

**FIRST QUARTERLY
ACCOUNTS
(UN-AUDITED)**

FOR THE PERIOD ENDED
DECEMBER 31, 2022



FARAN SUGAR MILLS LTD.

CORPORATE **INFORMATION**

Date of Incorporation

November 3, 1981

Date of Commencement of Business

November 25, 1981

Board of Directors

Muhammad Omar Amin Bawany	Chairman
Ahmed Ali Bawany	Chief Executive
Hamza Omar Bawany	
Bilal Omar Bawany	
Mohammad Altamash Bawany	
Ahmed Ghulam Hussain	
Irfan Zakaria Bawany	
Khurram Aftab	NIT
Tasneem Yusuf	

Audit Committee

Ahmed Ghulam Hussain	Chairman
Muhammad Omar Amin Bawany	Member
Irfan Zakaria Bawany	Member

Human Resource & Remuneration Committee

Ahmed Ghulam Hussain	Chairman
Muhammad Omar Amin Bawany	Member
Ahmed Ali Bawany	Member

Auditors

Rahman Serfaraz Rahim Iqbal Rafiq
Chartered Accountants

Chief Financial officer & Company Secretary

Muhammad Ayub

Legal Advisor

Ghulam Rasool Korai

Bankers (Islamic Banking Division)

Bank AL-Habib Ltd.
AL-Baraka Islamic Bank Ltd.
Bank AL-Falah Ltd.
Dubai Islamic Bank Ltd.
MCB Islamic Bank Ltd.
Habib Metropolitan Bank Ltd.
Meezan Bank Ltd.
United Bank Ltd.
Habib Bank Ltd.
Askari Bank Ltd.
Faysal Bank Ltd.
Bank Islami Ltd.

Share Registrar

C&K Management Associates (PVT.) Ltd. 404,
Trade Tower, Abdullah Haroon Road, Near
Metropole Hotel, Karachi.
Tel: (92-21) 35687639, 35685930

Registered Office

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

Mills

Shaikh Bhirkio,
Distt. Tando M. Khan.

E-mail & Website

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

Stock Exchange Symbol

FRSM

Registration Number

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

CHIEF EXECUTIVE REVIEW

FOR THE PERIOD ENDED DECEMBER 31, 2022

Dear Shareholders,

By the grace of Almighty Allah, I present a brief overview of your company's performance for the first quarter ended December 31, 2022.

Financial results for the first quarter ended December 2022 are summarized as follows:

	Dec-2022 Rs. '000	Dec-2021 Rs. '000
Local Sale-Gross	2,517,047	2,568,793
(Loss) / profit before interest & taxation	(122,305)	181,478
Share of profit/ (loss) from Associate-net	350,077	(13,583)
Profit before taxation	227,772	167,895
Less: Taxation	(27,399)	(27,766)
Profit after Taxation	200,373	140,129
Earnings per Share – Rs.	8.01	5.60

Gross Sales remained at the same level as last year's corresponding period. However, margin shrank due to higher cost of manufacturing and lower sales price. Finance cost shot up to 120.7 million from Rs. 42.4 million, increased by 184% due to increase in financing rate to double, low sale volume and financing obtained for cost saving projects that eroded our profitability. But, Unicol Limited reported exceptional profit of Rs.1.050 billion, out of which our shares of profit of Rs. 350 million has been reflected in shares of profit from equity accounted investees-net.

We started our mills on 28th November 2022 and, by the grace of Allah, our mills performance is quite satisfactory and up to reporting date; produced 28,335 metric tons refined sugar by crushing 307,026 metric tons cane with average recovery 9.913%.

For ongoing season 2022-23, the Sindh government fixed minimum support price for sugarcane at Rs. 302 per maund – Rs. 52 jump from the previous season. The Sugar Mills of the country are running in full swing and have so far crushed a significant quantum of cane. The Province of Sindh is expected 10-15% lower availability of cane as well lower recovery due to flash flood. Sindh province was hit hardest by the heavy torrential rainfall and flash floods in the month of July and August 2022. However, as per Cane Commissioner of Punjab the sugarcane crop was 6.5% higher than the last year due to an increase in acreage and better yields.

