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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



The Vision Statement

"The vision of Dewan Sugar Mills Limited is to become leading market player in the Sugar Sector".

Mission Statement

The Mission of Dewan Sugar Mills Limited is to be the finest Organization, and to conduct business responsibly and in a straight forward way.

Our basic aim is to benefit the customers, employees and shareholders and to fulfill our commitments to the society. Our hallmark is honesty, innovation, teamwork of our people and our ability to respond effectively to change in all aspects of life including technology, culture and environment.

We will create a work environment, which motivates, recognizes and rewards achievements at all levels of the Organization because

In Allah We Believe & In People We Trust

We will always conduct ourselves with integrity and strive to be the best.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-Second Annual General Meeting of **Dewan Sugar Mills Limited** (“**DSML**” or “**the Company**”) will be held on **Saturday, January 27, 2024, at 11:00 a.m.** at Dewan Cement Limited Factory Site, at Deh Dhand, Dhabeji, District Malir, Karachi, Pakistan; to transact the following businesses upon recitation from Holy Qur’aan and other religious recitals:

1. To confirm the minutes of the preceding Annual General Meeting of the Company held on Thursday, January 26, 2023;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended September 30, 2023, together with the Directors' and Auditors' Reports thereon;
3. To appoint the Statutory Auditors of the Company for the ensuing year, and to fix their remuneration;
4. To consider any other business with the permission of the Chair.

By order of the Board

Muhammad Hanif German
Company Secretary

Karachi: January 5, 2024

NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from January 20, 2024 to January 27, 2024 (both days inclusive).
2. Members are requested to immediately notify change in their addresses, if any, at our Shares Registrar Transfer Agent BMF Consultants Pakistan (Private) Limited, located at Annum Estate Building, Room No. 310 & 311, 3rd Floor, 49 Darul Aman Society, Main Shahrah-e-Faisal, Adjacent Baloch Colony Bridge, Karachi, Pakistan.
3. A member of the Company entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received by the Company at the above-said address, not less than 48 hours before the meeting.
4. CDC Account holders will further have to observe the following guidelines, as laid down in Circular 01 dated January 20, 2000, issued by the Securities and Exchange Commission of Pakistan:
 - a) **For Attending Meeting:**
 - i) In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original National Identity Card (CNIC), or original passport at the time of attending the meeting.
 - ii) In the case of corporate entity, the Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee, shall be produced (unless it has been provided earlier) at the time of meeting.

b) For Appointing Proxies:

- i) In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirements.
- ii) Two persons, whose names, addresses, and CNIC numbers shall be mentioned on the form, shall witness the proxy.
- iii) Attested copies of CNIC or passport of the beneficial owners and proxy shall be furnished along with the proxy form.
- iv) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v) In case of corporate entity, the Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee, shall be produced (unless it has been provided earlier) along with the proxy form to the Company.

5. Notice to Shareholders who have not provided CNIC:

CNIC of the shareholders is mandatory in terms of directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(1)/2012 dated July 05, 2012 for the issuance of future dividend warrants etc. and in the absence of such information, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore, the shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs directly to our Shares Registrar without any further delay.

6. Mandate for E-DIVIDENDS for shareholders:

In order to make the process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged where shareholders can get amount of dividend credited into their respective bank accounts electronically without any delay. In this way, dividends may be instantly credited to respective bank accounts and there are no changes of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated April 5, 2013 had advised all Listed Companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. In view of the above, you are hereby encouraged to provide a dividend mandate in favor of e-dividend by providing dividend mandate form duly filled in and signed.

7. Electronic Transmission of Financial Statements Etc.:

SECP through its notification No. SRO 787(1)/2014 dated September 8, 2014 has allowed companies to circulate Annual Audited Financial Statements along with Notice of Annual General Meeting through email instead of sending the same through post, to those members who desires to avail this facility. The members who desire to opt to receive aforesaid statements and notice of AGM through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website: <http://www.yousufdewan.com/DSML/index.html>

8. Participation in the Annual General Meeting (AGM) via physical presence or through video conferencing.

The Company will be providing the facility to all shareholders to participate in the Annual General Meeting via video link.

The shareholders who wish to attend the Annual General Meeting electronically are hereby requested to get themselves registered by sending their particulars at the designated email address dsml.corp@yousufdewan.com, giving particulars as per below table not later than 48 hours before the AGM: (i) the Name of Member; (ii) CNIC / NTN No; (iii) Folio No. / CDC IAS No.; (iv) Cell No.; and (v) Email Address.

Members will be registered after necessary verification as per the above requirement and will be provided a video-link by the Company via email.



Only those Members will be accepted at the AGM via video-conferencing whose names match the details shared with the Company for registration (as mentioned above).

The login facility will remain open from 10:45 am till end of AGM.

9. E-voting for Special Agenda Items

It is hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018 and its amendments notified vide SRO 2192(1)/2022 dated December 5, 2022, members will be allowed to exercise their right to vote for the special business(es) in the AGM, in accordance with the conditions mentioned in the aforesaid Regulations. The Company shall provide its members with the following options for voting:

i) E-Voting Procedure

- (a) Details of the e-voting facility will be shared through an email with those members of the Company who have their valid CNIC numbers, cell numbers, and email addresses available in the register of members of the Company within due course.
- (b) The web address, login details, will be communicated to members via email.
- (c) Identity of the members indenting to cast vote through E-voting shall be authenticated through authenticated login.
- (d) E-Voting lines will start from January 20, 2024 10:00 am and shall close on January 26, 2024 at 5 p.m. Members can cast their votes any time in the period.

ii) Postal Ballot

For voting through Postal Ballot members may exercise their right to vote as per provisions of the Companies (Postal Ballot) Regulations, 2018 subject to the requirement of Section 143 and 144 of the Companies Act, 2017. Further details in this regard will be communicated to the shareholders within the legal time frame as stipulated under these said Regulations, if required.

The members shall ensure that duly filed and signed ballot paper along with copy of CNIC should reach the Chairman of the meeting through post on the Company's Registered office or email at dsml.corp@yousufdewan.com one day before the Annual General Meeting i.e. January 26, 2024 during the working hours. The signature on the ballot paper shall match with the signature on CNIC or Company records.

CHAIRMAN'S REVIEW

I am to present a report on the overall performance of the Board of Directors and efficiency of the role played by the board in achieving the Company's objectives. The Board of Directors is accountable for managing the Company, which formulates all significant policies and strategies. The Board is governed by appropriate laws & guide lines and its obligation, rights, responsibilities and duties are as defined and set therein.

The Board of Directors comprises of individuals with diversified knowledge who endeavor to contribute towards the goal of the Company with the best of their abilities.

An annual self-evaluation of the Board of Directors of the Company is carried out. The purpose of the assessment is to safeguard that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the framework of objectives set for the Company.

During financial year ended September 30, 2023 five board meetings were held. The Board of Directors of the Company received agendas and supporting material in advance prior to the Board and its committee meetings. The non-executive and independent directors are equally involved in vital decisions. The Board's overall performance and effectiveness for the year under review was satisfactory.



Abdul Basit
Chairman Board of Director



DIRECTORS' REPORT 2023

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

Dear Shareholders

On behalf of the Board of Directors, it is our privilege to present the annual audited financial statements of your company for the year ended 30th September 2023. Financial performance of your company is summarized below:

FINANCIAL RESULTS

	2023	2022
	Amount in Rs.	
Net Sales	6,206,791,490	8,454,777,216
Gross (Loss)	(84,778,413)	(139,843,965)
(Net Loss) after tax	(863,655,157)	(758,822,054)

Key performance indicators		
- Gross Profit / (Loss) % to sales	(1.37%)	(1.65%)
- (Net Loss)/Profit % to sales	(13.91%)	(8.98%)
- (Loss) per share	(9.44)	(8.29)

PLANT PERFORMANCE REVIEW

Sugar Operations:

The plant started its Crushing on 23rd December, 2022 and operated up to 15th February 2023 (55days) as against operation of 99 days in the preceding season. The performance is as under:

Operation	2023	2022
Sugarcane crushed in M. Tons	209,436	489,240
Sugar produced in M. Tons	20,380	50,790
Average Sugar recovery %	9.821%	10.41%
Operating Loss Rs. In million	(798.178)	(692.741)

This sizeable loss is owing to under-utilization of existing crushing capacity due to non-availability of working capital and pledge facilities. Your company had no other alternative but to sell the finished stock during peak crushing season when the prices prevailed at the rock bottom level in order to generate funds for the uninterrupted supply of sugar cane and payment for other cost components. We could not avail the benefit of post crushing increased prices of sugar as we did not have the financial strength to build and carry stocks of finished goods. The decrease in production from the previous year is mainly due to the financial crunch and the impact of higher raw material prices and inflated input costs which were not sustainable and resultantly the crushing was ceased within a short period of time.

Distillery Operations

The plant produced 19,511MT of industrial alcohol, as compared to 32,236MT of last year.

Distillery segment made a profit of Rs. 426.854 (2022: Rs. 325.698) million before exchange loss of Rs. 460.540 (2022: Rs. 391.105) million. Receipts of advances for export sales and exchange rate fluctuation thereon, eroded the operational profit and Net Operating loss for the year came out to Rs. 33.454 (2022: Rs. 64.953) million. Major suffering came due to abrupt increase in feed stock cost nearly 32% over last year. The improvement in the results of this segment is owing to better rates in the export market and your management's commitment to increase efficiencies. Being the export business, the prospects are bright in distillery unit for the days to come.

Board & Panel Operations

Chip Board plant has produced 67,970 sheets during the year under review as compared to 104,310 sheets produced during last year. However, because of prevailing worst economic situation we could not avail better results. Management is focused on producing high quality of sheets to compete in the market. With economic and construction activities increasing, management is confident that in near future this segment will yield positive results.

Polypropylene Operations

Due to unviable situation this plant is not operating at the moment.

The company is facing financial crunch, because of non-availability of working capital from banks. Consequent to default in repayment of restructured liabilities as per compromise agreement, the lenders filed for execution of consent decrees. The Company filed suits in Honorable High Court of Sindh at Karachi wherein it has been strongly contested that filing of executions is unjust and against the law. Management expects favorable outcome therefrom.

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

The financial statements have 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 resume the operations with optimum utilization of production capacity. Therefore, the preparation of financial statements using going concern assumption is justified, as explained in note, 1.2 to the financial statements.

FUTURE OUTLOOK OF SUGAR INDUSTRY FOR 2023-2024

The future outlook of the sugar industry in Pakistan is a mix of challenges and opportunities. In order to remain competitive, the industry must adapt to changing market dynamics, adopting modernization and exploring diversification and work towards sustainability. Government's uninterrupted support with stable economic policies play major role for prosperity of industry ultimately benefiting to all the stock holders which is utmost need of the hour. The government must consider and allow export of excess sugar production to maintain equilibrium in the domestic market.

The Sindh Agriculture Department had notified sugar cane prices on August 22, 2023 for the season 2023-2024 at Rs.425/- per 40 kg. which is 41% higher from the last year. In addition, quality premium is also applicable at the rate of Rs. 0.5 per 0.1% sucrose recovery over and above benchmark recovery rate of 8.7%.

CORPORATE SOCIAL RESPONSIBILITIES

We are also committed to Corporate Social Responsibility (CSR) and integrating sound social practices in our day-to-day business activities. CSR is an important part of who we are and how we operate. We measure our success not only in terms of financial criteria but also in building customer satisfaction and supporting the communities we serve.



HEALTH, SAFETY AND ENVIRONMENT

Environmental protection issues are always considered on higher priority. Your Company produces all its products from renewable crops and raw materials and does not believe in making profit at the cost of damage to our environment. Energy conservation and aiming for 'zero' wastes are our key environment friendly policies. Company is regularly maintaining the existing greenery and improving environment at the plants and we believe that natural environment supports all human activity. Effluent water is treated before its disposal and at work safety equipment is provided to the employees to prevent any unwarranted incident and first aid equipment and ambulance is also in place to meet such situations.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

- The financial statements for the year ended September 30, 2023, prepared by the management of the company, present fairly its state of affairs, the results of its operations, cash flow and changes in equity;
- Proper books of accounts of the company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements for the year ended September 30, 2023 and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards (IFRS) as applicable in Pakistan, have been followed in preparation of financial statements and departure there from, if any, has been adequately disclosed in the financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored;
- The Management has explained their views in detail regarding the going concern ability of the company in note 1.2 and non-provisioning of mark up in note 17.1 and note 32.1 of the annexed financial statements.
- There has been no material departure from the best practice of the corporate governance, as detailed in the listing regulations of the stock exchange of Pakistan;
- Summarized key operating and financial data of last six years is enclosed with the report;
- All taxes have been paid except as disclosed in note 26 of the annexed audited financial statement;
- The fair value of the Provident Fund's Investment as at June 30, 2023 was Rs.71.610 million (2022: Rs.60.356 million).

