsidy.

TDAP issued a speaking order dated June 16, 2025, stating that the subsidy could not be disbursed until funds were released by the Finance Division. Subsequently, on August 19, 2025, a fresh petition (bearing No. 4144/2025) was filed against the said speaking order before the Honourable Sindh High Court. The petition was disposed of on November 26, 2025, whereby the Honourable Court dismissed the petition on the grounds that the grant of subsidy constitutes a benefit and not a fundamental right.

The Company intends to challenge the said order before the Honourable Federal Constitutional Court through the filing of a Civil Petition for Leave to Appeal. Based on the assessment of the matter and legal advice received, the management believes that the Company has reasonable legal grounds to pursue the matter and is optimistic about the outcome of the petition.

12.4.2 This balance includes receivables due from a related party which are following .

	Note	2025	2024
		------------- Rupees -------------	
-BF Modrarba	*12.4.2.1*	**2,375,209**	2,421,089
-Provident Fund Trust	*12.4.2.2*	**2,368,976**	-
-Reliance Insurance		**4,549,428**	-
		9,293,613	2,421,089

12.4.2.1 This receivable represents expenses paid by the company on behalf of BF Modaraba Limited, a related party.

12.4.2.2 This represents short-term loans by the Company to employees on behalf of the Provident Fund, which were fully recovered from the Provident Fund.

13. CASH AND BANK BALANCES

	Note	2025	2024
		------------- Rupees -------------	
Cash at bank:			
- In current accounts		**87,303,389**	81,152,427
- In deposit accounts	*13.1*	**32,098,816**	6,505,193
		119,402,205	87,657,620
Cash in hand		**17,867,942**	9,672,601
		137,270,147	97,330,221

13.1 These represent balances held in deposit accounts carrying profit at the rates ranging from 4.24% to 9% (2024: 5.25% to 17.25%).

14. AUTHORIZED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2025	2024		2025	2024
--- Number of shares ---			------------- Rupees -------------	
		Authorized capital		
60,000,000	40,000,000	Ordinary shares of Rs. 10/- each	**600,000,000**	400,000,000
		Issued, subscribed and paid up capital		
		Ordinary shares of Rs. 10/- each issued:		
18,201,714	18,201,714	- for cash	**182,017,140**	182,017,140
6,805,241	6,805,241	- as bonus shares	**68,052,410**	68,052,410
14,504,034	-	- as Right shares	**145,040,339**	-
39,510,989	25,006,955		**395,109,889**	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.

14.2

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 September 30, 2025	**39,510,989**	**395,109,889**

14.2.1 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.

		Amount in rupees
14.3	**Movement in Share premium**	
	Share premium as at September 30, 2024	8,472,152
	Issuance of right shares	362,600,848
	Share premium as at September 30,2025	**371,073,000**

14.3.1 As stated in note 14.2.1 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.

		Note	2025	2024
15.	**LONG TERM BORROWINGS FROM BANKING COMPANIES**		------------- Rupees -------------	
	Financing under SBP schemes			
	Islamic Temporary Economic Refinance Facility (ITERF)	*15.1*	**332,871,238**	375,346,864
	Islamic Financing for Renewable Energy (IFRE)	*15.2*	**33,844,351**	75,103,768
			366,715,589	450,450,632
	Other financing schemes			
	Diminishing Musharaka financing	*15.3*	**33,500,987**	63,669,083
		15.4	**400,216,576**	514,119,715
15.1	**Financing under Islamic Temporary Economic Refinance Facility (ITERF)**			
	Faysal Bank Limited	*15.1.1*	**280,459,801**	318,349,065
	Bank Islami Pakistan Limited	*15.1.2*	**52,411,437**	56,997,799
			332,871,238	375,346,864

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	2025	2024
		------------- Rupees -------------	
Opening carrying amount - net of deferred grant		**409,463,492**	443,030,370
Interest recognized on unwinding of the liability	*28*	**39,333,056**	44,273,173
Loan installments paid during the year		**(98,546,572)**	(77,840,051)
		350,249,976	409,463,492
Less: Current maturity shown under current liabilities	*18.1*	**(69,790,175)**	(91,114,427)
Non-current maturity		**280,459,801**	318,349,065

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. (2024: 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 (2024: 100 million) and the drawn down amount is Rs. 90.48 million (2024 : Rs. 94.34 million).

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

	Note	2025	2024
		------------- Rupees -------------	
Opening carrying amount - net of deferred grant		**74,142,319**	73,179,637
Interest recognized on unwinding of the liability	*28*	**8,103,759**	8,863,724
Loan installments paid during the year		**(16,564,463)**	(7,901,042)
		65,681,615	74,142,319
Less: Current maturity shown under current liabilities	*18.1*	**(13,270,178)**	(17,144,520)
Non-current maturity		**52,411,437**	56,997,799

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 (2024:4% 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	2025	2024
15.2	**Islamic Financing for Renewable Energy (IFRE)**	*Note*	**------------- Rupees -------------**	
	Bank Islami Pakistan Limited	*15.2.1*	**9,583,969**	10,456,076
	Bank Al Habib Limited	*15.2.3*	**24,260,383**	64,647,692
			33,844,351	75,103,768

			2025	2024
15.2.1	**Bank Islami Pakistan Limited**			
	Opening Balance		**15,192,985**	**29,907,695**
	Loan proceeds received from bank		**-**	**-**
	Less: Element of government grant recognized as deferred income		**-**	**(14,104,004)**
	Add: Interest on unwinding of the loan		**3,575,978**	**3,755,635**
	Loan installments paid during the year		**(4,290,337)**	**(4,366,341)**
			14,478,626	**15,192,985**
	Less: Current maturity shown under current liabilities	*18 & 41.5*	**(4,894,657)**	**(4,736,909)**
			9,583,969	**10,456,076**

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. 23.73 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).

15.2.2 Since the above IFRE 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	2025	2024
		Note	**------------- Rupees -------------**	
15.2.3	**Bank Al Habib Limited**			
	Opening Balance		**72,036,000**	**-**
	Loan proceeds received from bank		**-**	72,036,000
	Less: Element of government grant recognized as deferred income		**(34,729,932)**	-
	Add: Interest on unwinding of the loan		**9,018,663**	-
	Loan installments paid during the year		**(12,624,012)**	-
			33,700,720	72,036,000
	Less: Current maturity shown under current liabilities	*18*	**(9,440,337)**	(7,388,308)
			24,260,383	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.

15.2.4 Since the above IFRE 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).

15.3 Diminishing Musharaka financing

Facilities obtained from Islamic banks

	Movement in Diminishing Musharaka facilities during the year ended September 30, 2025		Total outstanding balance as at September 30	
	Bank Al habib Limited	**BankIslami Pakistan Limited**	**2025**	2024
	---- Rupees ----			
Opening balance	**117,328,631**	**6,209,076**	**123,537,707**	395,247,649
Obtained during the year	**-**	**-**	**-**	-
	117,328,631	**6,209,076**	**123,537,707**	395,247,649
Payments made during the year	**(52,323,648)**	**(2,069,712)**	**(54,393,360)**	(271,709,942)
	65,004,983	**4,139,364**	**69,144,347**	123,537,707
Current maturity shown under current liabilities	**(33,573,648)**	**(2,069,712)**	**(35,643,360)**	(59,868,624)
	31,431,335	**2,069,652**	**33,500,987**	63,669,083

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.):	285,827,000	50,000,000
Installment 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. 285 million (2024: 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 (2024: Rs. 45.90 million).