The industry is struggling to survive as it is forced to buy sugarcane at a fixed rate which is 20% higher than previous season plus higher conversion and financing costs due to double digit inflation in the country, while the ex-factory price of refined sugar far below the production cost. It is important for the government to consider the interests of all stakeholders and make timely decisions that will benefit the industry and the country as a whole. In the ongoing season-2022-23, PSMA is working closely with the government to address these challenges and find solutions to ensure the sustainability and survival of the sugar industry. Without revenues from exports, local mills cannot make timely payments to farmers, while large stockpiles will stop domestic prices from rallying in the country. On 3rd January 2023, the ECC after detailed discussions on the recommendation of the SAB, allowed 250,000 tons of sugar for export and further quota of same quantity is expected to announce during the season.

Faran Power Limited (FPL) - 26.5 MW bagasse base High Pressure power project has been halted due to CPPA denial to sign Implementation Agreement (IA) and Power Purchase Agreement (PPA). The project was initiated in 2016. The Company had principally decided to abandon the project and approached AEDB through its legal counsel to release performance guarantee given by the company on behalf of FPL. AEDB has now released the bank guarantee and the company has initiated to wind up FPL.

We are confident that sales price will improve after close of season, considering multiple factors. Almost all cost saving projects have been fully operational, initiated in the previous season, and we will reap maximum benefits in the ongoing season from these projects, Insha Allah.



Ahmed Ali Bawany
Chief Executive

Karachi:
January 30, 2022

ڈائریکٹر کی رپورٹ
31 دسمبر 2022 کو ختم ہونے والی سہ ماہی کے لیے

محترم شیئر ہولڈرز،

الف: تفصیلی کے فضل سے، میں 31 دسمبر 2022 کو ختم ہونے والی پہلی سہ ماہی کے لیے آپ کی کمپنی کی کارکردگی کا ایک مختصر جائزہ پیش کر رہا ہوں۔
دسمبر 2022 کو ختم ہونے والی پہلی سہ ماہی کے مالی نتائج کا خلاصہ درج ذیل ہے:

دسمبر-2022	دسمبر-2021	
روپے '000	روپے '000	
2,517,047	2,568,793	مستامی مندرجہ ذیل - مجموعی
(122,305)	181,478	(نقصان) / منافع، سود اور ٹیکس سے پہلے
350,077	(13,583)	ایسوسی ایٹ نیٹ سے منافع / (نقصان) کا حصہ
227,772	167,895	قبل از ٹیکس منافع
(27,399)	(27,766)	منفی: ٹیکس لگانا
200,373	140,129	بعد از ٹیکس منافع
8.01	5.60	فی شیئر آمدنی - روپے

مجموعی فروخت گزشتہ سال کی اسی مدت کی سطح پر رہی۔ تاہم، ہائیڈرو پاور اور فروخت کی کم قیمت کی وجہ سے منافع کم رہا۔ مالیاتی لاگت 42.4 ملین روپے سے بڑھ کر 120.7 ملین روپے تک پہنچ گئی، فنانسنگ کی لاگت میں 184 فیصد اضافہ ہوا جس کی وجہ سے فنانسنگ کی شرح میں دو گنا اضافہ، کم فروخت کا حجم اور لاگت کی بچت کے منصوبوں کے لئے حاصل کردہ فنانسنگ ہے جس سے ہمارے منافع میں کمی واقع ہوئی ہے۔ لیکن، یونیول لیٹنٹ 1.050 ارب روپے کا غیر معمولی منافع ظاہر کیا، جس میں سے 350 ملین روپے کے منافع کے ہمارے حصص ایکویٹی ہولڈرز کے حصص سے منافع کے حصص میں ظاہر ہوئے ہیں۔

ہم نے اپنی ملازمت 28 نومبر 2022 کو شروع کی اور الف کے فضل سے ہماری ملازمتی کارکردگی حالیہ تاریخ تک کافی حد تک تسلی بخش ہے۔ اوسط وصولی 9.913 فیصد کے ساتھ 307,026 میٹرک ٹن کے لئے کرشنگ کر کے 28,335 میٹرک ٹن ریفرنسڈ چینی پیدا کی۔

روان سیزن 2022-23 کے لیے، سندھ حکومت نے گئے کی کم از کم امدادی قیمت 302 روپے فی من مقرر کی ہے جو کہ پچھلے سیزن سے 52 روپے زیادہ ہے۔ ملک کی شوگر ملین زوروں پر چپل رہی ہیں اور اب تک گئے کی ایک بڑی مقدار کی کرشنگ کر چکی ہے۔ صوبہ سندھ میں حالیہ سیلاب کی وجہ سے گئے کی دستیابی کی توقع 10 سے 15 فیصد کم ہے اور اسی تناظر میں سب سے ریگوری بھی۔ صوبہ سندھ جولائی اور اگست 2022 کے مہینوں میں شدید طوفانی بارشوں اور سیلاب سے سب سے زیادہ متاثر ہوا تھا۔ تاہم پنجاب کے کین کمشنر کے مطابق گئے کی فصل کی پیداوار اضافی رقبہ کی وجہ سے گزشتہ سال کے مقابلے میں 6.5 فیصد زیادہ رہے گی۔