BOARD

The Board of Directors comprises individuals with diversified knowledge with endeavor to contribute towards the aim of the Company with the best of their abilities. The Board of Directors as of September 30, 2023 consisted of the following:

Directors		Numbers
a)	Male	6
b)	Female	1
Composition		Numbers
a)	Independent Director	1
b)	Other Non-executive Directors	4
c)	Executive Directors	2

During the year five meetings of the Board were held. The attendance of directors was as follows:

Members of the Board of Directors	Number of meetings attended
Mr. Abdul Basit	5
Mr. Zeeshan Ashraf	2
Mr. Ghazanfar Babar Siddiqi	5
Mr. Syed Maqbool Ali	5
Mr. Muhammad Ashraf	3
Mr. Aziz-ul-Haque	5
Mrs. Nida Jamil	5

REMUNERATION PACKAGE OF DIRECTORS AND CHIEF EXECUTIVE

Complete details of remuneration package of directors and Chief Executive are given in note.35 to the financial statements.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

It is responsibility of Board of directors to ensure that adequate systems and controls are in place for identification and redressal of grievances arising from unethical practices, if any. Board is satisfied that sound internal control systems including financial and operational controls, accounting system for timely recording of transactions is adequate and effective.

AUDIT COMMITTEE MEETING

During the year four meeting of the audit committee were held with the chair of Mr. Aziz-ul-Haque.

Members' attendance in these meetings is as under:

Members of the Committee	Number of meetings/Eligibility to attended Meetings
Mr.Aziz-ul Haque	4
Mr. Syed Maqbool Ali	4
Abdul Basit	2

HUMAN RESOURCE AND REMUNERATION COMMITTEE MEETING

Human Resource and Remuneration Committee was established by the Board to assist the Directors in discharging their responsibilities with regard to devising and periodic reviews of human resource policies. It also assists Board in selection, evaluation, compensation and succession planning of key management personnel.

During the year one meeting of the human resource committee with the chair of Mr. Aziz-ul-Haque was held.

Members of the Committee	Number of meetings/Eligibility to attended Meetings
Mr.Aziz-ul Haque	1
Mr. Syed Maqbool Ali	1
Abdul Basit	1



AUDITORS:

The present auditors, M/s. Feroze Sharif Tariq & Co, Chartered Accountants, would retire at the conclusion of the current Annual General meeting and have offered themselves for re-appointment.

CONTRIBUTION TO NATIONAL EXCHEQUER

During the year, your Company has made contribution to the national exchequer of Rs.377 million under the head of Sales Tax, Custom Duty, and Income Tax and other statutory duties & levies.

DIVIDEND

Due to accumulated losses and the circumstances explained above, your management is not in a position to propose any payout.

EARNING PER SHARE (EPS)

The loss per share is Rs (9.44), (2022 Rs. (8.29).

SUBSEQUENT EVENTS

There were no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year i.e. September 30, 2023 and the date of the report.

PATTERN OF SHAREHOLDING

The prescribed Pattern of shareholdings of the Company is attached at the end of this report.

VOTE OF THANKS

The Board places on record its gratitude to its valued shareholders, Federal and Provincial Government functionaries, banks, financial institutions, suppliers and farmers for their continued co-operation, support and patronage.

The Board would also like to thank company's executives, staff members and workers for standing shoulder to shoulder with the management in these difficult times. We wish and pray that with this team's hard work and dedication, your Company will be out of this difficult situation very soon.

CONCLUSION

In conclusion, we bow beg and pray to Almighty Allah, Rahman-o-Rahim, in the name of our beloved Prophet, Mohammad, may Allah peace be upon him, for continued showering of His Blessings, Guidance, Strength, Health and Prosperity on our Company, Country and Nation; and also pray to Almighty Allah to bestow peace, harmony, brotherhood and unity in true Islamic spirit to the whole of Muslim Ummah, Ameen Summa-Ameen.

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

For and on behalf of the Board of Directors

Ishtiaq Ahmad
CEO & Director

Abdul Basit
Chairman Board of Director

Date: January 5, 2024

Place: Karachi

FINANCIAL HIGHLIGHTS

(Rupees in Thousand)

	2023	2022	2021	2020	2019	2018
TURNOVER	6,526,540	9,158,241	6,380,749	4,117,144	6,113,146	5,122,427
LESS GOVT. LEVY & COMMISSION	319,749	703,464	422,053	292,359	405,157	384,247
SALES (NET)	6,206,791	8,454,777	5,958,696	3,824,785	5,707,989	4,738,180
GROSS (LOSS)	(84,778)	(139,844)	(538,515)	(640,976)	(52,846)	(264,375)
(LOSS) BEFORE TAX	(899,389)	(822,102)	(802,335)	(921,010)	(560,457)	(817,979)
(LOSS) AFTER TAX	(863,655)	(758,822)	(795,113)	(886,326)	(546,914)	(787,799)
GROSS ASSETS EMPLOYED	8,579,774	8,558,167	8,783,671	6,792,920	6,179,329	7,673,517
CURRENT ASSETS	2,567,698	2,255,976	1,917,539	2,007,517	1,058,695	2,205,784
SHAREHOLDERS EQUITY	(1,297,995)	(557,941)	200,881	(737,471)	534,264	1,077,858
LONG TERM DEBTS & DEFERRED LIABILITIES	1,723,011	1,839,023	1,929,459	1,277,490	1,222,216	1,423,940
CURRENT LIABILITIES	8,154,758	7,277,086	6,653,331	6,252,901	4,422,849	5,171,718
GROSS (LOSS)(%)	(1.37)	(1.65)	(9.04)	(16.76)	(0.01)	(5.58)
DEBT/EQUITY RATIO (Times)						
CURRENT RATIO	0.31	0.31	0.29	0.32	0.24	0.43
NUMBER OF SHARES ISSUED	91,511,992	91,511,992	91,511,992	91,511,992	91,511,992	91,511,992
EARNINGS PER SHARE	(9.44)	(8.29)	(8.69)	(9.69)	(5.98)	(10.37)

PRODUCTION

SUGAR -	VOLUME IN (TONS)	20,380	50,790	33,936	24,375	35,485	53,360
POLYPROPYLENE-	VOLUME IN (TONS)	-	-	-	-	-	-
BOARD & PANEL-	NO.OF SHEETS	67,970	104,310	183,210	122,895	72,410	100,310
ETHANOL-	VOLUME IN (TONS)	19,511	32,236	26,061	18,807	30,630	32,945



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATION, 2019 FOR THE YEAR ENDED SEPTEMBER 30, 2023

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:
 - a) Male : 6
 - b) Female: 1
2. The composition of board is as follows:
 - a) Independent Director : Mr. Aziz-ul-Haque
 - b) Other Non-executive Directors : Syed Maqbool Ali
Mr. Abdul Basit
Mr. Muhammad Ashraf
Mrs. Nida Jamil
 - c) Executive Director : Mr. Zeeshan Ashraf
Mr. Ghazanfar Baber Siddiqi
3. Six Directors have confirmed that they are not serving as Director in more than seven listed Companies including this Company, however, one Director is serving as Director in more than seven listed Yousuf Dewan Companies.
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the board have been duly exercised and decision on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with requirements of Act and the regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Two Directors are qualified under the directors training program. During the year the board did not arrange training program. However, we will arrange the same in the next coming session.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

- a) Audit Committee : Mr. Aziz-ul-Haque Chairman
Syed Maqbool Ali Member
Mr. Abul Basit Member
- b) HR and Remuneration Committee : Mr. Aziz-ul-Haque Chairman
Mr. Ghazanfar Baber Siddiqi Member
Mr. Abdul Basit Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

- a) Audit Committee : 4 meetings during the financial year ended September 30, 2023
- b) HR and Remuneration Committee : 1 annual meeting held during the financial year ended September 30, 2023

15. The board has set up an effective internal audit function. The staffs are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S.No.	Non-Mandatory Requirement	Reg No.	Explanation
1	Directors' Training.-	19	
	It is encouraged that by June 30, 2022 all the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.		Currently, two Directors are qualified under the directors training program. The Company is encouraging and planning to arrange DTP certification for the remaining Directors.



Abdul Basit
Chairman Board of Director



Ishtiaq Ahmad
CEO & Director

Date : January 05, 2024

Place : Karachi



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DEWAN SUGAR MILLS LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Dewan Sugar Mills Limited (the Company) for the year ended September 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Following instances of non-compliances with the requirements of the Code were observed which are not stated in the Statement of Compliance.

- a) It is mandatory that each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors; but there is only one independent director, Mr. Aziz ul Haque serving as independent director on the board of the Company. Further, Mr. Aziz ul Haque in our view not meet the criteria of independence on account of his cross directorship in associated companies; accordingly, due to the foregoing reasons, the requirements of Chairman of Audit and Human Resource and Remuneration Committee to be an independent director has not been Complied with by the Company

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended September 30, 2023.

Further, we highlight the following instances of non-compliances with the requirements of the codes as reflected in the paragraph reference where these are stated in the statement of compliance;

- a) One of the directors of the Company is serving as a director in more than seven listed companies as disclosed in the Paragraph 3 of the Statement of Compliance; and
- b) The board of Directors includes only one independent director, which is below the limit of one third of the board, as required by regulations as disclosed in Paragraph 2 to the Statement of Compliance.
- c) As disclosed in Paragraph 9 and 19 of the Statement of Compliance two directors are qualified under the directors' training program which is less than the prescribed criteria of the directors' training program as by September 30, 2023 all the directors are required to acquire prescribed certification.

UDIN: CR202310161ZaSIKHINE
Audit Engaging Partner: Mohammad Ghalib
Dated: January 9, 2024
Place: Karachi

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEWAN SUGAR MILLS LIMITED

Report on the Audit of the Financial Statements

Adverse Opinion

We have audited the annexed financial statements of Dewan Sugar Mills Limited (the Company), which comprise the statement of financial position as at September 30, 2023, and the statement of profit or loss, statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters described in Basis for Adverse opinion Paragraph, the statement of financial position, the statement of profit or loss, Statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at September 30, 2023 and of the loss and other comprehensive Income, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

- a) The financial Statements which indicate in note 1.2 to the financial statements that as of Septembers 30, 2023 the company incurred a loss after taxation of Rs. 863.655 (2022: Rs. 758.822) million and as of that date it has negative revenue reserves amounting to Rs. by Rs. 5.450 (2022: Rs. 4.981) billion which resulted in negative equity of Rs. 1.298 (2022: 0.558) billion and its current liabilities exceeded its current assets by Rs. 5.587 (2022: Rs. 5.021) billion without provided markup of Restructured and other liabilities and as refer 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 and also the Company Closed down the production facility of Polypropylene unit. Further, the financial institution filled suit for execution of decree as disclosed in note 26.1 to the financial Statements. Accordingly, the financial institutions have not been provided bank confirmations as at reporting date this shows restructuring proposal of the company had not been accepted by the lenders till the reporting date. These conditions lead us to believe that the going concern assumption used in preparation of these financial statements is inappropriate; consequently, the assets and liabilities should have been stated at their realizable and settlement amounts respectively.
- b) The company defaulted in repayment of installments of restructured liabilities, hence as per clause 10.2 of the Compromise Agreement of the company, the entire outstanding restructured liabilities of Rs. 2.633 billion (note 17.1 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 17.1 to the financial Statements) become immediately payable, therefore provision for markup should be made in these financial statements.
- c) In addition to above, since the proposal, has not been accepted so far and the lenders, instead of accepting the restructuring proposal, have preferred to file suit against the company, therefore the company should make the provision of mark up in the financial statements. Further during the year, the company not made Provision for the restructured long term and short-term liabilities amounting to Rs. 567 million in the financial Statements as disclosed in note 32.1 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. 1.776 billion and markup payable would have been higher and shareholders' equity would have been lower by Rs. 1.776 billion.