		Note	2025	2024
16.	**DEFERRED LIABILITIES**		------------- Rupees -------------	
	Sales tax payable	*16.1*	**31,656,182**	109,419,576
	Deferred government grant	*16.1*	**104,465,474**	111,880,446
			136,121,656	221,300,022

16.1 During the year, the management reviewed the accounting treatment adopted as a result of the judgment of the High Court of Sindh around the year 2000, whereby it was declared that further tax was not applicable to persons who were not registered but were liable to be registered under the then prevailing reading of subsection (25) of Section 2 of the Act. In this respect, the appeal of the Collectorate of Sales Tax was long ago remanded by the Supreme Court of Pakistan to the Honourable High Court of Sindh, where the matter has been pending for a considerable period for further adjudication.

As per the records of the Company, an order was passed in 2006 and a consequential demand was raised by the department in 2007 amounting to Rs. 31.656 million. The Company then filed an appeal against the said impugned order, which is still pending. The Company has decided to keep the deferred liability restricted to the said amount and to transfer the other receivable to the said account. The balance liability has been reversed to income, as these balances relate to further tax amounts of the past 20 years and there is no likelihood of any obligation other than Rs. 31.656 million, which itself relates to an old issue and a past and closed matter.

		Note	2025	2024
16.1	**Deferred government grant**		------------- Rupees -------------	
	Deferred government grant recognized in respect of:			
	- Islamic Temporary Economic Refinance Facility	*16.1.1*	**76,880,313**	101,743,349
	- Islamic Financing for Renewable Energy (IFRE)	*16.1.2*	**27,585,161**	10,137,097
			104,465,474	111,880,446
16.1.1	**Deferred grant on ITERF**			
	Opening balance		**130,444,825**	162,552,362
	Add: Grant recognized during the year		**-**	-
	Less: Amortization for the year		**(28,617,981)**	(32,107,537)
			101,826,844	130,444,825
	Less: Current maturity shown under current liabilities	*18.2*	**(24,946,531)**	(28,701,476)
	Non-current maturity		**76,880,313**	101,743,349
16.1.2	**Deferred grant on IFRE**			
	Opening balance		**13,013,611**	-
	Add: Grant recognized during the year		**34,729,932**	14,104,004
	Less: Amortization for the year		**(12,363,499)**	(1,090,393)
			35,380,044	13,013,611
	Less: Current maturity shown under current liabilities		**(7,794,883)**	(2,876,514)
	Non-current maturity		**27,585,161**	10,137,097

		Note	2025	2024
17.	**TRADE AND OTHER PAYABLES**		------------- Rupees -------------	
	Trade creditors:			
	- Sugarcane growers		**42,641,311**	69,638,693
	- Suppliers of stores and spares		**55,864,042**	123,236,164
			98,505,353	192,874,857

Other payables:	Note	2025	2024
		------------- Rupees -------------	
Advance and deposit from customers	17.1	**437,206,052**	392,243,257
Sales tax payable	41.5	**209,510,118**	421,032,270
Accrued liabilities	41.5	**66,866,034**	70,859,441
Workers' Welfare Fund	17.2	**5,061,289**	11,896,298
Workers' Profit Participation Fund	17.3	**6,285,354**	3,219,589
Special Excise Duty payable	17.4	**13,208,869**	13,208,869
Road cess payable		**-**	4,774,825
Security deposits		**9,712,632**	7,322,332
Withholding income tax payable		**16,670,541**	34,686,231
Others	17.5	**684,309**	27,576,328
		765,205,198	986,819,440
		863,710,551	1,179,694,297

17.1 During the year, the performance obligations underlying the opening contract liability of Rs. 392.243 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. 437.206 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. 63.750 million (2024: Rs. 49.30 million) received as advance from M/s. B.F. Modaraba, a related party.

		2025	2024
17.2	**Workers' Welfare Fund**	------------- Rupees -------------	
	Opening balance	**11,896,298**	12,304,686
	Add: charge for the year	**1,164,991**	-
		13,061,289	12,304,686
	Less: Payment during the period/ year	**(8,000,000)**	(408,388)
	Closing balance	**5,061,289**	11,896,298
17.3	**Workers' Profit Participation Fund**		
	Opening balance	**3,219,589**	34,483,859
	Add: charge for the year	**3,065,765**	-
		6,285,354	34,483,859
	Less: payment during the year	**-**	(31,264,270)
	Closing balance	**6,285,354**	3,219,589

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.Nil (2023: Rs. 25.94 million) due to M/s. Reliance Insurance Limited, a related party.

18. CURRENT MATURITY OF LONG TERM LIABILITIES

	Note	2025	2024
		------------- Rupees -------------	
Current maturity of:			
- Islamic Temporary Economic Refinance Facility (ITERF)	*18.1*	**83,060,353**	108,258,947
- Islamic Financing for Renewable Energy (IFRE)	*15.2 & 41.5*	**14,334,994**	12,125,217
- Diminishing Musharaka financing	*15.3*	**35,643,360**	59,868,624
		133,038,708	180,252,788
- Deferred government grant	*18.2*	**32,741,414**	31,577,990
		165,780,122	211,830,778

18.1 Current maturity of ITERF

	Note	2025	2024
Faysal Bank Limited	*15.1.1*	**69,790,175**	91,114,427
Bank Islami Pakistan Limited	*15.1.2*	**13,270,178**	17,144,520
		83,060,353	108,258,947

18.2 Current maturity of deferred government grant

	Note	2025	2024
Islamic Temporary Economic Refinance Facility	*16.1.1*	**24,946,531**	28,701,476
Islamic financing facility for renewable energy	*16.1.2*	**7,794,883**	2,876,514
		32,741,414	31,577,990

19. SHORT TERM BORROWINGS - Secured

	Note	2025	2024
Islamic financing arrangements	*19.1*	**2,143,893,903**	4,730,898,000

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. 7,800 million (2024: Rs. 8,050 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 + 0.31% to 1.25 % per annum (2024: KIBOR + 0.50% to 1 % per annum).

19.2 As of the reporting date, the Company had Unavailed short term financing facilities amounting to Rs. 5,656 million (2024: Rs. 3,320 million).

20. TAXATION - net

	Note	2025	2024
		------------- Rupees -------------	
Opening balance		**(23,815,325)**	5,488,082
Taxes deducted at source / paid during the year		**165,629,924**	110,631,112
		141,814,599	116,119,194
Less: Provision for levies for the year		**(149,819,499)**	(139,934,519)
	20.1	**(8,004,900)**	(23,815,325)

20.1 This includes a provision recognized in respect of super tax payable for the tax year 2024 amounting to Rs. 38.43 million.

20.2 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 2025 (accounting year ended September 30, 2024) 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.

21. CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

21.1.1 *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.

During the year, the CAT disposed of the above-mentioned Appeal vide its order dated May 21, 2025, whereby the impugned CCP Order dated August 13, 2021 was set aside and the matter was remanded back to the Commission with the direction that the Chairman or any other member not previously involved should hear the case afresh and decide the matter within 90 days of the Order. Being aggrieved with the CAT's direction to remand the matter back to the Commission, the Company filed a Civil Appeal No. 466/2025 before the Honourable Supreme Court of Pakistan (the Apex Court) who vide its Order dated September 18, 2025, upheld the CAT order to the extent of casting vote and remanding the case back to the CAT, to hear the case afresh and decide the matter within 90 days of this Order.