یہ صنعت زندہ رہنے کے لیے جلد و جہد کر رہی ہے کیونکہ اسے ایک کم از کم مقررہ قیمت پر گن خریدنے پر مجبور کیا گیا ہے جو کہ پچھلے سیزن کے مقابلے میں 20 فیصد زیادہ ہے۔ علاوہ ازیں ملک میں کئی گنا مہنگائی کی وجہ سے پیداواری لاگت میں بھی کافی اضافہ ہوا ہے جبکہ چینی کی ایکس فی کٹری قیمت اس سے کہیں کم ہے۔ حکومت کے لیے ضروری ہے کہ وہ تمام اسٹیک ہولڈرز کے مفادات پر غور کرے اور بروقت فیصلے کرے جس سے صنعت اور ملک کو مجموعی طور پر فائدہ ہو۔ جاری سیزن 2022-23 میں، PSMA حکومت کے ساتھ مسل کر کام کر رہا ہے تاکہ ان چیلنجوں سے نمٹنے اور شوگر انڈسٹری کی پائیداری اور بقا کو یقینی بنانے کے لیے حل تلاش کیا جاسکے۔ برآمدات سے محصولات کے بغیر، معامی ملیں کانوں کو بروقت ادائیگی نہیں کر سکیں گی جبکہ بڑے ذخیرے ملک میں مستامی قیمتوں کو بڑھنے سے روک دیں گے۔ 3 جنوری 2023 کو، ECC نے SAB کی سفارش پر تفصیلی باسٹ چیپٹ کے بعد، 250,000 ٹن چینی کو برآمد کرنے کی اجازت دی اور سیزن کے دوران اسی مقدار کے مسزید کو نئے کا اعلان متوقع ہے۔

منار ان پاور لمیٹڈ (FPL) - 26.5 میگا واٹ - یگاس کی بنیاد پر ہائی پریشر پاور پروجیکٹ کو CPPA کی جانب سے نفاذ کے معاہدے (IA) اور پاور پراجیکٹ انگریز سٹریٹس (PPA) پر دستخط کرنے سے انکار کی وجہ سے روک دیا گیا ہے۔ یہ منصوبہ 2016 میں شروع کیا گیا تھا۔ کمپنی نے بنیادی طور پر اس منصوبے کو ترک کرنے کا فیصلہ کیا اور FPL کی جانب سے کمپنی کی طرف سے جاری کی گئی Performance Guarantee جاری کرنے کے لیے اپنے قانونی مشیر کے ذریعے AEDB سے رابطہ کیا ہے۔ AEDB نے اب بینک گرانٹی جاری کر دی ہے اور کمپنی نے FPL کو ختم کرنے کا اختیار دیا ہے۔

ہمیں یقین ہے کہ سیزن کے اختتام کے بعد متعدد عوامل پر غور کرتے ہوئے قیمت مندرجہ ذیل میں بہتری آئے گی۔ لاگت کی بچت کے تقسیمات نامی منصوبے، جو پچھلے سیزن میں شروع کیے گئے تھے، مکمل طور پر کام کر رہے ہیں اور ہم ان منصوبوں سے جاری سیزن میں زیادہ سے زیادہ فائدہ اٹھائیں گے، انشاء اللہ۔

الف: ہمیں اپنی کامیابیوں کو جاری رکھنے کی توفیق عطا فرمائے، آمین۔



احمد علی بادانی
چیف ایگزیکٹو

کراچی:

