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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](http://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 for the period ended June 30, 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: -

	<b>June 30, 2024</b> (Rs. In 000)	June 30, 2023 (Rs. In 000)
Net Sales	<b>2,065,974</b>	5,537,170
Gross Loss	<b>(299,930)</b>	(167,003)
Net Loss after tax	<b>(417,214)</b>	(783,089)

### 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 6,438 tons of Alcohol during the period under review as compared to 18,179 tons of Alcohol produced during the corresponding last period. This unit incurred operating loss of Rs. 98.860 million as against the operating profit of Rs. 9.173 million in comparable previous period. Suffering came due to increase in raw material cost nearly 22% over last period. Further more because of depressed rate of ethanol in international market production restricted to near about 35%. 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.

#### Chip Board Segment

Chip Board plant has produced 29,510 sheets during the period under review as against last period's 64,610 sheets. The operating loss of Rs.2.58 million was suffered as against that of Rs.1.73 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.

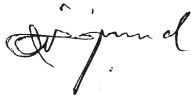
## DEWAN SUGAR MILLS LIMITED

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 : July 26, 2024

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION FOR THE NINE MONTHS ENDED JUNE 30, 2024

		(Un-Audited) Jun 30, 2024	(Audited) Sep 30, 2023
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	6	5,757,240	6,012,076
<b>CURRENT ASSETS</b>			
Stores, Spares and Loose Tools		161,924	158,066
Stock-in-Trade		983,721	1,532,142
Trade Debts - Unsecured, Considered Good		45,132	26,234
Loans and Advances and Other Receivable - Unsecured, Considered Good		575,584	677,360
Trade Deposits, Short-Term Prepayments and Current Balances with Statutory Authorities		7,188	10,711
Income Tax Refunds and Advances		148,555	129,259
Short Term Investment - Related Party	7	-	-
Cash and Bank Balances		58,099	33,926
		<u>1,980,203</u>	<u>2,567,698</u>
		<u>7,737,443</u>	<u>8,579,774</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized Capital</b>			
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		(5,753,722)	(5,459,465)
Revaluation Surplus on Property Plant and Equipment		3,090,675	3,246,350
		<u>(1,747,927)</u>	<u>(1,297,995)</u>
<b>NON-CURRENT LIABILITIES</b>			
Sponsors Loan - Unsecured	8	448,499	449,536
Long Term Finance (Secured)	9	-	-
Long Term Interest Payable	10	-	-
Deferred Liabilities	11	1,209,889	1,273,475
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables - Unsecured		4,801,445	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		187,632	166,000
		<u>7,826,982</u>	<u>8,154,758</u>
<b>CONTINGENCIES &amp; COMMITMENTS</b>			
	13	-	-
		<u>7,737,443</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



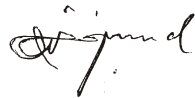
**Abdul Basit**  
Chairman Board of Directors

**DEWAN SUGAR MILLS LIMITED**

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED JUNE 30, 2024**

	Nine Month Ended		Quarter Ended	
	Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023
(Rupees in '000')				
<b>Sales</b>	<b>2,065,974</b>	5,357,170	<b>777,992</b>	470,553
<b>Cost of Sales</b>	<b>(2,365,904)</b>	(5,524,172)	<b>(1,020,460)</b>	(502,941)
<b>Gross (Loss)</b>	<b>(299,930)</b>	(167,002)	<b>(242,468)</b>	(32,388)
Administrative and General Expenses	(64,438)	(76,653)	(20,211)	(26,709)
Distribution and Selling Costs	(96,448)	(142,608)	(30,128)	(57,388)
Other Operating Income/(Loss)	55,820	(385,350)	43,783	(63,711)
<b>(Loss) from Operations</b>	<b>(404,996)</b>	(771,613)	<b>(249,024)</b>	(180,196)
Finance Cost	(54,171)	(35,130)	(25,243)	(11,817)
<b>(Loss) before Tax</b>	<b>(459,167)</b>	(806,743)	<b>(274,267)</b>	(192,013)
Taxation	41,953	23,654	8,229	22,031
<b>(Loss) after Tax</b>	<b>(417,214)</b>	(783,089)	<b>(266,038)</b>	(169,982)
<b>(Loss) per Share - Basic</b>	<b>(4.56)</b>	(8.56)	<b>(2.91)</b>	(1.86)

