



Faran Sugar Mills Limited | [www.faran.com.pk](http://www.faran.com.pk)

Half Yearly  
**ACCOUNTS** *(Un-Audited)*  
*Reviewed*

FOR THE PERIOD ENDED

**M A R C H 3 1**  
**2026**

# CORPORATE INFORMATION

## Date of Incorporation

November 3, 1981

## Date of Commencement of Business

November 25, 1981

## Board of Directors

Muhammad Omar Amin Bawany	Chairman
Ahmed Ali Bawany	Chief Executive
Bilal Omar Bawany	
Mohammad Altamash Bawany	
Ahmed Ghulamhussain	
Irfan Zakaria Bawany	
Dawood E. 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.  
Al Baraka Bank Ltd.  
JS Bank Ltd

## Share Registrar

C&K Management Associates (PVT.) Ltd.  
M13, Progressive Plaza, Civil Lines Quarter,  
Near P.I.D.C., Beaumont Road, Karachi.  
Tel: (92-21) 35687639, 35685930

## Registered Office

43-1-E (B), P.E.C.H.S. Block 6, off Razi Road,  
Karachi Phone: (92-21) 34322851-54  
UAN: 111-229-269  
Fax: (92-21) 32 42 10 10

## Mills

Shaikh Bhirkio,  
Distt. Tando M. Khan.

## E-mail & Website

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

## Stock Exchange Symbol

FRSM

## Registration Number

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

## CHIEF EXECUTIVE REVIEW

### FOR THE HALF YEAR ENDED MARCH 31, 2026

Dear Shareholders,

By the grace of Almighty Allah, on behalf of the Board of Directors, I present a brief review of the performance of your Company for the Half year ended March 31, 2026, which have been reviewed by the External Auditors.

Financial results for the Half year are summarized as follows:

	<b>2026</b>	<b>2025</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>
Gross sales	<b>6,233,148</b>	6,301,930
Operating profit/(Loss) before Financial Charges	<b>443,067</b>	(107,579)
Finance Cost	<b>(243,020)</b>	(431,114)
Profit / (Loss) before share of Associates & taxation	<b>200,047</b>	(538,693)
Share in profit from equity accounted investments-Net	<b>200,129</b>	15,333
Profit / (Loss) before taxation	<b>400,176</b>	523,360
Levies and Taxation	<b>(382,736)</b>	111,688
Profit / (Loss) after Taxation	<b>17,440</b>	(411,672)
Earnings / (Loss) per Share	<b>0.44</b>	(12.34)

Gross sales during the period remained broadly in line with the corresponding period of the previous year despite a decline in volumetric sales. However, improved selling prices as compared to the corresponding period of last year resulted in a significant increase in gross profitability, primarily driven by healthier margins.

The sugar market is largely demand-driven and sentiment-led that played a decisive role in sugar pricing. Considering the volatility in sugarcane prices and the anticipated bumper production during the current season, management adopted a prudent sales strategy, including timely sales commitments and effective customer portfolio management. This approach enabled the Company to maintain an optimal level of carryover stock after the crushing season and ensure timely cash inflows for meeting obligations to growers and vendors. Sugar prices exhibited a strong upward trend from November 2024 to October 2025, followed by a sharp correction by December 2025 and continued volatility throughout the crushing season 2025–26. Nevertheless, FSML effectively capitalized on this limited window of opportunity by selling approximately 37% of the current season's production during the crushing season. Management's strategic sales planning yielded favorable results, allowing the Company to benefit from improved domestic sugar prices while simultaneously reducing finance costs and optimizing returns amid changing market conditions.

The Company's bottom line was further strengthened by the share of profit from Unicol Limited, an associated joint venture company. During the period, the distillery reported a net profit of Rs. 600.7 million (2024–25: Rs. 46.3 million), of which the Company's share of profit amounted to Rs. 200.2 million (2024–25: Rs. 15.3 million), recognized under "share of profit from equity-accounted investees – net."

Consequently, the Company reported a profit before taxation of Rs. 399.8 million. However, the profitability was substantially offset by the provision of deferred taxation amounting of Rs. 278.4 million. As a result, the Company reported a net profit after taxation of Rs. 17.4 million, as compared to a net loss of Rs. 411.6 million in the corresponding period of the previous year.

**Operational Performance:**

For the crushing season 2025–26, no support price for sugarcane was announced by any province in compliance with the conditions agreed under the International Monetary Fund (IMF) program. Most sugar mills in the province of Punjab commenced crushing operations by 15 November 2025 in accordance with the timeline prescribed by the Government of Punjab, while the remaining mills initiated operations thereafter. In contrast, the majority of sugar mills in the province of Sindh commenced crushing during the first week of December 2025.

According to government estimates, the country recorded bumper sugar production of approximately 7.6 million tons during the 2025–26 season (2024–25: 5.8 million tons). Combined with opening carryover stocks of approximately 0.338 million tons at the commencement of the season, the cumulative sugar availability in the country reached approximately 7.9 million tons for the year 2025–26, resulting in an estimated surplus of over 1.5 million tons.

The Company commenced crushing operations on 5 December 2025 (2024–25: 18 November 2024). By the grace of Almighty Allah, the performance of the mills remained satisfactory in terms of cane crushing and sugar production, achieving an average recovery rate of 11.19% as compared to 9.82% during the corresponding season of the previous year.

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

		Season 2025-26	Season 2024-25
Season commenced	Date	<b>05 – December – 2025</b>	18 – November – 2024
Season end	Date	<b>16 – March – 2026</b>	01 – March – 2025
Duration of Operation	Days	<b>102</b>	104
Sugar-cane Crushed	Metric tons	<b>711,054</b>	611,266
Sugar Production	Metric tons	<b>79,554</b>	60,052
Recovery	%	<b>11.19</b>	9.824
Minimum Support Price-Sindh Zone	Per 40 kg	<b>No support price</b>	No support price

However, following the close of the season, refined sugar prices have remained under pressure due to oversupply in the domestic market arising from bumper production. The sugar industry has consistently advocated for timely approval of surplus sugar exports in view of the estimated excess stock of approximately 1.5 million tons in the country. Allowing exports would not only help generate much-needed foreign exchange for the national economy but also support the liquidity position of the sugar sector, enabling timely repayment of financing obligations and preparation for the next crushing season. Delays in policy decisions, coupled with elevated borrowing costs and high inventory levels, continue to pose significant challenges to the sustainability of the sector.

Alhamdulillah, despite challenging cash flow conditions, the Company efficiently managed its financial resources with the continued support of its bankers, enabling timely procurement of sugarcane and fulfilment of all obligations to growers and vendors.