Furthermore, the appeal before the CAT was withdrawn on October 28, 2025, due to a split decision between the two Members of the Tribunal; consequently, no operative order remains in force. Subsequently, on November 3, 2025, the CCP filed a review petition before the SCP against the said order.

Further, Suit No. 2273 of 2021, which was pending adjudication before the Sindh High Court in the previous reporting period, has been transferred to the Court of the Senior Civil Judge / Assistant Sessions Judge-XV, Karachi South (City Court, Karachi), where it has been re-numbered as Suit No. 5331 of 2025 for further proceedings.

Currently, the CCP's review petition before the SCP is pending, and Suit No. 5331 of 2025 (formerly Suit No. 2273 of 2021) remains pending before the Session Court. Based on the opinion of its legal counsel, the Company has a strong case on merit, and the final outcome of these matters is expected to be favorable to the Company. Accordingly, no provision has been recognized in these financial statements for penalties aggregating Rs. 280 million.

(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 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.

In 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 was actively defending its position through its legal counsel before the SHC.

During the year ended 30 September 2025, the matters earlier disclosed as Suit No. 507/2023 before the Sindh High Court were transferred to the Courts of the Senior Civil Judge / Assistant Sessions Judge I, Karachi (East) and Senior Civil Judge / Assistant Sessions Judge III, Karachi (East), and renumbered as Suit No. 4986 of 2025. The cases remain pending adjudication.

(d) The State Bank of Pakistan (SBP) has imposed a penalty amounting to Rs. 9,647,674, being 15% of the shipment value of certain export consignments, on the basis that such consignments were allegedly delayed by one to two days, as interpreted by SBP. The Company has challenged the said penalty by filing Constitutional Petition No. D-1144 of 2019 before the Honourable High Court of Sindh, contending that the export proceeds were realized within the stipulated time period prescribed under the relevant SBP circulars.

The matter was heard and judgment was reserved on January 27, 2025. Based on the opinion of the Company's legal advisor, it is probable that the decision will be in favour of the Company, and accordingly no financial liability is expected to arise in respect of the aforesaid penalty.

(e) 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. Subsequent to the year end, the case was transferred to the Federal Constitutional Court. 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.

(f) 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.

On June 25, 2025, Commissioner Inland Revenue (Appeals-I), through its order set aside the appeal filed by the Company and upheld the order passed by the DCIR previously.

Being aggrieved by the aforesaid order, the Company filed an appeal No. ITA 756/2025 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 adjudication before the Appellate Tribunal Inland Revenue. After due consultation with its legal advisor, and in view of the decision in a similar case which was in favor of the Company, the Company expects a favorable outcome and, accordingly, has not made any provision in this regard.

(g) The Deputy Commissioner Inland Revenue (DCIR) vide its order, dated April 30, 2024, raised a demand of Rs. 27.902 million (including default surcharge u/s. 205 amounting to Rs. 26.426 million and penalty u/s. 182 amounting to Rs. 1.476 million) for the tax year 2018 on the alleged failure of the company to collect/deduct tax under sections 236G, 236H, 149 and 150 of the Income Tax Ordinance (ITO), 2001.

In response to the said order, on May 30 2024, the Company filed an reference before the Appellate Tribunal Inland Revenue of Pakistan 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 July 01, 2024, Appellant Tribunal Income tax, through its order set aside the appeal filed by the Company and upheld the order passed by the DCIR previously.

Being aggrieved by the aforesaid order, the Company filed an appeal No. ITRA 228/2024 with the Honorable High Court of Sindh on the grounds that order passed by the learned ATIR was bad in law and against the facts of the case.

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

(h) The Company received a notice under section 122(5A) of the Income Tax Ordinance, 2001 for Tax Year 2009, seeking amendment of the assessment order issued under section 120 by the Additional Commissioner Inland Revenue, Federal Board of Revenue (FBR). Pursuant thereto, certain expenses, namely quality premium expense amounting to Rs. 49,453,962 and loss on disposal of vehicle amounting to Rs. 480,000, were disallowed.

Being aggrieved, the Company filed an appeal before the Commissioner Inland Revenue (Appeals), who vide order dated May 31, 2010 decided the matter in favour of the Company and allowed the said expenses. The FBR subsequently filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which upheld the order of the Commissioner (Appeals) in January 2011.

Thereafter, the FBR filed a reference petition - ITRA(D) 184 of 2011 before the Honorable Sindh High Court against the order of ATIR, which is pending as of the reporting date. The next date of hearing of the said case is fixed for January 26, 2026.

(i) The Company received a show cause notice (No. DCIR/Unit-03/Zone-II/LTU/2013-14) dated December 10, 2013 from the Additional Commissioner Inland Revenue, stating that during scrutiny of the Sales Tax and Federal Excise returns for the tax periods February 2013 to October 2013, it was observed that the Company had paid Federal Excise Duty (FED) at the reduced rate of 0.5% under SRO 77(I)/2013 without fulfilling the prescribed conditions thereof. Accordingly, the Company was required to pay FED at the standard rate of 8%, resulting in an alleged short payment of FED amounting to Rs. 113.480 million.

After several hearings, an order dated February 19, 2014 was passed by the Additional Commissioner Inland Revenue, whereby the alleged FED liability was reduced to Rs. 49.190 million. Being aggrieved by the said order, the Company filed an appeal before the Commissioner Inland Revenue (Appeals), who vide order dated February 19, 2024 upheld the liability against the Company.

The Company thereafter filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which vide order dated March 04, 2016 decided the matter in favour of the Company. Subsequently, the Federal Board of Revenue (FBR) filed a reference application before the Honorable Sindh High Court, bearing Reference No. 32 of 2016, dated July 12, 2016, against the order of ATIR. The said reference is pending as of the reporting date, and the next date of hearing is fixed for January 14, 2026.

(j) The Company received Notice No. AC-24/WH/2022-2023/23353 dated September 8, 2022 from the Sindh Revenue Board (SRB), stating that under sub-rule (2) of Rule 1 of the Sindh Sales Tax Special Procedure (Withholding) Rules, 2014, the Company, being a withholding agent, was required to withhold and deposit sales tax at the applicable rates on taxable services received. The notice alleged that the Company had not deposited the withheld sales tax for tax years 2018, 2019, 2020 and 2021 due to short declaration of the value of taxable services amounting to Rs. 168.466 million, Rs. 180.700 million, Rs. 759.325 million and Rs. 764.104 million, respectively, and required the Company to clarify the reasons for such non-declaration.

The Company filed Constitutional Petition No. 6268 of 2022 on October 17, 2022 before the Honorable High Court of Sindh, contending that the notice, to the extent it relates to tax year 2018, is time-barred, as the relevant amendment to section 13(3) of the Sindh Sales Tax on Services Act, 2011 was enacted in 2019. The Company further submitted that similar matters have already been decided in favour of taxpayers in earlier cases.

Vide interim order dated October 18, 2022, the Honorable High Court of Sindh held that tax year 2018 is time-barred and directed the SRB not to pass any order in respect of tax year 2018 until the final disposal of the petition. The Court further observed that the department may seek its remedy by issuing and pursuing the show cause notice in accordance with law for other tax periods, and that the Company may respond to the same through proper replies. The matter remained pending in respect of subsequent tax years.

Subsequently, the Company received another notice (No. AC-24/WH/2022-2023/207602) dated July 21, 2023 from the SRB in relation to the same matter, related to tax years 2020 and 2021.

