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DEWAN SUGAR MILLS LIMITED

COMPANY INFORMATION

EXECUTIVE DIRECTORS

Zeeshan Ashraf - Chief Executive Officer
Ghazanfar Baber Siddiqui

NON-EXECUTIVE DIRECTORS

Abdul Basit - Chairman Board of Directors
Syed Maqbool Ali
Nida Jamil
Muhammad Ashraf

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
Syed Maqbool Ali
Abdul Basit

Chairman
Member
Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Aziz-ul-Haque
Ghazanfar Baber Siddiqui
Abdul Basit

Chairman
Member
Member

BANKERS

National Bank of Pakistan
Summit Bank Limited
Habib Bank Limited
Standard Chartered Bank Pakistan Limited
The Bank of Khyber Limited

MCB Bank Limited
Meezan Bank Limited
The Bank of Punjab
Dubai Islamic Bank Pakistan 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)

Directors take pleasure in presenting you the unaudited condensed interim financial information of the Company for the period ended June 30, 2023.

Industry Overview

During the period under review the political instability prevailing in the Country, erratic hike of foreign exchange rates, unprecedentedly higher inflation, unstopped excessive interest rates and inflated fuel & electricity costs have negatively impacted the economy.

Financial Results.

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

	June 30, 2023 (Rs. In Million)	June 30, 2022 (Rs. In Million)
Net Sales	5,357.170	7,349.987
Gross Loss	167.002	193.174
Net Loss after tax	783.089	597.089

Operational Performance of the Company

Sugar Segment

The plant started its operations on 23rd December, 2022 and its crushing process restricted for only 55 days till 15th February 2023 and as compared to last period of 99 days. During the current season plant crushed 209,436 metric tons of sugar cane producing 20,380 metric tons of white refined sugar with average sucrose recovery of 9.821% as compared to last period when plant managed to crush 489,240 metric tons of sugar cane with average sucrose recovery of 10.41% and attained refined sugar production of 50,790 metric tons. This approximate decrease in production of 60% was due to financial crunch and higher raw material prices and inflated input costs which forced the sugar season of the Company sustainable for a shorter period of time.

During the period sugar segment suffered operating loss of Rs. 773.63 million as compared to Rs. 531.73 million in the corresponding period of last year. Main reasons for this loss were higher cost of production and less crushing capacity utilization.

Distillery Segment

Distillery unit produced 18,179 metric tons of Alcohol during the period under review as compared to 23,498 metric tons of Alcohol produced during the corresponding period of previous year. During the period the operating profit of distillery unit was Rs. 9.173 million as against operating loss of Rs. 24.906 million in previous comparable period.

DEWAN SUGAR MILLS LIMITED

Foremost suffering came due to abrupt increase of nearly 33% in feed stock rates over last period, furthermore advance from customers in USD caused exchange loss of Rs.385.905 million due to continuously depreciated rupee value during the period. To get better result your Company is adopting various cost cutting measures including erecting power house project for more efficient supply of energy to the plant.

Chip Board Polypropylene Segment

Chip Board plant has produced 64,610 sheets during the period under review as against last period of 81,160 sheets. Management is focused on producing value added products and "A" quality sheets which are well accepted in market.

Polypropylene unit remained out of production because of working capital constraints.

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



Zeeshan Ashraf
Chief Executive Officer



Abdul Basit
Chairman Board of Directors

Place : Karachi
Date : July 25, 2023



YD | A YOUSUF DEWAN COMPANY

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION FOR THE NINE MONTH ENDED JUNE 30, 2023