I appreciate the hard work and the team spirit of **FSML** staff and workers that has boosted the company's overall growth and operational performance as we attained high recovery of 11.19%

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



**Ahmed Ali Bawany**  
Chief Executive



**Bilal Omar Bawany**  
Director

Karachi: May 25, 2026

حکومتی اندازوں کے مطابق ملک نے 2025-26 کے سیزن (2024-25: 5.8 ملین ٹن) کے دوران تقریباً 7.6 ملین ٹن چینی کی بمپر پیداوار ریکارڈ کی۔ سیزن کے آغاز پر تقریباً 0.338 ملین ٹن کے کبری اور سٹاک کے ساتھ مل کر ملک میں چینی کی مجموعی دستیابی 2025-26 کے لیے تقریباً 7.9 ملین ٹن تک پہنچ گئی، جس کے نتیجے میں 1.5 ملین ٹن سے زائد کا تخمینہ سرپلس ہوا۔

کمپنی نے 5 دسمبر 2025 (2024-25: 18 نومبر 2024) کو کرشنگ آپریشن شروع کیا۔ اللہ تعالیٰ کے فضل و کرم سے گنے کی کرشنگ اور چینی کی پیداوار کے حوالے سے ملزکی کارکردگی تسلی بخش رہی، جس نے گزشتہ سال کے اسی سیزن کے 9.82 فیصد کے مقابلے میں اوسطاً 11.19 فیصد وصولی کی شرح حاصل کی۔

مکمل سیزن کے لیے آپ کی مل کا تقابلی خلاصہ آپریٹنگ نتیجہ حسب ذیل ہے:

سیزن 25-2024	سیزن 26-2025	تاریخ	سیزن کا آغاز
18 - نومبر - 2024	05 - دسمبر - 2025	تاریخ	سیزن کا اختتام
01 - مارچ - 2025	16 - مارچ - 2026	تاریخ	آپریشن کا دورانیہ
104	102	دن	گنے کی کرشنگ
611,266	711,054	میٹرک ٹن	شوگر کی پیداوار
60,052	79,554	میٹرک ٹن	ریکوری
9.824	11.19	%	کم از کم امدادی قیمت-سندھ زون
کوئی امدادی قیمت نہیں۔	کوئی امدادی قیمت نہیں۔	فی 40 کلوگرام	

تاہم سیزن کے اختتام کے بعد بمپر پیداوار کی وجہ سے مقامی مارکیٹ میں ضرورت سے زیادہ سپلائی (oversupply) کے باعث ریفائنڈ چینی کی قیمتیں دباؤ کا شکار رہی ہیں۔ شوگر انڈسٹری نے ملک میں لگ بھگ 1.5 ملین ٹن کے تخمینہ اضافی اسٹاک کے پیش نظر اضافی چینی کی برآمدات کی بروقت منظوری کی مسلسل وکالت کی ہے۔ برآمدات کی اجازت دینے سے نہ صرف قومی معیشت کے لیے انتہائی ضروری زرمبادلہ پیدا کرنے میں مدد ملے گی بلکہ چینی کے شعبے کی لیکویڈٹی پوزیشن میں بھی مدد ملے گی، مالیاتی ذمہ داریوں کی بروقت ادائیگی اور اگلے کرشنگ سیزن کی تیاری کے لیے بھی مدد ملے گی۔ پالیسی فیصلوں میں تاخیر قرض لینے کے بڑھتے ہوئے اخراجات اور انویٹری کی بلند سطحوں کے ساتھ اس شعبے کی پائیداری کے لیے اہم چیلنجز کا باعث بنے ہوئے ہیں۔

الحمدللہ، کیش فلو کی مشکل صورتحال کے باوجود، کمپنی نے اپنے بینکرز کے مسلسل تعاون سے اپنے مالیاتی وسائل کا مؤثر طریقے سے انتظام کیا، جس سے گنے کی بروقت خریداری اور کاشتکاروں اور سپلائرز (vendors) کے تمام واجبات کی ادائیگی ممکن ہو سکی۔

میں **FSML** کے اسٹاف اور ورکرز کی محنت اور ٹیم ورک کے جذبے کو سراہتا ہوں جس نے کمپنی کی مجموعی ترقی اور آپریشنل کارکردگی کو بڑھایا، کیونکہ ہم نے 11.19% کی اعلیٰ ریکوری حاصل کی ہے۔

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



Ahmed Ali Bawany  
Chief Executive



Bilal Omar Bawany  
Director

کراچی: 25 مئی 2026

چیف ایگزیکٹو کا جائزہ  
31 مارچ 2026 کو ختم ہونے والی مدت کے لیے

محترم شیئر ہولڈرز،

اللہ تعالیٰ کے فضل سے، بورڈ آف ڈائریکٹرز کی جانب سے، میں آپ کی کمپنی کی 31 مارچ 2026 کو ختم ہونے والی ششماہی کی کارکردگی کا ایک مختصر جائزہ پیش کرتا ہوں، جس کا بیرونی آڈیٹرز نے جائزہ لیا ہے۔

ششماہی کے مالی نتائج کا خلاصہ اس طرح ہے:

2025	2026	
روپے '000	روپے '000	
6,301,930	6,233,148	مجموعی فروخت
(107,579)	443,067	مالیاتی چارجز سے پہلے آپریٹنگ منافع/(نقصان)
(431,114)	(243,020)	مالیاتی لاگت
(538,693)	200,047	ایسوسی ایٹس اور ٹیکسیشن کے حصہ سے پہلے منافع / (نقصان)
15,333	200,129	ایکویٹی اکاؤنٹڈ انویسٹمنٹس نیٹ سے منافع میں حصہ لیں۔
(523,360)	400,176	ٹیکس سے پہلے منافع / (نقصان)
111,688	(382,736)	لیویز اور ٹیکسیشن
(411,672)	17,440	ٹیکس کے بعد منافع / (نقصان)
(12.34)	0.44	آمدنی / (نقصان) فی شیئر

حجم کے لحاظ سے فروخت (volumetric sales) میں کمی کے باوجود، اس مدت کے دوران مجموعی فروخت گذشتہ سال کی اسی مدت کے مطابق رہی۔ تاہم، پچھلے سال کی اسی مدت کے مقابلے میں فروخت کی بہتر قیمتوں کے نتیجے میں مجموعی منافع میں نمایاں اضافہ ہوا، جس کی بنیادی وجہ بہتر مارجنز تھے۔

چینی کی مارکیٹ بڑی حد تک مانگ پر مبنی اور جذبات کی قیادت میں ہے جس نے چینی کی قیمتوں کے تعین میں فیصلہ کن کردار ادا کیا۔ گنے کی قیمتوں میں اتار چڑھاؤ اور موجودہ سیزن کے دوران متوقع بمبر پیداوار کو مدنظر رکھتے ہوئے انتظامیہ نے فروخت کی ایک سمجھدار حکمت عملی اپنائی، جس میں بروقت فروخت کے وعدے اور موثر کسٹمر پورٹ فولیو کا انتظام شامل ہے۔ اس نقطہ نظر نے کمپنی کو کرشنگ سیزن کے بعد کیری اور اسٹاک کی بہترین سطح کو برقرار رکھنے اور کاشتکاروں اور دکانداروں کی ذمہ داریوں کو پورا کرنے کے لیے بروقت نقد آمد کو یقینی بنانے کے قابل بنایا۔ چینی کی قیمتوں میں نومبر 2024 سے اکتوبر 2025 تک مضبوط اضافے کا رجحان رہا، اس کے بعد دسمبر 2025 تک تیزی سے اصلاح ہوئی اور کرشنگ سیزن 2025-26 کے دوران اتار چڑھاؤ جاری رہا۔ اس کے باوجود FSML نے کرشنگ سیزن کے دوران موجودہ سیزن کی پیداوار کا تقریباً 37% فروخت کر کے مواقع کی اس محدود کھڑکی سے مؤثر طریقے سے فائدہ اٹھایا۔ منیجمنٹ کی اسٹریٹجک سیلز پلاننگ نے سازگار نتائج حاصل کیے، جس سے کمپنی کو چینی کی بہتر قیمتوں سے فائدہ اٹھانے کا موقع ملا اور ساتھ ہی ساتھ مالیاتی لاگت کو کم کیا اور مارکیٹ کے بدلتے حالات کے درمیان منافع کو بہتر بنایا۔

کمپنی کی مجموعی آمدنی یونیکول لمیٹڈ (جو کہ ایک منسلک جوائنٹ وینچر کمپنی ہے) کے منافع کے حصے سے مزید مضبوط ہوئی۔ اس مدت کے دوران ٹسٹری نے 600.7 ملین روپے (2024-25: 46.3 ملین روپے) کا خالص منافع رپورٹ کیا۔ جس میں سے کمپنی کے منافع کا حصہ 200.2 ملین روپے (2024-25: 15.3 ملین روپے) تھا۔ جو ایسوسی ایٹ سے منافع کے طور پر ظاہر کیا گیا ہے۔

