

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

FOR THE PERIOD ENDED  
DECEMBER 31, 2019



**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	
Sheikh Asim Rafiq	NIT

## Audit Committee

Irfan Zakaria Bawany	Chairman
Muhammad Omar Amin Bawany	Member
Hamza Omar Bawany	Member

## Human Resource & Remuneration Committee

Irfan Zakaria Bawany	Chairman
Ahmed Ali Bawany	Member
Hamza Omar 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.

## 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, 2019

Dear Shareholders,

By the grace of Almighty Allah, I take pleasure in presenting a brief review of the performance of your Company for the first quarter ended December 31, 2019

Gross sales during the period were Rs. 1.671 billion including export sale of Rs. 622 million vis-à-vis Rs. 1.032 billion including export sale of Rs. Nil for the corresponding period of 2018-19; increase by 61.88 % mainly due to higher sales volume as compared to the same corresponding period of last year. Finance cost slightly decrease by 6.4% to Rs. 39.5 million from Rs.42.281 million. The distribution and selling expenses mainly included export related cost of Rs. 4.28 million.

Thus, profit after tax amounted to Rs. 40.491 million including share of profit from Associates-net amounting to Rs. 58.6 million against profit after tax amounted to Rs. 50.433 million including share of profit from Associates amounting to Rs.118.121 million of corresponding period of last year . Hence, earning per share stood at Rs. 1.62 against earning per share of Rs. 2.02 per share of corresponding quarter of last year.

Sugar production in last season 2018-19 down by around 20% and is forecasted a 5% decrease for season 2019-20. Pakistan has experienced surplus production in the past years in comparison to its domestic's consumption. But since last year, sugarcane area and production are on a decreasing trend due to multiple factors. This year's sucrose recovery ratio of Sindh Zone may dropped by half point to 9.8% on an average from last season 2018-19 of 10.25% sucrose recovery.

For ongoing season 2019-20, the support prices were fixed at Rs. 190 for per 40 kg for Punjab and Khyber Pukhtunkhwa and Rs. 192 for per 40 kg for Sindh; again higher price of sugarcane (controlled by Government) with no mechanism for corresponding fluctuation in the prices of sugar.

We started our mills on 25 November 2019, but majority of mills of Sindh Zone have to shut down due to non-supply/ insufficient quantum of cane. FSML also stopped cane crushing on 21st December 2019 due to inadequate supplies of cane at very high rate. We resumed our mills on 31st December 2019 and produced 7,865 metric tons refined sugar by crushing 92,586 metric tons cane with average recovery 9.89%.

The ongoing season 2019-20 looks very stressful and challenging due to shortage of cane and high volatility in cane rate. Current hike in prices of sugar attributes to expensive cane being bought by millers at the very exorbitant rate of Rs. 250- 280 per 40kg and average cane cost would be closed at Rs. 250-260/40kg if situation remain same as compared to last year's average procurement rate of Rs. 190-200/40kg. Besides, the other cost of doing business including finance cost is constantly rising.

Unicol Limited declared interim cash dividend @10% for the quarter ended December 31, 2019.

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

Karachi:  
January 29, 2020

Ahmed Ali Bawany  
Chief Executive

چیف ایگزیکٹو کا جائزہ

برائے اختتامی مدت 31 دسمبر 2019

معزز شیئر ہولڈرز (حصص یافتگان)

اللہ کے فضل و کرم سے میں اختتامی سرمایہ 31 دسمبر 2019 کے لئے آپ کی کمپنی کی کارکردگی کا مختصر جائزہ پیش کرتے ہوئے مسرت محسوس کر رہا ہوں۔