*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

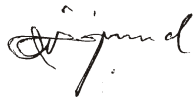


**Abdul Basit**  
Chairman Board of Directors

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS ENDED JUNE 30, 2024**

	Nine Month Ended		Quarter Ended	
	Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023
	(Rupees in '000')			
(Loss) for the Period	(417,214)	(783,089)	(266,036)	(169,982)
Items that will not reclassify to profit or loss	--	--	--	--
Other comprehensive income	(32,718)	92,700	(32,718)	30,899
Total comprehensive (Loss) for the Period	<u>(449,932)</u>	<u>(690,389)</u>	<u>(298,754)</u>	<u>(139,083)</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 NINE MONTHS ENDED JUNE 30, 2024**

	Jun 30, 2024	Jun 30, 2023
	(Rupees in '000')	
<b>Cash Flow from Operating Activities</b>		
(Loss) Before Taxation	(459,167)	(806,743)
Adjustment for Non-Cash and Other Items:		
Depreciation	273,151	372,742
Financial Charges	54,173	35,130
	<b>327,324</b>	<b>407,872</b>
	<b>(131,843)</b>	<b>(398,871)</b>
<b>Changes in Operating Assets and Liabilities</b>		
<b>(Increase) / Decrease in Current Assets</b>		
Stores and Spares	(3,858)	(31,043)
Stock in Trade	548,422	(939,854)
Trade Debts	(18,899)	28
Loans and Advances	101,776	369,396
Trade Deposits, Prepayments & Other Balances	3,524	3,220
<b>Increase / (Decrease) in Current Liabilities</b>		
Trade and Other Payables	(349,409)	1,070,633
	<b>281,556</b>	<b>472,379</b>
Taxes Paid	(19,296)	(63,782)
Financial Charges Paid	(113)	(127)
Gratuity Paid	--	(200)
	<b>(19,409)</b>	<b>(64,109)</b>
<b>Net Cash Flows from Operating Activities</b>	<b>130,304</b>	<b>9,399</b>
<b>Cash Flow from Investing Activities</b>		
Fixed Capital Expenditure	(18,317)	(121,838)
<b>Net Cash Out Flows from Investing Activities</b>	<b>(18,317)</b>	<b>(121,838)</b>
<b>Cash Flow from Financing Activities</b>		
Sponsors Loan	(87,814)	67,556
<b>Net Cash Out Flows from Financing Activities</b>	<b>(87,814)</b>	<b>67,556</b>
Net Increase (Decrease) in Cash and Bank Balances	<b>24,173</b>	<b>(44,883)</b>
Cash and Bank Balances at Beginning of the Period	<b>33,926</b>	<b>83,401</b>
Cash and Bank Balances at the End of the Period	<b>58,099</b>	<b>38,518</b>

*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 STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE NINE MONTHS ENDED JUNE 30, 2024**

	Issued, Subscribed & Paid-up Capital	General Reserve	Accumulated Profit/(Loss)	Revaluation Surplus on Property Plant & Equipment	Total
	<b>(Rupees in '000')</b>				
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	<u>915,120</u>	<u>190,000</u>	<u>(5,651,410)</u>	<u>3,297,960</u>	<u>(1,248,330)</u>
Balance as on October 01, 2023	915,120	190,000	(5,649,465)	3,246,350	(1,297,995)
Loss for the period	--	--	(449,932)	--	(449,932)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	--	155,675	(155,675)	--
Balance as on June 30, 2024	<u>915,120</u>	<u>190,000</u>	<u>(5,943,722)</u>	<u>3,090,675</u>	<u>(1,747,927)</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  
FOR THE NINE MONTHS ENDED JUNE 30, 2024**