On October 1, 2024, the Honorable High Court of Sindh passed its final order in Constitutional Petition No. 6268 of 2022, maintaining the findings of the interim order. Being aggrieved by the said order, the SRB filed a Constitutional Petition (CP No. 1103-K of 2024) before the Honorable Supreme Court of Pakistan on December 6, 2024. The matter is pending as of the reporting date.

21.1.2 *Previously reported contingent liabilities that were resolved during the year*

In its financial statements for the year ended September 30, 2024, 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, 2025.

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.

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.

After the reporting period, On October 14, 2025, the Appellate Tribunal Inland Revenue (ATIR) issued an order whereby the demand raised was set aside.

		Note	2025	2024
21.2	**Commitments**		**------------- Rupees -------------**	
	Letters of credit issued in respect of:			
	- import of stores items		-	35,634,301
22.	**SALES REVENUE - net**			
	Revenue from local sales - net	*22.1*	**11,203,402,777**	10,940,295,275
	Revenue from export sales		**763,686,525**	202,759,300
			11,967,089,302	11,143,054,575
22.1	**Revenue from local sales - net**			
	Gross Sales of sugar		**12,430,752,115**	11,094,186,273
	Less: Sales tax / advance income tax		**(2,209,209,826)**	(1,746,976,081)
			10,221,542,289	9,347,210,192
	Gross sales of molasses (by-product)		**973,774,652**	1,374,680,029
	Less: Sales tax		**(148,541,896)**	(27,135,000)
			825,232,756	1,347,545,029
	Gross Sales of bagasse (by-product)		**175,040,300**	283,465,983
	Less: Sales tax		**(25,611,336)**	(47,514,394)
			149,428,964	235,951,589

	Note	2025	2024
		------------- Rupees -------------	
Gross Sales of power		**8,494,546**	11,314,389
Less: Sales tax		**(1,295,778)**	(1,725,924)
		7,198,768	9,588,465
Net sales revenue		**11,203,402,777**	10,940,295,275

23. COST OF SALES

	Note	2025	2024
Opening stock of finished goods		**3,063,236,855**	1,690,425,361
Cost of goods manufactured	*23.1*	**8,261,038,920**	11,974,472,404
		11,324,275,775	13,664,897,765
Closing stock of finished goods		**(412,145,053)**	(3,063,236,855)
		10,912,130,722	10,601,660,910

23.1 Cost of goods manufactured

	Note	2025	2024
Raw materials consumed		**7,227,284,794**	10,827,195,878
Conversion costs incurred:			
- Salaries, wages and benefits	*23.1.1*	**489,344,379**	467,385,874
- Repairs and maintenance		**119,048,971**	169,006,143
- Stores and spares consumed		**127,944,308**	169,317,113
- Depreciation	*4.1.2*	**144,111,274**	136,761,710
- Packing materials consumed		**55,823,280**	101,818,637
- Fuel and power		**32,796,280**	37,313,881
- Insurance		**32,166,382**	26,325,907
- Vehicle running expenses		**14,582,365**	19,038,342
- Others		**17,784,476**	17,289,314
		1,033,601,715	1,144,256,921
		8,260,886,509	11,971,452,799
Opening stock of work in process		**552,295**	3,571,900
Closing stock of work in process		**(399,884)**	(552,295)
		152,411	3,019,605
		8,261,038,920	11,974,472,404

23.1.1 This includes Rs. 4.41 million (2024: Rs. 4.15 million) in respect of staff retirement benefits.

			2025	2024
24.	**ADMINISTRATIVE EXPENSES**	*Note*	------------- Rupees	-------------
	Salaries and benefits	*24.1*	**109,559,788**	131,794,436
	Depreciation	*4.1.2*	**35,236,493**	37,037,362
	Vehicle running		**9,627,914**	12,098,529
	Ijarah lease rental		**2,791,502**	4,043,743
	Legal charges		**4,538,192**	6,285,798
	Fees and subscription		**13,072,266**	7,082,026
	Traveling and conveyance charges		**4,848,211**	4,576,500
	Utilities charges		**4,438,276**	4,369,464
	Telephone, postage and telegraph		**3,530,490**	3,105,356
	Insurance		**5,091,477**	3,974,671
	Auditors' remuneration	*24.2*	**1,881,667**	1,792,000
	Repairs and maintenance		**1,248,391**	9,865,383
	Professional services		**1,784,353**	2,146,800
	Printing and stationery		**1,057,570**	1,129,038
	Rent, rates and taxes		**858,326**	844,783
	Advertisement expenses		**432,100**	137,500
	IT related expenses		**1,933,768**	1,025,310
	General expenses		**17,397,190**	17,992,634
			219,327,974	249,301,333

24.1 This includes Rs. 2.97 million (2024: Rs. 3.20 million) in respect of staff retirement benefits.

			2025	2024
24.2	**Auditors' remuneration**	*Note*	------------- Rupees	-------------
	Statutory audit fee		1,110,000	1,110,000
	Half yearly review		500,000	500,000
	Certification charges		150,000	150,000
	Out of pocket expenses		32,000	32,000
			1,792,000	1,792,000
25.	**SELLING AND DISTRIBUTION EXPENSES**			
	Transportation		**32,422,705**	86,530,918
	Loading, stacking, bagging and storage		**10,625,690**	18,755,141
	Export expenses		**23,575,150**	1,012,002
			66,623,545	106,298,061
26.	**OTHER INCOME**			
	Gain on Sale of short term investments		**1,393,346**	-
	Amortization of deferred government grant	*41.5*	**40,981,480**	33,197,930
	Liabilities written back	*26.1*	**27,044,345**	-
	Sale of scrap		**5,295,240**	15,868,587
	Exchange gain		**1,392,011**	-
	Insurance claim		**-**	32,197,512
	Gain on sale of property, plant and equipment		**403,966**	9,301,979
	Profit on deposit accounts		**7,079,714**	10,463,151
	Miscellaneous		**6,603,608**	8,703,329
	Contract termination compensation income		**7,416,878**	-
	Unrealized loss on remeasurement of investments in quoted equity securities to fair value		**-**	724,131
	Dividend income		**145,875**	40,500
			97,756,463	110,497,119

			2025	2024
26.1	**Liabilities written back**	*Note*	------------- **Rupees**	-------------
	- Sale tax liability written back	*16.1*	**21,338,415**	-
	- Other liabilities written back		**5,705,930**	-
			27,044,345	-

27.	**OTHER EXPENSES**			
	Donation	*27.1*	**541,188**	498,597
	Exchange loss		**-**	219,724
	Provision for slow moving stores	*8*	**3,680,358**	1,964,920
	Others		**-**	26,715,784
			4,221,546	29,399,025

27.1 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.