		(Un-Audited) Jun 30, 2023	(Audited) Sep 30, 2022
	Notes	(Rupees in '000')	
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	6,051,287	6,302,191
CURRENT ASSETS			
Stores, Spares and Loose Tools		189,290	158,247
Stock-in-Trade		2,189,802	1,249,948
Trade Debts - Unsecured, Considered Good		24,471	24,499
Loans and Advances and Other Receivable - Unsecured, Considered Good		282,885	652,280
Trade Deposits, Short-Term Prepayments and Current Balances with Statutory Authorities		8,287	11,507
Income Tax Refunds and Advances		114,281	76,094
Short Term Investment - Related Party	7	-	-
Cash and Bank Balances		38,518	83,401
		2,847,534	2,255,976
		8,898,821	8,558,167
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Capital			
130,000,000 (2022: 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		(5,461,410)	(4,980,725)
Revaluation Surplus on Property Plant and Equipment		3,297,960	3,507,664
		(1,248,330)	(557,941)
NON-CURRENT LIABILITIES			
Sponsors Loan - Unsecured	8	468,471	458,614
Long Term Finance (Secured)	9	-	-
Long Term Interest Payable	10	-	-
Deferred Liabilities	11	1,294,555	1,380,408
CURRENT LIABILITIES			
Trade and Other Payables - Unsecured		5,389,220	4,318,586
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		157,000	120,595
		8,384,125	7,277,086
CONTINGENCIES & COMMITMENTS	13	-	-
		8,898,821	8,558,167

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

Zeeshan Ashraf
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 NINE MONTH ENDED JUNE 30, 2023

	Nine Month Ended		Quarter Ended	
	Jun 30, 2023	Jun 30, 2022	Jun 30, 2023	Jun 30, 2022
	(Rupees in '000')			
Sales	5,357,170	7,349,987	470,553	1,673,359
Cost of Sales	(5,524,172)	(7,543,160)	(502,941)	(1,571,323)
Gross Profit/Loss	(167,002)	(193,173)	(32,388)	102,036
Administrative and General Cost	(76,653)	(57,629)	(26,709)	(22,104)
Distribution and Selling Cost	(142,608)	(115,380)	(57,388)	(41,941)
Other Operating Income/Loss	(385,350)	(209,172)	(63,711)	(209,468)
Loss from Operations	(771,613)	(575,354)	(180,196)	(171,477)
Finance Cost	(35,130)	(32,036)	(11,817)	(10,664)
Loss before Tax	(806,743)	(607,390)	(192,013)	(182,141)
Taxation	23,654	10,301	22,031	16,687
Loss after Tax	(783,089)	(597,089)	(169,982)	(165,454)
Loss per Share - Basic	(8.56)	(6.52)	(1.86)	(1.81)

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



Zeeshan Ashraf
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 NINE MONTH ENDED JUNE 30, 2023**

	Nine Month Ended		Quarter Ended	
	Jun 30, 2023	Jun 30, 2022	Jun 30, 2023	Jun 30, 2022
	(Rupees in '000')			
Loss for the Period	(783,089)	(597,089)	(169,982)	(165,455)
Other comprehensive income	92,700	--	30,899	--
Items that will not reclassify to profit or loss	--	--	--	--
Total Comprehensive Loss for The Period	<u>(690,389)</u>	<u>(597,089)</u>	<u>(139,083)</u>	<u>(165,455)</u>

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

Zeeshan Ashraf
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 NINE MONTH ENDED JUNE 30, 2023

	Jun 30, 2023	Jun 30, 2022
	(Rupees in '000')	
Cash Flow from Operating Activities		
Loss Before Taxation	(806,743)	(607,390)
Adjustment for Non-Cash and Other Items:		
Depreciation	372,742	432,785
Financial Charges	35,130	32,036
	407,872	464,821
	(398,871)	(142,569)
Changes in Operating Assets and Liabilities		
<i>(Increase) / Decrease in Current Assets</i>		
Stores and Spares	(31,043)	(17,531)
Stock in Trade	(939,854)	(575,028)
Trade Debts	28	(58,506)
Loans and Advances	369,396	(46,858)
Trade Deposits, Prepayments & Other Balances	3,220	3,603
<i>Increase / (Decrease) in Current Liabilities</i>		
Trade and Other Payables	1,070,633	817,619
Short Term Finances	-	34,389
	472,379	157,688
	(63,782)	(61,971)
Taxes Paid	(127)	(335)
Financial Charges Paid	(200)	(10)
Gratuity Paid	(64,109)	(62,316)
Net Cash Flows from Operating Activities	9,399	(47,197)
Cash Flow from Investing Activities		
Fixed Capital Expenditure	(121,838)	(7,340)
Net Cash Out Flows from Investing Activities	(121,837)	(7,340)
Cash Flow from Financing Activities		
Sponsors Loan	67,556	--
Net Cash Out Flows from Financing Activities	67,556	--
Net Increase (Decrease) in Cash and Bank Balances	(44,883)	(54,537)
Cash and Bank Balances at Beginning of the Period	83,401	60,225
Cash and Bank Balances at the End of the Period	38,518	5,688