**DEWAN SUGAR MILLS LIMITED**

	Sugar Segment		Polypropylene Segment		Board and Panel Segment		Distillery Segment		Total	
	Jun-24	Jun-23	Jun-24	Jun-23	Jun-24	Jun-23	Jun-24	Jun-23	Jun-24	Jun-23
<b>Gross Sales</b>										
Local	-	1,659,385	-	-	45,482	58,023	128,080	208,252	173,562	1,925,660
Exports	-	-	-	-	-	-	1,926,154	3,736,818	1,926,154	3,736,818
	-	1,659,385	-	-	45,482	58,023	2,054,234	3,945,070	2,099,716	5,662,478
Sales Commission	-	-	-	-	-	-	10,139	19,639	10,139	19,639
Sales Tax	-	252,993	-	-	7,826	9,904	15,777	22,772	23,603	285,669
	-	252,993	-	-	7,826	9,904	25,916	42,411	33,742	305,308
<b>Net Sales</b>	-	1,406,392	-	-	37,656	48,119	2,028,318	3,902,659	2,065,974	5,357,170
<b>COST OF SALES</b>	279,839	2,143,999	-	5,368	40,157	49,762	2,045,910	3,325,043	2,365,904	5,524,173
<b>Gross Profit / Loss</b>	(279,839)	(737,607)	-	(5,368)	(2,501)	(1,643)	(17,592)	577,616	(299,930)	(167,003)
Administrative Expenses	19,477	35,397	5,151	58	82	90	39,727	41,108	64,438	76,653
Selling and Distribution Costs	-	992	-	-	-	-	96,448	141,616	96,448	142,608
Other operating (income) Loss	(915)	(370)	-	-	-	-	(54,906)	385,719	(55,820)	385,349
<b>Segment Results</b>	18,562	36,019	5,151	58	82	90	81,269	568,443	105,066	604,610
	(298,402)	(773,626)	(5,151)	(5,426)	(2,583)	(1,733)	(98,861)	9,173	(404,996)	(771,613)

(Rupees in '000)

  
**Ishtiaq Ahmad**  
Chief Executive Officer

  
**Muhammad Ilyas Abdul Sattar**  
Chief Financial Officer

  
**Abdul Basit**  
Chairman Board of Directors

**NOTES CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE NINE MONTHS ENDED JUNE 30, 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 non operative since 2016 and during the period the production of Sugar Unit stopped by the Company due to liquidity 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: (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 financial interim information of the company for the period ended June 30,2024 incurred a net loss after taxation of Rs.417.214 million (June 30,2023 Rs.783.089 million) and as of that date company's negative reserve 5.754 billion (September 30, 2023 Rs. 5.459) billion and its current liabilities exceeded its current assets by Rs.5.846 billion (September 30, 2023: Rs.5.587) billion. 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 information 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 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;

- 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 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 information 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 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 information for the nine month ended June 30, 2023.

#### **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 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, amendments and interpretations to accounting standards that are effective in the current 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 information.

##### **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 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 information as at and for the year ended September 30, 2023.

	Note	Un-Audited June 30, 2024	Audited September 30, 2023
<b>6 PROPERTY, PLANT AND EQUIPMENTS</b>			
<b>Operating Property , Plant &amp; Equipment</b>	<b>6.1</b>	<b>5,651,005</b>	5,855,861
<b>Capital work-in-progress</b>	<b>6.2</b>	<b>106,235</b>	156,215
		<b>5,757,240</b>	<b>6,012,076</b>
<b>6.1</b> Written Down Value Opening		<b>5,855,861</b>	6,302,191
Addition during the period		<b>68,295</b>	17,084
		<b>5,924,156</b>	6,319,275
Depreciation for the period		<b>(273,151)</b>	(463,414)
		<b>5,651,005</b>	<b>5,855,861</b>
<b>6.2</b> Capital work-in-progress		<b>156,215</b>	-
Addition during the period		<b>5,726</b>	156,215
		<b>161,941</b>	156,215
Transfer to Fixed assets		<b>55,706</b>	-
		<b>106,235</b>	<b>156,215</b>

Fixed capital expenditure during the period amounted to Rs.18.316 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 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. The Company's ownership interest of 9.84% in the associated company.

