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DEWAN SUGAR MILLS LIMITED

COMPANY INFORMATION

EXECUTIVE DIRECTORS

Ishtiaq Ahmad - Chief Executive Officer
Ghazanfar Baber Siddiqi

NON-EXECUTIVE DIRECTORS

Abdul Basit - Chairman Board of Directors
Syed Maqbool Ali
Nida Jamil
Mehmood-ul-Hassan Asghar

INDEPENDENT DIRECTOR

Aziz-ul-Haque

COMPANY SECRETARY

Muhammad Hanif German

CHIEF FINANCIAL OFFICER

Muhammad Ilyas Abdul Sattar

AUDITORS

Feroze Sharif Tariq & Co. - Chartered Accountants

COST AUDITORS

UHY Hassan Naeem & Co.

TAX ADVISOR

Sharif & Company - Advocates

LEGAL ADVISOR

A.K. Brohi & Company Advocates

AUDIT COMMITTEE

Aziz-ul-Haque	Chairman
Syed Maqbool Ali	Member
Abdul Basit	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Aziz-ul-Haque	Chairman
Ghazanfar Baber Siddiqi	Member
Abdul Basit	Member

BANKERS

National Bank of Pakistan	MCB Bank Limited
Summit Bank Limited	Meezan Bank Limited
Habib Bank Limited	The Bank of Punjab
Standard Chartered Bank Pakistan Limited	Dubai Islamic Bank Pakistan Limited
The Bank of Khyber Limited	Bank Islami Pakistan Limited

REGISTERED OFFICE:

Dewan Centre, 3-A Lalazar, Beach Hotel
Road, Karachi-74000, Pakistan.

CORPORATE OFFICE

Block-A, 2nd Floor
Finance & Trade Centre
Shahrah-e-Faisal, Karachi, Pakistan.

SHARE REGISTRAR / TRANSFER AGENT

BMF Consultants Pakistan (Pvt.) Limited
Annum Estate Building, Room No. 310 & 311,
3rd Floor, 49, Darul Aman Society.
Main Shahrah-e-Faisal, Adjacent Baloch Colony,
Karachi, Pakistan.

FACTORY

Jillaniabad, Budho Talpur,
Taluka: Mirpur Bathoro
District: Sujawal Sindh, Pakistan.

WEBSITE

www.yousufdewan.com



DIRECTORS' REPORT

IN THE NAME OF ALLAH; THE MOST GRACIOUS AND MERCIFUL
IF YE GIVE THANKS, I WILL GIVE YOU MORE (HOLY QURAN)

The Directors are pleased to present condensed unaudited interim financial information of the Company duly reviewed by the auditors for the period ended March 31, 2024.

Industry Overview

During the period under review the political instability prevailing in the Country, unprecedentedly higher inflation, exorbitant interest rates and inflated fuel & Electricity costs have impacted the economy and the sugar industry negatively.

Financial Results.

During the period under consideration, the financial results in brief summary is given as under: -

	March 31, 2024 (Rupees)	March 31, 2023 (Rupees)
Net Sales	1,287,981,432	4,886,616,478
Gross (Loss)	(57,463,053)	(134,614,551)
(Net Loss) after tax	(151,177,545)	(613,108,479)

Operational Performance of the Company

Sugar Segment

Due to ongoing financial constraints, plant operations have been temporarily halted after a prolonged period. This decision was made to mitigate immediate financial pressures and ensure long-term sustainability. We are continually negotiating with financial institutions for rescheduling and further credit lines which will enable us to resume operations efficiently.

Distillery Segment

Distillery unit produced 6,691 tons of Alcohol during the period under review as compared to 12,775 tons of Alcohol produced during the corresponding period of last period. The operating profit of distillery unit has been achieved at Rs. 55.20 million as against the operating profit of Rs. 75.95 million incomparable previous period. Major suffering came due to abrupt increase in feed stock cost nearly 32% over last period. In order to get better results, the Company is adopting various cost cutting measures. Moreover, the power project is in the process of development for the more efficient supply of energy.

DEWAN SUGAR MILLS LIMITED

Chip Board Polypropylene Segment

Chip Board plant has produced 20,830 sheets during the period under review as against last period's 52,410 sheets. The operating loss of Rs. 3.71 million was suffered as against that of Rs. 0.108 million in the previous comparable period. Management is focused on producing value added products and "A" quality sheets which are well accepted in the market. The management is confident it will bring this segment out from losses in future.

Polypropylene unit is out of operation because of working capital constraints.

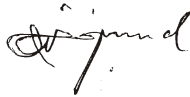
The auditors have expressed adverse opinion in their report on going concern assumption, default in repayment of installments of restructured liabilities and related non-provisioning of mark-up as explained in their report.

The condensed interim financial information has been prepared on going concern assumption as the Company approached its lender for further restructuring of its liabilities which is in process. Company is hopeful that such restructuring will be effective soon and will streamline the funding requirements of the Company which will ultimately help the management to operate with optimum utilization of production capacity. Therefore, the preparation of condensed interim financial information using going concern assumption is justified as fully explained in note 1.1 to the condensed interim financial information.