اس مدت کے دوران مجموعی سیکڑ (فروخت) 1.671 بلین روپے (بشمول 622 ملین روپے ایکسپورٹ سیکڑ) رہی جب کہ 2018-19 کے دوران اسی مدت میں مجموعی فروخت 1.032 بلین روپے تھی۔ مجموعی سیکڑ میں 61.88% کی بنیادی وجہ فروخت کا زیادہ حجم ہے۔ فنانس چارجز 6.4% کم ہو کر 42.281 ملین روپے سے 39.5 ملین روپے رہ گئے۔ تقسیم اور فروخت کے اخراجات میں بنیادی طور پر آمد سے متعلقہ 4.28 روپے ملین کے اخراجات شامل ہے۔

بعد از ٹیکس نفع (بشمول ایسوسی ایٹ کے نفع میں حصہ 58.6 ملین روپے) 40.491 ملین روپے رہا۔ تاہم پچھلے سال اسی مدت میں بعد از ٹیکس نفع 50.433 ملین روپے (بشمول ایسوسی ایٹ کے نفع میں حصہ کی رقم 118.121 ملین روپے) تھا۔ پچھلے سال کی اسی مدت کے دوران فی شیئر نفع 2.02 روپے کے برعکس فی شیئر آمدنی 1.62 روپے رہا۔

گذشتہ سیزن 2018-19 میں چینی کی پیداوار میں تقریباً 20% کمی ہوئی اور سیزن 2019-20 میں 5% کمی کی پیش گوئی کی گئی ہے۔ گذشتہ برسوں میں پاکستان میں گھریلو استعمال کے مقابلے چینی کی زائد پیداوار رکارڈ کی گئی۔ لیکن پچھلے سال سے، گئے کاروبار اور پیداوار متعدد عوامل کی وجہ سے تنزیلی کی طرف گامزن ہے۔ سندھ زون کے اس سال کی Sucrose Recovery کا تناسب گزشتہ سیزن 2018-2019 کے 10.25 فیصد کے مقابلے نصف پوائنٹ کی کمی سے 9.8% رہ سکتا ہے

سیزن 2019-20 کے لیے، پنجاب اور خیبر پختونخوا میں گنے کی قیمت 190/40kgs اور سندھ میں Rs192/40kgs مقرر کی گئیں۔ ایک بار پھر گنے کی زیادہ قیمت (حکومت کی طرف سے کنٹرول) اور چینی کی قیمتوں میں اسی طرح کے اتار چڑھاؤ کے لئے کوئی طریقہ کار نہیں ہے۔

ہم نے اپنے ملز کو 25 نومبر 2019 پر شروع کیا، لیکن سندھ زون میں گنے کی کمی اور غیر فراہمی کی وجہ سے اکثر ملز بند کر دی گئیں اور ہم نے بھی 21st دسمبر 2019 کو بھی کرشنگ بند کر دی۔ ہم نے 31 دسمبر 2019 کو کرشنگ دوبارہ شروع کی اور 92,586 میٹرک ٹن گنا کرش کیا اوسط وصولی 9.89% سے 7,865 میٹرک ٹن چینی کی پیداوار کی۔

سیزن 2019-20 گنے کی کمی اور اس کی قیمت میں بہت زیادہ اتار چڑھاؤ کی وجہ سے کافی پریشان کن نظر آتا ہے۔ Rs250 کے لئے شوگر کی قیمتوں میں موجودہ اضافہ منگتے (اوسط 250-280 فی من) cane کی خریداری کی طرف سے وجہ سے ہے اگر یہی صورتحال رہی تو سیزن کے اختتام تک گنے کی اوسط قیمت 250-260 فی من ہو جائیگی اس کے علاوہ مالی لاگت سمیت کاروبار کرنے کی دوسری قیمت مسلسل بڑھ رہی ہے۔

یونا کاول لمیٹڈ نے 31 دسمبر، 2019 کو ختم ہونے والی سرمایہ کے منافع سے 10% ڈیویڈنڈ دیا ہے۔

اللہ سبحانہ و تعالیٰ کامیابی سے ان غیر معمولی حالات کو دیکھنے کی ہمیں ہمت عطا فرمائے، آمین!