30 جنوری 2023

FARAN SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2022

		Un-Audited Dec-2022	Audited Sep-2022
ASSETS	Note	----- Rupees -----	
Non-current assets			
Property, plant and equipment	5	2,791,100,376	2,789,634,053
Long term investments	6	1,520,731,678	1,171,593,738
Long term advances		69,466,285	23,658,340
Long term deposits		12,657,942	12,657,942
		<u>4,393,956,281</u>	<u>3,997,544,073</u>
Current assets			
Stores and spares		193,407,108	118,971,987
Stock in trade		2,515,162,699	2,008,432,120
Trade debts		270,560,584	228,669,662
Short term investments		1,096,372	1,159,425
Investment in Associate classified as held for sale		11,535,839	11,535,839
Loans, advances, deposits, prepayments and other receivables		657,618,586	665,352,325
Taxation - net		113,593,921	113,085,679
Cash and bank balances		120,285,737	132,674,392
		<u>3,883,260,845</u>	<u>3,279,881,429</u>
Total assets		<u><u>8,277,217,126</u></u>	<u><u>7,277,425,502</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital		<u>400,000,000</u>	400,000,000
Issued, subscribed and paid up capital		250,069,550	250,069,550
Capital reserve			
Share premium		8,472,152	8,472,152
Surplus on re-measurement of investment		(274,242)	665,152
		8,197,910	9,137,304
Revenue reserves			
Unappropriated profit		1,721,883,400	1,521,510,706
		<u>1,980,150,860</u>	<u>1,780,717,560</u>
Non-current liabilities			
Long term borrowings from banking companies		769,357,392	800,819,109
Deferred liabilities		456,778,052	465,568,527
		<u>1,226,135,444</u>	<u>1,266,387,635</u>
Current liabilities			
Trade and other payables		1,604,813,234	714,949,852
Accrued mark up		58,450,610	173,224,722
Current portion of long term finance		362,060,118	376,057,485
Unclaimed dividend		10,674,777	10,674,777
Short term finance - secured	7	3,034,932,084	2,955,413,470
		<u>5,070,930,823</u>	<u>4,230,320,306</u>
Contingency and commitment	8		
Total equity and liabilities		<u><u>8,277,217,126</u></u>	<u><u>7,277,425,502</u></u>

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


 Ahmed Ali Bawany
 Chief Executive Officer


 Muhammad Omar Bawany
 Chairman


 Muhammad Ayub
 Chief Financial Officer

FARAN SUGAR MILLS LIMITED
CONDENSED INTERIM PROFIT OR LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED DEC 31, 2022

	Quarter Ended	
	Dec 31, 2022	Dec 31, 2021
	<i>----- Rupees -----</i>	
Turnover - net	2,191,367,050	2,214,431,141
Cost of sales	(2,124,592,693)	(1,931,842,147)
Gross profit	66,774,357	282,588,994
Administrative expenses	(48,651,457)	(37,313,720)
Selling and distribution costs	(32,898,300)	(10,373,633)
	(81,549,757)	(47,687,353)
Operating (loss) / profit	(14,775,400)	234,901,641
Other income	13,380,868	2,601,399
Other expenses	(203,438)	(13,605,479)
	13,177,431	(11,004,080)
	(1,597,969)	223,897,560
Finance costs	(120,707,597)	(42,419,291)
	(122,305,567)	181,478,269
Share of profit / (loss) from equity accounted investments	350,077,333	(13,583,380)
Profit before taxation	227,771,767	167,894,889
Taxation	(27,399,073)	(27,765,642)
Profit after taxation	200,372,694	140,129,247
Earnings per share - basic and diluted	8.01	5.60

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


 Ahmed Ali Bawany
 Chief Executive Officer


 Muhammad Omar Bawany
 Chairman


 Muhammad Ayub
 Chief Financial Officer

FARAN SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED DEC 31, 2022

	Quarter Ended	
	31-Dec-22	31-Dec-21
	'----- Rupees -----'	
Profit after taxation	200,372,694	140,129,247
Other comprehensive Income		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Unrealised (loss) on re-measurement of investment in certificates of B.F. Modaraba	(939,394)	(187,879)
Total comprehensive income for the period	<u>199,433,300</u>	<u>139,941,368</u>