In conclusion, we bow, beg and pray to Almighty Allah, Rahman-o-Ar-Rahim, in the name of our beloved Prophet Muhammad (peace be upon him) for the continued showering of his blessings, guidance, strength, health, and prosperity to us, our company, country and nation; and also pray to Almighty Allah to bestow peace, harmony, brotherhood, and unity in true Islamic spirit to whole of the Muslim Ummah; Ameen; Summa Ameen.

LO-MY LORD IS INDEED HEARER OF PRAYER (HOLY QURAN)

By and under Authority of the Board of Directors



Ishtiaq Ahmad

Chief Executive Officer



Abdul Basit

Chairman Board of Directors

Place : Karachi

Date : May 27, 2024

FEROZE SHARIF TARIQ & CO.

Partners: FEROZE QAISER F.C.A., I.C.A.E.W.
ALI HUSAIN, F.C.A.
MOHAMMAD TARIQ, F.C.A., A.C.M.A.

FEROZE SHARIF TARIQ & CO.
Chartered Accountants
4-N/4, BLOCK 6, P.E.C.H.S.,
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REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF DEWAN SUGAR MILLS LIMITED

Introduction

We have reviewed the accompanying Condensed interim Statement of financial Position of Dewan Sugar Mills Limited ("the company") as at March 31, 2024 and the related Condensed interim statement of profit or loss, Condensed interim statement comprehensive income, Condensed interim statement of changes in equity and Condensed interim statement of cash flow and the notes to the financial statement for the half year then ended (hereinafter referred to as the "interim financial statements"). Management is responsible for the preparation and Presentation of this Condensed interim financial statements in accordance with approved 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.

The figures of the condensed interim statement of profit or loss and Condensed interim statement comprehensive income for the quarters ended March 31, 2024 and March 31, 2023 have not been reviewed as we are required to review only the cumulative figures for the half year ended March 31, 2024.

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 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.

Basis of Adverse Conclusion

- a) The financial Statements which indicates in note 1.1 to the financial statements that as of March 31, 2024 the company incurred a loss after taxation of Rs. 151.177 (March 31, 2023: Rs. 613.107) million and as of that date it has accumulated losses amounting to Rs. 5.498 (September 30, 2023: Rs. 5.459) billion which eroded Companies equity by Rs. 4.583 (September 30, 2023: Rs. 4.544) billion and its current liabilities exceeded its current assets by Rs. 5.574 (September 30, 2023: Rs. 5.587) billion without providing markups on Restructured and other liabilities as disclosed in below para (b) and (c). The Company has defaulted in repayments of installments of earlier restructured long term liabilities as disclosed in para (b) below and short term finance facilities had expired and not renewed by the banks amounting to Rs. 192.196 million, and the Company Closed down the production facility of Polypropylene unit, during the period the Company also suspended the Production of sugar Unit. Further, the company not utilizing its full capacity due to working capital constraints. Further, the financial institution filled suit for execution of decree and winding up petition. Accordingly, the financial institutions

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have not been provided bank confirmations as at reporting date this shows restructuring proposal of the company had not been accepted by the lenders till the reporting date. These conditions lead us to believe that the going concern assumption used in preparation of these financial statements is inappropriate; consequently the assets and liabilities should have been stated at their realizable and settlement amounts respectively.

- b) The company defaulted in repayment of instalments of restructured liabilities, hence as per clause 10.2 of the Compromise Agreement of the company, the entire outstanding restructured liabilities of Rs. 2.348 billion (note 9 to the financial Statements) along with markup of Rs. 896.875 million (Rs. 471.824 million eligible for waiver mark up and Rs. 425.051 million outstanding mark up note 10 to the financial Statements) become immediately payable, therefore provision for markup should be made in these financial statements.
- c) In addition to above, since the proposal, has not been accepted so far and the lenders, instead of accepting the restructuring proposal, have preferred to filed suit against the company, therefore the company should made the provision of mark up in the financial statements. Further during the period the company not provided the mark up on restructured long term liabilities amounting to Rs. 276.307 million in the financial Statements as disclosed in note 14 to the financial Statements. Had the provisions for the mark up, as discussed in preceding paragraph (b), been made in these financial statements, the loss after taxation would have been higher by Rs. 2.053 billion and markup payable would have been higher and shareholders' equity would have been lower by Rs. 2.053 billion.

Adverse Conclusion

Our review indicates that, because of the significance of the matter discussed in paragraph (a) to (c) above, these accompanying interim financial Statements as of and for the half year ended March 31, 2024 is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial Reporting.

The engagement partner on the review resulting in this independent auditor's review report is Mohammad Ghalib.