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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report other than the matters described in the basis for adverse opinion section.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information in the annual report including, in particulars, the chairman's review, directors report, financial and business highlights, but does not include the financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have concluded that the other information is materially misstated for the same reason with respect to the matters described in the basis for adverse opinion section.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Accounting and Reporting Standards as applicable in Pakistan and requirements of companies Act 2017 (XIX of 2017, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit except for the matter discussed in basis for adverse opinion section, we further report that in our opinion:

- (a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);



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- (b) because of the matters described in Basis for Adverse Opinion section, the statement of financial position, the statement of profit or loss, Statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have not been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) however, the same are in agreement with the books of account and returns;
- (c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

UDIN: AR2023101613tld4uiYR
Audit Engaging Partner: Mohammad Ghalib
Dated: January 9, 2024
Place: Karachi

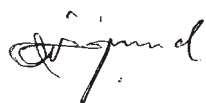
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2023

		2023	2022
	Notes	------(Rupees)-----	
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	4	6,012,075,894	6,302,190,733
CURRENT ASSETS			
Stores, Spares and Loose Tools	5	158,065,995	158,247,214
Stock-in-Trade	6	1,532,142,678	1,249,948,355
Trade Debts - Unsecured, Considered Good	7	26,233,634	24,498,932
Loans, Advances and Other Receivable - Unsecured, Considered Good	8	677,360,284	652,280,407
Trade Deposits, Short-Term Prepayments and Current Balances with Statutory Authorities	9	10,711,443	11,506,365
Income Tax Refunds and Advances		129,258,663	76,093,958
Short Term Investment - Related Party	10	-	-
Cash and Bank Balances	11	33,925,579	83,400,988
		<u>2,567,698,277</u>	<u>2,255,976,219</u>
TOTAL ASSETS		<u>8,579,774,171</u>	<u>8,558,166,952</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Capital			
130,000,000 (2022: 130,000,000) Ordinary Shares of Rs. 10/- each		1,300,000,000	1,300,000,000
Issued, Subscribed and Paid-up Capital	12	915,119,920	915,119,920
Reserves and Surplus	13	(5,459,464,949)	(4,980,725,173)
Surplus on Revaluation of Property, Plant & Equipment (Net)	14	3,246,350,327	3,507,663,904
		<u>(1,297,994,702)</u>	<u>(557,941,349)</u>
NON-CURRENT LIABILITIES			
Sponsors Loan - Unsecured	15	449,535,837	458,613,927
Long Term Finance	16	-	-
Long Term Interest Payable	17	-	-
Deferred Liabilities	18	1,273,475,025	1,380,408,748
CURRENT LIABILITIES			
Trade and Other Payables - Unsecured	19	5,150,853,647	4,296,478,918
Interest, Profit, Mark-up Accrued on Loans and Other payables	20	12,009,624	12,009,624
Short Term Finances - Secured	21	192,195,875	214,303,415
Unclaimed Dividend	22	769,544	769,543
Current Portion of Non-Current Liabilities	23	2,632,929,321	2,632,929,321
Provision for Taxation	24	166,000,000	120,594,805
		<u>8,154,758,011</u>	<u>7,277,085,626</u>
CONTINGENCIES & COMMITMENTS	26	-	-
TOTAL EQUITY AND LIABILITIES		<u>8,579,774,171</u>	<u>8,558,166,952</u>

The annexed notes form an integral part of these financial statements



Ishtiaq Ahmad
CEO & Director



Muhammad Ilyas Abdul Sattar
Chief Financial Officer



Abdul Basit
Chairman Board of Director



STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Notes	2023 (Rupees)	2022
Sales - Net	27	6,206,791,490	8,454,777,216
Cost of Sales	28	(6,291,569,903)	(8,594,621,181)
Gross (Loss)		(84,778,413)	(139,843,965)
Administrative and General Expenses	29	(111,933,056)	(78,116,781)
Distribution and Selling Costs	30	(190,376,215)	(168,494,640)
Other Operating Income/(Loss)	31	(459,938,524)	(390,582,943)
(Loss) from Operations		(847,026,208)	(777,038,329)
Finance Cost	32	(47,177,451)	(42,739,095)
Provision for obsolescence and slow moving stocks and stores	6	(5,185,215)	(2,324,369)
(Loss) Before Tax		(899,388,874)	(822,101,793)
Taxation	33	35,733,717	63,279,739
(Loss) after Tax		(863,655,157)	(758,822,054)
(Loss) Per Share - Basic	34	(9.44)	(8.29)

The annexed notes form an integral part of these financial statements

Ishtiaq Ahmad
CEO & Director

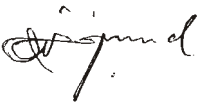
Muhammad Ilyas Abdul Sattar
Chief Financial Officer

Abdul Basit
Chairman Board of Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	2023	2022
	(Rupees)	
(Loss) for the year	(863,655,157)	(758,822,054)
Other Comprehensive Income		
Amortization interest income	123,601,804	-
Total Comprehensive (loss)/ income for the year	<u>(740,053,353)</u>	<u>(758,822,054)</u>

The annexed notes form an integral part of these financial statements



Ishtiaq Ahmad
CEO & Director



Muhammad Ilyas Abdul Sattar
Chief Financial Officer



Abdul Basit
Chairman Board of Director



STATEMENT OF CASH FLOW
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	2023	2022
	(Rupees)	
Cash Flow from Operating Activities		
(Loss) Before Taxation	(899,388,874)	(822,101,793)
Adjustment for non-cash and other items:		
Depreciation	463,414,357	577,590,424
Financial Charges	47,177,451	42,739,095
Provision for Obsolescence and Slow moving Stocks and Stores	5,185,215	2,324,369
	515,777,023	622,653,888
	(383,611,851)	(199,447,905)
Changes in Operating Assets and Liabilities		
(Increase) / Decrease in Current Assets		
Stores and Spares	(5,003,995)	(4,561,547)
Stock in Trade	(282,194,323)	85,786,390
Trade Debts	(1,734,702)	(10,279,617)
Loans and Advances	(25,079,877)	(432,470,084)
Trade Deposits, Prepayments & Other Balances	794,922	(1,189,279)
Increase / (Decrease) in Current Liabilities		
Trade and Other Payables	854,374,727	709,549,588
Short Term Finances	(22,107,540)	(21,590,149)
	519,049,212	325,245,302
Taxes Paid	(78,759,511)	(88,611,992)
Financial Charges Paid	(209,737)	(350,778)
Gratuity Paid	(200,000)	(9,900)
	(79,169,248)	(88,972,670)
Net Cash Flows from Operating Activities	56,268,113	36,824,727
Cash Flow from Investing Activities		
Fixed Capital Expenditure	(173,299,520)	(13,648,618)
Net Cash Out Flows from Investing Activities	(173,299,520)	(13,648,618)
Cash Flow from Financing Activities		
Sponsor Loan	67,556,000	--
Net cash flows from financing activities	67,556,000	--
Net Increase in Cash and Cash equivalent	(49,475,407)	23,176,109
Cash and Bank Balances at Beginning of the year	83,400,986	60,224,879
Cash and Cash equivalent at the end of the year	33,925,579	83,400,988

The annexed notes form an integral part of these financial statements.

Ishtiaq Ahmad
CEO & Director

Muhammad Ilyas Abdul Sattar
Chief Financial Officer

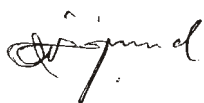
Abdul Basit
Chairman Board of Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Issued, Subscribed & Paid-up Capital	General Reserve	Accumulated Profit/(Loss)	Revaluation Surplus on Property, Plant & Equipment	Total
------(Rupees)-----					
Balance as on October 1, 2021	915,119,920	190,000,000	(4,737,070,682)	3,832,831,467	200,880,705
(Loss) for the Year	-	-	(758,822,054)	-	(758,822,054)
Incremental Depreciation transferred from Surplus on Revaluation of Property, Plant & Equipment - Net of tax	-	-	325,167,563	(325,167,563)	-
Balance as on September 30, 2022	<u>915,119,920</u>	<u>190,000,000</u>	<u>(5,170,725,173)</u>	<u>3,507,663,904</u>	<u>(557,941,349)</u>
Balance as on October 1, 2022	915,119,920	190,000,000	(5,170,725,173)	3,507,663,904	(557,941,349)
(Loss) for the Year	-	-	(740,053,353)	-	(740,053,353)
Incremental Depreciation transferred from Surplus on Revaluation of Property, Plant & Equipment - Net of tax	-	-	261,313,577	(261,313,577)	-
Balance as at September 30, 2023	<u>915,119,920</u>	<u>190,000,000</u>	<u>(5,649,464,949)</u>	<u>3,246,350,327</u>	<u>(1,297,994,702)</u>

The annexed notes form an integral part of these financial statements



Ishtiaq Ahmad
CEO & Director



Muhammad Ilyas Abdul Sattar
Chief Financial Officer



Abdul Basit
Chairman Board of Director



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2023

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 (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, one unit of the Company namely 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 registered office of the company is situated at at Dewan Centre, 3-A, Lalazar, Beach Hotel Road, Karachi-74000, Pakistan;

The manufacturing facilities are located at Jillaniabad, Budho Talpur, Taluka: Mirpur Bathoro, District: Thatta, Sindh, Pakistan.

The Company consist of four units all are located at Jillaniabad, Budho Talpur namely:

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

1.1 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

All significant transactions and events that have affected the Company's statement of financial position and performance during the year have been adequately disclosed either in the notes to these financial statements or in the Directors' report.

1.2 GOING CONCERN ASSUMPTION

The financial statements of the company for the year ended September 30, 2023 reflect net loss after taxation of Rs 863.655 million (2022: Rs.758.822 million) and Accumulated negative reserves Rs.5.459 (2022:4.981) billion its current liabilities exceeded its current assets by Rs. 5.587 (2022 Rs.5.021) billion. The Company defaulted in repayment of its restructured long term liabilities due to liquidity crunch faced by the Company and the entire restructured liabilities along with markup eligible for waiver (as disclosed in note 16, 17, 21, and 26.1 to the financial statements) have become immediately repayable, short term loan has not been renewed by the Banks. These conditions indicate the existence of material uncertainty which may cast significant doubt about the company's ability to continue as a going concern, therefore the company may not be able to realize its assets and discharge its liabilities during the normal course of business.

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

2 BASIS OF PREPARATION

2.1 Statement Of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan with the exception of departure of IFRS as mentioned in note 32.1 to the financial statements, for which the management concludes that provisioning of mark-up would conflict with the objectives of the financial statements. The accounting and reporting standards applicable in Pakistan comprise of:

- a) International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- b) Islamic Financial Reporting Standard issued by the Institute of Chartered accountants of Pakistan as are notified under the Companies Act, 2017; and
- c) Provisions of and directives issued under the Companies Act, 2017, Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of Measurement

The financial statements have primarily been prepared under the historical cost convention without any adjustments for the effect of inflation or current values, except Land, Building and Plant & Machinery which are on revalued amount in note 04 to the financial statements, financial assets and liabilities which are carried at their fair values. Further, accrual basis of accounting is followed except for cash flow information.

2.3 STANDARDS, AMENDMENTS, INTERPRETATION AND IMPROVEMENTS APPLICABLE TO THE FINANCIAL STATEMENTS

Adoption of amendments to approved accounting standards effective during the year

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not detailed in these financial statements.

Amendments to approved accounting standards

IFRS 3 Reference to the Conceptual Framework (Amendments)
 IAS 16 Reference to the Conceptual Framework (Amendments)
 IAS 37 Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

'The adoption of the above amendments to the accounting standards did not have any material effect on the Company's financial statements.'

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 January 01, 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.

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities
 IAS 41 Agriculture – Taxation in fair value measurements
 IFRS 16 Leases – Lease incentives
 The adoption of the above amendments to the approved accounting standards did not have any material effect on the Company's financial statements.

Standards and amendments to IFRSs that are not yet effective

The following amendments to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective amendment or improvements:

Amendment or improvement		Effective date (annual periods beginning on or after)
IFRS 17	Insurance Contracts (Amendments)	January 01, 2023
IAS 1 and IFRS	Practice Statement 2 Disclosure of Accounting Policies (Amendments)	January 01, 2023
IAS 8	Definition of Accounting Estimates (Amendments)	January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)	January 01, 2023
IAS 12	International Tax Reform – Pillar Two Model Rules (Amendments)	January 01, 2023
IAS 1	Classification of Liabilities as Current or Non-current	January 01, 2024
IFRS 16	Lease Liability in a Sale and Leaseback (Amendments)	January 01, 2024
IAS 7 / IFRS 7	Disclosures: Supplier Finance Arrangements (Amendments)	January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not yet finalised

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's financial statements in the period of initial application.