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


 Ahmed Ali Bawany
 Chief Executive Officer


 Muhammad Omar Bawany
 Chairman


 Muhammad Ayub
 Chief Financial Officer

FARAN SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2022

	Issued, subscribed and paid up capital	Capital reserves	Revenue Reserve			Total
		Share premium	General reserve	Unappropriated profits	Surplus on re- measurement of investment	
----- (Rupees) -----						
Balance as at October 1, 2021	250,069,550	8,472,152	49,952,868	1,444,175,319	2,731,819	1,755,401,708
<i>Total comprehensive income for the quarter ended December 31, 2021</i>						
- Profit after taxation	-	-	-	140,129,247	-	140,129,247
- Other comprehensive (loss)	-	-	-	-	(187,879)	(187,879)
	-	-	-	140,129,247	(187,879)	139,941,368
Balance as at December 31, 2021	250,069,550	8,472,152	49,952,868	1,584,304,566	2,543,940	1,895,343,076
<i>Transfer from general reserve</i>			(49,952,868)	49,952,868		-
<i>Total comprehensive income for the period ended September 30, 2022</i>						
- Loss after taxation	-	-	-	(112,746,728)	-	(112,746,728)
- Other comprehensive income	-	-	-	-	(1,878,788)	(1,878,788)
	-	-	-	(112,746,728)	(1,878,788)	(114,625,516)
Balance as at September 30, 2022	250,069,550	8,472,152	-	1,521,510,706	665,152	1,780,717,560
Balance as at October 1, 2022	250,069,550	8,472,152	-	1,521,510,706	665,152	1,780,717,560
<i>Total comprehensive income for the quarter ended December 31, 2022</i>						
- Profit after taxation	-	-	-	200,372,694	-	200,372,694
- Other comprehensive income	-	-	-	-	(939,394)	(939,394)
	-	-	-	200,372,694	(939,394)	199,433,300
Balance as at December 31, 2022	250,069,550	8,472,152	-	1,721,883,400	(274,243)	1,980,150,860

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


Ahmed Ali Bawany
Chief Executive Officer


Muhammad Omar Bawany
Chairman


Muhammad Ayub
Chief Financial Officer

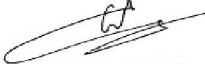
FARAN SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER MONTH ENDED DEC 31, 2022

	Quarter Ended	
	31-Dec-22	31-Dec-21
Note	'----- Rupees -----'	
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH GENERATED FROM OPERATIONS		
Profit before taxation	227,771,767	167,894,889
<i>Adjustments for:</i>		
Depreciation	37,069,137	26,345,210
Share in profit from equity accounted investments	(350,077,333)	13,583,380
Dividend income	(46,250)	(473,445)
Finance costs	120,707,597	42,419,291
Gain/ (Loss) on re-measurement of investments carried at fair value	63,054	25,250
	(192,283,796)	81,899,686
	35,487,971	249,794,575
Working capital changes		
Increase in stores and spares	(74,435,121)	(106,350,503)
Increase in stock in trade	(506,730,579)	(21,461,217)
Decrease in trade debts	(41,890,922)	(154,890,079)
Increase/ (decrease) in loans, advances, deposits, prepayments and other receivables	7,733,739	(61,138,080)
Increase/ (decrease) in trade and other payables	881,072,907	627,302,067
	265,750,024	283,462,188
Cash used in operating activities	301,237,995	533,256,763
Taxes paid	(27,907,314)	(12,811,916)
Finance cost paid	(235,481,710)	(40,456,358)
Net cash used in operating activities	37,848,971	479,988,489
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(38,535,462)	(35,659,447)
Investment in equity accounted investee	-	(10,000,000)
Long term advances made	(45,807,945)	-
Dividend received	46,250	473,445
Long term deposits - net	-	(433,548)
Net cash used in investing activities	(84,297,157)	(45,619,550)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	-
Long term loans - net	(45,459,084)	101,958,098
Short term finance - net	79,518,614	(498,232,450)
Net cash generated from financing activities	34,059,530	(396,274,352)
Net decrease in cash and cash equivalents	(12,388,655)	38,094,587
Cash and cash equivalents at the beginning of the year	132,674,392	138,827,049
Cash and cash equivalents at the end of the year	120,285,737	176,921,636

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


 Ahmed Ali Bawany
 Chief Executive Officer


 Muhammad Omar Bawany
 Chairman


 Muhammad Ayub
 Chief Financial Officer

FARAN SUGAR MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED DEC 31, 2022

1 STATUS AND NATURE OF BUSINESS

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

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

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

1.1 SEASONALITY OF OPERATIONS

Due to the seasonal availability of sugarcane, the production of sugar is carried out during the period of availability of sugar cane and cost incurred/ accrued up to the reporting date have been accounted for. Accordingly, the cost incurred/ accrued after the reporting date will be reported in the subsequent annual financial statements.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The condensed interim financial information are un-audited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Pakistan Stock Exchange. The condensed interim financial information have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan. The condensed interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2022.

The comparative condensed balance sheet, presented in this condensed interim financial information, as at September 30, 2022 has been extracted from the annual audited financial statements of the Company for the year ended September 30, 2022 whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity for the quarter ended December 31, 2021 have been extracted from the condensed interim financial information for the quarter ended December 31, 2021.