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



Zeeshan Ashraf
Chief Executive Officer



Muhammad Ilyas Abdul Sattar
Chief Financial Officer



Abdul Basit
Chairman Board of Directors



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTH ENDED JUNE 30, 2023**

	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, 2021 as Previously Reported	915,120	190,000	(4,351,662)	3,832,831	586,289
Reversal of Deffered tax asset Booked on Tax Losses	--	--	(385,409)	--	(385,409)
Re-stated Balance as on October 01, 2021	915,120	190,000	(4,737,071)	3,832,831	200,880
Loss for the period	--	--	(597,089)	--	(597,089)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	--	243,982	(243,982)	--
Re-stated Balance as on June 30, 2022	915,120	190,000	(5,090,178)	3,588,849	(396,209)
Balance as on June 30, 2022 previously reported	915,120	190,000	(4,704,769)	3,588,849	(10,800)
Reversal of Deffered tax asset Booked on Tax Losses	--	--	(385,409)	--	(385,409)
	915,120	190,000	(5,090,178)	3,588,849	(396,209)
Balance as on October 01, 2022	915,120	190,000	(5,170,725)	3,507,664	(557,941)
Loss for the period	--	--	(690,389)	--	(690,389)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	--	209,704	(209,704)	--
Balance as on June 30, 2023	915,120	190,000	(5,651,410)	3,297,960	(1,248,330)

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

Zeeshan Ashraf
Chief Executive Officer

Muhammad Ilyas Abdul Sattar
Chief Financial Officer

Abdul Basit
Chairman Board of Directors

CONDENSED INTERIM SEGMENTWISE OPERATING RESULTS FOR THE NINE MONTH ENDED JUNE 30, 2023

	Sugar Segment		Polypropylene Segment		Board and Panel Segment		Distillery Segment		Total	
	Jun-23	Jun-22	Jun-23	Jun-22	Jun-23	Jun-22	Jun-23	Jun-22	Jun-23	Jun-22
<i>(Rupees in '000')</i>										
Gross Sales										
Local	1,659,385	4,052,841	-	-	58,023	80,700	208,252	231,400	1,925,660	4,364,940
Exports	-	-	-	-	-	-	3,736,818	3,673,079	3,736,818	3,673,079
	1,659,385	4,052,841	-	-	58,023	80,700	3,945,070	3,904,479	5,662,478	8,038,019
Sales Commission										
Sales Tax	252,993	623,564	-	-	9,904	13,450	19,639	19,508	19,639	19,508
	252,993	623,564	-	-	9,904	13,450	22,772	31,510	285,669	668,524
	1,406,392	3,429,277	-	-	48,119	67,250	3,902,659	3,853,461	5,357,170	7,349,987
Cost Of Sales										
Gross Profit /Loss	2,143,999	3,930,200	5,368	5,279	49,762	80,526	3,325,043	3,527,155	5,524,172	7,543,160
	(737,607)	(500,923)	(5,368)	(5,279)	(1,643)	(13,276)	577,616	326,306	(167,002)	(193,173)
Administrative and General Cost										
Selling and Distribution Cost	35,397	28,528	58	65	90	95	41,108	28,941	76,653	57,629
Other operating income/Loss	992	2,349	-	-	-	-	141,616	113,031	142,608	115,380
	(370)	(68)	-	-	-	-	385,719	209,240	385,349	209,172
Segment Results										
	36,019	30,809	58	65	90	95	568,443	351,212	604,610	382,181
	(773,626)	(531,732)	(5,426)	(5,344)	(1,733)	(13,371)	9,173	(24,906)	(771,613)	(575,354)



Zeeshan Ashraf
Chief Executive Officer



Muhammad Ilyas Abdul Sattar
Chief Financial Officer



Abdul Basit
Chairman Board of Directors

DEWAN SUGAR MILLS LIMITED



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTH ENDED JUNE 30, 2023

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 non operative since 2016.