Place : Karachi
UDIN: RR202410161MI4E6dXUs
Date : May 31, 2024


CHARTERED ACCOUNTANTS
Audit Engagement Partner: Mohammad Ghalib



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CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION FOR THE HALF YEAR ENDED MARCH 31, 2024

		(Un-Audited) Mar.31, 2024	(Audited) Sep.30, 2023
		(Rupees in '000')	
ASSETS	Notes		
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	5,831,144	6,012,076
CURRENT ASSETS			
Stores, Spares and Loose Tools		173,377	158,066
Stock-in-Trade		1,712,416	1,532,142
Trade Debts - Unsecured, Considered Good		58,765	26,234
Loans and Advances and Other Receivable - Unsecured, Considered Good		657,370	677,360
Trade Deposits, Short-Term Prepayments and Current Balances with Statutory Authorities		8,435	10,711
Income Tax Refunds and Advances		140,471	129,259
Short Term Investment - Related Party	7	-	-
Cash and Bank Balances		29,066	33,926
		2,779,900	2,567,698
		<u>8,611,044</u>	<u>8,579,774</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Capital			
130,000,000 (2023: 130,000,000) Ordinary Shares of Rs. 10/- each		1,300,000	1,300,000
Issued, Subscribed and Paid-up Capital		915,120	915,120
Reserves and Surplus		(5,498,095)	(5,459,465)
Revaluation Surplus on Property Plant and Equipment		3,133,803	3,246,350
		<u>(1,449,172)</u>	<u>(1,297,995)</u>
NON-CURRENT LIABILITIES			
Sponsors Loan - Unsecured	8	478,400	449,536
Long Term Finance (Secured)	9	-	-
Long Term Interest Payable	10	-	-
Deferred Liabilities	11	1,227,505	1,273,475
CURRENT LIABILITIES			
Trade and Other Payables - Unsecured		5,338,160	5,150,853
Interest, Profit, Mark-up Accrued on Loans and Other Payables		12,010	12,010
Short Term Finances - Secured	12	192,196	192,196
Unclaimed Dividends		770	770
Current Portion of Non-Current Liabilities	9 to 10	2,632,929	2,632,929
Provision for Taxation		178,246	166,000
		8,354,311	8,154,758
CONTINGENCIES & COMMITMENTS	13	-	-
		<u>8,611,044</u>	<u>8,579,774</u>

The annexed notes form an integral part of this condensed interim financial information

Ishtiaq Ahmad
Chief Executive Officer

Muhammad Ilyas Abdul Sattar
Chief Financial Officer

Abdul Basit
Chairman Board of Directors

DEWAN SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2024

	Half Year Ended		Quarter Ended	
	Mar.31, 2024	Mar.31, 2023	Mar.31, 2024	Mar.31, 2023
	(Rupees in '000')			
Sales	1,287,982	4,886,617	529,930	3,283,033
Cost of Sales	(1,345,444)	(5,021,231)	(620,721)	(3,435,573)
Gross (Loss)	(57,462)	(134,614)	(90,791)	(152,540)
Administrative and General Expenses	(44,226)	(49,944)	(20,446)	(24,846)
Distribution and Selling Costs	(66,320)	(85,220)	(31,764)	(51,575)
Other Operating Income/(Loss)	12,037	(321,639)	16,387	(248,482)
(Loss) from Operations	(155,971)	(591,417)	(126,614)	(477,443)
Finance Cost	(28,930)	(23,313)	(14,868)	(11,664)
(Loss) before Income Tax	(184,901)	(614,730)	(141,482)	(489,107)
Taxation	33,724	1,623	22,594	(9,315)
(Loss) for the period (after Income Tax)	(151,177)	(613,107)	(118,888)	(498,422)
(Loss) per Share - Basic	(1.65)	(6.70)	(1.30)	(5.45)

he annexed notes form an integral part of this condensed interim financial information



Ishtiaq Ahmad
Chief Executive Officer



Muhammad Ilyas Abdul Sattar
Chief Financial Officer



Abdul Basit
Chairman Board of Directors



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2024**

	Half Year Ended		Quarter Ended	
	Mar.31, 2024	Mar.31, 2023	Mar.31, 2024	Mar.31, 2023
	(Rupees in '000')			
(Loss) for the Period	(151,177)	(613,107)	(118,888)	(498,422)
Items that will not reclassify to profit or loss				
Other comprehensive income	--	61,800	--	55,964
Total Comprehensive (Loss) for The Period	<u>(151,177)</u>	<u>(551,307)</u>	<u>(118,888)</u>	<u>(442,458)</u>

The annexed notes form an integral part of this condensed interim financial information