کراچی

29 جنوری 2020

اصغر علی بادانی

چیف ایگزیکٹو

**CONDENSE INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2019**

ASSETS	Note	Un-Audited Dec-2019	Audited Sep-2019
----- Rupees -----			
<b>Non-current assets</b>			
Property, plant and equipment	5	1,913,013,927	1,874,593,502
Long term investments	6	1,365,501,417	1,279,384,332
Long term deposits		10,093,594	15,128,694
		<b>3,288,608,938</b>	3,169,106,528
<b>Current assets</b>			
Stores and spares		95,698,860	82,920,357
Stock in trade		253,558,768	1,070,394,211
Trade debts		28,051,552	128,065,098
Short term investments		3,669,400	-
Loans, advances, deposits, prepayments and other receivables		666,174,221	732,064,904
Taxation - net		63,518,609	58,729,809
Cash and bank balances	7	89,445,380	395,616,672
		<b>1,200,116,790</b>	2,467,791,051
<b>Total Assets</b>		<b>4,488,725,728</b>	<b>5,636,897,579</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized capital		400,000,000	400,000,000
Issued, subscribed and paid up capital		250,069,550	250,069,550
<b>Capital reserve</b>			
Share premium		8,472,152	8,472,152
<b>Revenue reserves</b>			
General reserve		49,952,868	49,952,868
Unappropriated profit		2,051,562,674	2,011,158,584
Surplus on re-measurement of investment		759,091	477,273
		<b>2,102,274,633</b>	2,061,588,725
		<b>2,360,816,335</b>	2,320,130,427
<b>Non-current liabilities</b>			
Long term finance		139,564,391	154,623,652
Deferred liabilities		501,702,804	501,702,805
		<b>641,267,195</b>	656,326,457
<b>Current liabilities</b>			
Trade and other payables		648,874,033	966,416,874
Accrued mark up		17,564,992	73,206,156
Current portion of long term finance		80,098,749	88,252,899
Unclaimed dividend		10,104,424	10,104,424
Loan from Director	8	30,000,000	-
Short term finance - secured	9	730,000,000	1,522,460,342
		<b>1,486,642,198</b>	2,660,440,695
<b>Contingency and commitment</b>	10		
<b>Total equity and liabilities</b>		<b>4,488,725,728</b>	<b>5,636,897,579</b>

The annexed notes from 1 to 14 forms an integral part of these financial statements.

\_\_\_\_\_  
Ahmed Ali Bawany  
Chief Executive

\_\_\_\_\_  
Muhammad Omar Bawany  
Chairman

\_\_\_\_\_  
Muhammad Ayub  
Chief Financial Officer

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (UN-AUDITED)**  
**FOR THE QUARTER ENDED DECEMBER 31, 2019**

	Quarter Ended Dec 31, 2019	Quarter Ended Dec 31, 2018
	----- Rupees -----	
Turnover - net	1,517,870,795	927,638,689
Cost of sales	(1,434,321,654)	(906,873,303)
<b>Gross profit</b>	<b>83,549,141</b>	<b>20,765,386</b>
Administrative expenses	(38,528,198)	(32,056,239)
Selling and distribution costs	(5,757,890)	(2,982,883)
	<b>(44,286,088)</b>	<b>(35,039,122)</b>
<b>Operating profit / (loss)</b>	<b>39,263,053</b>	<b>(14,273,736)</b>
Other income	5,816,276	5,261,150
Other expenses	(3,905,809)	(4,535,417)
	<b>1,910,467</b>	<b>725,733</b>
	<b>41,173,520</b>	<b>(13,548,003)</b>
Finance costs	(39,580,335)	(42,284,480)
	<b>1,593,185</b>	<b>(55,832,483)</b>
Share of profit from equity accounted investments	58,691,667	118,121,333
<b>Profit before taxation</b>	<b>60,284,852</b>	<b>62,288,850</b>
Taxation	(19,880,762)	(11,855,765)
<b>Profit after taxation</b>	<b>40,404,090</b>	<b>50,433,085</b>
<b>Earnings per share - basic and diluted</b>	<b>1.62</b>	<b>2.02</b>

The annexed notes from 1 to 14 forms an integral part of these financial statements.

