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DEWAN SUGAR MILLS LIMITED

COMPANY INFORMATION

EXECUTIVE DIRECTORS

Ghazanfar Baber Siddiqui - Chief Executive Officer
Muhammad Ashraf

NON-EXECUTIVE DIRECTORS

Haroon Iqbal - Chairman Board of Director
Imran Ahmed Javed
Syed Maqbool Ali
Mrs. Nida Jamil

INDEPENDENT DIRECTOR

Aziz-ul-Haque

COMPANY SECRETARY

Muhammad Hanif German

CHIEF FINANCIAL OFFICER

Muhammad Ilyas Abdul Sattar

AUDITORS

Feroze Sharif Tariq & Co. - Chartered Accountants

TAX ADVISOR

Sharif & Company - Advocates

LEGAL ADVISOR

A.K. Brohi & Company Advocates

AUDIT COMMITTEE

Aziz-ul-Haque	Chairman
Haroon Iqbal	Member
Syed Maqbool Ali	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE MEMBERS

Aziz-ul-Haque	Chairman
Haroon Iqbal	Member
Ghazanfer Baber Siddiqui	Member

BANKERS

National Bank of Pakistan	Meezan Bank Limited
Summit Bank Limited	Silk Bank Limited
Habib Bank Limited	Bank of Punjab Limited
Standard Chartered Bank Limited	
Bank of Khyber 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



A YOUSUF DEWAN COMPANY

DIRECTORS' REPORT

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

Your Directors take pleasure in presenting you the unaudited condensed interim financial information of the Company for the period ended March 31, 2021.

Financial Results.

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

	March 31, 2021 (Rupees in '000')	March 31, 2020 (Rupees in '000')
Net Sales	3,987.353	2,566.015
Gross (Loss)	(394.532)	(514.487)
(Net Loss) after tax	(524.235)	(615.410)

Performance Review

Sugar Segment

The plant started its crushing on 9th December, 2020 and operated (84 days) till 2nd March 2021 as compared to last year plant operated for 56 days. During the current season plant crushed 340,759 Metric tons of sugar cane producing 33,936 Metric Tons White refined sugar with average sucrose recovery of 9.97% as compared to last period plant managed to crush 230,906 tons of sugar cane with average sucrose recovery of 10.55% and refined sugar production of 24,375 tons. Though Company's production was higher by 39% over the previous year but could not take benefit due to increase in price of sugarcane, decline in sucrose recovery percentage, interruption in supply of sugarcane resulting in stoppages of production through out the season. As the production is still lower than the desired level, which resulted in high average cost of production.

During the period sugar segment suffered operating loss of Rs. 444.042 million as compared to Rs. 474.94 million in the corresponding period. The reason of this loss was low recovery, higher raw material cost which was approximately 65% higher than Government announce price of Rs.202/- and less crushing capacity utilization because of unavailability of financial limit.

Distillery Segment

Distillery unit produced 13,064 tons of Alcohol during the period under review as compared to 9,755 tons of Alcohol produced during the corresponding period. This period operating loss of distillery unit was Rs. 33.786 million as against operating loss of Rs.124.481 million in previous period. This loss was due to increase in raw material prices and globally depressed demand of ethanol due to emergence of COVID-19 pandemic. In order to curtail the losses management is taking cost cutting measures, better marketing and trying to purchase raw material on lowest prices to operate the plant on optimistic level, we are hopeful we will succeed in and show better result in coming quarter.

DEWAN SUGAR MILLS LIMITED

Chip Board Polypropylene Segment

Chip Board plant has produced 114,010 sheets during the period under review as against last period 82,115 sheets produced. Management is focused on producing value added products and “A” quality sheets, which are well accepted in market. We are confident that from coming year we bring out this segment from losses to reasonable profit.

Polypropylene unit is already 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



Ghazanfer Baber Siddiqui
Chief Executive Officer



Haroon Iqbal
Chairman Board of Directors

Place : Karachi
Date : May 28, 2021

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.,
KARACHI 75400

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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, 2021 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, 2021 and March 31, 2020 have not been reviewed as we are required to review only the cumulative figures for the half year ended March 31, 2021.