نتیجتاً، کمپنی نے ٹیکسیشن سے پہلے 399.8 ملین روپے کا منافع رپورٹ کیا۔ تاہم، 278.4 ملین روپے کے ڈیفرد ٹیکسیشن (deferred taxation) کی پروویژن کی وجہ سے یہ منافع کافی حد تک کم ہو گیا۔ جس کے نتیجے میں کمپنی نے ٹیکسیشن کے بعد 17.4 ملین روپے کا خالص منافع رپورٹ کیا، جبکہ پچھلے سال کی اسی مدت میں 411.6 ملین روپے کا خالص نقصان ہوا تھا۔

#### آپریشنل کارکردگی:

کرشنگ سیزن 2025-26 کے لیے کسی بھی صوبے کی جانب سے بین الاقوامی مالیاتی فنڈ (IMF) پروگرام کے تحت طے شدہ شرائط کی تعمیل میں گنے کی سپورٹ قیمت کا اعلان نہیں کیا گیا۔ صوبہ پنجاب میں زیادہ تر شوگر ملوں نے 15 نومبر 2025 تک حکومت پنجاب کی طرف سے مقرر کردہ ٹائم لائن کے مطابق کرشنگ آپریشن شروع کر دیا، جبکہ باقی ملوں نے اس کے بعد کام شروع کیا۔ اس کے برعکس صوبہ سندھ میں شوگر ملز کی اکثریت نے دسمبر 2025 کے پہلے ہفتے کے دوران کرشنگ شروع کی۔

## INDEPENDENT AUDITORS REVIEW REPORT

TO THE MEMBERS OF M/S FARAN SUGAR MILLS LIMITED

### Report on Review of Condensed Interim Financial Statements

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of M/s. Faran Sugar Mills Limited ("the Company") as at March 31, 2026 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes thereto for the half yearly period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

#### Scope of review

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

As per the terms of our engagement, we were only required to review the cumulative figures for the six-month period ended March 31, 2026. Accordingly, we have not reviewed the figures in the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the three-month period ended March 31, 2026.

#### Conclusion

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

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

  
RAHMAN SARFARAZ RAHIM IQBAL RAFIQ  
Chartered Accountants

Karachi

Date: May 25, 2026

UDIN: RR202610210T6vncVmhS

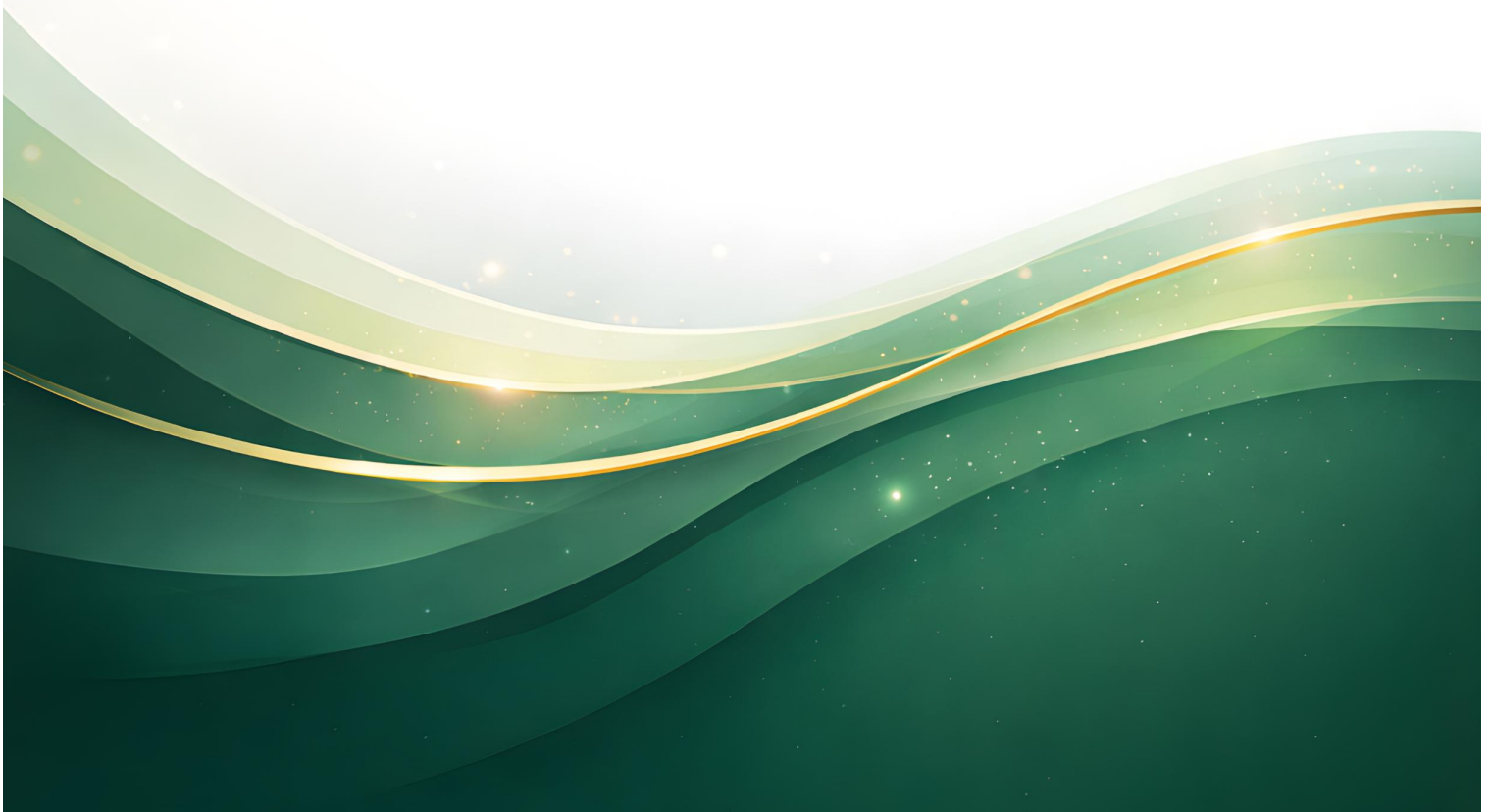
FARAN SUGAR MILLS LIMITED

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# FINANCIAL STATEMENTS

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FOR THE HALF YEAR ENDED MARCH 31, 2026