Standard or interpretation		IASB Effective dates (annual periods beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standards	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

2.4 Significant Accounting Judgments, Estimates and Assumption

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

2.4.1 Property, Plant and Equipment

Estimates with respect to residual values and depreciable lives and pattern of flow of economic benefits are based on the recommendation of technical team of the Company. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of tangible fixed assets with a corresponding affect on the depreciation charge and impairment.

2.4.2 Taxation

In making the estimates for income taxes payable by the Company, the management considers applicable tax laws and the decisions of appellate authorities on certain cases issued in past.

2.4.3 Stock-in-trade, Stores, Spare Parts and Loose Tools

The Company reviews the Net Realizable Value (NRV) of stock-in-trade to assess any diminution in the respective carrying values.

2.5.4 Provision for Expected Credit Loss

A provision for impairment of trade and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. These estimates and underlying assumptions are reviewed on an ongoing basis.

2.5.5 Provision for Impairment

The company reviews carrying amount of assets annually to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated and impairment losses are recognized in the statement of Profit or Loss.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year and set out below.

3.1 Post Employment Benefits - Defined Benefit Plan

The Company operated an unfunded gratuity scheme for its staff till 31 March 2007 and changed its policy for Staff retirement benefit from Gratuity to Provident Fund Scheme from April 1, 2007.

The company operated an approved defined contribution provident fund for its eligible permanent employees who opted for the benefits. Equal monthly contributions are made, both by the company and the employees at the rate of 8.33% of the basic salary.

3.2 Trade and Other Payables

Liabilities for trade and other payables, are carried at cost which is the fair value of the consideration to be paid in the future in respect of the goods and services received.

**3.3 Taxation
Current Year**

Provision in respect of current year's taxation is based on the method of taxation prescribed under the Income Tax Ordinance, 2001, whereby taxable income is determined, and tax charged at the current rates of taxation after taking into account tax credits, rebates available, if any, and the income falling under the presumptive tax regime, or the minimum tax liability is determined on a whichever is higher basis, and in the event of a current or accumulated carried forward tax loss.

Deferred

Deferred tax is provided, using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amount for financial statement reporting purposes. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, tax credits and unused tax losses can be utilized. Deferred tax liabilities are generally recognized for all temporary taxable differences.

3.4 Property, Plant and Equipment

Property, Plant and Equipment is stated at cost/revalued amounts less accumulated depreciation and impairment losses, if any; except for free hold land which is stated at cost, and capital works in progress which are stated at cost accumulated up to the financial statement date.

- Depreciation

Depreciation is charged on monthly basis using the reducing balance method whereby the cost of an asset is written off over its estimated useful life. The depreciation method and useful lives of the items of property, plant and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change is accounted for as a change in accounting estimate by changing the depreciation charge for the current and future periods. Depreciation is charged for the full month in the period of acquisition and is not charged for the month in which it is disposed.

However, Plant and Machinery of Board & Panel Unit, Poly Propylene Unit & Distillery Unit is depreciated on unit of production method. In accordance with the IAS-16 every Company should select the method for charging depreciation that most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The Method is applied consistently from period to period unless there is a change in the expected pattern of consumption of those future economic benefits. The IAS further requires that such pattern of flow of economic benefits should be periodically reviewed and reassessed. Poly propylene Plant has stopped its Production since June 2016 therefore no depreciation has been charged on Plant & Machinery as per company policy.

- **Repairs, Renewals and Maintenance**
Major repairs and renewals are capitalized . Normal repairs and maintenance are charged as expense when incurred.
- **Disposal / Retirement of Assets**
Gains or losses on disposal or retirement of assets are determined as the difference between the sale proceeds and the carrying amounts of these assets, and are included in the income currently. When revalued assets are sold, the relevant undepreciated surplus is transferred directly to accumulated profit / loss through statement of changes in equity.
- **Capital Works-in-Progress**
All expenditures connected with specific assets and incurred during development, installation and construction period are carried as capital work-in-progress. These are transferred to the specific assets as and when these assets are available for commercial or intended use.
- **Surplus on Revaluation**
Any revaluation increase arising on the revaluation of buildings and plant and machinery is recognized in other comprehensive income and presented as a separate component of equity except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of land, buildings and plant & machinery is charged to profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation relating to a previous revaluation of that asset. The surplus on revaluation to the extent of incremental depreciation charged is transferred to unappropriated profit. The surplus realized on disposal of revalued fixed assets is credited directly to retained earnings.
- **Impairment**
Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Whenever the carrying amount of these assets exceed their recoverable amount, an impairment loss is recognized in the statement of profit or loss.

3.4.1 Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received as applicable. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, The right-of-use asset is depreciated using the method of the own assets over the shorter of the lease term and the asset's useful life . The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

3.5 Lease Liability

The Company assesses at contract inception whether a contract is, or contains, a lease, i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the commencement date of the lease if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.”

3.6 Investment in Associated Company

Associates are entities over which the Company exercises significant influence. Investment in associates is accounted for using equity basis of accounting, under which the investment in associate is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of profit or loss of the associate after the date of acquisition. The Company's share of profit or loss of the associate is recognized in the Company's profit and loss account. Distributions received from associate reduce the carrying amount of the investment. Adjustments to the carrying amount are also made for changes in the Company's proportionate interest in the associate arising from changes in the associates' other comprehensive income that have not been recognized in the associate's profit or loss. The Company's share of those changes is recognized in other comprehensive income of the Company. The carrying amount of the investment is tested for impairment, by comparing its recoverable amount (higher of value in use and the fair value less costs to sell) with its carrying amount and loss, if any, is recognized in profit or loss. If the Company's share of losses of an associate equals or exceeds its interest in the associate, the Company discontinues recognizing its share of further losses.

3.7 Stores, Spares and Loose Tools

These are stated at the lower of cost and net realizable value. The cost of inventory is based on the weighted average cost measurement. Items in transit are stated at cost accumulated up to the date of the Statement of Financial Position.

Provision is made for any slow moving and obsolete items is determined based on the managements assessment regarding the future useability.

Net Realizable Value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make the sale.

3.8 Stock-in-Trade

These are valued as follows :

Raw Material	:	At lower of weighted average cost and net realizable value. Cost of raw material and components represents invoice value plus other charges paid thereon.
Finished Goods	:	Cost or net realizable value which ever is lower. Cost of finished goods comprises of prime cost and an appropriate portion of production overheads.

Work-in-Process	:	At lower of weighted average cost and net realizable value. Weighted average cost comprises of the cost of raw materials only. Conversion costs are not included as these are insignificant.
Stock in Transit	:	At cost plus direct expenses accumulated up to the balance sheet date.
Molasses	:	Cost in relation to Stock of molasses held by distillery acquired from out side sugar mills is valued at lower of weighted average cost and net realizable value where as the molasses transferred by the mill to distillery are valued on the basis mentioned in note 3.9
Packing Material	:	At lower of weighted average cost and net realizable value.

Net Realizable Value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make the sale.

3.9 Inter Segment Transfer

Transfer between business segment are recorded at net realizable value.

3.10 Trade Debts and Other Receivables

Trade and other receivables are recognized initially at their transaction price and subsequently measured at amortized cost less loss allowances. These assets are written off when there is no reasonable expectation of recovery. The Company applies IFRS-9 simplified approach for measuring expected credit loss(ECL) on trade receivables at an amount equal to life time credit loss. The ECL on trade receivables are calculated based on actual credit loss experience over the last year on the total balance of non-credit impaired trade receivables.

3.11 Foreign Currency Translation and Hedging

Transactions in foreign currencies are initially recorded using the rates of exchange ruling at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Rupees at the exchange rates prevailing on the balance sheet date. In order to hedge its exposure to foreign exchange risks, the company, at times, enters into forward exchange contracts. Such transactions are translated at contracted rates. Exchange differences on translating of foreign currency are charged to the current period statement of profit or loss.

3.12 Revenue Recognition

Revenue from sale of goods is recognized at the point of time when the performance obligations arising from contract with customer is satisfied and the amount of revenue that it expects to be entitled to can be determined and when the customer obtains control of the goods being when the delivery order is issued to the customer provided that the goods have been identified separately as belonging to the customer, the goods are ready for physical transfer to the customer and the Company does not have the ability to use the goods or direct it to another customer.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties, Revenue is disclosed net of returns, discounts and other allowances. Revenue companies the fair value of the consideration received or receivable on the following basis:

Sales recognized as revenue when goods are delivered and invoiced.

Dividend income is recognized on the basis of declaration by the investee company. Export sales are recorded when shipped.

Rebate on export sales is recognized in the period in which the related export sales revenue is recognized unless there exist any specific facts and circumstances which indicate that receipt of the rebate amount from the government is uncertain. In that case, the rebate income is recognized when it is realized.

Return on bank deposits is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

Unrealized gains / loss arising on re-measurement of investments classified as "financial assets at fair value through profit or loss" are included in the statement of profit or loss in the period in which these arise.

Realized capital gains / loss on sale of investments are recognized in the statement of profit or loss at the time of sale.

3.13 Borrowing Cost

Borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets until such time the assets are ready for their intended use. All other borrowing costs are charged to income in the period in which they are incurred.

3.14 Provisions

A provision is recognized in the balance sheet when the company has a legal or constructive obligation, and, as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and that a reliable estimate can be made for the amount of this obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.15 Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash and bank balances.

3.16 Impairment of Assets

The carrying amounts of the assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount, whereby the asset is written down to the recoverable amount and the impairment loss is recognized in the statement of profit or loss. The recoverable amount of property, plant and equipment is the greater of the net selling price and its value in use.

3.17 Related Party Transactions and Transfer Pricing

All transactions with related parties are carried out by the company at arm's length prices, and the transfer price is determined in accordance with the methods prescribed under the Companies Act 2017, and as approved by the board of directors of the company.

3.18 Loans, Advances and Other Receivables

Loans, advances and other receivables are recognized initially at cost, subsequently, stated at cost less estimates made for any doubtful full receivables based on a review of all outstanding amounts at the reporting date. Balances considered bad and irrecoverable are written off when identified.

3.19 Short Term and Long Term Loans

Short Term and Long Term Loans are recognized initially at cost, and subsequently at their amortized/ residual cost.

3.20 Business Segments

Business segments are distinguishable components of the company that are engaged in providing an individual product or a group of related products and that is subject to risk and returns that are different from those of other business segments. The business segments of the company are located in the same geographical location.

The assets of a segment include all operating assets used by a segment and consists principally of receivables, inventories and property, plant and equipment, net of allowances and provisions, if any. Segment liabilities include all operating liabilities consisting principally of deferred liabilities, other payables and accrued liabilities. The carrying amount of identifiable assets and liabilities are directly attributed to respective segments. The carrying amount of jointly used assets and liabilities of sugar and allied segments are classified as unallocated assets and liabilities. Inter-segment transfers are effected at cost to the transferring department. All identifiable expenses are directly attributed to the respective segments.

3.21 Intangible Assets

Intangible assets having definite useful lives are stated at cost less accumulated amortization and accumulated impairment losses if any. There are amortized on straight line method over the estimated lives of intangible assets.

3.22 Financial Instruments

a Initial Recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortized cost or cost as the case may be.

b i) Classification of Financial Assets

The Company classifies its financial instruments in the following categories:

- at fair value through statement of profit or loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortized cost.

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

ii) Classification of Financial Liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through statement of profit or loss ("FVTPL"), or
- at amortized cost.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

c) Subsequent Measurement

i) Financial Assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in other comprehensive income/(loss).

ii) Financial Assets and Liabilities at Amortized Cost

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

iii) Financial Assets and Liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

d) Impairment of Financial Assets at Amortized Cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

e) Derecognition**i) Financial Assets**

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

ii) Financial Liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of profit or loss and other comprehensive income.

3.23 Offsetting of Financial Assets and Financial Liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.24 Proposed Dividends And Transfer Between Reserves

Dividend declared and transfers between reserves made subsequent to the reporting date are considered as non-adjusting events and are recognized in the financial statements in the period in which such dividends are declared or transfers are made.

3.25 Expenses

All expenses are recognized in the Statement of Profit or loss and other Comprehensive income on accrual Basis.

