KARACHI STOCK EXCHANGE LIMITED

NOTICE

KSE/N-158 *January 10, 2013*

Reproduced hereunder letter received from ***RAHMAN SARFARAZ RAHIM IQBAL RAFIQ, Chartered Accountants,*** *for information of TREC Holders of the Exchange.*
(Copy of the same is also available on our Website www.kse.com.pk).

****

Russell Bedford

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

Plot No. 180, Block-A, S.M.C.H.S.,
Karachi-74400, PAKISTAN.
Tel No. : (021) 34549345-9
Fax No: (021) 34546210
E-Mail : info@rsrir.com
Website: www.rsrir.com
Other Offices at
Lahore - Islamabad

The Board of Directors
Faran Sugar Mills Limited
Karachi.

CERTIFICATE OF FREE RESERVERS

We refer to your letter dated January 08, 2013 requesting us to issue a certificate regarding the company's free reserves and that whether after issue of bonus shares, these reserves would be more than twenty five per cent of the increased capital as on September 30, 2012.

We have carried out the necessary procedures in this respect and checked that the free reserves of the company as per its audited financial statements for the year ended September 30, 2012 and as defined in Rule 5 of the Companies (Issue of capital) Rules, 1996 after issue of bonus shares would remain in excess of the requirement of free reserves mentioned in sub rule (iii) of Rule 6 thereof as per working given hereunder:

	Rupees
Un-appropriated profit/ free reserves	732,927,819
Less: Proposed bonus issue	(21,651,044)
Total un-appropriated profit as reduced by bonus issue	711,276,775
Less: Contingent liabilities	-
Net Free Reserves after Bonus Issue	711,276,775
Existing Paid-up capital (21,651,044 ordinary shares of Rs.10/- each)	216,510,440
Proposed Bonus issue (2,165,104 ordinary shares of Rs.10/- each)	21,651,044
Total issued and proposed Capital	238,161,484
Requirement of Reserves @ 25% of Enhanced Capital	59,540,371

Based on the above, we certify that according to the best of our information and explanations given to us and as shown by the audited financial statements of the company for the year ended September 30, 2012 the aforesaid "free reserves" after the issue of proposed bonus shares are not less than 25% of the enhanced capital as per the requirement of Rule 6 of the Companies (issue of capital) Rules, 1996.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
CHARTERED ACCOUNTANTS

Karachi:
Dated: January 09, 2013

A member of
Russell Bedford International
A global network of independent accountancy firms, business consultants and specialist legal advisers.