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

The Company consist of four units: (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 Dewan Centre, 3-A, Lalazar, Beach Hotel Road, Karachi-74000, Pakistan; while its all four units manufacturing facilities units are located at Jilaniabad, Budho Talpur, Mirpur Bathoro, Thatta, Sindh, Pakistan.

1.1 GOING CONCERN ASSUMPTION

The condensed interim financial information of the company for the period ended June 30, 2023 incurred a net loss after taxation of Rs.783.089 million (June 30, 2022 Rs.597.089 million) and as of that date company's negative reserves of Rs.5,461 million (September 30, 2022 Rs. 4,981) million and its current liabilities exceeded its current assets by Rs.5,536 million (September 30, 2022: Rs. 5,021) million. Further the company's short term borrowing facilities amounting Rs.192.196 million have been expired and not been renewed by the lenders. The company defaulted in repayment of its restructured long term loan due to liquidity crunch, hence as per clause 10.2 of the compromise agreement entire restructured liabilities along with markup eligible for waiver have become immediately repayable. These conditions along with other matters indicate the existence of material uncertainty which may cast significant doubt about company's ability to continue as going concern, therefore the company may be unable to realize its assets and discharge its liabilities in the normal course of business. The going concern assumption used in preparation of these financial statements is largely depended on the acceptance of restructuring proposal by the lenders which is hopefully on final stage.

2 BASIS OF PREPARATION

Statement of compliance

These condensed interim financial statements 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;
- 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.

DEWAN SUGAR MILLS LIMITED

3 BASIS OF PRESENTATION

3.1 These condensed interim financial statements 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 statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended September 30, 2022, 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 statements.

3.2 The comparative statement of financial position presented in these condensed interim financial statements have been extracted from the annual audited financial statements of the Company for the year ended September 30, 2022, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the nine month ended June 30, 2022.

3.3 Basis of Measurement

The condensed interim 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 mentioned in note 6 to the condensed interim 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 ACCOUNTING POLICIES

These condensed interim financial statements have been prepared using the same accounting policies which were applied in the preparation of the annual financial statements of the Company for the year ended September 30, 2022.

Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements.

a) Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to accounting standards are effective for accounting periods beginning on October 1, 2022 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after October 1, 2023 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.



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 statements as at and for the year ended September 30, 2022.
- 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, 2022.

		Un-Audited June 30, 2023	Audited September 30, 2022
		(Rupees in '000')	
6 PROPERTY, PLANT AND EQUIPMENTS	Note		
Operating Property, Plant & Equipment	6.1	5,936,929	6,302,191
Capital work-in-progress	6.2	114,358	-
		6,051,287	6,302,191
6.1 Written Down Value Opening		6,302,191	6,866,132
Addition during the period		7,480	13,649
		6,309,671	6,879,781
Depreciation for the period		(372,742)	(577,590)
		5,936,929	6,302,191
6.2 Capital work-in-progress		-	-
Addition during the period		114,358	-
		114,358	-
Transfer to Fixed assets		-	-
		114,358	-

Fixed capital expenditure during the period amounted to Rs.121.838 Million (September 30, 2022:Rs.13.649 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 the Company has significant influence but no control. The Company's investee company is considered to be its associate by virtue of common directorship and a member of Yousuf Dewan Companies.

7.1 Investment in Dewan Farooque Motors Limited

Number shares held	13,650,000	13,650,000
Cost of investment (Rupees'000')	130,000	130,000
Fair value of investment (Rupees'000')	160,797	61,425
Ownership interest (Percentage)	9.84%	9.84%

DEWAN SUGAR MILLS LIMITED

		Un-Audited June 30, 2023	Audited September 30, 2022
	Note	(Rupees in '000')	
8 SPONSORS LOAN - UNSECURED			
Sponsor Loan (I)	8.1	377,502	302,120
Sponsor Loan (II)	8.2	90,969	156,494
		<u>468,471</u>	<u>458,614</u>
8.1 Sponsor Loan (I)			
Original Loan amount		513,232	513,232
Additional Loan		67,556	-
		<u>580,788</u>	<u>513,232</u>
Less Present value adjustment opening		(211,112)	(241,492)
Additional Amortized Interest Income		(17,507)	-
Amortization Discount Charged to P & L		25,333	30,380
		<u>(203,286)</u>	<u>(211,112)</u>
Closing Balance		<u>377,502</u>	<u>302,120</u>

The Sponsor loan had been measured at amortized cost in accordance with International Accounting standard 39, Financial Instruments: Recognition and Measurement, and have been discounted using the weighted average interest rate of 11.18% per annum. These interest free loans are payable in lump sum on September 30, 2027.