### 7.1 Investment in Dewan Farooque Motors Limited

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

## DEWAN SUGAR MILLS LIMITED

		Un-Audited June 30, 2024	Audited September 30, 2023
	Note	(Rupees in '000')	
<b>8 SPONSORS LOAN - UNSECURED</b>			
<b>Sponsor Loan (i)</b>	8.1	411,984	380,112
<b>Sponsor Loan (ii)</b>	8.2	36,515	69,424
		<u>448,499</u>	<u>449,536</u>
<b>8.1 Sponsor Loan</b>			
Original Loan amount		580,788	513,232
Additional Loan		-	67,556
		<u>580,788</u>	<u>580,788</u>
Less Present value adjustment opening		(200,676)	(211,111)
Additional Amortized Interest Income		-	(23,342)
Add Amortization Discount Charged to P & L		31,872	33,777
		<u>(168,804)</u>	<u>(200,676)</u>
Closing Balance		<u>411,984</u>	<u>380,112</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 Lum sum on September 30, 2027.

<b>8.2 Sponsors Loan</b>			
Original Loan		159,648	159,648
Repayment of Loan		87,814	-
		<u>71,834</u>	<u>159,648</u>
Less Present value adjustment		(90,224)	(3,155)
Revised amortized interest income		32,718	(100,260)
Add Amortization Discount Charged to P & L		22,187	13,191
		<u>(35,319)</u>	<u>(90,224)</u>
Closing Balance		<u>36,515</u>	<u>69,424</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.

<b>9 LONG TERM FINANCE - SECURED</b>			
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, 2024	Audited September 30, 2023
<b>10 LONG TERM MARK UP PAYABLE</b>	<b>Note</b>	<b>(Rupees in '000')</b>
Mark-up payable on Term Finance	<b>284,801</b>	284,801
Less Overdue Installments	<b>284,801</b>	284,801
	<b>--</b>	<b>--</b>

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 Management is hopeful that this request will be accepted.

#### 11 DEFERRED LIABILITIES

Deferred Tax Liability for Staff Gratuity (Provision)	11.1	<b>5,349</b>	5,349
Deferred Income Tax Liability		<b>1,204,5410</b>	1,268,126
		<b>1,209,889</b>	1,273,475

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	<b>192,196</b>	192,196
---------------------------------------	------	----------------	---------

12.1 This amount represent running 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 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 information.

#### 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.383 million on the contention of the Company as disclosed in note 9,10 and 12 to the Financial Statements. However had the provision been made in the financial information markup for the period would have been higher by Rs.2.159 billion and accrued markup and accumulated loss would have been increased by Rs.2.159 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 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.

		June 30, 2024	June 30, 2023
<b>17 TRANSACTION WITH RELATED PARTIES</b>	Notes	(Rupees in '000')	
Sale Commission	17.1	10,139	19,639
Purchases	17.1	6,609	24,109
Sales	17.1	10,060	7,030
Provident fund contribution		3,075	3,074
Sponsor loan (Repaid) /Received		(87,814)	67,556

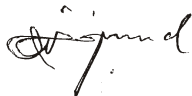
17.1 Dewan Mushtaq Trade Ltd Relationship by Common Directorship

### 18 DATE OF AUTHORIZATION FOR ISSUE

These Financial Statements were authorized for issue on July 26, 2024 by the board of directors of the Company.

### 19 GENERAL

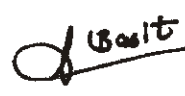
- Figures have been rounded off to the nearest thousand rupees.
- Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. However, no significant reclassification has been made during the period to report.