**Condensed Interim Statement of Financial Position**

As at March 31, 2026

		(Un-audited) March 31, 2026	(Audited) September 30, 2025
		----- Rupees -----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	2,953,589,394	3,014,275,336
Long term investments	4	1,458,324,284	1,258,448,507
Long term advances		1,026,297	3,779,974
Long term deposits		7,704,569	9,307,534
Deferred tax asset	5	103,938,359	376,821,500
		<b>4,524,582,903</b>	<b>4,662,632,851</b>
<b>Current assets</b>			
Stores and spares		137,778,497	133,043,321
Stock in trade	6	5,824,867,088	412,544,937
Trade debts	7	276,945,030	320,506,866
Loans, advances, deposits, and other receivables	8	210,434,452	312,582,670
Income tax refundable	9	46,749,730	-
Cash and bank balances		197,082,527	137,270,147
		<b>6,693,857,324</b>	<b>1,315,947,941</b>
<b>Total assets</b>		<b>11,218,440,227</b>	<b>5,978,580,792</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<i>Authorized capital</i>			
60,000,000 (September 30, 2025: 60,000,000) ordinary shares of Rs. 10/- each		<b>600,000,000</b>	600,000,000
Issued, subscribed and paid up capital	10	395,109,889	395,109,889
<i>Capital reserves</i>			
Share premium		371,073,000	371,073,000
Surplus on re-measurement of investment		10,763,637	11,017,273
		<b>381,836,637</b>	382,090,273
<i>Revenue reserves</i>			
Unappropriated profit		1,418,132,372	1,400,692,570
		<b>2,195,078,898</b>	<b>2,177,892,732</b>
<b>Non-current liabilities</b>			
Long term borrowings from banking companies	11	340,287,617	400,216,576
Deferred liabilities	12	124,225,292	136,121,656
		<b>464,512,909</b>	<b>536,338,232</b>
<b>Current liabilities</b>			
Trade and other payables	13	1,442,418,713	863,710,551
Current portion of long term borrowings		142,247,714	133,038,708
Current portion of government grant		28,349,518	32,741,414
Accrued mark up		140,129,126	73,553,316
Unclaimed dividend		9,407,036	9,407,036
Short term borrowings from banking companies	14	6,796,296,313	2,143,893,903
Income tax payable	9	-	8,004,900
		<b>8,558,848,420</b>	<b>3,264,349,828</b>
<b>Contingency and commitments</b>	15		
<b>Total equity and liabilities</b>		<b>11,218,440,227</b>	<b>5,978,580,792</b>

The annexed notes from 1 to 29 form an integral part of these financial statements.



**Ahmed Ali Bawany**  
Chief Executive Officer



**Bilal Omar Bawany**  
Director



**Muhammad Ayub**  
Chief Financial Officer

**Condensed Interim Statement of Profit or Loss***For the six months and quarter ended March 31, 2026 (unaudited)*

	Note	Six-month period ended		Quarter ended	
		Mar. 31, 2026	Mar. 31, 2025	Mar. 31, 2026	Mar. 31, 2025
Rupees					
Sales revenue - net	16	4,982,260,810	5,409,091,226	3,454,572,403	1,792,220,729
Cost of sales	17	(4,408,925,010)	(5,379,404,803)	(3,036,002,442)	(2,028,938,117)
<b>Gross profit / (loss)</b>		<b>573,335,800</b>	<b>29,686,423</b>	<b>418,569,961</b>	<b>(236,717,388)</b>
Administrative expenses		(106,663,783)	(112,008,783)	(53,699,526)	(54,676,500)
Selling and distribution costs	18	(64,815,164)	(55,735,525)	(57,140,248)	(41,320,262)
		(171,478,947)	(167,744,308)	(110,839,774)	(95,996,762)
<b>Operating profit / (loss)</b>		<b>401,856,853</b>	<b>(138,057,885)</b>	<b>307,730,187</b>	<b>(332,714,150)</b>
Other income	19	41,442,403	34,239,801	28,649,940	19,245,794
Other expenses	20	(231,753)	(3,761,587)	(90,250)	119,032
		41,210,650	30,478,214	28,559,690	19,364,826
		443,067,503	(107,579,671)	336,289,877	(313,349,324)
Finance costs	21	(243,020,937)	(431,114,259)	(164,213,814)	(275,811,233)
		200,046,566	(538,693,930)	172,076,063	(589,160,557)
<b>Share of profit of associates - net</b>	22	<b>200,129,413</b>	<b>15,333,333</b>	<b>133,049,080</b>	<b>11,847,666</b>
<b>Profit / (loss) before levies and taxation</b>		<b>400,175,979</b>	<b>(523,360,597)</b>	<b>305,125,143</b>	<b>(577,312,891)</b>
Levies	23	(94,603,055)	(67,708,567)	(73,576,985)	(22,923,060)
<b>Profit / (loss) before taxation</b>		<b>305,572,924</b>	<b>(591,069,164)</b>	<b>231,548,158</b>	<b>(600,235,951)</b>
Taxation - net	24	(288,133,122)	179,397,121	(288,133,122)	179,397,121
<b>Profit / (loss) after taxation</b>		<b>17,439,802</b>	<b>(411,672,043)</b>	<b>(56,584,964)</b>	<b>(420,838,830)</b>
<b>Earnings / (loss) per share - basic and diluted</b>	25	<b>0.44</b>	<b>(12.34)</b>	<b>(1.43)</b>	<b>(10.65)</b>

The annexed notes from 1 to 29 form an integral part of these financial statements.



Ahmed Ali Bawany  
Chief Executive Officer



Bilal Omar Bawany  
Director



Muhammad Ayub  
Chief Financial Officer

**Condensed Interim Statement of Comprehensive Income***For the six months and quarter ended March 31, 2026 (unaudited)*

	Six-month period ended		Quarter ended	
	Mar. 31, 2026	Mar. 31, 2025	Mar. 31, 2026	Mar. 31, 2025
	Rupees			
Profit / (loss) after taxation	17,439,802	(411,672,043)	(56,584,964)	(420,838,830)
<b>Other comprehensive income / (loss)</b>				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
(Decrease) / Increase in fair value of the investment in certificates of B.F. Modaraba	(253,636)	(1,183,636)	(7,458,788)	(281,818)
<b>Total comprehensive Income / (loss) for the period</b>	<b>17,186,166</b>	<b>(412,855,679)</b>	<b>(64,043,752)</b>	<b>(421,120,648)</b>

The annexed notes from 1 to 29 form an integral part of these financial statements.

  
 Ahmed Ali Bawany  
 Chief Executive Officer

  
 Bilal Omar Bawany  
 Director

  
 Muhammad Ayub  
 Chief Financial Officer

**Condensed Interim Statement of Changes in Equity***For the six months ended March 31, 2026 (unaudited)*

	Issued, subscribed and paid up capital	Capital reserves		Revenue reserves		Total
		Share premium	Surplus on re- measurement of investment	General reserve	Unappropriated profits	
(Rupees)						
<b>Balance as at September 30, 2024 (audited)</b>	250,069,550	8,472,152	4,187,879	-	1,146,001,102	1,408,730,683
<i>Total comprehensive loss for the half year ended March 31, 2025</i>						
- Loss after taxation	-	-	-	-	(411,672,043)	(411,672,043)
- Other comprehensive loss	-	-	(1,183,636)	-	-	(1,183,636)
	-	-	(1,183,636)	-	(411,672,043)	(412,855,679)
<i>Transactions with owners</i>						
Issuance of right shares	145,040,339	362,600,848	-	-	-	507,641,187
<b>Balance as at March 31, 2025 (un-audited)</b>	<b>395,109,889</b>	<b>371,073,000</b>	<b>3,004,243</b>	<b>-</b>	<b>734,329,059</b>	<b>1,503,516,191</b>
<b>Balance as at September 30, 2025 (audited)</b>	<b>395,109,889</b>	<b>371,073,000</b>	<b>11,017,273</b>	<b>-</b>	<b>1,400,692,570</b>	<b>2,177,892,732</b>
<i>Total comprehensive loss for the half year ended March 31, 2026</i>						
- Profit after taxation	-	-	-	-	17,439,802	17,439,802
- Other comprehensive loss	-	-	(253,636)	-	-	(253,636)
	-	-	(253,636)	-	17,439,802	17,186,166
<i>Transactions with owners</i>						
Issuance of right shares	-	-	-	-	-	-
<b>Balance as at March 31, 2026 (un-audited)</b>	<b>395,109,889</b>	<b>371,073,000</b>	<b>10,763,637</b>	<b>-</b>	<b>1,418,132,372</b>	<b>2,195,078,898</b>

The annexed notes from 1 to 29 form an integral part of these financial statements.