4 PROPERTY, PLANT & EQUIPMENT

		2023	2022
		(Rupees)	
Operating Fixed Assets	4.1	5,855,860,922	6,302,190,733
Capital work -in-progress	4.2	156,214,972	-
		6,012,075,894	6,302,190,733

4.1 Operating Fixed Assets

PARTICULARS	COST / REVALUATION				Rate %	DEPRECIATION			Written Down Value as at September 30, 2023
	As at October 01, 2022	Additions/Transfer (Disposals)/	SURPLUS ON REVALUATION	As at September 30, 2023		As at October 01, 2022	For the year / (Adjustment)	As at September 30, 2023	
Free Hold Land	192,240,000	--	--	192,240,000	--	--	--	--	192,240,000
Factory Building on									
Free Hold Land	1,540,018,618	545,000	--	1,540,563,618	10	845,118,587	66,422,887	911,541,474	629,022,144
Labour Quarters on									
Free Hold Land	550,961,017	--	--	550,961,017	25	464,445,851	19,314,791	483,760,642	67,200,375
Plant and Machinery	9,784,824,594	--	--	9,784,824,594	10	4,518,947,618	369,671,174	4,888,618,792	4,896,205,802
Furniture and Fixtures	59,565,234	104,300	--	59,669,534	10	46,171,194	1,281,421	47,452,615	12,216,919
Office Equipment	88,794,829	16,325,252	--	105,120,081	10	55,566,569	3,793,260	59,359,829	45,760,252
Vehicles	179,568,633	110,000	--	179,678,633	20	163,532,379	2,930,824	166,463,203	13,215,430
2023	12,395,972,925	17,084,552	--	12,413,057,477		6,093,782,198	463,414,357	6,557,196,555	5,855,860,922

PARTICULARS	COST / REVALUATION				Rate %	DEPRECIATION			Written Down Value as at September 30, 2022
	As at October 01, 2021	Additions/Transfer (Disposals)/	SURPLUS ON REVALUATION	As at September 30, 2022		As at October 01, 2021	For the year / (Adjustment)	As at September 30, 2022	
Free Hold Land	192,240,000	--	--	192,240,000	--	--	--	--	192,240,000
Factory Building on									
Free Hold Land	1,540,018,618	--	--	1,540,018,618	10	771,713,464	73,405,124	845,118,588	694,900,030
Labour Quarters on									
Free Hold Land	550,961,018	--	--	550,961,018	25	439,579,586	24,866,266	464,445,852	86,515,166
Plant and Machinery	9,784,824,596	--	--	9,784,824,596	10	4,046,615,803	472,331,822	4,518,947,625	5,265,876,971
Furniture and Fixtures	57,314,206	2,251,028	--	59,565,234	10	44,880,672	1,290,521	46,171,193	13,394,041
Office Equipment	84,655,242	4,139,587	--	88,794,829	10	52,327,717	3,238,855	55,566,572	33,228,257
Vehicles	172,310,633	7,258,000	--	179,568,633	20	161,074,532	2,457,833	163,532,365	16,036,268
2022	12,382,324,313	13,648,615	--	12,395,972,928		5,516,191,774	577,590,424	6,093,782,195	6,302,190,733

4.1a The segment and category wise allocation of depreciation is as follows:

	2023	2022
	(Rupees)	
Cost of Sales		
Sugar Unit	299,830,004	335,065,394
Polypropylene Unit	-	6,296,425
Board and Panel Unit	8,462,422	10,473,759
Distillery Unit	144,569,554	221,207,782
Administrative and General Expenses		
Sugar Unit	1,668,097	1,896,253
Polypropylene Unit	5,770,160	85,218
Board and Panel Unit	119,078	119,439
Distillery Unit	2,995,042	2,446,154
	463,414,357	577,590,424

4.1b Company revalued its Factory Building, Free hold land and Plant and Machinery which arises surplus amounting to Rs.2.421 Billion on 30th September 2021 with a independent valuer M/s. Anderson 103, 1st Floor 16-C Rahat Commercial DHA Phase VI, Karachi. Valuation made on basis of Direct Method i.e. Physical inspection and allocating approximate fair value as per the inquiries conducted by the valuer from different sources and experience of such assignments. Forced sale value of these revalued assets as per report is 4.767 billion. Had there been no such revaluation made by the Company, the written down values of these assets would have been as under:

	2023	2022
	(Rupees)	
Free Hold Land	50,612,532	50,612,532
Factory building on freehold land	123,308,199	139,063,569
Labour quarters on freehold land	542,479	698,398
Plant and Machinery	1,095,728,550	1,166,633,816
	<u>1,270,191,760</u>	<u>1,357,008,315</u>

4.1c Freehold land represents 320 Acres and 16 ghuntas situated at jilaniabad, Budhu Talpur, District Sujawal. The value of Freehold land is Rs.192.240 million(2022 Rs.192.240 million).

4.2 Capital Work-in-Progress

Power House

Construction of Building	25,905,709	-
Plant and Machinery	79,649,263	-

Biogas Plant

Plant and Machinery	50,660,000	-
Additions during the year	156,214,972	-

5 STORES, SPARES & LOOSE TOOLS

Stores	248,689,741	244,686,545
Spares	62,172,435	61,171,636
	<u>310,862,176</u>	<u>305,858,181</u>
Less: Provision for obsolescence and slow moving items	(152,796,181)	(147,610,967)
	<u>158,065,995</u>	<u>158,247,214</u>

6 STOCK-IN-TRADE

Raw Materials

- Board and Panel Unit	10,534,549	32,093,182
- Molasses (Distillery) Unit	698,564,032	252,183,445
- Polypropylene Unit	1,028,066	1,028,066
Less Provision for obsolescence and slow moving items	(1,028,066)	(1,028,066)
	<u>709,098,581</u>	<u>284,276,627</u>

Work-in-Process

- Sugar Unit	311,061	8,418,627
- Distillery Unit	1,403,299	1,080,929
	<u>1,714,360</u>	<u>9,499,555</u>

Finished Goods

- Boards and Panel-at cost	30,801,202	16,378,791
Less value written down to net realizable value	-	(1,857,310)
Net realizable value	<u>30,801,202</u>	<u>14,521,481</u>
- Industrial Alcohol -at cost	790,528,535	941,650,692
	<u>1,532,142,678</u>	<u>1,249,948,355</u>

		2023	2022
		(Rupees)	
7	TRADE DEBTS - UNSECURED, CONSIDERED GOOD		
	Distillery Unit	26,233,634	24,498,932
7.1	The aging of debtors at the reporting date was		
	Up to one month	11,805,135	11,024,520
	1 to 6 months	14,428,499	13,474,412
		26,233,634	24,498,932

Based on past experience the management believes that no impairment allowance is necessary in respect of trade debts due to major amount of trade debts have been recovered subsequent to the balance sheet date and for the rest of the trade debts management believes that the same will be recovered in short course of time. The credit quality of the company's receivable can be measured with their past performance of no default, therefore the management of the Company feel the Provision for the expected Credit loss not required.

8 LOANS, ADVANCES AND OTHER RECEIVABLES UNSECURED, CONSIDER GOOD

	Against Imports	-	1,043,576
	To Contractors	10,144,935	5,079,306
	To Growers	6,837,580	9,976,117
	To Staff	3,055,666	2,442,294
	Against Stores and Expenses	26,527,102	80,263,876
	Advances against Supplier	482,638,564	435,200,544
	Others and Sales tax adjustable and Refundable.	148,156,437	118,274,694
		677,360,284	652,280,407

8.1 These advances and other receivables are interest free.

8.2 Advance to Staff includes Rs0.889.Nil (2022: Rs. 0.145) million due from the executives of the company. The maximum amount due from these executives at any month of end was Rs0.889(2022: Rs.0.375) million.

9 TRADE DEPOSITS, SHORT-TERM PREPAYMENTS & CURRENT BALANCES WITH STATUTORY AUTHORITIES

	Security Deposits	6,755,053	8,001,435
	Prepayments	3,956,390	3,504,930
		10,711,443	11,506,365

10 SHORT TERM INVESTMENT IN ASSOCIATED COMPANY-AVAILABLE FOR SALE

No. of Ordinary Shares of Rs. 10/- each

	2023	2022			
	13,000,000	13,000,000	Invested in Cash		
	650,000	650,000	Received as fully paid bonus shares		
	13,650,000	13,650,000			
				16.26	4.50
				9.84%	9.84%

Market Value as at September 30 (Rupees per share)

Percentage of Equity held

10.1 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, member of Yousuf Dewan Companies and its ownership interest of 9.84 % in investee Company.

	2023	2022
10.2 Investment in Dewan Farooque Motors Limited	(Rupees)	
Number shares held	13,650,000	13,650,000
Cost of investment (Rupees)	130,000,000	130,000,000
Fair value of investment (Rupees)	221,949,000	61,425,000
Ownership interest	9.84%	9.84%

The Summarized information shown below of the investee company for the year ended June 30, 2023 and 2022.

10.3 Summarized financial information of associated Company

Total assets	3,177,100,100	2,796,470,820
Total Liabilities	6,474,513,100	5,912,788,810
Net assets	(3,297,413,000)	(3,116,317,990)
Company's share of net assets	(324,465,439)	(306,645,690)
Revenue	20,232	52,666
Loss for the period	(55,373,150)	(105,082,200)

11 CASH AND BANK BALANCES

Cash in Hand	587,316	515,896
Cash at Banks		
Current Accounts	33,338,263	82,885,092
	33,925,579	83,400,988

The Company has conventional banking relationships with all the banks.

12 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

No. of Ordinary Shares of Rs. 10/- each

2023	2022		2023	2022
11,430,000	11,430,000	Fully Paid in cash	114,300,000	114,300,000
18,255,996	18,255,996	100% Right Issue of the Ordinary Share Capital at par in Cash	182,559,960	182,559,960
55,000,000	55,000,000	Right Issue	550,000,000	550,000,000
84,685,996	84,685,996		846,859,960	846,859,960
6,825,996	6,825,996	Issued as fully paid bonus shares	68,259,960	68,259,960
91,511,992	91,511,992		915,119,920	915,119,920

The above includes holding of associated companies of 5,788,938 (2022: 5,788,938) ordinary shares

12.1 The shareholders are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at the meetings of the company. All shares rank equally in respect to the company's residual assets.

12.2 The pattern of shareholding, as required under the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan, is attached at the end of this report.

	2023	2022
13 RESERVES AND SURPLUS	(Rupees)	
General Reserve	190,000,000	190,000,000
Accumulated Loss	(5,649,464,949)	(5,170,725,173)
	<u>(5,459,464,949)</u>	<u>(4,980,725,173)</u>

14 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT (Net)

The following fixed assets of the Company were revalued on September 30, 2021. The revaluation was carried out by independent valuer M/s. Anderson, 103 1st Floor 16-C Rahat Commercial DHA Phase VI, Karachi. Bases of revaluation are as follows:

Land

Revalued amount of Land determined from Market value trend of sales and purchases of properties and have collected information of current matured transactions in recent past also considered and analyzed through detailed market survey, the properties that have recently been sold or purchased or offered in the same vicinity to determine the best estimates of the present value of the land. Further gathered information and data of immediate neighborhood and surroundings area, and settle the reasonable value of the land

Factory Building & Labour Quarters on free hold land

Revalued amount of building had been determined by reference to present depreciated replacement values after taking into consideration covered area and type of construction, age of civil and ancillary structures, physical conditions and level of preventive maintenance carried out by the Company.

Plant and Machinery

Revalued amount of plant and machinery had been determined by reference to present depreciated replacement values after taking into consideration the existence, level of maintenance and assessment of value of the machinery on the basis of its present conditions. Since the plant was not operational therefore assessment is carefully made to establish if the machinery can be put into operation after routine maintenance. Assessed value was determined through a computation of the remaining useful life of the assets with the present market value.

The revaluation has resulted in increase in surplus and corresponding carrying amounts of property, plant and equipment by Rs.2.421 billion.