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, 2021 the company incurred a loss after taxation of Rs. 524.235 (September 30, 2020: Rs. 886.326) million and as of that date it has accumulated losses amounting to Rs. 4.169 billion (September 30, 2020: Rs. 3.738) billion which eroded Companies equity by Rs. 3.064 (September 30, 2020: Rs. 2.633) billion and its current liabilities exceeded its current assets by Rs. 4.606 (September 30, 2020: Rs. 4.245) 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 therefore the company not utilizing its full capacity due to working capital constraints. Further, the financial institution filled suit for execution of decree 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.

FEROZE SHARIF TARIQ & CO.

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

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- 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 excluding 284.801 million which already provided in the 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. 209.413 million in the financial Statements as disclosed in note 15 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. 681.236 million and markup payable would have been higher and shareholders' equity would have been lower by Rs. 681.236 million.

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, 2021 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 Tariq.



CHARTERED ACCOUNTANTS
Audit Engagement Partner: Mohammad Tariq

Place : Karachi
Date : May 28, 2021



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CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION FOR THE HALF YEAR ENDED MARCH 31, 2021

		(Un-Audited) Mar.31, 2021	(Audited) Sep.30, 2020
	Notes	(Rupees in '000')	
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	4,602,847	4,785,403
CURRENT ASSETS			
Stores, Spares and Loose Tools		198,779	195,843
Stock-in-Trade		2,418,706	1,033,518
Trade Debts - Unsecured, Considered Good		48,963	25,847
Loans and Advances and Other Receivable - Unsecured, Considered Good		234,188	640,872
Trade Deposits, Short-Term Prepayments and Current Balances with Statutory Authorities		7,842	9,501
Income Tax Refunds and Advances		93,145	68,606
Short Term Investment - Related Party	7	-	-
Cash and Bank Balances		54,754	33,330
		3,056,377	2,007,517
		7,659,224	6,792,920
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Capital			
130,000,000 (Sept 2020:130,000,000) 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		(3,979,397)	(3,548,267)
Revaluation Surplus on Property Plant and Equipment		2,187,980	2,281,085
		(876,297)	(352,062)
NON-CURRENT LIABILITIES			
Sponsors Loan - Unsecured	8	396,909	377,814
Long Term Finance (Secured)	9	-	-
Long Term Interest Payable	10	-	-
Liabilities Against Assets Subject to Finance Lease -Secured	11	-	-
Deferred Liabilities	12	476,239	514,268
CURRENT LIABILITIES			
Trade and Other Payables - Unsecured		4,612,540	3,277,779
Interest, Profit, Mark-up Accrued on Loans and Other Payables		12,009	12,009
Short Term Finances - Secured	13	232,439	208,709
Unclaimed Dividends		770	770
Current Portion of Non-Current Liabilities	9 to 11	2,633,815	2,635,833
Provision for Taxation		170,800	117,800
		7,662,373	6,252,900
CONTINGENCIES & COMMITMENTS	14	-	-
		7,659,224	6,792,920

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

Ghazanfer Baber Siddiqui
Chief Executive Officer

Muhammad Ilyas Abdul Sattar
Chief Financial Officer


Haroon Iqbal
Chairman Board of Directors


DEWAN SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2021

	Half Year Ended		Quarter Ended	
	Mar.31, 2021	Mar.31, 2020	Mar.31, 2021	Mar.31, 2020
	(Rupees in '000')			
Sales	3,987,353	2,566,015	2,812,986	2,178,293
Cost of Sales	(4,381,885)	(3,080,502)	(2,981,741)	(2,542,585)
Gross (Loss)	(394,532)	(514,487)	(168,755)	(364,292)
Administrative and General Expenses	(43,038)	(45,147)	(21,731)	(23,298)
Distribution and Selling Costs	(52,740)	(49,634)	(35,599)	(20,491)
Other Operating Income	453	2,067	182	1,707
(Loss) from Operations	(489,857)	(607,201)	(225,903)	(406,374)
Finance Cost	(19,407)	(17,526)	(9,743)	(8,858)
(Loss) before Income Tax	(509,264)	(624,727)	(235,646)	(415,232)
Taxation	(14,971)	9,317	(18,488)	(3,997)
(Loss) for the period (after Income Tax)	(524,235)	(615,410)	(254,135)	(419,229)
(Loss) per Share - Basic	(5.73)	(6.72)	(2.78)	(4.58)