**Ahmed Ali Bawany**  
Chief Executive Officer



**Bilal Omar Bawany**  
Director



**Muhammad Ayub**  
Chief Financial Officer

**Condensed Interim Statement of Cash Flows***For the six months ended March 31, 2026 (unaudited)*

	March 31, 2026	March 31, 2025
	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before levies and taxation	400,175,979	(523,360,597)
<i>Adjustments for non-cash and other items:</i>		
- Depreciation	86,336,408	84,931,753
- Dividend income	-	(108,375)
- Gain on sale of property, plant and equipment	(2,271,824)	(283,980)
- Amortization of deferred government grant	(16,288,260)	(14,685,751)
- Finance costs	243,020,937	431,114,259
- (Gain)/ loss on re-measurement of investments carried at fair value	-	(1,689,456)
- Share of profit of associates - net	(200,129,413)	(15,333,333)
	110,667,848	483,945,117
<b>Working capital changes</b>	510,843,827	(39,415,480)
<i>(Increase) / decrease in current assets</i>		
- Stores and spares	(4,735,176)	(36,740,253)
- Stock in trade	(5,412,322,151)	(2,515,862,155)
- Trade debts	43,561,836	392,757,910
- Loans, advances, deposits and other receivables	102,148,218	351,161,782
<i>Decrease / (Increase) in current liabilities</i>		
- Trade and other payables	568,823,106	(443,467,406)
	(4,702,524,167)	(2,252,150,122)
<b>Cash used in operations</b>	(4,191,680,340)	(2,291,565,602)
Income tax paid	(150,804,453)	(39,289,588)
Payment of Workers' profit participation fund	(21,886)	-
Payment of Workers' welfare fund	(3,896,271)	-
Finance cost paid	(146,113,681)	(852,491,164)
<b>Net cash used in operating activities</b>	(4,492,516,631)	(3,183,346,354)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(29,085,640)	(57,474,580)
Proceeds from disposal of subsidiary	-	99,970
Proceeds from issuance of shares	-	145,040,339
Proceeds from issuance of share premium	-	362,600,848
Proceeds from sale of TDR	-	4,400,000
Proceeds from sale of property, plant and equipment	5,706,998	455,400
Dividend received	-	108,375
Long term advances - net	2,753,677	346,628
Long term deposits - net	1,602,965	(1,945,501)
<b>Net cash (used in) / generated from investing activities</b>	(19,022,000)	453,631,479
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term loans repaid	(81,051,399)	(95,567,563)
Short term finance - net	5,152,402,410	2,903,606,608
<b>Net cash generated from financing activities</b>	5,071,351,011	2,808,039,045
<b>Net increase in cash and cash equivalents</b>	559,812,380	78,324,170
Cash and cash equivalents at the beginning of the period	(1,362,729,853)	97,330,221
<b>Cash and cash equivalents at the end of the period</b>	(802,917,473)	175,654,391

The annexed notes from 1 to 29 form an integral part of these financial statements.



**Ahmed Ali Bawany**  
Chief Executive Officer



**Bilal Omar Bawany**  
Director



**Muhammad Ayub**  
Chief Financial Officer

**Notes to the Condensed Interim Financial Statements***For the six months ended March 31, 2026 (unaudited)***1. STATUS AND NATURE OF BUSINESS****1.1 Brief profile of the Company**

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

Head office:

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

Mill:

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

**2. BASIS OF PREPARATION****2.1 Statement of compliance**

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

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

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

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with Company's annual financial statements for the year ended September 30, 2025.

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

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

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

**2.3 Functional and presentation currency**

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

**2.4 Judgments and sources of estimation uncertainty**

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied in the Company's annual financial statements as at and for the year ended September 30, 2025.

**2.5 Material accounting policies**

The material accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the Company's annual financial statements for the year ended September 30, 2025.

**3. PROPERTY, PLANT AND EQUIPMENT**

Operating fixed assets

Note

3.1

(Un-audited) March 31, 2026	(Audited) September 30, 2025
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Rupees

2,953,589,394

3,014,275,336



		(Un-audited) March 31, 2026	(Audited) September 30, 2025
	Note	Rupees	
<b>4. LONG TERM INVESTMENTS</b>			
Investment in associates	4.1	1,443,810,647	1,243,681,234
Investment in certificates of B.F. Modaraba		14,513,637	14,767,273
		<b>1,458,324,284</b>	<b>1,258,448,507</b>
<b>4.1 Investment in associates</b>			
<i>Unquoted investments</i>			
Unicol Limited	4.1.1	1,434,283,686	1,234,018,827
Uni Energy Limited		9,526,961	9,662,407
		<b>1,443,810,647</b>	<b>1,243,681,234</b>
<b>4.1.1 Investment in Unicol Limited</b>			
Cost of investment: 10,499,998 shares of Rs.10/- each		104,999,980	104,999,980
Bonus shares issued: 39,500,000 shares		395,000,000	395,000,000
		<b>499,999,980</b>	<b>499,999,980</b>
<i>Accumulated share of profit:</i>			
Opening balance		734,018,847	605,629,847
Cash dividend received during the period / year		-	-
Share of profit for the period / year	4.1.1.1	200,264,859	128,389,000
		<b>934,283,706</b>	<b>734,018,847</b>
<b>Carrying amount as of the reporting date</b>		<b>1,434,283,686</b>	<b>1,234,018,827</b>
<b>4.1.1.1</b>	The share of profit of the associate for the period presented above is based on its un-audited financial statements for the half year ended March 31, 2026.		
<b>4.1.1.2</b>	As of the reporting date, the Company held 33.33% (September 30, 2025: 33.33%) voting shares of Unicol Limited.		
		(Un-audited) March 31, 2026	(Audited) September 30, 2025
<b>5. DEFERRED TAX ASSET</b>	Note	Rupees	
<i>Deferred tax liability arising in respect of:</i>			
Property, plant and equipment		(675,253,033)	(669,043,746)
Investment in associates		(230,952,672)	(180,920,319)
Long term finance		(46,425,604)	(57,199,815)
		<b>(952,631,309)</b>	<b>(907,163,880)</b>
<i>Deferred tax asset arising in respect of:</i>			
Provision of slow moving stock		6,799,542	6,799,542
Provision for Workers' Profit Participation Fund		6,343,660	2,451,289
Provision for Workers' Welfare Fund		1,936,702	1,973,903
Deferred government grant		47,158,265	53,510,686
Minimum Tax		463,528,838	401,250,577
Unused tax losses		642,530,103	929,726,825
		<b>1,168,297,110</b>	<b>1,395,712,822</b>
Unrecognised deferred tax asset	5.1	(111,727,442)	(111,727,442)
		<b>103,938,359</b>	<b>376,821,500</b>
<b>5.1</b>	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.		
		(Un-audited) March 31, 2026	(Audited) September 30, 2025
<b>6. STOCK-IN-TRADE</b>		Rupees	
Finished goods:			
- Sugar		5,755,269,933	404,356,739
- Bagasse		68,150,917	7,788,314
		<b>5,823,420,850</b>	<b>412,145,053</b>
Work in process		1,446,238	399,884
		<b>5,824,867,088</b>	<b>412,544,937</b>
<b>6.1</b>	As of the reporting date, the value of stock pledged against bank borrowings amounted to Rs.4.327 billion (September 30, 2025: Rs. 303 million).		