Particulars	W.D.V. of assets before revaluation	Revalued amount	Revaluation Surplus
	----- (Rupees) -----		
Free hold Land	142,650,000	192,240,000	49,590,000
Plant and Machinery	3,619,895,630	5,738,208,800	2,118,313,170
Factory Building on free hold land	571,662,504	768,305,153	196,642,649
Labour Quarter on free hold land	54,683,365	111,381,432	56,698,067
	<u>4,388,891,499</u>	<u>6,810,135,385</u>	<u>2,421,243,886</u>

DEWAN SUGAR MILLS LIMITED

		2023	2022
		Rupees	
	Balance at beginning	14.1 3,507,663,904	3,832,831,467
	Surplus relating to incremental depreciation - net of deferred tax	<u>(261,313,577)</u>	<u>(325,167,563)</u>
		<u>3,246,350,327</u>	<u>3,507,663,904</u>
14.1	The revaluation surplus on property, plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.		
15	SPONSORS LOAN-UNSECURED		
	Sponsors Loan	15.1 380,111,585	302,120,745
	Sponsors Loan	15.2 69,424,252	156,493,182
		<u>449,535,837</u>	<u>458,613,927</u>
15.1	Sponsors Loan (I)		
	Loan amount	513,232,200	513,232,200
	Additional Loan	67,556,000	-
		<u>580,788,200</u>	<u>513,232,200</u>
	Less Present value adjustment : Opening	<u>(211,111,455)</u>	<u>(241,492,009)</u>
	Additional Amortization Income	<u>(23,342,260)</u>	<u>-</u>
	Amortization Discount Charged to P & L	<u>33,777,100</u>	<u>30,380,554</u>
		<u>(200,676,615)</u>	<u>(211,111,455)</u>
	Present Value of Sponsors Loan	<u>380,111,585</u>	<u>302,120,745</u>

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

15.2	Sponsor Loan (II)		
	Original Loan	159,647,920	159,647,920
	Less Present value adjustment :Opening	<u>(3,154,738)</u>	<u>(15,162,501)</u>
	Revised Amortized Interest Income	<u>(100,259,544)</u>	<u>-</u>
	Amortization Discount Charged to P & L	<u>13,190,614</u>	<u>12,007,763</u>
		<u>(90,223,668)</u>	<u>(3,154,738)</u>
		<u>69,424,252</u>	<u>156,493,182</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.

		2023	2022
		(Rupees)	
16	LONG TERM FINANCE - SECURED		
	Syndicated Term Finance	16.1	
		-	-
		-	-
	Syndicated Term Finance	-	-
		-	-
16.1	Syndicated Term Finance	2,348,128,218	2,348,128,218
	Less: Repayment during the year	-	-
		2,348,128,218	2,348,128,218
	Classified as current portion		
	Current Maturity	-	-
	Overdue installments	2,348,128,218	2,348,128,218
	Less : Current Maturity of Non Current Liabilities	2,348,128,218	2,348,128,218
		-	-

16.1 The Company had made settlement with all the lenders of the Company through compromising decree dated February 18, 2011 granted by Honorable High Court of Sindh at Karachi. In the compromise decree the terms had been finalized as all the loans of the Company had been rescheduled by the lenders. The loan amount Rs.3,447.004 million after repayment of sale proceeds of Khoski by Rs. 450 million in proportions of lenders outstanding loan. The repayment was made out of the sale proceeds of Khoski assets of Rs.500 million and the remaining Rs. 50 million paid to the buyer against outstanding liabilities of the sugarcane suppliers of Khoski unit.

Further more, it was agreed that the said loan will be repayable in ten years with one year grace period with no markup through out the repayment period, the principal amount will be paid in 32 (1 to 32) un-equal quarterly installments from Rs.57.099 million to Rs. 152.395 million. The tenure of repayments had been started from March 30, 2012 and last payment was due on December 30, 2020.

Moreover banks / financial institutions had allowed further working capital limit to the Company as fully explained in note 21.1 and 26.1 to these financial statements. However, in case of default by the company the entire outstanding mark up as disclosed in the agreement will remain outstanding liability of the company and all amounts in respect of its liabilities shall become payable with immediate effect as per term of the Compromise Agreement.

The Company had defaulted in repayments of restructured liabilities. however, the Company approached its lenders for further restructuring of its liabilities. Management is hopeful that such revision will be finalized soon. Accordingly the Banks' liability had been classified as non-current.

17	LONG TERM MARK UP PAYABLE		
	Syndicated Term Finance Markup Payable	17.1	
		-	-

17.1 This amount represents mark up of Rs. 425.051 million payable to Syndicated (Summit Bank & Others) in 4 equal quarterly installments. Company had provided Rs.284.80 million till September, 2018 and stopped providing further markup and approached to lenders for waiver due to unfavorable economic condition of the Company. We are hopeful our request will be obliged.

DEWAN SUGAR MILLS LIMITED

		2023	2022
		(Rupees)	
Syndicated Term Finance Markup Payable			
	Markup Payable opening	284,801,103	284,801,103
	Less :Over due Current Maturity	284,801,103	284,801,103
		-	-
18	DEFERRED LIABILITIES		
	Staff Gratuity	5,348,794	5,548,794
	Deferred Tax Liability	1,268,126,231	1,374,859,954
		1,273,475,025	1,380,408,748
18.1	Staff Gratuity		
	Opening Balance	5,548,794	5,558,694
	Less: Payments made during the year	200,000	9,900
		5,348,794	5,548,794
	The Company discontinued and replaced its policy for staff retirement benefits plan of gratuity with Provident fund on 31-3-2007 and provision for its outstanding liabilities had been made till 31 March, 2007.		
18.2	Deferred Tax Liability		
	Deferred tax liability arising on Surplus on Revaluation of Property, Plant and Equipment	1,268,126,239	1,374,859,953
	Deferred tax liability arising due to accelerated tax depreciation	63,357,372	67,417,292
	Deferred tax asset arising on carry forward losses	(1,849,639,812)	(1,510,649,034)
	Deferred tax assets arising on Staff Gratuity and Other Provisions	(1,551,150)	(1,609,150)
		(519,707,352)	(69,980,939)
	Deferred tax asset not recognized	1,787,833,582	1,444,840,893
		1,268,126,231	1,374,859,954
19	TRADE AND OTHER PAYABLES		
	Creditors for Goods	1,467,622,546	1,690,009,496
	Advance from Customers	2,974,587,884	2,111,124,310
	Accrued Expenses		
	Sales Tax	565,618,091	380,130,598
	Sales Commission	21,908,479	12,993,221
	Salaries and Wages	45,578,262	36,941,881
	Others	39,776,532	21,084,147
		672,881,364	451,149,847
	Other Liabilities	35,761,853	44,195,265
		5,150,853,647	4,296,478,918
20	INTEREST, PROFIT, MARK-UP ACCRUED ON LOAN & OTHER PAYABLES		
	On Short Term Finances	12,009,624	12,009,624
21	SHORT TERM FINANCE - SECURED		
	Short Term Running Finance Facilities - Secured	192,195,875	192,195,875
	Book Overdraft	-	22,107,540
		192,195,875	214,303,415

21.1 This running finance facility of Rs.192.196 (2022: 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 markup of this facility is 3 month KIBOR plus 0.75% per annum payable on quarterly basis. The financing agreement has been Expired and not renewed by the Banks.

	2023	2022
	(Rupees)	
22 UNCLAIMED DIVIDEND		
Opening balance	769,543	769,543
Paid during the year	-	--
	<u>769,543</u>	<u>769,543</u>

As per the provision of Section-242 of the Companies Act, 2017 and directives of the Securities and Exchange Commission of Pakistan vide circular No. 18 dated 01 August, 2017, cash dividend will only be paid through electronic mode directly in the bank accounts of shareholders accordingly this unpaid dividend pertains to those shareholders who did not provide their valid bank account details.

23 CURRENT PORTION OF NON-CURRENT LIABILITIES		
Long Term Finance Facilities	16 2,348,128,218	2,348,128,218
Long Term Mark-up Payable	17 284,801,103	284,801,103
	<u>2,632,929,321</u>	<u>2,632,929,321</u>
24 PROVISION FOR TAXATION		
Balance at the beginning	120,594,805	184,800,000
Add: Provision for the year	71,000,000	95,000,000
	<u>191,594,805</u>	<u>279,800,000</u>
Payment /adjustment during the period	25,594,805	159,205,195
	<u>166,000,000</u>	<u>120,594,805</u>

Income tax returns of the Company have been filed and adjustment have been made till tax year 2022 which are deemed to be assessed u/s 120 of the Income Tax Ordinance 2001. The provision made in these financial statement is sufficient to cover the tax obligation.

25 Relationship Between Income Tax Expense and Accounting Profit.		
Accounting (loss) as per statement of profit or loss Under FTR	(899,388,874)	(822,101,793)
	(33,605,166)	(65,150,093)
	<u>(865,783,708)</u>	<u>(756,951,700)</u>
Applicable tax rate	29%	29%
Tax on accounting (loss)	(251,077,275)	(219,515,994)
Tax effect of timing difference on depreciation	81,639,890	89,006,205
Tax effect of expenses/provision that are not deductible in determining taxable loss charged to profit & loss account	(58,000)	12,668,540
Effect of Loss brought forward & Rate Difference	169,495,385	117,841,249
	-	-
	-	-
Minimum tax payable under Income Tax Ordinance, 2001	<u>71,000,000</u>	<u>95,000,000</u>

26 CONTINGENCIES AND COMMITMENTS

Contingencies

- 26.1 a** In respect of liabilities towards banks / financial institutions disclosed in note 16-17 to the financial statements, During the year 2012, certain lenders had entered into a compromise agreement with the Company for outstanding debt sought by lenders in the suits filed by them and it was agreed that the Company would settle all the liabilities at principal amount of Rs. 3.451 billion and markup thereon of Rs.471.824 million (eligible for waiver if the Company repays the entire outstanding principal as per terms of agreement), consequent to which consent decrees were granted by the Honorable High Court of Sindh, Karachi. Owing to default in repayment of restructured liabilities as per compromise agreement, the lenders filed executions of consent decrees amounting to Rs.3.451 billion. The Company also filed suits in Honorable High Court of Sindh at Karachi wherein it had been strongly contested that filing of executions is unjust and against the law. Management of the Company expects favorable outcome therefrom.
- b** As per the terms of the restructuring the waiver markup allowed by the lender amounting to Rs. 471.824 million, which would be liable to be paid in the event of default of the term of agreement. The company had defaulted in repayments of liability, however the company approached to the lenders for further restructuring as detailed in note 17.1 to the financial statements. since the restructuring is in advance stage therefore management is confident that this amount will remain eligible for waiver, hence no provision of the same has been made in these financial statements.
- 26.2** The Sales tax Department showed inadmissible sales tax of Rs.120 million and Rs.13.8 million the company filed constitutional petition (CP) in the High Court of Sindh and obtained stay orders. The outcome of same two Cases has been decided against the Company by the High Court of Sindh and matter is currently pending with the Department in terms of show cause notice, but no demand has been adjudicated.
- 26.3** The Department issued show cause against the recovery of the sales tax amounting to Rs. 138.9 million the Company filled appeal against the demand to Appellate tribunal IR and the Tribunal passed order in favor of the Company and set-aside and revert back to the department to adjust the refunds and ascertain exact claim after adjustment of refunds pending with the department.
- 26.4** As on December 8, 2020 the commissioner Inland Revenue passed orders for the year 2015 to 2019 u/s 122(1) after making huge additions. The Company filed the appeals before the Commissioner Inland revenue (Appeals 1) Karachi who decided the case against the company. The company filed appeal in Appellate Tribunal Karachi against the decision of Commissioner (Appeals 1). The Appellate Tribunal has decided the case in favor of the Company and demand has been set-aside by the Tribunal.
- 26.5** Guarantees given by the commercial banks on behalf of the Company amounted to Rs.2.84 million (2022:Rs. 2.84) million.