\_\_\_\_\_  
 Ahmed Ali Bawany  
 Chief Executive

\_\_\_\_\_  
 Muhammad Omar Bawany  
 Chairman

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 Muhammad Ayub  
 Chief Financial Officer

**STATEMENT OF COMPREHENSIVE INCOME - (UN-AUDITED)**  
**FOR THE QUARTER ENDED DECEMBER 31, 2019**

	Quarter Ended Dec 31, 2019	Quarter Ended Dec 31, 2018
	----- Rupees -----	
<b>Profit after taxation</b>	<b>40,404,090</b>	50,433,085
Other comprehensive loss		
Items that will not be reclassified subsequently to profit or loss:		
Unrealized loss on re-measurement of investment in certificates of B.F. Modaraba	<b>281,818</b>	-
<b>Total comprehensive income for the year</b>	<b>40,685,908</b>	50,433,085

The annexed notes from 1 to 14 forms an integral part of these financial statements.

\_\_\_\_\_  
 Ahmed Ali Bawany  
 Chief Executive

\_\_\_\_\_  
 Muhammad Omar Bawany  
 Chairman

\_\_\_\_\_  
 Muhammad Ayub  
 Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CASHFLOWS (UN-AUDITED)**  
**FOR THE QUARTER ENDED DECEMBER 31, 2019**

	Quarter Ended Dec 31, 2019	Quarter Ended Dec 31, 2018
	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>CASH GENERATED FROM OPERATIONS</b>		
<b>Profit before taxation</b>	<b>60,284,852</b>	62,288,850
Adjustments for:		
Depreciation	24,300,335	23,321,027
Share in profit from equity accounted investments	(58,691,667)	(118,121,333)
Dividend income	(1,220,000)	(1,520,000)
Gain on disposal of property, plant and equipment	(518,239)	(62,423)
Finance costs	38,122,981	41,526,876
Loss on re-measurement of investments carried at fair value	114,025	167,879
	<b>2,107,435</b>	(54,687,974)
	<b>62,392,287</b>	7,600,876
<b>Working capital changes</b>		
Increase in stores and spares	(12,778,503)	(49,389,065)
Decrease in stock in trade	816,835,443	175,846,181
Decrease / (increase) in trade debts	100,013,546	(38,512,550)
Decrease / (increase) in loans, advances, deposits, prepayments and other receivables	65,890,683	13,206,031
Increase in trade and other payables	(317,542,841)	644,650,494
	<b>652,418,328</b>	745,801,092
Cash generated from operating activities	<b>714,810,615</b>	753,401,968
Taxes paid	(24,669,562)	(18,047,651)
Finance cost paid	(93,764,145)	(69,058,217)
Net cash generated from operating activities	<b>596,376,908</b>	666,296,100
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(64,956,000)	(30,946,339)
Short term investments	(3,783,425)	17,369,609
Investment in equity accounted investee	(27,143,600)	(17,333,080)
Proceeds from sale of fixed assets	2,753,478	93,900
Dividend received	1,220,000	1,520,000
Long term deposits - net	5,035,100	5,273,250
Net cash used in investing activities	<b>(86,874,447)</b>	(24,022,660)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	-	(14,778)
Loan from Director	30,000,000	-
Long term loans - net	(23,213,411)	10,426,571
Short term finance - net	(822,460,342)	(697,312,831)
Net cash used in financing activities	<b>(815,673,753)</b>	(686,901,038)
<b>Net decrease in cash and cash equivalents</b>	<b>(306,171,292)</b>	(44,627,598)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>395,616,672</b>	23,907,701
<b>Cash and cash equivalents at the end of the year</b>	<b>89,445,380</b>	(20,719,897)
Cash and cash equivalents comprise of the following:		
Cash and bank balances	89,445,380	69,280,103
Short term running Musharika finance	-	(90,000,000)
	<b>89,445,380</b>	(20,719,897)

The annexed notes from 1 to 14 forms an integral part of these financial statements.