		(Un-audited) March 31, 2026	(Audited) September 30, 2025
	Note	Rupees	
<b>7. TRADE DEBTS - unsecured, considered good</b>			
Local receivables	7.1	276,945,030	320,506,866
<b>7.1</b>		This includes amount due from a related party, M/s. Unicol Limited Rs. 76.384 million (September 30, 2025: Rs.8.272 million). Maximum balance outstanding at any time during the period, computed with reference to month-end balances amounted to Rs. 135.6 million (September 30, 2025: Rs.101.189 million).	
<b>8. LOANS, ADVANCES, DEPOSITS AND OTHER RECEIVABLES - Unsecured</b>			
	Note	(Un-audited) March 31, 2026	(Audited) September 30, 2025
		Rupees	
Loans (interest-free)		22,660,486	119,907,444
Advances (interest-free)		20,930,290	30,538,107
Deposits	8.1	51,740,400	48,747,900
Other receivables	8.2	115,103,276	113,389,219
		<b>210,434,452</b>	<b>312,582,670</b>
<b>8.1 Deposits</b>			
Bid money	8.1.1	51,740,400	48,740,400
Others		-	7,500
		<b>51,740,400</b>	<b>48,747,900</b>
<b>8.1.1</b>		This represents amount deposited against tenders for the supply of sugar to the following parties:	
	Note	(Un-audited) March 31, 2026	(Audited) September 30, 2025
		Rupees	
Utility Stores Corporation of Pakistan (Pvt.) Limited	8.1.1.1	48,740,400	48,740,400
Pakistan Navy		3,000,000	-
		<b>51,740,400</b>	<b>48,740,400</b>
<b>8.1.1.1</b>		In June 2024, the Company was awarded a contract by Utility Stores Corporation of Pakistan (USC) for the supply of 12,000 MT of sugar at Rs. 135.390 per kg against which a performance guarantee amounting to Rs. 48.740 million was submitted. The Company supplied 7,723 MT of sugar by August 19, 2024; however, USC failed to make timely payments against the supplies. Subsequently, USC requested a reduction in price due to declining market prices, which the Company conditionally accepted by reducing the price to Rs. 122 per kg, subject to the following conditions: (i) release of the entire outstanding amount of Rs. 360,664,940 immediately, which had been due since August 2024, in order to release the pledged sugar from the Company's banks for onward supply of the balance quantity to USC; (ii) no further discount would be applicable to any quantities for which payments had already been received; (iii) supply of sugar would be made in tranches of maximum 300 tons to ensure consistent supply and the entire balance quantity of 4,277 MT would be lifted by USC within 30 days; (iv) both parties would not claim or request any further price adjustment on account of any upward or downward movement in sugar prices; and (v) the performance guarantee of Rs. 48,740,400 would be refunded immediately upon completion of lifting of the balance quantity of 4,277 MT. As USC did not comply with all the said terms and conditions, therefore the Company revoked the concession in December 2024.	
		The Company invoked the arbitration clause of the contract in May 2025 and filed its statement of claim before the designated arbitrator. Due to lack of progress in the arbitration proceedings, the Company filed an application before the Court of Senior Civil Judge West, Islamabad in March 2026 under the Arbitration Act, 1940, seeking replacement of the arbitrator. The Company also filed a separate application before the same Court seeking deposit of the performance guarantee amount of Rs. 48,740,400 with the Nazir of the Court during pendency of proceedings. The matter is currently pending adjudication and management expects a favorable outcome.	
<b>8.2 Other receivables</b>			
	Note	(Un-audited) March 31, 2026	(Audited) September 30, 2025
		Rupees	
Freight Subsidy receivable	8.2.1	83,283,750	83,283,750
Road cess receivable		7,180,538	7,180,538
Others		24,638,988	22,924,931
		<b>115,103,276</b>	<b>113,389,219</b>

		(Un-audited) March 31, 2026	(Audited) September 30, 2025
		Rupees	
<b>9.</b>	<b>INCOME TAX REFUNDABLE / (PAYABLE)</b>		
	Opening balance	(8,004,900)	(23,815,325)
	Taxes deducted at source / paid during the period / year	150,804,453	165,629,924
		142,799,553	141,814,599
	Less: Provision for levies for the period / year	(80,799,842)	(149,819,499)
	Less: Provision for taxation for the period / year	(15,249,981)	-
		46,749,730	(8,004,900)
<b>10.</b>	<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
	<b>March 31, 2026</b>	September 30, 2025	
	(Number of shares)		(Rupees)
	39,510,989	39,510,989	Ordinary shares of Rs. 10/ each fully paid in cash
		395,109,889	395,109,889
<b>11.</b>	<b>FINANCING UNDER SBP SCHEMES</b>	(Un-audited) March 31, 2026	(Audited) September 30, 2025
		Rupees	
	Islamic Temporary Economic Refinance Facility (ITERF)	385,865,327	415,931,591
	Islamic Financing for Renewable Energy (IFRE)	45,344,375	48,176,384
	Diminishing Musharaka financing	51,325,629	69,147,309
		482,535,331	533,255,284
	Less: Current portion of long term finance shown under current liabilities	(142,247,714)	(133,038,708)
		340,287,617	400,216,576
<b>12.</b>	<b>DEFERRED LIABILITIES</b>		
	Sales tax payable	31,656,182	31,656,182
	Deferred government grant	92,569,110	104,465,474
		124,225,292	136,121,656
<b>12.1</b>	<b>Deferred government grant</b>		
	Opening balance	137,206,888	143,458,436
	Add: grant recognized during the period/year	-	34,729,932
	Less: amortization for the period/year	(16,288,260)	(40,981,480)
		120,918,628	137,206,888
	Less: Current maturity shown under current liabilities	(28,349,518)	(32,741,414)
		92,569,110	104,465,474
<b>13.</b>	<b>TRADE AND OTHER PAYABLES</b>		
	<b>Trade creditors:</b>		
	- Sugarcane growers	463,685,629	42,641,311
	- Suppliers of stores and spares	68,289,218	55,864,042
		531,974,847	98,505,353
	<b>Other payables:</b>		
	Advance and deposit from customers	699,474,960	437,206,052
	Sales tax payable & FED payable	115,646,635	209,510,118
	Accrued liabilities	45,949,279	66,866,034
	Workers' Welfare Fund	4,965,903	5,061,289
	Workers' Profit Participation Fund	16,265,796	6,285,354
	Special Excise Duty payable	13,208,869	13,208,869
	Security deposits	9,747,432	9,712,632
	Withholding income tax payable	4,690,165	16,670,541
	Others	494,827	684,309
		910,443,866	765,205,198
		1,442,418,713	863,710,551
<b>13.1</b>	<b>Advances and deposits from customers</b>		

During the period, the performance obligations underlying the opening contract liability of Rs. 416.08 million were satisfied. Accordingly, the said liability was recorded as revenue during the period.

In addition, information regarding the timing of satisfaction of performance obligations underlying the closing contract liability of Rs. 699.47 million is not presented since the expected duration of all the contracts entered into with the customers is less than one year.

		(Un-audited) March 31, 2026	(Audited) September 30, 2025
	Note	Rupees	
<b>13.2 Workers' Welfare Fund</b>			
Opening balance		5,061,289	11,896,298
Add: charge for the period/year		3,800,885	1,164,991
		<u>8,862,174</u>	<u>13,061,289</u>
Less : Payment during the period/ year		(3,896,271)	(8,000,000)
<b>Closing balance</b>		<u><u>4,965,903</u></u>	<u><u>5,061,289</u></u>
<b>13.3 Workers' Profit Participation Fund</b>			
Opening balance		6,285,354	3,219,589
Add: charge for the period/year		10,002,328	3,065,765
		<u>16,287,682</u>	<u>6,285,354</u>
Less : Payment during the period/ year		(21,886)	-
<b>Closing balance</b>		<u><u>16,265,796</u></u>	<u><u>6,285,354</u></u>
<b>14. SHORT TERM FINANCE - secured</b>			
Islamic financing arrangements	14.1	<u><u>6,796,296,313</u></u>	<u><u>2,143,893,903</u></u>

**14.1** This represents the availed amount of Islamic finance facilities provided by various Islamic banks. As at the reporting date, the aggregate limit of these available finances amounted to Rs. 7,800 million (September 30, 2025: Rs. 7,800 million). These finances are secured against pledge of refined sugar and first pari passu charge on fixed assets of the Company including land, building and plant & machinery carrying profit at the rate of KIBOR + 0.5% to 1.25% per annum (September 30, 2025: KIBOR + 0.31% to 1.25 % per annum).