8.2 Sponsors Loan (II)			
Original Loan		159,648	159,648
Less Present value adjustment		(3,154)	(15,162)
Revised amortized interest income		(75,195)	-
Amortization Discount Charged to P & L		9,670	12,008
		<u>(68,679)</u>	<u>(3,154)</u>
Closing Balance		<u>90,969</u>	<u>156,494</u>

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.

9 LONG TERM FINANCE - SECURED

Syndicate Term Finance	2,348,128	2,348,128
Less Overdue installments	2,348,128	2,348,128
	<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 was payable in ten years with one year of grace period and 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



		Un-Audited June 30, 2023	Audited September 30, 2022
	Note	(Rupees in '000')	
10 LONG TERM MARK UP PAYABLE			
Mark-up payable on Term Finance		284,801	284,801
Less Overdue installments		284,801	284,801
		--	--

This represents part of mark up of Rs. 425.051 payable to Syndicated (Summit Bank Ltd & Others) in 4 equal quarterly installment numbers 33 to 36. Company had provided mark-up of Rs.284.80 million till September, 2018 and stopped providing further markup and approached to lenders for waiver due to financial situation of the company. The Mangement is hopeful that this request will be accepted.

11 DEFERRED LIABILITIES

Deferred Tax Liability for Staff Gratuity (Provision)	11.1	5,349	5,548
Deferred Income Tax Liability		1,289,206	1,374,860
		1,294,555	1,380,408

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.

12 SHORT TERM RUNNING FINANCES - SECURED

Short term running finances - Secured	12.1	192,196	192,196
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12.1 This amount represent runing finance 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 @3 month KIBOR plus 0.75% per annum payable on quarterly basis. The facility had been expired and was 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.418 million on the contention of the Company as disclosed in note 9,10 and 12 to the Condensed Interim Financial information. However had the provision been made in this accounts markup for the period would have been higher by Rs.1.627 billion and accrued markup and accumulated loss would have been increased by Rs.1.627 billion.

DEWAN SUGAR MILLS LIMITED

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 costs 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 statements and should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2022. 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.

	June 30, 2023	June 30, 2022
	(Rupees in '000')	
17 TRANSACTION WITH RELATED PARTIES		
Sale Commission	19,639	19,508
Purchases	16,896	17,467
Sales	7,030	7,047
Provident fund contribution	3,074	3,385
Sponsor loan	67,556	-

18 DATE OF AUTHORIZATION FOR ISSUE

These Condensed Interim Financial Information were authorized for issue on July 25, 2023 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.



Zeeshan Ashraf
Chief Executive Officer



Muhammad Ilyas Abdul Sattar
Chief Financial Officer



Abdul Basit
Chairman Board of Directors

**YD**

A YOUSUF DEWAN COMPANY

ڈسٹری کا شعبہ:

زیر جائزہ مدت کے دوران ڈسٹری کے شعبے نے 18,179 ٹن الکل تیار کیا جس کا موازنہ گزشتہ مدت کے دوران تیار کئے گئے 23,498 ٹن الکل سے کیا جاسکتا ہے۔ زیر جائزہ مدت میں ڈسٹری پونٹ کا آپریٹنگ منافع 9,173 ملین روپے رہا جبکہ گزشتہ سال آپریٹنگ خسارہ مبلغ 24.906 ملین روپے تھا۔