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


Ghazanfer Baber Siddiqui
Chief Executive Officer


Muhammad Ilyas Abdul Sattar
Chief Financial Officer


Haroon Iqbal
Chairman Board of Directors



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2021**

	Half Year Ended		Quarter Ended	
	Mar.31, 2021	Mar.31, 2020	Mar.31, 2021	Mar.31, 2020
	(Rupees in '000')			
(Loss) for the Period	(524,235)	(615,410)	(254,135)	(419,229)
Other comprehensive income				
Items that will not reclassify to profit or loss				
Surplus on revaluation of property, plant & equipment	--	--	--	--
Related Deferred tax	--	--	--	--
	--	--	--	--
Total Comprehensive (Loss) for The Period	<u>(524,235)</u>	<u>(615,410)</u>	<u>(254,135)</u>	<u>(419,229)</u>

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

Ghazanfer Baber Siddiqui
Chief Executive Officer

Muhammad Ilyas Abdul Sattar
Chief Financial Officer


Haroon Iqbal
Chairman Board of Directors


DEWAN SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2021

	Mar.31, 2021	Mar.31, 2020
	(Rupees in '000')	
Cash Flow from Operating Activities		
(Loss) Before Taxation	(509,264)	(624,727)
Adjustment for Non-Cash and Other Items:		
Depreciation	182,556	183,602
Financial Charges	19,407	17,526
Amortization of Loan	--	--
	201,963	201,128
	(307,301)	(423,599)
Changes in Operating Assets and Liabilities		
<i>(Increase) / Decrease in Current Assets</i>		
Stores and Spares	(2,936)	1,877
Stock in Trade	(1,385,188)	(1,240,134)
Trade Debts	(23,116)	1,896
Loans and Advances	406,684	(37,764)
Trade Deposits, Prepayments & Other Balances	1,660	2,714
<i>Increase / (Decrease) in Current Liabilities</i>		
Trade and Other Payables	1,334,761	1,730,398
Short Term Finances	23,729	(5,358)
	355,594	453,629
Taxes Paid	(24,539)	(16,109)
Financial Charges Paid	(182)	(905)
Gratuity Paid	--	(412)
	(24,721)	(17,426)
Net Cash Flows from Operating Activities	23,572	12,604
Cash Flow from Investing Activities		
Fixed Capital Expenditure	--	(13,477)
Net Cash Out Flows from Investing Activities	--	(13,477)
Cash Flow from Financing Activities		
Morabaha Payment	(1,262)	(3,042)
Lease Finance	(885)	(2,255)
Net Cash Out Flows from Financing Activities	(2,147)	(5,297)
Net Increase / (Decrease) in Cash and Bank Balances	21,425	(6,170)
Cash and Bank Balances at Beginning of the Period	33,329	48,348
Cash and Bank Balances at the End of the Period	54,754	42,178

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


Ghazanfer Baber Siddiqui
Chief Executive Officer


Muhammad Ilyas Abdul Sattar
Chief Financial Officer


Haroon Iqbal
Chairman Board of Directors



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2021**

	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, 2019	915,120	190,000	(3,038,217)	2,467,361	534,264
Loss for the period	--	--	(615,410)		(615,410)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax			96,259	(96,259)	--
	<u>915,120</u>	<u>190,000</u>	<u>(3,557,368)</u>	<u>2,371,102</u>	<u>(81,146)</u>
Balance as on October 01, 2020	915,120	190,000	(3,738,267)	2,281,085	(352,062)
Loss for the period			(524,235)		(524,235)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax			93,105	(93,105)	--
	<u>915,120</u>	<u>190,000</u>	<u>(4,169,397)</u>	<u>2,187,980</u>	<u>(876,297)</u>