Ahmed Ali Bawany  
Chief Executive

Muhammad Omar Bawany  
Chairman

Muhammad Ayub  
Chief Financial Officer

**CONDENSE INTERIM STATEMENT OF CHANGES IN EQUITY – (UN-AUDITED)**  
**FOR THE QUARTER ENDED DECEMBER 31, 2019**

	Issued, subscribed and paid up capital	Capital reserves		Revenue Reserve		Surplus on re- measurement of investment	Total
		Share premium	General reserve	Unappropriated profits			
Balance as at October 01, 2018	250,069,550	8,472,152	49,952,868	1,724,489,556	4,516,667		2,037,500,793
Total comprehensive income for the quarter ended December 31, 2018	-	-	-	50,433,085	-	-	50,433,085
- Profit after taxation	-	-	-	-	-	-	-
- Other comprehensive loss	-	-	-	50,433,085	-	-	50,433,085
<b>Balance as at December 31, 2018</b>	<b>250,069,550</b>	<b>8,472,152</b>	<b>49,952,868</b>	<b>1,774,922,641</b>	<b>4,516,667</b>		<b>2,087,933,878</b>
Total comprehensive income for the period ended September 30, 2019	-	-	-	330,012,024	-	-	330,012,024
- Profit after taxation	-	-	-	-	(4,039,394)	-	(4,039,394)
- Other comprehensive loss	-	-	-	330,012,024	(4,039,394)	-	325,972,630
Transactions with owners	-	-	-	(93,776,081)	-	-	(93,776,081)
Dividend paid @ Rs. 3.75 per share	-	-	-	-	-	-	-
<b>Balance as at September 30, 2019</b>	<b>250,069,550</b>	<b>8,472,152</b>	<b>49,952,868</b>	<b>2,011,158,584</b>	<b>477,273</b>		<b>2,320,130,427</b>
<b>Balance as at October 1, 2019</b>	<b>250,069,550</b>	<b>8,472,152</b>	<b>49,952,868</b>	<b>2,011,158,584</b>	<b>477,273</b>		<b>2,320,130,427</b>
Total comprehensive income for the quarter ended December 31, 2019	-	-	-	40,404,090	-	-	40,404,090
- Profit after taxation	-	-	-	-	281,818	-	281,818
- Other comprehensive loss	-	-	-	40,404,090	281,818	-	40,685,908
<b>Balance as at December 31, 2019</b>	<b>250,069,550</b>	<b>8,472,152</b>	<b>49,952,868</b>	<b>2,051,562,674</b>	<b>759,091</b>		<b>2,360,816,335</b>

The annexed notes from 1 to 14 forms an integral part of these financial statements.

Ahmed Ali Bawany  
Chief Executive

Muhammad Omar Bawany  
Chairman

Muhammad Ayub  
Chief Financial Officer

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED DECEMBER 31, 2019

### 1 STATUS AND NATURE OF BUSINESS

The company was incorporated in Pakistan on November 03, 1981 as a Public Limited Company and listed on Pakistan stock exchange. The principal business of the company is to manufacture and sale of white sugar. The mill is located at Sheikh Bhirkio, Distt. Tando Mohammad Khan Sindh. Registered office of the company is situated at 43-1-E(B), P.E.C.H.S. Block 6, Karachi.

#### 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, 2019.

The comparative condensed balance sheet, presented in this condensed interim financial information, as at September 30, 2019 has been extracted from the annual audited financial statements of the Company for the year ended September 30, 2019 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, 2019 have been extracted from the condensed interim financial information for the quarter ended December 31, 2018.

#### 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, 2018.

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, 2019.