## 15. CONTINGENCIES AND COMMITMENTS

### 15.1 Contingencies

There has been no change in the status of contingencies as disclosed in annual financial statements for the year ended September 30, 2025 except the below:

**15.1.1** 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.

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.

The appeal before the CAT was subsequently withdrawn on October 28, 2025, due to a split decision between the two Members of the Tribunal; consequently, no operative order remains in force. The Competition Commission of Pakistan (CCP) filed a review petition before the Supreme Court of Pakistan challenging the order dated September 18, 2025, whereby the Supreme Court had set aside the CAT's direction to remand the case to CCP and instead remanded it back to the CAT. The Supreme Court dismissed the said review petition vide order dated January 15, 2026, holding that the review petitions were neither factually nor legally maintainable. Consequently, the order dated September 18, 2025 passed by the Supreme Court attains finality and shall prevail over lower court proceedings i.e. Suit No. 2273 of 2021, re-numbered as Suit No. 5331 of 2025, remains pending before the Court of the Senior Civil Judge / Assistant Sessions Judge-XV, Karachi South (City Court, Karachi).

- 15.1.2** The Deputy Commissioner Inland Revenue (DCIR) vide its order, dated November 29, 2024, raised a demand of Rs. 10.308 million (including default surcharge u/s. 205 amounting to Rs. 4.146 million and penalty u/s. 182 amounting to Rs. 0.56 million) for the tax year 2019 on the alleged failure of the company to collect / deduct tax under sections 236G, 236H and 153 of the Income Tax Ordinance (ITO), 2001.

In response to the said order, on December 27, 2024, the Company filed an appeal before the Commissioner Inland Revenue (Appeals-I) challenging the demand raised by the DCIR on the grounds that the order passed was bad in law and the DCIR has grossly erred in raising the demand @ 1% u/s 236H of the income tax ordinance, 2001 which was not applicable to the Company and similarly also erred in calculating the withholding tax liability against various heads of expenses claimed which were duly reconciled with the reconciliation filed with the DCIR as required under rule 44(4) of the Income Tax Rules (ITR), 2002. Accordingly, the levy created against the impugned expenses arbitrarily is unjustified and unwarranted.

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.

The ATIR vide its order dated February 25, 2026 dismissed the appeal filed by the Company and upheld the order of the learned CIR(A). Being aggrieved by the said order, the Company filed a Reference Application (ITRA No. 67 of 2026) dated March 18, 2026 before the Honorable Sindh High Court (SHC). Vide order dated April 02, 2026, the SHC, on joint submission of both parties, set aside the impugned ATIR order and remanded the matter back to the learned Tribunal for fresh adjudication in accordance with law. The SHC further directed that no coercive action shall be taken against the Company pending such adjudication.

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.

## 15.2 Commitments

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

		<b>For the six-month period ended</b>	
		<b>March 31, 2026 (Un-audited)</b>	<b>March 31, 2025 (Un-audited)</b>
		----- Rupees -----	
<b>16. SALES REVENUE - net</b>	<i>Note</i>		
Revenue from local sales - net	<i>16.1</i>	<b>4,982,260,810</b>	4,645,404,701
Revenue from export sales		-	763,686,525
		<b>4,982,260,810</b>	<b>5,409,091,226</b>
<b>16.1 Revenue from local sales - net</b>			
Sales of sugar local - gross		<b>4,742,296,529</b>	4,388,078,510
Less: Sales tax / advance income tax / federal excise duty		<b>(1,023,461,597)</b>	(717,390,543)
		<b>3,718,834,932</b>	3,670,687,967
Sales of molasses-gross		<b>1,170,484,574</b>	973,774,652
Less: Sales tax		<b>(178,548,494)</b>	(148,541,896)
		<b>991,936,080</b>	825,232,756
Sales of power-gross		<b>4,790,732</b>	8,494,546
Less: Sales tax		<b>(730,790)</b>	(1,295,778)
		<b>4,059,942</b>	7,198,768
Sales of bagasse - gross		<b>315,755,896</b>	167,896,546
Less: Sales tax		<b>(48,326,040)</b>	(25,611,336)
		<b>267,429,856</b>	142,285,210
<b>Net sales revenue</b>		<b>4,982,260,810</b>	<b>4,645,404,701</b>

		For the six-month period ended	
		March 31, 2026 (Un-audited)	March 31, 2025 (Un-audited)
		----- Rupees -----	
<b>17. COST OF SALES</b>	<i>Note</i>		
Opening stock of finished goods		412,145,053	3,063,236,855
Cost of goods manufactured	17.1	9,820,200,807	7,895,419,373
		<b>10,232,345,860</b>	10,958,656,228
Closing stock of finished goods		<b>(5,823,420,850)</b>	(5,579,251,425)
		<b>4,408,925,010</b>	5,379,404,803
<b>17.1 Cost of goods manufactured</b>			
Raw materials consumed		9,147,988,394	7,227,581,711
Conversion costs incurred:			
- Salaries, wages and benefits		321,384,727	307,106,107
- Stores and spares consumed		115,611,969	131,384,066
- Packing materials consumed		64,413,109	55,522,803
- Depreciation		70,629,089	66,523,657
- Repair and Maintenance		57,571,631	49,157,404
- Fuel and power		19,013,045	19,983,866
- Insurance		8,093,895	21,833,006
- Vehicle running expenses		8,642,635	8,525,275
- Others		7,898,667	7,649,063
		<b>673,258,767</b>	667,685,247
		<b>9,821,247,161</b>	7,895,266,958
Opening stock of work in process		399,884	552,295
Closing stock of work in process		<b>(1,446,238)</b>	(399,880)
		<b>(1,046,354)</b>	152,415
		<b>9,820,200,807</b>	7,895,419,373
<b>18. SELLING AND DISTRIBUTION EXPENSES</b>			
Transportation		52,613,941	23,690,515
Loading, stacking, bagging and storage		12,201,223	9,972,397
Export expenses		-	22,072,613
		<b>64,815,164</b>	55,735,525
<b>19. OTHER INCOME</b>			
Amortization of deferred government grant		16,288,260	14,685,751
Gain on sale of property, plant and equipment		2,271,824	283,980
Sale of scrap		6,156,715	5,295,240
Profit on term deposits receipts		2,161,027	-
Profit on deposit accounts		3,526,762	4,141,350
Exchange gain		-	1,456,441
Sale of press mud		10,371,252	6,293,608
Unrealized gain on remeasurement of investments in quoted equity securities to fair value		-	1,689,456
Dividend income		-	108,375
Miscellaneous income		666,563	285,600
		<b>41,442,403</b>	34,239,801
<b>20. OTHER EXPENSES</b>			
Donation		231,753	280,706
Right issue expense		-	3,480,881
		<b>231,753</b>	3,761,587
<b>21. FINANCE COSTS</b>			
Markup on short term borrowings		211,399,281	391,621,063
Markup on long term borrowings:			
- ITERF from Faysal Bank Limited		17,642,037	20,191,037
- ITERF from Bank Islami Pakistan Limited		3,682,706	4,145,052
- IFRE from Bank Islami Limited		1,660,036	-
- IFRE from Bank AL Habib Limited		4,254,261	-
- Diminishing Musharaka financing		3,092,406	11,962,705
		<b>30,331,446</b>	36,298,794
		<b>241,730,727</b>	427,919,857
Bank charges		1,290,210	3,194,402
		<b>243,020,937</b>	431,114,259