28.	**FINANCE COSTS**	*Note*	**2025**	2024
			------------- **Rupees**	-------------
	Markup on short term borrowings		**722,441,334**	1,288,656,040
	Markup on long term borrowings:			
	- Diminishing Musharaka financing	*41.5*	**12,673,358**	65,404,037
	- IFRE from Bank AL Habib Limited	*15.2.3*	**9,018,663**	-
	- IFRE from Bank Islami Limited	*15.2.1*	**3,575,978**	3,755,635
	- ITERF from Faysal Bank Limited	*15.1.1*	**39,333,056**	44,273,173
	- ITERF from Bank Islami Pakistan Limited	*15.1.2*	**8,103,759**	8,863,724
			72,704,814	122,296,569
			795,146,148	1,410,952,609
	Bank charges		**6,080,529**	5,296,912
			801,226,677	1,416,249,521
29.	**SHARE OF PROFIT OR LOSS OF ASSOCIATES - net**			
	Unicol Limited	*5.2.1*	**128,389,000**	(652,544,333)
	Uni Energy Limited	*5.2.2*	**(11,322,416)**	197,856
			117,066,584	(652,346,477)
30.	**LEVIES**			
	Excess of minimum tax over normal tax		**149,588,616**	139,934,519
	Minimum tax		**209,002**	
	Income tax under final tax regime		**21,881**	-
			149,819,499	139,934,519
	Workers' Profit Participation Fund		**3,065,765**	-
	Workers' welfare fund		**1,164,991**	-
			4,230,756	-
			154,050,255	139,934,519

	Note	2025	2024
		------------- Rupees -------------	
31. TAXATION		**722,441,334**	1,288,656,040
Current		**-**	-
Deferred		**(230,359,838)**	(408,619,598)
		(230,359,838)	(408,619,598)

31.1 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 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).

	2025	Restated 2024
32. EARNINGS / (LOSS) PER SHARE	------------- Rupees -------------	
32.1 Basic earnings / (loss) per share		
Profit / (loss) after taxation	**254,691,468**	(1,533,018,554)
	------------- Number -------------	
Weighted average number of ordinary shares outstanding during the year	**36,440,265**	27,228,093
	------------- Rupees -------------	
Earnings / (Loss) per share - basic and diluted	**6.99**	(56.30)

32.2 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, 2025 and September 30, 2024.

33. 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	2025	2024
		------------- Rupees -------------	
Cash and bank balances	*13 &41.5*	**137,270,147**	97,330,221
Short term investment- term deposit certificates		**-**	4,400,000
Running finance		**(1,500,000,000)**	(99,600,001)
		(1,362,729,853)	2,130,220

	Note	2025	2024
34. CASH USED IN OPERATIONS			
Profit / (loss) before levies and taxation		**178,381,885**	(1,801,703,633)
Adjustment for non-cash and other items:			
- Depreciation	*4.1.2*	**179,347,767**	173,799,072
- Gain on sale of short term investments	*26*	**(1,393,346)**	-
- Amortization of deferred government grant	*26*	**(40,981,480)**	(33,197,930)
- Gain on sale of property, plant and equipment	*26*	**(403,966)**	(9,301,979)
- Profit on deposit accounts	*26*	**(7,079,714)**	(10,463,151)
- Dividend income	*26*	**(145,875)**	(40,500)
- Unrealized (gain) / loss on remeasurement of investments	*26*	**-**	(724,131)

	Note	2025	2024
		------------- Rupees -------------	
-Liabilities written back	26	**(27,044,345)**	-
-Provision of slow moving store		**3,680,358**	-
-Provision of WWF and WPPF		**-**	-
- Finance costs	28	**801,226,677**	1,416,249,521
- Share of profit of associates - net	29	**(117,066,584)**	652,346,477
		968,521,377	386,963,746
Working capital changes			
(Increase) / decrease in current assets			
- Stores and spares		**(9,274,253)**	45,347,619
- Stock in trade		**2,651,244,213**	(1,369,791,889)
- Trade debts		**285,587,699**	(245,152,702)
- Loans, advances, deposits and other receivables	41.5	**307,592,416**	(72,377,955)
Increase / (decrease) in current liabilities			
- Trade and other payables		**(306,508,572)**	(852,881,702)
		2,928,641,503	(2,494,856,629)
Cash generated from / (used in) operations		**3,897,162,880**	(2,107,892,883)

35. 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 36 to these financial statements. Transactions entered into during the year, and balances held with, related parties are given below:

	2025	2024
ASSOCIATES	------------- Rupees -------------	
Transactions		
Sale of molasses to Unicol Limited	**973,774,645**	1,374,680,568
Sale of bagasse to Unicol Limited	**61,250,000**	71,382,175
Balances outstanding		
Trade receivable from Unicol Limited	**8,272,542**	2,026,235
OTHER RELATED PARTIES		
Transactions		
Insurance premium to Reliance Insurance Ltd.	**38,000,779**	35,226,389
Sale of Sugar to BF Modaraba	**49,300,085**	4,931,795
Provident fund contribution	**8,170,761**	7,355,522
Balances outstanding		
Receivable / (payable) to Reliance Insurance Ltd.	**4,549,428**	(25,944,590)
Advance against sugar - BF Modaraba	**63,750,000**	49,300,085
Receivable from BF Modaraba	**2,375,209**	2,421,089
Amount receivable from / Contribution (payable) to provident fund	**2,368,976**	(1,449,116)

36. 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, 2025			
		Chief Executive	**Directors**	**Executives**	**Total**
	Note	---------------------------- Rupees ----------------------------			
Managerial remuneration		**14,124,927**	**10,201,336**	**38,031,708**	**62,357,972**
Contribution to provident fund		**-**	**-**	**3,422,854**	**3,422,854**
Other perquisites and benefits	*36.1*	**1,412,493**	**1,020,134**	**33,802,986**	**36,235,612**
Bonus		**-**	**-**	**6,805,998**	**6,805,998**
		15,537,420	**11,221,470**	**82,063,546**	**108,822,436**
Number of persons		**1**	**1**	**16**	

		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	*36.1*	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	17	

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

36.2 In addition to above, seven non-executive directors (2024: seven non-executive directors) of the Company were paid fees to attend the board meetings amounting, in aggregate, to Rs. 910,000 (2024: Rs. 1,155,000).

36.3 The Chief Executive Officer and one Executive Director of the Company waived their salaries for a period of three months, from July 2025 to September 2025.

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

37. FINANCIAL INSTRUMENTS

37.1 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

37.1.1 *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	2025	2024
		Rupees	
Long term deposits		**9,307,534**	8,662,933
Trade debts	*(a)*	**320,506,866**	606,094,565
Short term loans		**119,907,444**	20,579,253
Short term advances		**1,896,176**	3,722,982
Short term deposits		**48,747,900**	50,747,900
Other receivables		**22,924,931**	58,349,404
Bank balances	*(b)*	**119,402,205**	87,657,620
		642,693,056	835,814,657

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, 2025		September 30, 2024	
	Gross carrying amount	Provision for expected credit losses	Gross carrying amount	Provision for expected credit losses
	Rupees			
Not past due	-	-	-	-
Past due 1 to 90 days	**309,684,747**	-	606,094,565	-
90 to 180 days	**10,822,119**	-	-	-
More than 180 days	-	-	-	-
	320,506,866	-	606,094,565	-

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	Long term
Bank Al Habib Limited	PACRA	**A1+**	AAA
Bank Al Falah Limited	PACRA	**A1+**	AAA
Faysal Bank Limited	PACRA	**A1+**	AA
Habib Metropolitan Bank Limited	PACRA	**A1+**	AA+
MCB Bank Limited	PACRA	**A1+**	AAA
MCB Islamic Bank Limited	PACRA	**A+**	A