	Note	Un-Audited Dec 31, 2019	Audited Sep 30, 2019
		Rupees	
<b>5</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Operating Fixed Assets	5.1	1,800,349,876	1,823,419,911
Capital Work in Progress	5.2	112,664,051	51,173,591
		1,913,013,927	1,874,593,502
<b>5.1</b>	<b>Operating Fixed Assets</b>		
Opening WDV		1,823,419,911	1,573,086,650
Additions to fixed asset during the period			
Plant and machinery		-	88,020,474
Non factory building		-	227,087,678
Furniture and fixtures		-	8,643,296
Office and mill equipment		-	10,762,862
Electrical equipment's		910,545	11,761,550
Vehicles		2,555,000	5,068,700
		3,465,545	351,344,560
Disposals		(2,235,245)	(1,361,145)
Depreciation for the period		(24,300,335)	(99,650,154)
		1,800,349,876	1,823,419,911
<b>5.2</b>	<b>Capital Work In Progress</b>		
Opening balance		51,173,591	157,282,933
Additions during the period		61,490,460	191,695,400
Transferred to property, plant and equipment		-	(297,804,742)
		112,664,051	51,173,591
<b>6</b>	<b>LONG TERM INVESTMENTS</b>		
Equity accounted investment in Associates	6.1	1,360,892,355	1,275,057,089
Available for sale investments		4,509,092	4,227,273
Investment in subsidiary company		99,970	99,970
		1,365,501,417	1,279,384,332
<b>6.1</b>	<b>Equity accounted investments</b>		
Unicol Limited		1,235,678,791	1,176,987,124
Uni Energy Limited	6.1.1	19,911,913	19,911,914
Uni Food Industries Limited	6.1.1	105,301,651	78,158,051
		1,360,892,355	1,275,057,089
<b>6.1.1</b>	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 September 30, 2019.		
<b>7</b>	<b>CASH AND BANK BALANCES</b>		
Cash at Bank			
Deposits accounts	7.1	10,532,204	312,809,107
Current accounts		72,236,497	81,943,108
		82,768,701	394,752,215
Cash in Hand		6,676,679	864,457
		89,445,380	395,616,672
<b>7.1</b>	These represent balances held in deposit accounts carrying profit at the rates ranging from 6% to 10.5% (2019: 6.1% to 10.5%).		
<b>8</b>	<b>LOAN FROM DIRECTOR</b>		
	This includes markup free loan from Director to meet working capital Requirements.		

**9 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. 4,200 million (Sep 2019: Rs. 4,200 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 + 0.30% to 1.6% per annum (2019: KIBOR + 0.3% to 1.5% per annum).

**10 CONTINGENCIES AND COMMITMENTS****Contingencies**

There is no material change in the contingencies as disclosed in the published annual financial statement for the year ended September 30, 2019.

**Commitments**

Commitments in respect of capital expenditure contracted for but not yet incurred amounting to Rs. 15 million approximately (2019: Rs. 65 million).

**11 RELATED PARTY TRANSACTIONS**

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

	Quarter ended	
	Dec 31, 2019	Dec 31, 2018
	Rupees	
<b>Transactions with Associate</b>		
Share of profit in associates - net of tax	58,691,667	118,121,333
Sale of goods	32,180,900	19,651,657
Investment	27,143,600	17,333,080
<b>Transactions with other related parties</b>		
Loan from Director – net	30,000,000	-
Insurance premium	13,007,000	3,600,000
Donation	3,596,750	-
Services received	140,358	101,920
Provident fund contribution	1,250,424	1,161,920

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

Balances with related parties at the end of the period are as follows:

	As at	
	Dec 31, 2019	Sep 30, 2019
	Rupees	
Advance received from Associate	148,204,864	175,786,322
Due from Associates	2,341,550	3,621,454

**12 FINANCIAL RISK MANAGEMENT**

The company's financial risk management objectives and policies are consistent with that disclosed in the financial statements for the year ended September 30, 2019.

**13 AUTHORIZATION FOR ISSUE**

These financial statements have been authorized for issue by the Board of Directors of the company at their meeting held on January 29, 2020.

**14 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

Muhammad Omar Bawany  
Chairman

Muhammad Ayub  
Chief Financial Officer