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

Ghazanfer Baber Siddiqui
Chief Executive Officer


Muhammad Ilyas Abdul Sattar
Chief Financial Officer

Haroon Iqbal
Chairman Board of Directors

CONDENSED INTERIM SEGMENTWISE OPERATING RESULTS FOR THE HALF YEAR ENDED MARCH 31, 2021

	Sugar Segment		Polypropylene Segment		Board and Panel Segment		Distillery Segment		Total	
	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Gross Sales	2,749,807	1,712,997	-	-	121,204	88,531	94,143	19,042	2,965,154	1,820,570
Local Exports	-	-	-	-	-	-	1,407,110	1,014,613	1,407,110	1,014,613
	2,749,807	1,712,997	-	-	121,204	88,531	1,501,253	1,033,655	4,372,264	2,835,183
Sales Commission	-	-	-	-	-	-	7,244	5,024	7,244	5,024
Sales Tax	346,138	248,394	-	-	20,093	14,733	11,436	1,017	377,667	264,144
	346,138	248,394	-	-	20,093	14,733	18,680	6,041	384,911	269,168
Net Sales	2,403,669	1,464,603	-	-	101,111	73,798	1,482,573	1,027,614	3,987,353	2,566,015
COST OF SALES	2,816,610	1,907,909	2,260	2,566	110,816	80,545	1,452,199	1,089,483	4,381,885	3,080,502
Gross Profit / Loss	(412,941)	(443,306)	(2,260)	(2,566)	(9,705)	(6,747)	30,374	(61,869)	(394,532)	(514,487)
Administrative Expenses	29,673	29,850	49	55	468	473	12,848	14,769	43,038	45,147
Selling and Distribution Costs	1,428	1,790	-	-	-	-	51,312	47,843	52,740	49,634
	31,101	31,640	49	55	468	473	64,160	62,612	95,778	94,781
Segment Results	(444,042)	(474,946)	(2,309)	(2,621)	(10,172)	(7,220)	(33,786)	(124,481)	(490,310)	(609,268)

(Rupees in '000')



Ghazanfar Baber Siddiqui
Chief Executive Officer



Muhammad Ilyas Abdul Sattar
Chief Financial Officer



Haroon Iqbal
Chairman Board of Directors

DEWAN SUGAR MILLS LIMITED



NOTES TO THE CONDENSED INTERIM ACCOUNTS (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2021

1 CORPORATE INFORMATION

Dewan Sugar Mills Limited (the Company) was incorporated in Pakistan, as a public limited company on June 27, 1982, under the Companies Act, 1913 and its shares are listed in Pakistan Stock Exchange Guarantee Limited. (formerly Karachi and Lahore Stock Exchange in Pakistan). The registered office of the company is situated at Dewan Centre, 3-A, Lalazar, Beach Hotel Road, Karachi-74000 Pakistan; while its manufacturing facilities are located at Jillaniabad, Budho Talpur, Taluka: Mirpur Bathoro, District: Thatta, Sindh, Pakistan. The Principal activity of the Company is production and sale of white crystal refined sugar, processing and trading of by-products, and other related activities and allied products. During the period one unit of the company namely Poly Propylene unit remain not in operations.

1.1 GOING CONCERN ASSUMPTION

The condensed financial interim information of the company for the half year ended March 31, 2021 incurred a net loss after taxation of Rs. 524.235 million (March 31, 2020 615.410 million) and as of that date company's negative reserves of Rs3,979 million (September 30, 2020 Rs. 3,548) million and its current liabilities exceeded its current assets by Rs. 4,606 million (September 30, 2020: Rs. 4,245) 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.

1.2 Impact of COVID-19 on the condensed interim financial statements

COVID-19 is a global pandemic, which has affected the whole world and Pakistan is not an exception. All steps were taken for the health and safety of our employees and they were also allowed to work from their homes. There is no significant accounting impact of the effects of COVID-19 in these condensed interim financial statements. The Company's management is fully cognizant of the business challenges posed by the COVID-19 outbreak and has been closely monitoring the possible impacts on the Company's operations and liquidity position and believe that its current policies for managing credit, liquidity and market risk are adequate in response to the current situation.

2 STATEMENT OF COMPLIANCE

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

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

Provisions of and directives issued under the Companies Act, 2017

Where the 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 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 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, 2020.