Bank Name	Credit Rating Agency	Rating	
		Short term	Long term
Askari Bank Limited	PACRA	**AA+**	AA+
JS Bank Limited	PACRA	**A+**	AA
Soneri Bank Limited	PACRA	**A1+**	AA-
Standard Chartered Bank	PACRA	**A1+**	AAA
Bank Islami Pakistan Limited	PACRA	**A1**	AA-
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, 2025			September 30, 2024		
	Total exposure	Concentration	% of total exposure	Total exposure	Concentration	% of total exposure
	------------- Rupees -------------			------------- Rupees -------------		
Trade debts	320,506,866	183,239,989	57%	606,094,565	499,453,520	82%
Bank balances	119,402,205	47,849,361	40%	87,657,620	52,984,285	60%
		231,089,350			552,437,805	

37.1.2 *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, 2025					
	Carrying amount	Contractual cash flows	One to six months	Seven to tweleve months	More than 1 to 5 years	More than 5 years
	-- (Rupees) --					
Non-derivative financial liabilities						
Long term borrowings	533,255,284	550,976,569	59,495,725	56,022,936	399,958,347	35,499,561
Short term borrowings	2,143,893,903	2,143,893,903	2,143,893,903	-	-	-
Trade and other payables	165,371,387	165,371,387	165,371,387	-	-	-
Accrued markup	73,553,316	73,553,316	73,553,316	-	-	-
	2,916,073,890	2,933,795,175	2,442,314,331	56,022,936	399,958,347	35,499,561

	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	263,734,298	263,734,298	263,734,298	-	-	-
Accrued markup	619,781,551	619,781,551	619,781,551	-	-	-
	6,321,799,963	6,529,428,193	5,705,459,034	89,994,270	558,815,004	175,159,885

37.1.3 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.)	
	2025	2024	**2025**	2024
Financial liabilities				
Long term borrowings	**6.00%-24.13%**	6.00%-22.84%	**69,144,347**	123,537,707
Short term borrowings	**10.79%-24.22%**	16.83%-22.75%	**2,143,893,903**	4,730,898,000
Financial assets				
Bank deposits - pls account	**4.24%- 9%**	5.25%-17.25%	**32,098,816**	6,505,193

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	
	100 bp increase	100 bp decrease
As at September 30, 2025		
Cash flow sensitivity - Variable rate financial instruments	**(21,809,394)**	21,809,394
As at September 30, 2024		
Cash flow sensitivity - Variable rate financial instruments	**(48,479,305)**	48,479,305

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.

37.2 Financial instruments by categories

37.2.1 Financial assets	**2025**	2024
	------------- Rupees -------------	
At amortised cost		
Long term deposits	**9,307,534**	8,662,933
Trade debts	**320,506,866**	606,094,565
Short term loans	**119,907,444**	20,579,253
Short term advances	**1,896,176**	3,722,982
Short term deposits	**48,747,900**	50,747,900
Other receivables	**22,924,931**	58,349,404
Cash and bank balances	**137,270,147**	97,330,221
	660,560,998	845,487,258
At fair value through profit or loss		
Short term investments in quoted equity securities	**-**	1,831,375
At fair value through other comprehensive income		
Long term investment in B.F. Modaraba	**14,767,273**	7,937,879
37.2.2 Financial liabilities		
At amortised cost		
Long term borrowings from banking companies		**533,255,284**
Short term borrowings from banking companies		**2,143,893,903**
Trade and other payables		**165,371,387**
Accrued mark up		**73,553,316**
		2,916,073,890

38. 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, 2025			
Investment in certificates B.F. Modaraba	**14,767,273**	-	-
	14,767,273	-	-
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	-	-

39. 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:

	2025	2024
	------------- Rupees	-------------
Borrowings		
Long term borrowings	**679,921,475**	834,053,429
	679,921,475	834,053,429
Share capital and reserves		
Issued, subscribed and paid up capital	**395,109,889**	250,069,550
Share premium	**371,073,000**	8,472,152
Unappropriated profits	**1,400,692,570**	1,146,001,102
	2,166,875,459	1,404,542,804
Total capital being managed by the Company	**2,846,796,934**	2,238,596,233

The Company is not subject to externally imposed capital requirements.

40. SEGMENT INFORMATION

These 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% (2024: 83.88%) of the total revenue of the Company.

(b) 93.62% (2024: 98.18%) gross sales of the Company were made to customers based in Pakistan.

(c) As at September 30, 2025 and September 30, 2024 all non-current assets of the Company were located in Pakistan.

(d) Revenue earned from one major customer, excluding sales tax, of more than 10% of total sales amounted to Rs. nil (2024: Rs. 2,235.340 million). The major customer resides in Pakistan.

41. GENERAL

41.1 Plant capacity and actual production

	2025		2024	
	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	**611,266**	**104**	867,332	107

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

41.2 Number of employees

	2025	2024
	------------- Number -------------	
Total number of employees as at September 30	**374**	379
Average number of employees during the year	**389**	384

41.3 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 Shariah compliance status disclosure

	2025	2024
	------------- Number -------------	
Statement of financial position		
- Long-term financing as per Islamic mode	**533,255,284**	694,372,503
- Short-term financing as per Islamic mode	**2,143,893,903**	4,730,898,000
- Mark-up accrued on Islamic mode	**73,553,316**	619,781,551
- Short-term investment as per Islamic mode	**-**	4,400,000
- Long-term investment as per Islamic mode	**14,767,273**	8,037,849
- Shariah-compliant bank balance	**34,155,614**	33,947,318
Statement of profit and loss		
- Revenue earned from Shariah compliant business segment	**11,967,089,302**	11,143,054,575
- Dividend earned from Shariah compliant investments	**145,875**	40,500
- Gain / (Loss) on sale of securities - net from Shariah compliant investments	**1,393,346**	-
- Gain on remeasurement of investments - net from Shariah compliant investments	**6,829,394**	3,240,909
- Profit earned from Shariah compliant bank balances	**7,079,714**	
- Exchange gain/ (loss) on actual currency	**-**	-
- Markup paid on Islamic mode of financing	**1,281,342,892**	853,765,000
- Markup earned on conventional loans and advances	**-**	-

Relationships with Shariah - compliant financial institutions, including banks, takaful operators and their windows, etc.	Bank Alfalah Limited – Islamic Banking
	Askari Bank Limited – Islamic Banking
	MCB Islamic Bank Limited
	United Bank Limited (UBL) – UBL Ameen (Islamic Banking)
	Soneri Bank Limited – Islamic Banking
	Meezan Bank Limited
	Bank AL Habib Limited – Islamic Banking
	Dubai Islamic Bank Pakistan Limited
	Faysal Bank Limited – Islamic Banking (Faysal Islamic)
	BankIslami Pakistan Limited
	Habib Metropolitan Bank Limited – Islamic Banking

41.5 Reclassification of corresponding figures

Certain corresponding figures in these 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
Islamic Financing for Renewable Energy (IFRE) (Long term borrowings from banking companies)	*Deferred grant on IFRE (Deferred liabilities)*	11,227,490
(Islamic Financing for Renewable Energy (IFRE)) (Long term borrowings from banking companies)	*Islamic Financing for Renewable Energy (IFRE) (Current maturity of long term liabilities)*	2,876,514
Finance cost *(Diminishing Musharaka financing)*	Other Income *(Amortization of deferred government grant)*	1,090,393
Advances (interest-free) *(Loans, advances, deposits and other receivables)*	Sales Tax Payable *(Trade and other payables)*	2,134,406
Other receivables *(Loans, advances, deposits and other receivables)*	Sales Tax Payable *(Trade and other payables)*	22,783
Accrued liabilities *(Trade and other payables)*	Sales Tax Payable *(Trade and other payables)*	415,441
Other receivables *(Loans, advances, deposits and other receivables)*	Deferred liabilities *(Trade and other payables)*	7,005,677
(Islamic Financing for Renewable Energy (IFRE)) (Long term borrowings from banking companies)	*Islamic Financing for Renewable Energy (IFRE) (Current maturity of long term liabilities)*	1,334,711

41.6 Date of authorization of the financial statements for issue

These financial statements have been authorized for issue by the Board of Directors of the Company in their meeting held on January 05, 2026.