	For the six-month period ended	
	March 31, 2026 (Un-audited)	March 31, 2025 (Un-audited)
	----- Rupees -----	
<b>22. SHARE OF PROFIT OR LOSS OF ASSOCIATES - net</b>		
Unicol Limited	200,264,859	15,333,333
Uni Energy Limited	(135,446)	-
	<b>200,129,413</b>	<b>15,333,333</b>
<b>23. LEVIES</b>		
Excess of minimum tax over normal tax	62,278,261	67,708,567
Super tax on FTR income	18,521,581	-
Workers' Profit Participation Fund	10,002,328	-
Workers' welfare fund	3,800,885	-
	<b>94,603,055</b>	<b>67,708,567</b>
<b>24. TAXATION - net</b>		
Current	15,249,981	-
Deferred	272,883,141	(179,397,121)
	<b>288,133,122</b>	<b>(179,397,121)</b>
<b>25. EARNINGS / (LOSS) PER SHARE - basic and diluted</b>		

	Half year ended		Quarter ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
	----- Rupees -----			
Profit / (loss) for the period	<b>17,439,802</b>	(411,672,043)	(56,584,964)	(420,838,830)
	----- Number of shares -----			
Weighted average number of ordinary shares outstanding during the period	<b>39,510,989</b>	33,369,541	39,510,989	39,510,989
	----- Rupees -----			
Earnings / (loss) per share - basic and diluted	<b>0.44</b>	(12.34)	(1.43)	(10.65)

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

## 26. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of the Company's subsidiary, associates, key management personnel (including directors) and their close family members and the staff provident fund. Remuneration and benefits to directors and executives of the Company are in accordance with the terms of the employment while contribution to the provident fund is in accordance with staff service rules.

	For the six-month period ended	
	March 31, 2026 (Un-audited)	March 31, 2025 (Un-audited)
	----- Rupees -----	
<b><u>Transactions during the period</u></b>		
<b><u>ASSOCIATES</u></b>		
<b>Unicol Limited</b>		
Revenue from sale of goods - net	1,044,959,432	877,137,332
Receipts during the period	1,165,010,362	989,149,976
<b><u>KEY MANAGEMENT PERSONNEL</u></b>		
Remuneration of the Chief Executive	10,358,280	10,358,280
Remuneration of directors	7,480,980	7,480,980
Directors' meeting fee	385,000	385,000

	For the six-month period ended	
	March 31, 2026 (Un-audited)	March 31, 2025 (Un-audited)
	----- Rupees -----	
<b><u>OTHER RELATED PARTIES</u></b>		
<b>Reliance Insurance Company Ltd.</b> Insurance premium paid	11,449,656	20,868,861
<b>BF Modaraba</b> Sale of sugar - net Receipts during the period	54,025,424 41,896,214	41,779,733 49,300,085
<b>Employees' Provident Fund Trust</b> Contribution to Provident Fund	3,742,055	4,201,879
	(Un-audited) March 31, 2026	(Audited) September 30, 2025
	----- Rupees -----	
<b><u>Balances at the end of the reporting period</u></b>		
<b><u>ASSOCIATES</u></b>		
<b>Unicol Limited</b> Trade receivable against sale of goods	76,384,181	8,272,542
<b><u>OTHER RELATED PARTIES</u></b>		
<b>Reliance Insurance Limited</b> Receivable from Reliance Insurance Ltd.	7,640,143	4,549,428
<b>BF Modaraba</b> Advance against sugar	40,815,449	63,750,000

## 27. FAIR VALUE OF ASSETS AND LIABILITIES

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

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

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

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

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

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

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

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

	Level 1	Level 2	Level 3
	----- Rupees -----		
<b>March 31, 2026</b>			
Investment in certificates B.F. Modaraba	14,513,637	-	-
	14,513,637	-	-
<b>September 30, 2025</b>			
Investment in certificates B.F. Modaraba	14,767,273	-	-
	14,767,273	-	-

**28. OPERATING SEGMENT**

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

- (a) Revenue from sale of Sugar represents 74.64% (March 31, 2025: 81.98%) of the total revenue of the Company.
- (b) 100% (March 31, 2025: 85.88%) gross sales of the Company were made to customers based in Pakistan.
- (c) As at March 31, 2026 and September 30, 2025 all non-current assets of the Company were located in Pakistan.

**29. GENERAL****29.1 Shariah Disclosures under clause VII of Part I of Schedule IV of the Companies Act, 2017**

Following information has been disclosed as required under amended part I clause VII of Fourth Schedule to the Companies Act, 2017 as amended via S.R.O.1278 (I)/ 2024 dated 15 August 2024.

	March 31, 2026	September 30, 2025
	Rupees	
<i>Condensed interim statement of financial position- Liability side:</i>		
- Financing (long-term, short-term, or lease financing) obtained as per Islamic mode	7,278,831,644	2,677,149,187
- Interest or mark-up accrued on any conventional loan or advance	-	-
<i>Condensed interim statement of financial position- Asset side:</i>		
- Long-term and short-term Shariah compliant Investments	14,513,637	14,767,273
- Shariah-compliant bank deposits, bank balances, and TDRs	145,990,614	78,794,655
	(Un-audited) March 31, 2026	(Un-audited) March 31, 2025
	Rupees	
<i>Condensed interim statement of comprehensive income</i>		
- Revenue earned from Shariah compliant business segment	4,982,260,810	5,409,091,226
- Break-up of late payments or liquidated damages	-	-
- Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates	-	1,797,831
- Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs	5,687,789	4,141,350
- Exchange gain earned from actual currency	-	1,456,441
- Exchange gains earned using conventional derivative financial instruments	-	-
- Profit paid on Islamic mode of financing	146,113,681	852,491,164
- Total Interest earned on any conventional loan or advance	-	-

**Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non compliant income**

(Un-audited) March 31, 2026  
(Un-audited) March 31, 2025  
Rupees

*Earned from Shariah compliant transactions*

Gain on sale of property, plant and equipment	2,271,824	283,980
Sale of scrap	6,156,715	5,295,240
Sale of press mud	10,371,252	6,293,608
Miscellaneous income	666,563	285,600

Name	Relationship
Bank Alfalah Limited – Islamic Banking	Bank Balance and short term financing
Askari Bank Limited – Islamic Banking	Bank Balance and short term financing
MCB Islamic Bank Limited	Bank Balance and short term financing
United Bank Limited (UBL) – UBL Ameen (Islamic Banking)	Bank Balance and short term financing
Soneri Bank Limited – Islamic Banking	Bank Balance and short term financing
Meezan Bank Limited	Bank Balance and short term financing
Bank AL Habib Limited – Islamic Banking	Bank Balance and short term financing
Dubai Islamic Bank Pakistan Limited	Bank Balance and short term financing
Faysal Bank Limited – Islamic Banking (Faysal Islamic)	Bank Balance, short term financing and long term financing
BankIslami Pakistan Limited	Bank Balance, short term financing and long term financing
Habib Metropolitan Bank Limited – Islamic Banking	Bank Balance and short term financing
B.F. Modaraba	Long term investments
Reliance Insurance Company Limited	Insurance of Company's assets

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

These condensed interim financial statements have been authorized for issue by the Board of Directors of the Company in their meeting held on May 25, 2026.

**29.3 Level of rounding**

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

  
Ahmed Ali Bawany  
Chief Executive Officer

  
Bilal Omar Bawany  
Director

  
Muhammad Ayub  
Chief Financial Officer



**FARAN SUGAR MILLS LTD.**

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