Ishtiaq Ahmad
Chief Executive Officer

Muhammad Ilyas Abdul Sattar
Chief Financial Officer

Abdul Basit
Chairman Board of Directors

DEWAN SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2024

	Mar.31, 2024	Mar.31, 2023
	(Rupees in '000')	
Cash Flow from Operating Activities		
(Loss) Before Taxation	(184,901)	(614,730)
Adjustment for Non-Cash and Other Items:		
Depreciation	198,676	255,344
Financial Charges	28,930	23,313
	227,606	278,657
	42,705	(336,073)
Changes in Operating Assets and Liabilities		
(Increase) / Decrease in Current Assets		
Stores and Spares	(15,311)	(57,695)
Stock in Trade	(180,273)	(698,883)
Trade Debts	(32,532)	6,460
Loans and Advances	19,990	445,239
Trade Deposits, Prepayments & Other Balances	2,276	1,963
Increase / (Decrease) in Current Liabilities		
Trade and Other Payables	187,307	695,916
Short Term Finances	--	(2,873)
	(18,543)	390,127
Taxes Paid	(11,212)	(58,164)
Financial Charges Paid	(66)	(97)
Gratuity Paid	--	(200)
	(11,278)	(58,461)
Net Cash Flows from Operating Activities	12,884	(4,407)
Cash Flow from Investing Activities		
Fixed Capital Expenditure	(17,744)	(75,138)
Net Cash Out Flows from Investing Activities	(17,744)	(75,138)
Cash Flow from Financing Activities		
Sponsors Loan	--	67,556
Net Cash Out Flows from Financing Activities	--	67,556
Net (Decrease) in Cash and Bank Balances	(4,860)	(11,989)
Cash and Bank Balances at Beginning of the Period	33,926	83,401
Cash and Bank Balances at the End of the Period	29,066	71,412

The annexed notes form an integral part of this condensed interim financial information



Ishtiaq Ahmad
Chief Executive Officer



Muhammad Ilyas Abdul Sattar
Chief Financial Officer



Abdul Basit
Chairman Board of Directors



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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2024**

	Issued, Subscribed & Paid-up Capital	General Reserve	Accumulated Profit/(Loss)	Revaluation Surplus on Property Plant & Equipment	Total
(Rupees in '000')					
Balance as on October 01, 2022	915,120	190,000	(5,170,725)	3,507,664	(557,941)
Loss for the period	--	--	(551,307)	--	(551,307)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	--	143,525	(143,525)	--
Balance as on March 31, 2023	<u>915,120</u>	<u>190,000</u>	<u>(5,578,507)</u>	<u>3,364,139</u>	<u>(1,109,248)</u>
Balance as on October 01, 2023	915,120	190,000	(5,649,465)	3,246,350	(1,297,995)
Loss for the period	--	--	(151,177)	--	(151,177)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	--	112,547	(112,547)	--
Balance as on March 31, 2024	<u>915,120</u>	<u>190,000</u>	<u>(5,688,095)</u>	<u>3,133,803</u>	<u>(1,449,172)</u>

The annexed notes form an integral part of this condensed interim financial information

Ishtiaq Ahmad
Chief Executive Officer

Muhammad Ilyas Abdul Sattar
Chief Financial Officer

Abdul Basit
Chairman Board of Directors

CONDENSED INTERIM SEGMENTWISE OPERATING RESULTS (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2024

	Sugar Segment		Polypropylene Segment		Board and Panel Segment		Distillery Segment		Total	
	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23
Gross Sales										
Local	-	1,659,385	-	-	30,570	40,305	84,838	153,789	115,408	1,853,480
Exports	-	-	-	-	-	-	1,192,897	3,328,902	1,192,897	3,328,902
	-	1,659,385	-	-	30,570	40,305	1,277,735	3,482,691	1,308,305	5,182,382
Sales Commission	-	-	-	-	-	-	5,210	17,169	5,210	17,169
Sales Tax	-	252,993	-	-	5,238	6,829	9,875	18,774	15,113	278,596
	-	252,993	-	-	5,238	6,829	15,085	35,943	20,323	295,765
Net Sales	-	1,406,392	-	-	25,332	33,476	1,262,650	3,446,748	1,287,982	4,886,617
COST OF SALES	190,529	2,045,108	-	3,542	28,989	33,523	1,125,927	2,939,058	1,345,444	5,021,231
Gross Profit / Loss	(190,529)	(638,716)	-	(3,542)	(3,657)	(47)	136,723	507,690	(57,462)	(134,614)
Administrative Expenses	13,933	24,040	3,476	39	55	61	26,761	25,804	44,226	49,944
Selling and Distribution Costs	-	992	-	-	-	-	66,320	84,228	66,320	85,220
Other operating (income)/Loss	(479)	(72)	-	-	-	-	(11,558)	321,711	(12,037)	321,639
Segment Results	13,454	24,960	3,476	39	55	61	81,523	431,743	98,509	456,803
	(203,983)	(663,676)	(3,476)	(3,581)	(3,712)	(108)	55,200	75,947	(155,971)	(591,417)

(Rupees in '000')

DEWAN SUGAR MILLS LIMITED



Ishtiaq Ahmad
Chief Executive Officer



Muhammad Ilyas Abdul Sattar
Chief Financial Officer



Abdul Basit
Chairman Board of Directors



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

Dewan Sugar Mills Limited (the Company) was incorporated in Pakistan, as a public limited company on June 27, 1982, under the Companies Act, 1913 (Now the Companies Act 2017 and its shares are listed in Pakistan Stock Exchange Guarantee Limited. The Principal activity of the Company is production and sale of white crystalline refined sugar, processing and trading of by-products, and other related activities and allied products. Further, The Company's Poly propylene unit is still non operative since 2016 and During the Period the Production of Sugar Unit stopped by the Company due to Liquidity Crunch Faced by the Company.

