



FARAN SUGAR MILLS LTD.

Date: January 24, 2019

Ref: PSX-1135/01-19

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: Addendum to the Notice of Annual General Meeting

Dear Sir,

Enclosed please find addendum to the Notice of Annual General Meeting ("Addendum") for the year ended September 30, 2018 schedule to be held on Monday, January 28, 2019, at 12:00 Noon at the Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi, for circulation amongst the TRE Certificate Holders of the Exchange.

Following agenda items have been amended in the statement of material facts under Section 134 of the Companies Act, 2017.

1. Revised item no. 6 of the Agenda to consider and ratify related party transactions as required by Companies Act, 2017 ("Act")
2. Amended item (v) and item (vii) of Section (B) of Regulation No. 3(1)(a) of Statement of Material facts for item No. 9 of the Agenda.

Furthermore, the Addendum will be published on Company's Website and sent to the Shareholders accordingly,

Yours Sincerely,

Muhammad Ayub
Company Secretary

Encl: As above

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FARAN SUGAR MILLS LIMITED

Addendum to Notice of Annual General Meeting scheduled to be held on Monday, January 28, 2019 at 12:00 Noon at the Institute of Chartered Accountants of Pakistan.

Item No. 6 of the Agenda

Statement under Section 134 of the Companies Act, 2017

The statement sets out material facts concerning "Special Business" to be transacted at the Annual General Meeting of the Company to be held on January 28, 2019. The approval of the Members of the Company will be sought for:

During the financial year ended September 30, 2018 the Company carried out transactions entered by the Company in the ordinary course of business on an arm's length basis with its associated companies and related parties in accordance with its policies and applicable laws and regulation. Related party transactions require shareholders' approval under sections 207 and 208 of the Companies Act, 2017. Such transactions are being placed before the shareholders for their approval through special resolution proposed to be passed in the Annual General Meeting.

The shareholders are requested to ratify the transactions which have been disclosed in Note no. 32 of the Financial Statements for the year ended September 30, 2018 and further to authorize the Board of Directors to conduct transactions with related parties or associated companies for the year ending September 30, 2019.

Party wise breakup of transactions as disclosed in Note no. 32 of the Financial Statements for the year ended September 30, 2018 is given below

Name of Related Party	Nature of Transaction	Amount (Rs. '000)
Associates		
Unicol Limited	Sales made	359,403
Unicol Limited	Dividend income received	225,000
Uni-Food Industries Limited	Investment made	138,665
Common Directorship		
B.F. Modaraba	Dividend income received	1,199
Begum Aisha Bawany Taleem-ul-Quran Trust	Donation	2,386
Reliance Insurance Company Limited	Insurance Premium paid	13,200
Provident Fund Trust	Charge for staff provident Fund	4,837

Item No. 9 of the Agenda

Statement of Material Facts concerning Special Business pursuant to Section 134(3) of the Companies Act 2017 read with S.R.O 1240(I)/2017 dated December 06, 2017 is being sent to the Members along with the Notice of the Meeting

Regulation No. 3(1)(a)

Sr. no.	Description	Information
(B)	General disclosures:	
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	<p>Mr. Muhammad Omar Bawany and Mr. Ahmed Ali Bawany are directors and holds 8.66% shares each in the investee company.</p> <p>Mr. Bilal Omar Bawany, Mr. Hamza Omar Bawany and Mr. Muhammad Altamash Ahmed Bawany are nominee directors, however, they have no other direct or indirect interest except in their capacity as director/shareholder of UFIL like any other shareholder to the extent of their shareholding in UFIL.</p>
(vii)	Any other important details necessary for the members to understand the transaction;	<p>The funds raised will be used for expanding distribution network across Pakistan to enhance market penetration and for extensive marketing campaigns in shape of TV advertisements, print media, digital media and other trade and customer related activities.</p> <p>Some business and market risk associated with the proposed investment are as follows:</p> <ol style="list-style-type: none">1. Acceptance by the targeted customers: Taste, pricing and packaging etc.2. Achievement of sales target.3. Gaining market share from existing big players in industry.4. Development of an effective sales and marketing strategy/team.5. Law and order situation of the country.6. Variation in prices of raw material and packing material.