41.7 Level of rounding

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

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 44th Annual General Meeting of the Company will be held on Wednesday, January 28, 2026 at 12:00 Noon 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 28, 2025.

2. To receive, consider and approve annual audited financial statement of the Company for the year ended September 30, 2025 together with the reports of the auditors' and directors' thereon.

   In accordance with Section 223(7) of the Companies Act, 2017, and pursuant to SRO 389 (1)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the Company's website which can be downloaded from the following link and QR enabled code

   https://faran.com.pk/wp-content/themes/faran/docs/2024-2025/annual-report/2425_Q4_CR.pdf

3. To appoint auditor of the company for the year September 30, 2026, 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, 2026.

Other Business

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

BY ORDER OF THE BOARD

Karachi.
Dated: January 5, 2026

Muhammad Ayub
Company Secretary

Notes:

1. Closure of Share Transfer Books

   Share Transfer Books shall remain closed from January 22, 2026 to January 28, 2026 (both days inclusive) for the purpose of Annual General Meeting.

2. Participation in the Annual General Meeting through Online Video Link Facility

   SECP through its Guidelines, has directed the Listed Companies to also arrange the provision of video link facility .In order to facilitate the shareholders, the Company in addition to convening a physical meeting has also arranged attendance of shareholder virtually via video link facility.

NOTICE OF ANNUAL GENERAL MEETING

The shareholders interested in attending the AGM virtually are requested to register their intent beforehand by submitting their particulars at the designated e-mail address agm@faran.com.pk as per the table below. Video conference link details and login credentials will be shared with ONLY those Shareholders, whose particulars are received on or before January 21, 2026, from their registered e-mail addresses.

Shareholder	Folio/CDC No.	CNIC No.	No. of Shares Held	Cell Number	E-mail Address

The Webinar link would be provided through email to the registered shareholders / proxies who will provide above information and a copy of valid CNIC.

3. For Appointment of Proxies

A shareholder entitled to attend and vote at this Annual General Meeting shall be entitled to appoint another shareholder, as a proxy to attend, speak and vote of his/her behalf. Proxies in order to be effective must be received at the Company's Share Registrar's Office not later than 48 hours before the time of the Meeting.

A. For Attending the Meeting:

a. 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.
b. In case of corporate entity, the Boards resolution / power of attorney with specimen signature of the nominee shall be produce [unless it has been provided earlier] at the time of the meeting.

B. For Appointing Proxies:

a. 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.
b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
d. The proxy shall produce his original CNIC or original passport at the time of the meeting.
e. 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.

4. Only those members whose names appear in the register of member of the Company as on January 21, 2026 will be entitled to attend and vote at the meeting.

5. 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.

6. Change of Address

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

NOTICE OF ANNUAL GENERAL MEETING

7. Availability of Audited Financial Statements on Company's Website

   In accordance with the provisions of Section 223(7) of the Companies Act 2017, the audited financial statements of the Company for the year ended September 30, 2025, have been made available on the Company's website: www.faran.com.pk

8. 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.

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 M13, Progressive Plaza, Civil Lines Quarter, Near P.I.D.C., Beaumont Road, Karachi, to collect/enquire about their unclaimed dividend, if any.

10. Restriction on Distribution of Gifts

   In accordance with the directive issued by the SECP Vide SRO 452(I)/2025 dated March 17, 2025, the Company would like to inform all the shareholders that no gifts will be distributed at the AGM.

PATTERN OF SHAREHOLDING

For The Year Ended September 30, 2025

NO. OF SHAREHOLDERS	SHAREHOLDING FROM		TO	TOTAL SHARES HELD
1224	1	-	100	20,981
494	101	-	500	112,935
126	501	-	1000	98,374
202	1001	-	5000	467,770
65	5001	-	10000	486,990
11	10001	-	15000	132,125
12	15001	-	20000	205,557
5	20001	-	25000	114,871
3	25001	-	30000	86,520
4	30001	-	35000	124,578
1	35001	-	40000	36,823
1	40001	-	45000	41,080
2	50001	-	55000	104,603
2	55001	-	60000	115,275
1	75001	-	80000	80,000
2	100001	-	105000	202,947
2	140001	-	145000	285,110
3	155001	-	160000	474,000
1	185001	-	190000	186,068
1	205001	-	210000	209,233
1	255001	-	260000	256,209
1	285001	-	290000	288,607
1	295001	-	300000	298,783
1	315001	-	320000	318,221
1	365001	-	370000	367,863
1	495001	-	500000	497,585
1	760001	-	765000	762,302
1	870001	-	875000	870,998
1	1015001	-	1020000	1,017,565
2	2055001	-	2060000	4,112,278
1	2150001	-	2155000	2,151,406
1	2370001	-	2375000	2,370,737
1	3240001	-	3245000	3,242,773
1	3350001	-	3355000	3,350,032
1	3365001	-	3370000	3,367,384
1	6155001	-	6160000	6,158,960
1	6490001	-	6495000	6,493,446
2180		**TOTAL**		**39,510,989**

Sr. No.	Categories of Shareholders	Number of Shareholders	Total Shares Hold	Percentage %
1	INDIVIDUALS	2135	34,099,022	86.30%
2	INVESTMENT COMPANIES	1	8,000	0.02%
3	INSURANCE COMPANIES	1	18,329	0.05%
4	JOINT STOCK COMPANIES	18	771,583	1.95%
5	FINANCIAL INSTITUTIONS	4	28,689	0.07%
6	MODARABAS	1	231	0.00%
7	OTHERS	11	373,479	0.95%
8	CHARITABLE TRUSTS	3	528,085	1.34%
9	MUTUAL FUND	1	3,350,032	8.48%
10	WELFARE SOCIETY	1	52,102	0.13%
11	EMPLOYEES PENSION FUND	1	256,209	0.65%
12	EMPLOYEES BENEVOLENT FUND	1	8,990	0.02%
13	EMPLOYEES PROVIDENT FUND	1	15,800	0.04%
14	COOPERATIVE SOCIETIES	1	438	0.00%
		2,180	**39,510,989**	**100**