The geographical Location and address of the company's business units, including mill/plant are as under:

The Company consist of Four units namely

1. Sugar Unit. 2. Distillery unit, 3. Board and Penal unit and 4. Poly propylene unit.

The registered office of the company is situated at at Dewan Centre, 3-A, Lalazar, Beach Hotel Road, Karachi-74000, Pakistan; while its all four units manufacturing facilities are located at Jillaniabad, Budho Talpur, Taluka: Mirpur Bathoro, District: Thatta, Sindh, Pakistan.

1.1 GOING CONCERN ASSUMPTION

The condensed interim financial information of the company for the half year ended March 31, 2024 reflect net loss after taxation of Rs. 151.177 million (March 31, 2023: Rs. 613.107 million) and Accumulated negative reserves Rs. 5.498 (September 30, 2023:5.459) billion its current liabilities exceeded its current assets by Rs. 5.574 (September 30, 2023 Rs. 5.587) billion. The Company defaulted in repayment of its restructured long term liabilities due to liquidity crunch faced by the Company and the entire restructured liabilities along with markup eligible for waiver (as disclosed in note.9,10 & 14) have become immediately repayable, short term loan has not been renewed by the Banks. These conditions indicate the existence of material uncertainty which may cast significant doubt about the company's ability to continue as a going concern, therefore the company may not be able to realize its assets and discharge its liabilities during the normal course of business.

These condensed interim financial information has been prepared on going concern assumption as the Company approached its lenders for further restructuring of its liabilities which is in process. Company is hopeful that such restructuring will be effective soon and will further streamline the funding requirements of the Company which will ultimately help the management to run the operations smoothly with optimum utilization of production capacity. As the conditions mentioned in the foregoing paragraph are temporary and would reverse therefore the preparation of condensed interim financial information using going concern assumption is justified.

2 BASIS OF PREPARATION

Statement of compliance

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

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

DEWAN SUGAR MILLS LIMITED

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017.
- Where 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.

3 BASIS OF PRESENTATION

3.1 These condensed interim financial information are unaudited but subject to limited scope review by auditors and are being submitted to the shareholders as required by the listing regulation of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017. These condensed interim financial information do not include all of the information required for full annual financial information and should be read in conjunction with the annual financial information for the year ended September 30, 2023, which have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial information.

3.2 The comparative statement of financial position presented in these condensed interim financial information have been extracted from the annual audited financial information of the Company for the year ended September 30, 2023, whereas the comparative condensed interim profit or loss account, condensed interim statement of comprehensive income, condensed interim cash flows and condensed statement of changes in equity are extracted from the unaudited condensed interim financial information for the half year ended March 31, 2024.

3.3 Basis of Measurement

The financial information have primarily been prepared under the historical cost convention without any adjustments for the effect of inflation or current values, except for the fixed assets which are on revalued amount in note 6 to the financial information, financial assets and liabilities which are carried at their fair values. Further, accrual basis of accounting is followed except for cash flow information.

4 MATERIAL ACCOUNTING POLICY INFORMATION

These condensed interim financial information have been prepared using the same accounting policies which were applied in the preparation of the annual financial information of the Company for the year ended September 30, 2023.

Change in accounting standards, interpretations and amendments to published approved accounting standards

(a) Standards and amendments to published approved accounting standards which are effective during the period.

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

(b) Standards and amendments to published approved accounting standards that are not yet effective

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's annual accounting periods beginning on or after 1, July, 2023. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial information.



5 ACCOUNTING ESTIMATES AND JUDGMENTS

- 5.1** The preparation of this condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and 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. Revision to accounting estimates are recognized prospectively commencing from the period of revision.
- 5.2** In preparing this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key source of estimation and uncertainty were the same as those that applied to the financial information as at and for the year ended September 30, 2023.
- 5.3** The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended September 30, 2023.

		Un-Audited March 31, 2024	Audited September 30, 2023
	Note	(Rupees in '000')	
6 PROPERTY, PLANT AND EQUIPMENTS			
Operating Property, Plant & Equipment	6.1	5,724,983	5,855,861
Capital work-in-progress	6.2	106,161	156,215
		5,831,144	6,012,076
6.1 Written Down Value Opening		5,855,861	6,302,191
Addition during the period		67,798	17,084
		5,923,659	6,319,275
Depreciation for the period		(198,676)	(463,414)
		5,724,983	5,855,861
6.2 Capital work-in-progress-Power Plant		156,215	-
Addition during the period		606	156,215
		156,821	156,215
Transfer to Fixed assets		50,660	-
		106,161	156,215

Fixed capital expenditure during the period amounted to Rs.17.744 Million (September 30, 2023:Rs.173.299 Million). Including capital work in progress

7 INVESTMENT IN ASSOCIATED COMPANY

The Company held 13,650,000 shares including 650,000 bonus shares of Dewan Farooque Motors Ltd., Associate is an entity over which the Company has significant influence but no control. Company's investee company is considered to be its associate by virtue of common directorship/ sponsorship, member of yousuf dewan companies and its ownership interest of 9.84% in investee company.