27 SALES

	Sugar Segment		Polypropylene Segment		Board and Panel Segment		Distillery Segment		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees)									
Gross Sales										
Local	1,659,385,458	4,052,912,351	-	-	70,616,827	94,921,777	274,468,705	292,284,692	2,004,470,990	4,440,118,820
Exports	-	-	-	-	-	-	4,522,069,165	4,718,122,101	4,522,069,165	4,718,122,101
	1,659,385,458	4,052,912,351	-	-	70,616,827	94,921,777	4,796,537,870	5,010,406,793	6,526,540,155	9,158,240,921
Sales Commission	-	-	-	-	-	-	24,217,602	24,989,980	24,217,602	24,989,980
Sales Tax/Special Excise Duty	252,993,113	623,575,285	-	-	12,174,903	15,820,298	30,363,047	39,078,142	295,531,063	678,473,725
	252,993,113	623,575,285	-	-	12,174,903	15,820,298	54,580,649	64,068,122	319,748,665	703,463,705
Net Sales	1,406,392,345	3,429,337,066	-	-	58,441,924	79,101,479	4,741,957,221	4,946,338,671	6,206,791,490	8,454,777,216

28 COST OF SALES

Note	Sugar Segment		Polypropylene Segment		Board and Panel Segment		Distillery Segment		Total		
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	
	(Rupees)										
Raw material - opening stock	-	-	1,028,066	1,028,066	32,093,182	70,042,989	252,183,445	478,175,118	285,304,693	549,246,173	
Purchases	1,816,706,467	3,910,415,269	-	-	29,707,600	26,903,505	3,760,151,240	3,603,563,122	5,606,565,307	7,540,881,896	
Raw material - closing stock/written off	-	-	(1,028,066)	(1,028,066)	(10,534,549)	(32,093,182)	(698,564,032)	(252,183,445)	(710,126,647)	(285,304,693)	
Raw material consumed	1,816,706,467	3,910,415,269	-	-	51,266,233	64,853,312	3,313,770,653	3,829,554,795	5,181,743,353	7,804,823,376	
Road Cess	1,308,983	3,057,765	-	-	-	-	-	-	1,308,983	3,057,765	
Salaries, Wages and Other Benefits	28.2	148,373,338	184,949,075	-	803,030	11,264,074	12,238,125	124,269,492	98,687,002	283,906,904	296,677,232
Water, Fuel and Power	22,161,057	25,533,907	-	-	9,308,016	12,349,709	162,833,801	256,657,416	194,302,874	294,541,032	
Stores and Spares consumed	100,273,342	132,530,456	-	15,349	1,740,606	1,526,305	121,296,578	121,544,466	223,310,526	255,616,575	
Insurance	-	-	-	-	-	-	4,210,669	4,494,216	4,210,669	4,494,216	
Depreciation	28.1	299,830,004	335,065,394	-	6,296,425	8,462,422	10,473,759	144,569,553	221,207,782	452,861,979	573,043,360
Repairs and Maintenance	5,616,697	3,185,941	-	42,842	105,860	14,700	18,889,470	19,103,267	24,612,026	22,346,750	
Other Overheads	7,218,400	8,599,099	-	230	474,274	387,861	25,962,975	26,482,837	33,655,649	35,470,027	
Vehicle Running Expenses	4,774,001	9,445,717	-	-	131,530	82,735	3,023,778	1,938,484	7,929,309	11,466,937	
	2,406,262,289	4,612,782,623	-	7,157,876	82,753,015	101,926,507	3,918,826,967	4,579,670,264	6,407,842,272	9,301,537,270	
Work in process - beginning	8,418,627	4,839,600	-	-	-	220,302	1,080,929	1,248,213	9,499,556	6,308,115	
Work in process - ending	(311,061)	(8,418,627)	-	-	-	-	(1,403,299)	(1,080,929)	(1,714,361)	(9,499,555)	
Cost of Goods Manufactured	2,414,369,854	4,609,203,596	-	7,157,876	82,753,015	102,146,809	3,918,504,597	4,579,837,548	6,415,827,467	9,298,345,829	
Finished goods - opening stock	-	63,748	-	-	14,521,480	3,450,611	941,650,692	777,694,165	956,172,172	781,208,524	
Transfer to Other Segments	(258,900,000)	(528,761,000)	-	-	-	-	-	-	(258,900,000)	(528,761,000)	
Finished goods - closing stock	-	-	-	-	(30,801,202)	(14,521,480)	(790,528,534)	(941,650,692)	(821,329,736)	(956,172,172)	
	2,155,469,854	4,080,506,344	-	7,157,876	66,473,293	91,075,940	4,069,626,755	4,415,881,020	6,291,569,903	8,594,621,181	

28.1 a) No production activity in polypropylene Unit during the year, therefore the depreciation on Plant & Machinery has not been charged as per the Company policy as disclosed in No.3.4 to the Financial Statements.

28.2 Salaries, Allowances & Other Benefits include Rs.3.29 (2022:3.30) million in respect of Staff Retirement Benefits.

29 ADMINISTRATIVE AND GENERAL EXPENSES

Note	Sugar Segment		Polypropylene Segment		Board and Panel Segment		Distillery Segment		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees)									
Salaries, Allowance & Other Benefits	29.1	13,979,459	13,004,320	1,474,355	-	-	25,439,645	21,236,432	40,893,459	34,240,752
Office and Other Expenses	-	-	-	-	-	-	426,939	31,391	426,939	31,391
Entertainment	2,325	9,250	-	-	-	-	93,360	239,151	95,685	248,401
Communication	95,363	101,793	-	-	-	-	3,262,138	1,687,236	3,357,501	1,789,029
Depreciation	1,668,097	1,896,253	5,770,160	85,218	119,078	119,439	2,995,042	2,446,154	10,552,377	4,547,064
Vehicle Running Expenses	1,380,991	989,561	-	-	-	-	7,537,537	4,198,623	8,918,528	5,188,184
Legal and Professional Charges	8,144,448	5,684,100	-	-	-	-	3,453,000	1,810,350	11,597,448	7,494,450
Printing and Stationery	277,676	194,546	-	-	-	-	392,632	343,597	670,308	538,143
Rent, Rates and Taxes	19,354,366	14,824,706	-	-	-	-	29,791	195,800	19,384,157	15,020,506
Traveling and Conveyance	291,644	411,200	-	-	-	7,250	6,462,066	1,288,791	6,753,710	1,707,240
Auditors' Remuneration	29.2	945,000	829,300	-	-	-	-	-	945,000	829,300
Fees and Subscription	2,338,545	1,340,455	-	-	-	-	5,753,388	4,859,299	8,091,933	6,199,754
Miscellaneous	-	5,000	-	-	-	-	246,010	277,566	246,010	282,566
	48,477,914	39,290,484	7,244,515	85,218	119,078	126,689	56,091,549	38,614,390	111,933,056	78,116,781

29.1 Salaries, Allowances & Other Benefits include Rs.1.03(2022:0.99) million in respect of Staff Retirement Benefits.

	2023	2022
	(Rupees)	
29.2 Auditors Remuneration		
Audit Fee	657,500	577,500
Half Yearly Review	137,500	137,500
Cost Audit fees	150,000	114,300
	<u>945,000</u>	<u>829,300</u>

30 DISTRIBUTION AND SELLING COSTS

	Sugar Segment		Polypropylene Segment		Board and Panel Segment		Distillery Segment		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees)									
Sugar Bags Handling	991,871	2,349,417	-	-	-	-	-	-	991,871	2,349,417
Export Expenses	-	-	-	-	-	-	189,384,344	166,145,223	189,384,344	166,145,223
	<u>991,871</u>	<u>2,349,417</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>189,384,344</u>	<u>166,145,223</u>	<u>190,376,215</u>	<u>168,494,640</u>

31 OTHER OPERATING INCOME

Profit on Deposit Account	31.1	601,769	522,409
Exchange (Loss)		(460,540,293)	(391,105,352)
		<u>(459,938,524)</u>	<u>(390,582,943)</u>

31.1 Represents markup on bank accounts under conventional banking relationship.

32 FINANCIAL COST

Bank Charges	209,737	350,778
Unwinding of discount	46,967,714	42,388,317
	<u>47,177,451</u>	<u>42,739,095</u>

32.1 The company is not providing markup on long term and short term borrowings from banks since September 30, 2018 due to default in repayment of the loans to financial institutions as fully disclosed in note 16, 17, and 26.1 to the financial statements. For the year Rs.567 million (2022: Rs. 1.209 Billion) have not been booked by the Company due to on going restructuring process taken up with the banks. The Management of the Company is quite hopeful that banks will accept restructuring proposal in near future. Had the provision been made the loss for the period would have been higher by Rs.1.776 billion and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs.1.776 billion. The said non provisioning is departure from the requirement of IAS 23- 'Borrowing Costs'.

33 TAXATION

Current Income Tax charge	71,000,000	95,000,000
Deferred Tax	(106,733,717)	(132,814,922)
Prior Year Adjustment	-	(25,464,817)
	<u>(35,733,717)</u>	<u>(63,279,739)</u>

In view of the carry forward tax losses of the company; current year taxation charge, except for income covered under the presumptive tax regime, has been determined as the minimum tax under Section 113 of the Income Tax Ordinance, 2001. Following course, gross turnover from all sources up to September 30, 2023 have been taxed @ 1.25% and advance tax deducted under the presumptive tax regime have been determined as the current tax liability of the company for the year and that preceding.

	2023	2022
34 LOSS PER SHARE - BASIC	(Rupees)	
Loss for the Year	(863,655,157)	(758,822,054)
Weighted average number of shares in issue	91,511,992	91,511,992
Loss per Share - Basic	(9.44)	(8.29)

34.1 There is no dilution of the basic earning per share of the company, as it has not issued any instrument having an option to convert into the issued ordinary share capital of the company.

35 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year, in respect of remuneration, including certain benefits to the Directors and Executives of the company, is as follows:

Description	2023 (Rupees)				2022 (Rupees)			
	Chief Executive	Director	Executives	Total	Chief Executive	Director	Executives	Total
Managerial Remuneration	-	7,739,613	17,951,969	25,691,582	-	6,820,258	13,222,552	20,042,810
House Rent Allowance	-	3,482,826	8,078,386	11,561,212	-	3,069,116	5,950,149	9,019,265
Utilities	-	773,961	1,795,197	2,569,158	-	682,026	1,322,255	2,004,281
Others	-	3,600	28,800	32,400	-	3,600	28,800	32,400
Total	-	12,000,000	27,854,352	39,854,352	-	10,575,000	20,523,756	31,098,756
Number of Persons	-	1	8	9	-	1	8	9

Directors and Certain executives of the company are provided with free use of company maintained cars.

36 PLANT CAPACITY AND PRODUCTION

	2023	2022
Sugar Unit		
Rated crushing capacity per day (MT)	8,000	8,000
Cane crushed by the company (MT)	209,436	489,240
Sugar produced by the company (MT)	20,380	50,790
Days worked (Nos.)	55	99
Sugar Recovery (%)	9.821%	10.41%
Polypropylene Unit		
Annual Capacity in Tons	4,455	4,455
Capacity Utilization	-	-
Board and Panel Unit		
Per Day Capacity (Number of Sheets)	1,000	1,000
Capacity Utilization	18.62%	28.58%
Distillery Unit		
Annual Capacity on the basis of 300 days (Tons)	30,000	30,000
Capacity Utilization	65.04%	107%

37 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

37.1 Financial Risk Management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (interest/mark-up rate risk). The Company's overall risk management program focuses on the unpredictability of markets and seeks to minimize potential adverse effects on the financial performance. The Company consistently manages its exposure to financial risk without any material change from previous periods in the manner described in notes below.

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to Credit Risk

Credit risk of the Company arises from long term loans, long term deposits, trade debts, short term loans, trade deposits, other receivables and bank balances. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

The Company's management, as part of risk management policies and guidelines, reviews clients' financial position, considers past experience. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

The carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	2023	2022
	Rupees	
Short term Investment	-	-
Trade Debts	26,233,634	24,498,932
Loans and Advances	677,360,284	652,280,407
Trade Deposits and Prepayments	10,711,443	11,506,365
Cash and Bank Balances	33,925,580	82,885,094
	<u>748,230,943</u>	<u>771,170,798</u>

The company manages credit risk of receivables through the monitoring of credit exposures and continuous assessment of credit worthiness of its customers. The company believes that it is not exposed to any major concentration of credit risk as its customers are credit worthy and dealing banks possess good credit ratings.

37.1.1 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

The following are the contractual maturities of financial liabilities:

	Carrying Amounts	Contractual Cash flows	Six months or less	Six to twelve months	One to two years	Two to five years	Five years & onward
(Rupees)							
Financial Liabilities - Recognized							
Sponsor Loan	449,535,837	449,535,837	--	--	--	449,535,837	--
Term Finance Rescheduled	2,348,128,218	2,632,929,321	2,632,929,321	--	--	--	--
Short Term Finances	192,195,875	192,195,875	192,195,875	--	--	--	--
Trade & Other Payables	2,176,265,764	2,176,265,764	2,176,265,764	--	--	--	--
Mark up payable	12,009,624	12,009,624	12,009,624	--	--	--	--
Total 2023	5,178,135,318	5,462,936,421	5,013,400,584	--	--	449,535,837	--
Financial liabilities - Recognized							
Sponsor Loan	458,613,927	458,613,927	--	--	--	--	458,613,927
Term Finance Rescheduled	2,348,128,218	2,632,929,321	2,632,929,321	--	--	--	--
Short Term Finances	192,195,875	192,195,875	192,195,875	--	--	--	--
Trade & Other Payables	4,296,478,918	4,296,478,918	4,296,478,918	--	--	--	--
Mark up payable	12,009,624	12,009,624	12,009,624	--	--	--	--
Total 2022	7,307,426,562	7,592,227,665	7,133,613,738	--	--	--	458,613,927

All the financial liabilities of the company are non derivative financial liabilities. The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at September 30.