3.2 The figures of the condensed interim profit or loss account and condensed interim statement of comprehensive income for the quarters ended March 31, 2021 and March 31, 2020 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half years ended March 31, 2021 & March 31, 2020.

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, 2020.

4.1 Standards, amendments and framework for financial reporting effective during the period

The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) and framework for financial reporting which became effective for the current period:

Standard or interpretation:

IFRS 3	Definition of a Business (Amendments);
IFRS 9 / IAS 39 / IFRS 7	Interest Rate Benchmark Reform (Amendments); and
IAS 1 / IAS 8	Definition of Material (Amendments).

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The adoption of the said framework and amendments did not have any material impact on the Company's condensed interim financial statements

5 SIGNIFICATES ACCOUNTING ESTIMATES, JUDGEMENTS.

The preparation of these condensed interim financial statements in conformity with the approved accounting standards as applicable in Pakistan for interim reporting requires management to make estimates, assumptions and use judgements that affect the application



of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Estimates and judgements made by the management in the preparation of these condensed interim financial statements are same as those applied to financial statements as at and for the year ended September 30, 2020.

		March 31, 2021	September 30, 2020
	Note	(Rupees in '000')	
6 PROPERTY, PLANT AND EQUIPMENTS			
Operating Property , Plant & Equipment	6.1	4,430,132	4,612,688
Capital work-in-progress	6.2	172,715	172,715
		4,602,847	4,785,403
6.1 Written Down Value Opening		4,612,688	4,932,036
Addition during the period		-	36,253
Depreciation for the period		(182,556)	(355,601)
		4,430,132	4,612,688
6.2 Capital work-in-progress		172,715	188,597
Addition during the period		-	12,611
Transfer to Fixed assets		-	(28,493)
		172,715	172,715

Fixed capital expenditure during the period amounted to Rs. Million Nil (September 30, 2020:Rs.20.371million).

7 SHORT TERM INVESTMENT - Related Party

The Company held 13,650,000 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 and its ownership interest of 9.84% in investee company

	Un-Audited December 31, 2020	Audited June 30, 2020
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')	95,550	70,980
Ownership interest	9.84%	9.84%
7.2 Summarized Financial Information of Associated Company	(Rupees in '000')	
Total assets	3,097,551	3,184,146
Total Liabilities	5,841,367	5,829,299
Net assets	(2,743,816)	(2,645,153)
Company's share of net assets	(269,991)	(260,283)
Revenue	1,638	293
Loss for the period	(98,663)	(292,522)

DEWAN SUGAR MILLS LIMITED

		March 31, 2021	September 30, 2020
		(Rupees in '000')	
8 SPONSORS LOAN - UNSECURED	Note		
Sponsors Loan	8.1	258,077	244,415
Sponsors Loan obtained for payment of Term Loan	8.2	138,832	133,399
		396,909	377,814
8.1 Sponsors Loan			
Opening Balance Original Loan amount		513,232	513,232
Less Present value adjustment		(268,817)	(293,395)
Add Amortization Discount Charged to P & L		13,662	24,578
		(255,155)	(268,817)
Closing Balance		258,077	244,415

The Sponsors 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 ranging 11.18% per annum. These interest free loans are payable in lump sum on September 30, 2027.

8.2 Sponsors Loan			
Sponsors Loan obtained for payment of Term Loan		159,648	159,648
Less Present value adjustment		(26,249)	(36,485)
Add Amortization Discount Charged to P & L		5,433	10,236
		(20,816)	(26,249)
Closing Balance		138,832	133,399

This represents unsecured interest free loan payable to sponsor director. This liability has arisen on account of settlement of liabilities of the bank, which were settled by sponsor director. The terms of repayment of loan finalized after restructuring settlement made with the steering committee and as of that date payable in lump sum on December 31, 2022. The amount of loan has 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 ranging 8.1% per annum.