DEWAN SUGAR MILLS LIMITED

		Un-Audited March 31, 2024	Audited September 30, 2023
	Note	(Rupees in '000')	
7.1	Investment in Dewan Farooque Motors Limited		
	Number of shares held	13,650,000	13,650,000
	Cost of investment (Rupees'000')	130,000	130,000
	Fair value of investment (Rupees'000')	208,572	160,797
	Ownership interest (Percentage)	9.84%	9.84%
7.2	Summarized Financial Information of Associated Company		
	Total assets (Rupees'000')	3,541,804	2,872,993
	Total Liabilities (Rupees'000')	(7,024,907)	(6,119,270)
	Net assets (Rupees'000')	(3,483,103)	(3,246,277)
	Company's share of net assets (Rupees'000')	(342,737)	(319,434)
	Revenue (Rupees'000')	80	165
	Loss for the period (Rupees'000')	(241,063)	(235,042)

Investment in associated company was made in accordance with the requirement of then effective Companies Act 2017. As the Company's share of losses exceed its interest in the associate, the Company has discontinued recognising its share of further losses. Market value is based on last available quoted price as of March 31, 2024.

8 SPONSOR LOAN - UNSECURED

Sponsor Loan	8.1	401,360	380,112
Sponsors Loan obtained for payment of Term Loan	8.2	77,040	69,424
		478,400	449,536
8.1 Sponsor Loan			
Opening Balance Original Loan amount		580,788	513,232
Additional Loan from Sponsor		-	67,556
		580,788	580,788
Less Present value adjustment		(200,676)	(211,111)
Additional Amortization Income		-	(23,342)
Amortization Discount Charges to P & L		21,248	33,777
		(179,428)	(200,676)
Closing Balance		401,360	380,112

The Sponsors loan had been measured at amortized cost in accordance with IFRS-9 previously International Accounting Standard 39, Financial Instruments: Recognition and Measurement, and have been discounted using the weighted average interest rate of 11.18% per annum. This interest free loan is payable in lum sum on September 30, 2027.

8.2 Sponsor Loan			
Sponsors Loan obtained for payment of Term Loan		159,648	159,648
Less Present value adjustment		(90,224)	(3,155)
Additional Amortization Income		-	(100,260)
Add Amortization Discount Charged to P & L		7,616	13,191
		(82,608)	(90,224)
Closing Balance		77,040	69,424



This represents unsecured interest free loan payable to sponsor director. This liability had arisen on account of settlement of liabilities of the bank, which were settled by sponsor. The amount of loan had been measured at amortized cost in accordance with IFRS-9 previously International Accounting Standard 39, Financial instruments: Recognition and Measurement, and discounted using the weighted average interest rate of 21% per annum. This interest free loan was payable in lump sum on December 31, 2022, however due to financial crunch its repayment has been extended till September 30, 2027 by mutual consent.

	Un-Audited March 31, 2024	Audited September 30, 2023
9 LONG TERM FINANCE - SECURED		
Syndicate Term Finance: Principal opening	2,348,128	2,348,128
Current Maturity	-	-
Less Overdue installments	<u>2,348,128</u>	<u>2,348,128</u>
	<u>-</u>	<u>-</u>

This amount represent outstanding balance of rescheduled settled amount as per compromising decree dated February 18, 2011 granted by Honorable High Court of Sindh at Karachi. As per terms 32 quarterly instalments of principal loan ranging from Rs.57.09 million to Rs. 143.858 million were payable in ten years with one year grace period with no mark-up through out the repayment period. The repayments of loan had been started from March 30, 2012 and last payment was to be made on December 30, 2020. During the period Company has not provided mark the mark up on the same.

10 LONG TERM MARK UP PAYABLE

Mark-up payable on Reschedule Term Finance : Opening	284,801	284,801
Less Overdue installments	<u>284,801</u>	<u>284,801</u>
	<u>--</u>	<u>--</u>

This amount represents token mark up of Rs. 425.051 payable to Syndicated (Summit Bank & Other) in 4 equal quarterly installments (33 to 36) million. Company had provided Rs.284.80 million till September, 2018 and stopped providing further markup and approaching to lender for waiver due to current worst situation of industries of the Country specially Sind province. We are hopeful our this request will be oblige.