اس سال گزشتہ سال کے مقابلے میں فیڈ اسٹاک کی لاگت میں تقریباً 33 فیصد اضافے کے باعث کافی مشکلات کا سامنا رہا۔ امریکی ڈالر میں بیٹگی وصولی نے منفی اثرات مرتب کیے اور اس پونٹ کو 385.906 ملین روپے آپیکھچ کا نقصان برداشت کرنا پڑا۔ بہتر نتائج حاصل کرنے کیلئے، کمپنی لاگت میں کمی کے مختلف اقدامات اپنارہی ہے۔ مزید برآں، توانائی کی زیادہ موثر فراہمی کیلئے پاور پلانٹ تعمیر کے مراحل میں ہے۔

چپ بورڈ پولی پروڈیلمین کا شعبہ:

دوران جائزہ مدت چپ بورڈ پلانٹ نے گزشتہ مدت کی 81,160 ٹینس کے مقابلے میں 64,610 ٹینس تیار کیں۔ انتظامیہ نے اپنی توجہ ویلیو ایڈڈ مصنوعات کی تیاری پر مرکوز کر رکھی ہے اور درجہ A کی ٹینس تیار کر کے مسابقت میں سہولت لیجانے کے لئے کوشاں ہے۔

پولی پروڈیلمین پونٹ ورکنگ کیپٹل نہ ہونے کی وجہ سے پہلے ہی پروڈکشن سے باہر 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 کمپنی 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

ذیشان اشرف

چیف ایگزیکٹو آفیسر

کراچی؛

مورخہ: 25 جولائی 2023ء

DEWAN SUGAR MILLS LIMITED

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،

ڈائریکٹرز 30 جون 2023ء کو ختم ہونے والی مدت کے غیر جانبدار محضر مالیاتی گوشوارے پیش کرتے ہوئے نہایت مسرت محسوس کر رہے ہیں۔

صنعت کا جائزہ:

دوران مدت ملک میں سیاسی عدم استحکام، شرح مبادلہ میں اضافہ، افراط زر میں اضافہ، شرح سود میں اضافہ، کم سے کم اجرت کی ادائیگی میں اضافہ اور فٹول اور بجلی کی قیمتوں میں اضافے نے صنعت پر مبنی اثرات مرتب کئے ہیں۔

مالیاتی نتائج:

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

30 جون 2023ء (روپے)	30 جون 2022ء (روپے)	
5,357.170	7,349.987	خالص فروخت
167.002	193.174	مجموعی خسارہ
783.089	597.089	بعد از ٹیکس خالص خسارہ

کارکردگی کا جائزہ:

شکر کا شعبہ:

پلانٹ نے اپنی کرشنگ کا آغاز مورخہ 23 دسمبر 2022 کو کیا اور (55 دن) یعنی 15 فروری 2023ء تک چلتا رہا جو کہ گذشتہ سال کی اسی مدت کے دوران 99 دن تک چلتا رہا تھا۔ حالیہ مدت کے دوران پلانٹ نے 209,436 میٹرک ٹن گنے کی کرشنگ کی جس سے 20,380 میٹرک ٹن سفید ریفائنڈ شکر حاصل ہوئی جس میں سکروڈ کی اوسط ریکوری 9.821 فیصد ہے جبکہ گذشتہ مدت میں پلانٹ نے 489,240 ٹن گنے کی کرشنگ کی جس میں سکروڈ کی اوسط ریکوری 10.41 فیصد تھی اور ریفائنڈ شکر کی پیداوار 50,789.6 ٹن تھی۔ گذشتہ سال کے مقابلے میں پیداوار میں یہ کمی غیر مستحکم مالیاتی بحران اور ان پٹ لاگت میں اضافہ کے باعث ہوئی اور پلانٹ کی کرشنگ محضر مدت میں بند ہو گئی۔ پیداوار میں 60 فیصد کی یہ کمی مالیاتی بحران اور خام مال اور ان پٹ لاگت میں اضافہ کے باعث ہوئی جس کی وجہ سے شکر پلانٹ کا دورانیہ مختصر رہا۔

دوران مدت شکر کے شعبہ کو مبلغ 773.63 ملین روپے کا آپریٹنگ خسارہ ہوا جو کہ گذشتہ سال کی اسی مدت میں مبلغ 531.73 ملین روپے تھا۔ خسارہ کی وجہ خام مال کی زیادہ لاگت اور کرشنگ کی صلاحیت کا کم استعمال ہونا تھا۔