**Ishtiaq Ahmad**  
Chief Executive Officer



**Muhammad Ilyas Abdul Sattar**  
Chief Financial Officer



**Abdul Basit**  
Chairman Board of Directors

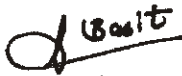
### چپ بورڈ پولی پروپلائن کا شعبہ:

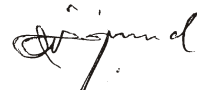
دوران جائزہ مدت چپ بورڈ پلانٹ نے گذشتہ مدت کی 64,610 ٹینس کے مقابلے میں 29,510 ٹینس تیار کیں۔ زیر جائزہ مدت کے دوران آپریٹنگ خسارہ 2.58 ملین روپے رہا جو کہ گذشتہ سال کی اسی مدت میں 1.73 ملین روپے تھا۔ انتظامیہ نے اپنی توجہ و پیلو ایبل ڈ مصنوعات کی تیاری پر مرکوز کر رکھی ہے اور درجہ A کی ٹینس تیار کر کے مسابقت میں سبقت لی جانے کے لئے کوشاں ہے۔

غیر محاسبی مختصر مالیاتی گوشواروں کو توشیٹس کے مفروضے پر تیار کیا گیا ہے کیونکہ کمپنی نے اپنی ذمہ داریوں کی مزید تنظیم نو کیلئے اپنے قرض دہندگان سے رابطہ کیا ہے جو کہ عمل میں ہے۔ کمپنی کو امید ہے کہ اس طرح کی تنظیم نو جلد ہی موثر ثابت ہوگی اور کمپنی کی فنڈنگ کی ضروریات کو منظم کرے گی، جو بالآخر انتظامیہ کو پیداواری صلاحیت کے بہترین استعمال کے ساتھ کام کرنے میں مدد دے گی۔ لہذا غیر محاسبی مختصر مالیاتی گوشواروں کی تیاری میں جاری توشیٹس مفروضے کا استعمال جائزہ ہے جیسا کہ نوٹ 1.1 میں مکمل طور پر مختصر مالیاتی گوشواروں میں 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 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  
چیئرمین بورڈ آف ڈائریکٹرز

  
اشتیاق احمد  
چیف ایگزیکٹو آفیسر

کراچی؛  
مورخہ: 26 جولائی 2024ء

## 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 2024ء کو ختم ہونے والی مدت کے غیر محاسبی مختصر 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 منفی 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 2024ء (روپے)	
('000)	('000)	
5,537,170	2,065,974	خالص فروخت
(167,003)	(299,930)	مجموعی خسارہ
(783,089)	(417,214)	بعد از ٹیکس خالص خسارہ

کارکردگی کا جائزہ:

شکر کا شعبہ:

مالی مشکلات کے باعث، طویل عرصہ بعد پلانٹ کے آپریشنز عارضی طور معطل کر دیئے گئے ہیں۔ یہ فیصلہ فوری طور پر مالیاتی دباؤ کو کم کرنے اور طویل مدتی استحکام کو یقینی بنانے کیلئے کیا گیا ہے۔ ہم مسلسل مالیاتی اداروں کے ساتھ شریڈ ونگ اور مزید کریڈٹ لائنز کے لئے مذاکرات کر رہے ہیں جو ہمیں موثر طریقے سے دوبارہ آپریشنز کے آغاز کے قابل بنائیں گی۔

ڈسٹری کا شعبہ:

زیر جائزہ مدت کے دوران ڈسٹری کے شعبے نے 6,438 ٹن اکل تیار کیا جس کا موازنہ گزشتہ مدت کے دوران تیار کئے گئے 18,179 ٹن اکل سے کیا جاسکتا ہے۔ زیر جائزہ مدت میں ڈسٹری پلانٹ کا آپریشن خسارہ 98.860 ملین روپے رہا جبکہ گزشتہ سال آپریشنز منافع مبلغ 9.173 ملین روپے تھا۔ گزشتہ سال کے مقابلے میں خام مال کی قیمت میں تقریباً 22 فیصد اضافہ کے باعث مشکلات کا سامنا کرنا پڑا۔ مزید یہ کہ بین الاقوامی مارکیٹ میں استحصال کی کم شرح کے باعث تقریباً 35 فیصد تک پیداوار محدود رہی۔ بہتر نتائج حاصل کرنے کیلئے، کچنی لاگت میں کمی کے مختلف اقدامات اپنارہے ہیں۔ مزید برآں، توانائی کی زیادہ موثر فراہمی کیلئے پاور پلانٹ تعمیر کے مراحل میں ہیں۔