11 DEFERRED LIABILITIES

Deferred Tax Liability for Staff Gratuity (Provision)	11.1	5,349	5,349
Deferred Income Tax Liability		<u>1,222,156</u>	<u>1,268,126</u>
		<u>1,227,505</u>	<u>1,273,475</u>

11.1 The Company discontinued its policy for staff retirement benefits plan for gratuity on March 31, 2007 and provision for all its outstanding liabilities had been made until March 31, 2007. This payable amount was to transfer to provident fund scheme, however the Board of Trustee has amended the said clause and now the Company opted to pay this liability to each employees at the time of their separation from the Company.

DEWAN SUGAR MILLS LIMITED

		Un-Audited March 31, 2024	Audited September 30, 2023
		(Rupees in '000')	
12 SHORT TERM RUNNING FINANCES - SECURED			
Short term running finances - Secured	12.1	192,196	192,196
		<u>192,196</u>	<u>192,196</u>

12.1 This amount represent RF facility of Rs.192.196 million sanctioned by the lenders as per Court order/compromising decree. The facility is secured by the way of first charge over current assets of the Company with 20% margin. The mark-up of this facility is 3 month KIBOR plus 0.75% per annum payable quarterly basis. The facility had expired and not renewed by the banks. During the period Company has not provided mark the mark up on the same.

13 CONTINGENCIES & COMMITMENTS

There is no significant changes in the status of contingencies and commitments during the period as those reported in last published financial statements.

14 FINANCE COST

The company has not provided the markup on long term and short term borrowings from Banks for the period amounting to Rs. 276.307 million on the contention of the Company as disclosed in note 9,10 and 12 to the Financial Information. However had the provision been made in the financial statements markup for the period would have been higher by Rs. 2.053 billion and accrued markup and accumulated loss would have been increased by Rs.2.053 billion.

15 SEASONAL PRODUCTION

Due to the seasonal availability of sugarcane, the manufacturing of sugar is carried out during the period of availability of sugarcane 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 interim and annual financial statements.

16 FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

These condensed interim financial information do not include all financial risk management information and disclosures which are required in the annual financial information and should be read in conjunction with the Company's annual financial information for the year ended September 30, 2023. There have been no changes in any risk management policies since the year end. The carrying values of all financial and non-financial assets and liabilities measured at other than amortized cost in these condensed interim financial information approximate their fair values.



		March 31, 2024	March 31, 2023
17 TRANSACTION WITH RELATED PARTIES		(Rupees in '000')	
Sale Commission	Dewan Mushtaq Trade Limited	5,210	17,169
Purchases	Dewan Mushtaq Trade Limited	7,800	15,857
Sales	Dewan Mushtaq Trade Limited	3,315	4,750
Provident fund contribution	Common Management	2,004	2,087
Sponsor loan		-	67,556

Dewan Mushtaq Trade Limited Relationship by Common Director Ship

18 DATE OF AUTHORIZATION FOR ISSUE

These Condensed Interim Financial Information were authorized for issue on May 27, 2024 by the board of directors of the Company.

19 GENERAL

- Figures have been rounded off to the nearest thousand rupees.
- Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. However, no significant reclassification has been made during the period to report.
- During the period ended the Company has not Operated the Sugar Unit due to Liquidity Curench Faced by the Company.
- The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended March 31, 2024 and 2023 were not subject to limited scope review by the auditors as scope of review covered only cumulative figures.

Ishtiaq Ahmad
Chief Executive Officer

Muhammad Ilyas Abdul Sattar
Chief Financial Officer

Abdul Basit
Chairman Board of Directors

DEWAN SUGAR MILLS LIMITED

چپ بورڈ پولی پروپلائن کا شعبہ:

دوران جائزہ مدت چپ بورڈ پلانٹ نے گزشتہ مدت کی 52,410 ٹن کے مقابلے میں 20,830 ٹن تیار کیں۔ اس مدت کا آپریٹنگ خسارہ 3.71 ملین روپے رہا جو کہ گزشتہ سال کی اسی مدت کے دوران 0.108 ملین روپے تھا۔ انتظامیہ نے اپنی توجہ ویلیو ایڈڈ مصنوعات کی تیاری پر مرکوز کر رکھی ہے اور درجہ A کی ٹن تیار کر کے مسابقت میں سبقت لگانے کے لئے کوشاں ہے۔ ہم پر امید ہیں کہ کھیتی کے اس آپریشن میں مثبت نتائج سامنے آئیں گے۔

پولی پروپلائن پینٹ ورکنگ کمیٹی کی رکارڈوں کے سبب پہلے ہی پروڈکشن سے باہر ہے۔

آڈیٹرز نے اپنی رپورٹ میں کھیتی کے آگے بڑھنے اور ترقی کرنے کی صلاحیت، ری اسٹرکچر ڈائجناں کی اقساط کی ادائیگی میں ڈیٹالٹ اور مارک اپ کی عدم ادائیگی جیسے معاملات پر غمی رائے کا اظہار کیا ہے۔