DETAILS OF SHAREHOLDING CATEGORIES

As at September 30, 2025

S.no	Description	Number of Shares	Percentage
1	**ASSOCIATED COMPANIES , UNDERTAKINGS AND RELATED PARTIES**		
	RELIANCE INSURANCE COMPANY LTD.	**18329**	**0.05**
2	**MUTUAL FUNDS**		
	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	**3350032**	**8.48**
3	COMPANIES		
	AMIN TAI (PRIVATE) LIMITED	288607	0.73
	HABIB SUGAR MILLS LTD	143148	0.36
	FAWAD YUSUF SECURITIES (PVT.) LIMITED	141962	0.36
	O.A.TRADING CO.(PVT) LTD	102107	0.26
	MADINA ESTATES & PROPERTIES (PVT) LTD	52501	0.13
	BAWA SECURITIES (PVT) LTD. - MF	32000	0.08
	FIKREES (PRIVATE) LIMITED	4000	0.01
	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	3944	0.01
	HH MISBAH SECURITIES (PRIVATE) LIMITED	2000	0.01
	BACKERS & PARTNERS (PRIVATE) LIMITED	400	0
	NAEEM'S SECURITIES (PVT) LTD	288	0
	AKD SECURITIES LIMITED - AKD TRADE	288	0
	SARFRAZ MAHMOOD (PRIVATE) LTD	133	0
	MEMON SECURITIES (PVT.) LIMITED	90	0
	TAURUS SECURITIES LIMITED	78	0
	B & B SECURITIES (PRIVATE) LIMITED	22	0
	M/S NAEEM SECURITY LTD.	14	0
	MAPLE LEAF CAPITAL LIMITED	1	0
		771583	**1.95**
4	**FINANCIAL INSTITUTIONS**		
	NATIONAL BANK OF PAKISTAN	26520	0.07
	NATIONAL BANK OF PAKISTAN	1731	0
	NATIONAL BANK OF PAKISTAN	346	0
	MUSLIM COMMERCIAL BANK LTD.	92	0
		28689	**0.07**
5	**DIRECTORS, CEO AND THEIR SPOUSES AND MINOR CHILDREN**		
	MR. MUHAMMAD OMAR AMIN BAWANY	3302048	8.36%
	MR. AHMED ALI BAWANY	12652406	32.02%
	MR. DAWOOD E. BAWANY	2500	0.01%
	MR. BILAL OMAR BAWANY	870998	2.20%
	MR. IRFAN ZAKARIA	4930	0.01%
	MR. ALTAMASH AHMED ALI	3950	0.01%
	MR. AHMED GHULAMHUSSAIN	3950	0.01%
	MRS. RUKHSANA OMAR BAWANY	3367384	8.52%
	MS. TASNEEM YUSUF	3950	0.01%
		20212116	**51.16%**
6	**EXECUTIVES**	NIL	NIL

DETAILS OF SHAREHOLDING CATEGORIES

As at September 30, 2025

		Number of Shares	Percentage
7	**OTHERS**		
	ZAIBUNISA FOUNDATION	318221	0.81
	O.R.& SONS	31478	0.08
	EBRAHIM BAWANY FOUNDATION	5923	0.01
	SHAHEDA ASSOCIATE	5777	0.01
	AYESHA ASSOCIATE	5777	0.01
	EBRAHIM TRADING CO (PVT) LTD	4414	0.01
	A.SATTAR MOTIWALA SEC PVT LTD	802	0
	NATIONAL INDUSTRIAL CO-OP	491	0
	GHULAMAN-E-ABBAS EDUCATIONAL AND	350	0
	OMEGA SECURITES PVT LTD	235	0
	M/S CONSOLIDATED TRADING &	11	0
	TRUSTEES BEG.AISHA BAWANY TALEEMUL QURAN	497585	1.26
	AAL BAWANY FOUNDATION	24500	0.06
	TRUSTEE ALOO & MINOCHER DINSHAW CHARITABLE TRUST	6000	0.02
	KHOJA (PIRHAI) SHIA ISNA ASHARI JAMA	438	0
	SAAS ENTERPRISES (PVT.) LIMITED	8000	0.02
	CONSOLIDATED MODARABA (PVT)LTD	231	0
	PAKISTAN MEMON EDUCATIONAL & WELFARE	52102	0.13
	TRUSTEE NATIONAL BANK OF PAKISTAN EM	8990	0.02
	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	256209	0.65
	TRUSTEES OF MIRPURKHAS SUGAR MILLS LTD	15800	0.04
		1243334	**3.13**

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

Cane Crushing Capacity
Maximum cane volume a mill can crush over a specified period.

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

Debottlenecking
Engineering/operational work to remove capacity or process constraints (bottlenecks) in plant equipment.

Diminishing Musharaka
Shariah-compliant financing structure

Dissolved Solids
All solute materials which are 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

EBITDA
Earnings before Interest, Taxes, Depreciation and Amortization.

Ethanol
A colorless volatile flammable liquid which is produced by the natural fermentation of sugars

Falling Film Evaporator (FFE)
A type of evaporator used to concentrate juice/syrup by allowing liquid to flow as a thin film down heated tube.

FSSC 22000
Internationally recognized Food Safety System Certification

HESCO
Hyderabad Electric Supply Company

IASB
International Accounting Standards Board.

IFRIC
International Financial Reporting Issues Committee

IFRS
International Financial Reporting Standard

Integrated Distillery
Concept of producing value-added products (ethanol, food-grade CO_2) from molasses/bagasse.

ISO 9001
International standard for Quality Management Systems (QMS)

KIBOR
Karachi Inter Bank Offer Rate

LOI
Letter of Intent

Liming
Process in juice purification with lime in the form of milk of lime

GLOSSARY OF TERMS

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

Riba (Interest / Usury)
Islamic concept prohibiting interest on loans

Rights Issue
A pro-rata offering that lets existing shareholders buy additional shares

Share Premium
The amount received by a company over the par value of issued shares

Sucrose
A pure chemical compound $C_{12}H_{22}O_{11}$.

Sugar Recovery
Percentage of sucrose (refined sugar) obtained from crushed cane.

Vacuum Pan
Vacuum evaporator crystallizer used for rapid crystallization of sugar from liquor syrup or molasses

Vertical Continuous Pan (VKT/VCP)
Continuous crystallizer (vertical pan) used to crystallize sugar in a steady flow.

Wind Power
Power obtained by harnessing the energy of the wind

Working Capital
Short-term capital used to run day-to-day operations

FARAN SUGAR MILLS LIMITED

Form Of Proxy

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 44th 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

FARAN SUGAR MILLS LTD.

44 واں سالانہ اجلاس

پراکسی فارم

اہم نوٹ

پراکسی فارم تب تک معتبر نہیں سمجھا جائے گا جب تک کہ اسے کمپنی کے ہیڈ آفس (43-1-E(B پی ای سی ایچ ایس (PECHS)، دفتر رازی روڈ، بلاک 6، مین شاہراہ فیصل، کراچی میں اجلاس کے انعقاد کے وقت سے 48 گھنٹے قبل جمع یا موصول نہ کیا جائے۔

رجسٹرڈ فولیو نمبر / پارٹیسپنٹ کرنے والے کی شناخت نمبر ________

اکاؤنٹ نمبر ________

____

شیئرز کی تعداد ________

میں / ہم ________

ساکن ________ بطور رکن فاران شوگر ملز

لمیٹڈ، بذریعہ اس خط کے ذریعے ________

ساکن ________ کمپنی کے دیگر رکن کو میری / ہماری جانب سے نمائندہ

مقرر کرتے ہیں تاکہ وہ میری / ہماری جانب سے کمپنی کی 44 ویں سالانہ جنرل میٹنگ میں شرکت کر سکے اور ووٹ دے سکے،

جو کہ ________ کو منعقد ہوگی اور اس کے کسی بھی ملتوی اجلاس میں بھی۔

گواہان:

۱۔ دستخط ________

نام ________

پتہ ________

____

NIC/پاسپورٹ نمبر ________

ریونیو
اسٹیمپ

دستخط شیئرز ہولڈر

۲۔ دستخط ________

نام ________

پتہ ________

____

NIC/پاسپورٹ نمبر ________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FARAN SUGAR MILLS LTD.

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