9 LONG TERM FINANCE - SECURED			
Syndicate Term Finance	9.1	--	--
First National Bank Modarbaha	9.2	--	--
		--	--
9.1 Syndicate Term Finance: Principal opening		2,348,128	2,348,128
Current Maturity			
Less : Overdue installments		2,348,128	136,306
		--	--



- 9.1** This amount represent outstanding balance of rescheduled settled amount as per compromising decree dated February 18, 2011 granted by Honourable 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 will be 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 will be made on December 30, 2020

		March 31, 2021	September 30, 2020
	Note	(Rupees in '000')	
9.2 First National Bank Modarba			
Principal amount outstanding		--	3,042
Less : Repayment		--	3,042
		<u>--</u>	<u>--</u>

- 9.2** This amount represents principal outstanding rescheduled amounting Rs. 37.525 approved by the management of First National Bank Modaraba on June 15, 2011. Alhamdollilah total amount have been paid off till to date.

10 LONG TERM MARK UP PAYABLE

Mark-up payable on Reschedule Term Finance	10.1	--	--
Mark-up payable (First National Bank Modaraba)	10.2	--	--
		<u>--</u>	<u>--</u>
10.1 Mark-up payable on Reschedule Term Finance : Opening		284,801	284,801
Current Maturity			
Less : Overdue installments		284,801	284,801
		<u>284,801</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.

10.2 Mark-up payable (First National Bank Modaraba): Opening	1,133	1,879
Add Provision during the year	129	517
	<u>1,262</u>	<u>2,396</u>
Less :Payment during the year	1,262	1,263
	--	1,133
Less : Current Maturity on Long Term Loan	--	1,133
	<u>--</u>	<u>--</u>

This amount represents token mark up of Rs. 2.525 million payable to First National Bank Moradabad in 4 equal quarterly installments (33 to 36) of Rs.0.631 million. Alhamdollilah total settled mark up have been paid till to date.

DEWAN SUGAR MILLS LIMITED

		March 31, 2021	September 30, 2020
		(Rupees in '000')	
11 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE	Note		
Opening at the beginning of year		1,771	6,283
paid during the period		885	4,512
		886	1,771
Less: Current Maturity		886	1,771
		-	-
CURRENT MATURITY & OVER DUE INSTALLMENTS			
Long Term Finance		2,632,929	2,634,062
Liability against Assets subject to Finance Lease		886	1,771
		2,633,815	2,635,833
12 DEFERRED LIABILITIES			
Deferred Tax Liability for Staff Gratuity (Provision)	12.1	5,559	5,559
Deferred Income Tax Liability		470,680	508,709
		476,239	514,268

12.1 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.

13 SHORT TERM RUNNING FINANCES - SECURED

Short term running finances - Secured	13.1	192,196	192,196
Book over draft		40,243	16,513
		232,439	208,709

13.1 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.

14 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.

15 FINANCE COST

The company has not provided the markup on long term and short term borrowings from Banks for the period amounting to Rs. 209.413 million on the contention of the Company as disclosed in note 1.1 and 10 to the Financial Statements. However had the provision been made in the financial statements markup for the year would have been higher by Rs.681.236 million and accrued markup and accumulated loss would have been increased by Rs. 681.236 million.



16 SEASONAL PRODUCTION

Due to the seasonal availability of sugarcane, the production 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 costs incurred / accrued after the reporting date will be reported in the subsequent unconsolidated condensed interim financial statements.

17 FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

These condensed interim financial statements 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, 2020. 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 approximate their fair values.

	March 31, 2021	September 30, 2020
18 TRANSACTION WITH RELATED PARTIES		
Sale Commission	7,244	11,094
Provident fund contribution	2,314	4,925

19 DATE OF AUTHORIZATION FOR ISSUE

These Financial Statements were authorized for issue on May 28, 2021 by the board of directors of the Company.

20 GENERAL

Figures have been rounded off to the nearest thousand rupees. Comparative rearranged, reclassified and restated where ever necessary as per requirement.