کنٹریڈیٹوری مالیاتی معلومات کو گونگ تھویش کے مفروضے پر تیار کیا گیا ہے کیونکہ کھیتی نے اپنی ذمہ داریوں کی مزید تنظیم نو کیلئے اپنے قرض دہندہ سے رابطہ کیا ہے۔ کھیتی پر امید ہے کہ اس طرح کی تنظیم نو جلد ہی موثر ہوگی اور کھیتی کی فنڈنگ کی ضروریات کو بہتر کرے گی جس سے بالآخر انتظامیہ کو پیداواری صلاحیت میں اضافہ کرنے میں مدد ملے گی۔ لہذا کنٹریڈیٹوری مالیاتی معلومات کی تیاری گونگ تھویش مفروضے کا استعمال کرتے ہوئے جائز ہے جیسا کہ نوٹ 1.1 میں مکمل طور پر کنٹریڈیٹوری مالیاتی معلومات کی وضاحت کی گئی ہے۔

اختتام پر اللہ پاک رحمن و رحیم کے حضور سجدہ ریز ہو کر دعا مانگتے ہیں ہمارے نبی سرکارِ دو عالم ﷺ کے وسیلے سے کہ اے اللہ ہماری رہنمائی کرے اور کھیتی قوم اور وطن عزیز کو اپنے حفظ و امان میں رکھے اور بھرپور ترقی کرنے کی توفیق عطا کرے۔ ساتھ ہی اللہ پاک سے دعا مانگتا ہوں کہ امت مسلمہ میں امن، چین اور بھائی چارہ پیدا کرے آمین۔

میرا پروردگار یقیناً ہماری دعاؤں کو سنتا ہے۔ (قرآن کریم)

بورڈ آف ڈائریکٹرز کی جانب سے

عبدالباسط

چیرمین بورڈ آف ڈائریکٹرز

کراچی؛

مورخہ: 27 مئی 2024ء

اشتیاق احمد

چیف ایگزیکٹو آفیسر



ڈائریکٹرز رپورٹ

شروع کرتا ہوں اللہ تعالیٰ کے نام سے جو بڑا مہربان اور نہایت رحم والا ہے
اگر تم شکر ادا کرو گے تو میں تم پر (نعمتوں میں) ضرور اضافہ کروں گا (القرآن)

محترم حصص یافتگان،

السلام علیکم،

دیوان شوگر ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 مارچ 2024ء کو ختم ہونے والی مدت کے غیر جانبدار مالیاتی گوشوارے پیش کرتے ہوئے نہایت مسرت محسوس کر رہے ہیں۔

صنعت کا جائزہ:

دوران مدت ملک میں موجودہ سیاسی عدم استحکام، غیر معمولی طور پر افراط زر میں اضافہ، شرح سود، فیول اور بجلی کی قیمتوں میں اضافے نے معیشت اور شکر کی صنعت پر منفی اثرات مرتب کئے ہیں۔

مالیاتی نتائج:

زیر جائزہ مدت کے دوران مالیاتی نتائج کا مختصر خلاصہ درج ذیل ہے:

31 مارچ 2024ء (روپے)	31 مارچ 2023ء (روپے)	
1,287,981,432	4,886,616,478	خالص فروخت
(57,463,053)	(134,614,551)	مجموعی (خسارہ)
(151,177,545)	(613,108,479)	بعد از ٹیکس (خالص خسارہ)

کارکردگی کا جائزہ:

شکر کا شعبہ:

جاری مالی رکاوٹوں کے باعث پلانٹ آپریشن کو ایک طویل مدتی سرگرمی کے بعد عارضی طور پر روک دیا گیا ہے۔ یہ فیصلہ مالیاتی دباؤ کو فوری طور پر کم کرنے اور طویل مدتی پائیداری کو یقینی بنانے کے لیے کیا گیا ہے۔ ہم ری شیڈولنگ اور اضافی کریڈٹ لائسنز کے لیے مالیاتی اداروں کے ساتھ مسلسل گفت و شنید کر رہے ہیں، جو ہمیں موثر طریقے سے دوبارہ آپریشن شروع کرنے کے قابل بنائے گی۔

ڈسٹری کا شعبہ:

زیر جائزہ مدت کے دوران ڈسٹری کے شعبے نے 6,691 ٹن اکھل تیار کیا جس کا موازنہ گزشتہ مدت کے دوران تیار کئے گئے 12,775 ٹن اکھل سے کیا جاسکتا ہے۔ زیر جائزہ مدت میں ڈسٹری یونٹ کا آپریٹنگ منافع 55.20 ملین روپے رہا جبکہ گزشتہ سال آپریٹنگ منافع 75.95 ملین روپے تھا۔ اس سال گزشتہ سال کے مقابلے میں فیڈ اسٹاک کی لاگت میں تقریباً 32 فیصد اضافے کے باعث کافی مشکلات کا سامنا رہا۔ بہتر نتائج حاصل کرنے کیلئے، کمپنی لاگت میں کمی کے مختلف اقدامات اپنارہی ہے۔ مزید برآں، توانائی کی زیادہ موثر فراہمی کیلئے پاور پروڈیجکٹ کی تعمیر کی جارہی ہے۔