2.2 FUNCTIONAL AND PRESENTATION CURRENCY

This condensed interim financial statements is presented in Pakistani Rupee which is the Company's functional Currency

3 SIGNIFICANT ACCOUNTING POLICIES

These interim financial information have been prepared using the same accounting convention, basis of preparation and significant accounting policies as those applied in the preparation of the audited financial statements for the year ended September 30, 2022.

Amendments to certain accounting standards and new interpretations on approved accounting standards effective during the period were not relevant to the Company's operations and do not have any impact on the accounting policies of the Company.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim financial information in conformity with approved accounting standards which require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing the condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the preceding published annual financial statements of the Company as at and for the year ended September 30, 2022.

		Un-Audited Dec 31, 2022	Audited Sep 30, 2022
	Note	Rupees	
5	PROPERTY, PLANT AND EQUIPMENT		
Operating Fixed Assets	5.1	2,629,321,269	2,663,270,005
Capital Work in Progress		<u>161,779,107</u>	<u>126,364,048</u>
		<u><u>2,791,100,376</u></u>	<u><u>2,789,634,053</u></u>
5.1	Operating Fixed Assets		
Opening WDV		2,663,270,005	1,836,238,350
Additions to fixed asset during the period			
Plant and machinery		-	939,315,595
Furniture and fixtures		-	73,000
Office and mill equipment		-	249,583
Vehicles		<u>3,120,400</u>	<u>28,500,400</u>
		<u>3,120,400</u>	968,138,578
Disposals		-	(2,735,962)
Depreciation for the period		<u>(37,069,136)</u>	<u>(138,370,961)</u>
		<u><u>2,629,321,269</u></u>	<u><u>2,663,270,005</u></u>
6	LONG TERM INVESTMENTS		
Equity accounted investment in Associates	6.1	<u>1,517,155,950</u>	1,167,078,616
Available for sale investments		<u>3,475,758</u>	4,415,152
Investment in subsidiary company		<u>99,970</u>	99,970
		<u>1,520,731,678</u>	1,171,593,738
6.1	Equity accounted investments		
Unicol Limited		<u>1,496,601,488</u>	1,146,524,153
Uni Energy Limited		<u>20,554,463</u>	20,554,463
		<u>1,517,155,950</u>	1,167,078,616
6.1.1	Carrying amounts of these equity accounted investees are adjusted on the basis of share of profit of their un-audited financial statements for the quarter ended upto December 31, 2022		
7	SHORT TERM FINANCE - SECURED		
	This represents the availed amount of Islamic finance facilities provided by various banks. As at the reporting date, the aggregate limit of these available finances amounted to Rs. 4,900 million (Sep 2022: Rs. 5,300 million). These finances are secured against pledge of refined sugar and first pari passu charge on fixed assets of the Company including land, building and plant & machinery carrying profit at the rate of KIBOR + 0.50% to 1% per annum (Sep 2022: KIBOR + 0.50% to 1% per annum).		
8	CONTINGENCIES AND COMMITMENTS		
	Contingencies		
8.1	There is no material change in the contingencies as disclosed in the published annual financial statement for the year ended September 30, 2022		
	Commitments		
8.2	There is no material change in the commitments as disclosed in the published annual financial statement for the year ended September 30, 2022		

9 RELATED PARTY TRANSACTIONS

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

Transactions with Associate	Quarter Ended	
	31-Dec-22	31-Dec-21
	Rupees	
Share of profit in associates - net of tax	350,077,333	23,336,667
Sale of goods	308,777,488	172,636,756
Investment	-	10,000,000
Transactions with other related parties		
Insurance premium	7,200,000	7,200,000
Sale of goods	-	-
Provident fund contribution	1,473,393	1,458,285

All transactions with related parties were carried out on arm's length

As at

Balances with related parties at the end of the period are as follows:	31-Dec-22	30-Sep-22
	Rupees	
Due from Associate	-	2,018,068
Advance from Associate	215,029,444	-

10 FINANCIAL RISK MANAGEMENT

The companies financial risk management objectives and policies are consistent with that disclosed in the financial statements for the year ended September 30, 2022.

11 AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors of the company at there meeting held on January 30, 2023.

12 GENERAL

- Figure have been rounded off to the nearest rupee.

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


Ahmed Ali Bawany
Chief Executive Officer


Muhammad Omar Bawany
Chairman


Muhammad Ayub
Chief Financial Officer



FARAN SUGAR MILLS LTD.

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