Ghazanfer Baber Siddiqui
Chief Executive Officer

Muhammad Ilyas Abdul Sattar
Chief Financial Officer

Haroon Iqbal
Chairman Board of Directors

DEWAN SUGAR MILLS LIMITED

جاسکتا ہے۔ دوران مدت آپریٹنگ خسارہ مبلغ 33.785 ملین روپے رہا جبکہ گزشتہ مدت کے دوران آپریٹنگ منافع مبلغ 124.481 ملین روپے تھا، یہ خسارہ خام مال کی قیمتوں میں اضافہ اور کورونا وبا کی وجہ سے عالمی سطح پر ایتھنول کی طلب میں کمی کے باعث ہوا۔ نقصانات کو کم کرنے کے لئے انتظامیہ لاگت کم کرنے کے اقدامات، بہتر مارکیٹنگ اور بہتر سطح پر پلانٹ کو چلانے کے لئے کم قیمت پر خام مال خریدنے کی کوشش کر رہی ہے، ہمیں امید ہے کہ ہم آنے والی سہ ماہی میں اس کے بہتر نتائج حاصل کریں گے۔

چپ بورڈ:

دوران مدت جائزے کے تحت چپ بورڈ پلانٹ نے 114,010 ٹنیں تیار کیں جس کا موازنہ گزشتہ سال 82,115 ٹنیں سے کیا جاسکتا ہے۔ انتظامیہ اچھی اور معیاری مصنوعات بشمول "A" کوالٹی کی ٹینس کی تیاری پر توجہ مرکوز کئے ہوئے ہے۔ ہمیں یقین ہے کہ ہم آنے والے سال میں اس شعبہ کی کارکردگی بہتر ہو جائے گی۔

ناقابل اعتماد صورتحال کے باعث پولی پروڈیمن پلانٹ کا آپریشن پہلے سے ہی بند 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 کبھی قوم اور وطن عزیز کو اپنے حفظ و امان میں رکھے اور بھرپور ترقی 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



ہارون اقبال
چیئر مین بورڈ آف ڈائریکٹرز



غففر بابر صدیقی
چیف ایگزیکٹو آفیسر

کراچی؛
مورخہ: 28 مئی 2021ء

**YD**

A YOUSUF DEWAN COMPANY

ڈائریکٹر 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 2021ء کو ختم ہونے والی مدت کے غیر حاسبی مالیاتی گوشوارے پیش کرتے ہوئے نہایت مسرت محسوس کر رہے ہیں۔

مالیاتی نتائج:

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

31 مارچ 2020 (روپے '000' میں)	31 مارچ 2021 (روپے '000' میں)	
2,566.015	3,987.353	خالص فروخت
(514.487)	(394.532)	مجموعی (خسارہ)
(615.410)	(524.235)	(خالص خسارہ) بعد از ٹیکس

کارکردگی کا جائزہ:

شکر کا شعبہ:

پلانٹ نے اپنے کرشنگ کا آغاز مورخہ 9 دسمبر 2020ء کو کیا اور (84 دن) 2 مارچ 2021 تک آپریٹ کیا گیا جس کا موازنہ گزشتہ سال کے (56 دن) سے کیا جاسکتا ہے۔ گنے کی کرشنگ 340,759 میٹرک ٹن، سفید چینی کی پیداوار 33,936 میٹرک ٹن بمعہ اوسط ریکوری 9.97% جبکہ گزشتہ مدت میں گنے کی کرشنگ 230,906 ٹن بمعہ 10.55% کی اوسط ریکوری اور ریفائنڈ چینی 24,375 ٹن تھی۔ آپ کی کمپنی کی پیداوار گزشتہ مدت کے مقابلہ میں 39 فیصد زیادہ تھی لیکن گنے کی قیمتوں میں اضافہ، اوسط ریکوری فیصد میں کمی گنے کی فراہمی میں رکاوٹ اور اوسط پیداواری لاگت میں اضافہ اور مالی صلاحیت کی عدم دستیابی کی وجہ سے خاطر خواہ فائدہ نہیں اٹھا سکی۔

دوران مدت شکر کے شعبہ نے مبلغ 444.042 ملین روپے کا خسارہ برداشت کیا جس کا موازنہ گزشتہ سال کی مدت کے 474.94 ملین روپے سے کیا جاسکتا ہے۔ اس خسارہ کی بنیادی وجہ کم ریکوری، خام مال کی قیمتوں میں حکومت کی جانب سے مبلغ 202 روپے سے 65 فیصد زائد اضافہ اور مالی صلاحیت کی کمی کے باعث کرشنگ صلاحیت کا استعمال کم ہوتا تھا۔