37.2 Market Risk

Market risk means that the future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates and interest rates. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company's market risk comprises of three types of risks: foreign currency risk, interest rate risk and other price risk. The market risks associated with the Company's business activities are discussed as under:

37.2.1 Currency Risk

Foreign currency risk arises mainly where receivables and payables exist due to transaction in foreign currency. Currently, the Company is not exposed to currency risk as there are no foreign currency denominated receivables / payables as of the reporting date.

37.2.2 Interest Rate Risk

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The short term borrowing arrangements has variable rate pricing that is dependent on the Karachi Inter Bank Offered Rate (KIBOR) as indicated in respective notes.

At the reporting date, the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	2023	2022
	Rupees	
Financial Assets		
Balance with banks	<u>33,925,580</u>	<u>83,400,987</u>
Variable rate instruments at carrying amounts:		
Financial liabilities		
Short term borrowings	<u>192,195,875</u>	<u>192,195,875</u>
	<u>192,195,875</u>	<u>192,195,875</u>

Fair Value Sensitivity Analysis for Fixed Rate Instruments:

The company does not account for any fixed rate financial assets at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash Flow Sensitivity Analysis for Variable Rate Instruments:

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate will not affect fair value of any financial instrument. For cash flow sensitivity analysis of variable rate instruments it is observed that interest /mark-up rate in terms of KIBOR has increased by 605 bps during the year.

The following information summarizes the estimated effects of 1% hypothetical increases and decreases in interest rates on cash flows from financial assets and financial liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

Effect on loss / profit due to change of 100 BPs

Increase	<u>1,921,959</u>	<u>1,921,959</u>
Decrease	<u>1,921,959</u>	<u>1,921,959</u>

The effective interest / mark up rates for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

37.3 Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectation of the shareholders. Debt is calculated as total borrowings ('long term loan' and 'short term borrowings' as shown in the balance sheet). Following is the quantitative analysis of capital managed by the Company.

37.4 Fair Value of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction. The carrying values of financial instruments reflected in these financial statements approximate their fair values.

38 RELATED PARTY TRANSACTIONS

The related parties and associated undertakings, comprise associated companies, staff retirement funds, directors and key management personnel. Transaction with related parties and associated undertakings, other than remuneration and benefits to key management personnel disclosed in the respective notes, are as follows:

		2023	2022
		Rupees	
Sales Commission	Dewan Mushtaq Trade Ltd.	24,217,602	24,989,980
Purchase	Dewan Mushtaq Trade Ltd.	24,109,162	28,567,573
Sales	Dewan Mushtaq Trade Ltd.	9,688,719	8,757,048
Provident fund Contribution	Common Management	4,284,940	8,569,880
Sponsor Loan		67,556,000	--

All transactions were carried out on commercial terms and conditions and valued at arm's length price. Reimbursement of expenses were on actual basis. Remuneration and benefits to key management personnel under the terms of their employment are given in Note 35 above.

The receivable/payable balances with related parties as at September 30, 2023 are disclosed in the respective notes to the financial statements.

39 ADDITIONAL BUSINESS SEGMENT INFORMATION

	Sugar Segment		Polypropylene Segment		Board & Panel Segment		Distillery Segment		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
(Rupees)										
Net Sales (Note 27)	1,406,392,345	3,429,337,066	-	-	58,441,924	79,101,479	4,741,957,221	4,946,338,671	6,206,791,490	8,454,777,216
Cost of Sales (Note 28)	2,155,469,854	4,080,506,344	-	7,157,876	66,473,293	91,075,940	4,069,626,755	4,415,881,020	6,291,569,903	8,594,621,181
Gross Profit(Loss)	(749,077,509)	(651,169,278)	-	(7,157,876)	(8,031,369)	(11,974,461)	672,330,466	530,457,651	(84,778,413)	(139,843,965)
Administrative Expenses (Note 29)	48,477,914	39,290,484	7,244,515	85,218	119,078	126,689	56,091,549	38,614,390	111,933,056	78,116,781
Selling & Distribution costs (Note 30)	991,871	2,349,417	-	-	-	-	189,384,344	166,145,223	190,376,215	168,494,640
Other Operating Income(Loss) (Note.31)	(369,659)	(68,070)	-	-	-	-	460,308,183	390,651,013	459,938,524	390,582,943
	49,100,126	41,571,831	7,244,515	85,218	119,078	126,689	705,784,076	595,410,626	762,247,795	637,194,364
Segment Results	(798,177,636)	(692,741,109)	(7,244,515)	(7,243,094)	(8,150,447)	(12,101,150)	(33,453,610)	(64,952,975)	(847,026,208)	(777,038,329)
Segments Assets	3,203,356,950	3,543,294,084	192,814,031	203,783,914	308,049,334	311,900,038	4,875,553,856	4,499,188,916	8,579,774,171	8,558,166,952
Segments Liabilities	671,857,286	911,461,587	(9,105,565)	(5,979,126)	49,081,828	52,886,834	3,348,115,271	2,711,725,009	4,059,948,820	3,670,094,305
Property Plant & Equipments(WDV)	2,926,367,325	3,227,865,430	192,672,698	198,442,856	248,157,013	256,246,271	2,471,579,335	2,605,987,560	5,838,776,370	6,288,542,118
Capital Expenditure - Excluding revaluation	-	-	-	-	-	492,250	173,299,524	13,156,365	173,299,524	13,648,615
Depreciation	301,498,101	336,961,646	5,770,161	6,381,642	8,581,499	10,593,196	147,564,596	223,653,939	463,414,357	577,590,424

39.1 As at September 30, 2023 all non current assets of the company are located in Pakistan.

39.2 The Company is exporting its products to numerous countries.

40 NUMBER OF EMPLOYEES

	2023	2022
Number of Head Office employees as at 30 September	<u>23</u>	<u>21</u>
Number of factory employees as at 30 September	<u>149</u>	<u>381</u>
Average number of Head Office employees during the year	<u>23</u>	<u>23</u>
Average number of factory employees during the year	<u>246</u>	<u>308</u>

41 APPROVAL OF FINANCIAL STATEMENTS

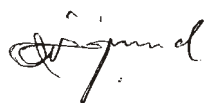
These financial statements were resolved as approved by the Board of Directors and authorized for issue on January 05, 2024.

42 GENERAL**i Functional and Presentation Currency**

These financial statements are presented in PAK Rupees, which is the Company's functional currency. All financial information presented in Pak Rupee and rounded off to nearest Rupee.

ii Corresponding Figures

Comparative figures have been rearranged and reclassified wherever necessary for the purpose of better presentation and comparison. No major reclassification to report.



Ishtiaq Ahmad
CEO & Director



Muhammad Ilyas Abdul Sattar
Chief Financial Officer



Abdul Basit
Chairman Board of Director



PATTERN OF SHAREHOLDING UNDER REGULATION 37 (XX) (I) OF THE CODE OF CORPORATE GOVERNANCE AS ON SEPTEMBER 30, 2023

Categories	Number of Shareholders	Number of Shares held	% of Shareholding
Directors, CEO, their Spouses & Minor Children			
Mr. Abdul Basit	1	1,000	0.00%
Mr. Ghazanfar Baber Siddiqi	1	500	0.00%
Mr. Aziz-ul-Haque	1	500	0.00%
Syed Maqbool Ali	1	500	0.00%
Mr. Muhammad Ashraf	1	500	0.00%
Mrs. Nida Jamil	1	500	0.00%
Mr. Zeeshan Ashraf	1	500	0.00%
Associated Companies			
Dewan Motors (Pvt.) Limited	1	2,894,469	0.03
DEWAN MUSHTAQ MOTORS COMPANY (PVT) LTD.	1	2,894,469	0.03
NIT and ICP	6	1,641,284	1.79%
Executives	-	-	0.00%
Banks, Development Financial Institutions, Non-Banking Finance Companies	-	-	0.00%
Insurance Companies	1	71,935	0.08%
Modarabas and Mutual Funds	-	-	0.00%
General Public			
a. Local	1,949	83,849,016	91.63%
b. Foreign	-	-	0.00%
Others (Joint Stock Companies, Brokrage Houses, Employees Funds & Trustees)	10	156,819	0.17%
TOTAL	1,975	91,511,992	100.00%

SHAREHOLDERS HOLDING 5% OR MORE OF THE VOTING SHARES/ INTERESTS IN THE COMPANY				
Srl #	Names	Number of Shareholders	Number of Shares held	% of Shareholding
1	Dewan Muhammad Yousuf Farooqui	2	61,302,772	66.99%

DETAILS OF TRADING IN THE SHARES OF THE COMPANY BY DIRECTORS, CEO, CFO, COMPANY SECRETARY, THEIR SPOUSES AND MINOR CHILDREN			
Srl #	Names	Date of Transaction	Number of Shares sold

During the year under review, none of the CEO, CFO, Directors, Company Secretary, their spouses and minor children have traded in the shares of the Company.

THE COMPANIES ORDINANCE, 1984

FORM 34

(Section 236(1) and 464)

PATTERN OF SHAREHOLDING

1. Incorporation Number 0009535
2. Name of the Company DEWAN SUGAR MILLS LIMITED
3. Pattern of holding of the shares held by the Shareholders as at 3 0 0 9 2 0 2 3

Number of Shareholders	Shareholding Slab		Total Shares Held	Percentage
	From	To		
559	1	100	14,364	0.02%
523	101	500	140,171	0.15%
190	501	1,000	169,566	0.19%
381	1,001	5,000	1,074,382	1.17%
125	5,001	10,000	993,899	1.09%
35	10,001	15,000	463,811	0.51%
31	15,001	20,000	571,413	0.62%
18	20,001	25,000	423,068	0.46%
11	25,001	30,000	310,914	0.34%
14	30,001	35,000	466,936	0.51%
7	35,001	40,000	270,000	0.30%
6	40,001	45,000	260,818	0.29%
12	45,001	50,000	587,889	0.64%
3	50,001	55,000	160,000	0.17%
1	55,001	60,000	56,000	0.06%
5	60,001	70,000	341,000	0.37%
2	70,001	75,000	146,435	0.16%
2	75,001	80,000	159,860	0.17%
2	80,001	85,000	164,500	0.18%
3	85,001	95,000	276,629	0.30%
5	95,001	100,000	496,038	0.54%
4	100,001	110,000	413,318	0.45%
3	110,001	120,000	343,700	0.38%
3	120,001	130,000	389,459	0.43%
2	130,001	140,000	275,000	0.30%
2	140,001	150,000	297,500	0.33%
1	150,001	160,000	151,000	0.17%
1	160,001	200,000	200,000	0.22%
3	200,001	225,000	648,959	0.71%
3	225,001	250,000	704,284	0.77%
2	250,001	300,000	561,850	0.61%
2	300,001	500,000	920,866	1.01%
1	500,001	600,000	502,500	0.55%
2	600,001	800,000	1,480,720	1.62%
3	800,001	1,000,000	2,873,500	3.14%
1	1,000,001	1,400,000	1,366,432	1.49%
1	1,400,001	1,500,000	1,431,665	1.56%
1	1,500,001	1,900,000	1,864,382	2.04%
1	1,900,001	2,500,000	2,447,454	2.67%
2	2,500,001	2,900,000	5,788,938	6.33%
1	2,900,001	7,000,000	6,157,361	6.73%
1	7,000,001	56,000,000	55,145,411	60.26%
1975	TOTAL		91,511,992	100.00%



بعد کے واقعات:

کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی مادی تبدیلیاں اور وعدے نہیں تھے جو مالی سال کے اختتام یعنی 30 ستمبر 2023 اور رپورٹ کی تاریخ کے درمیان واقع ہوئے ہیں۔

شیئر ہولڈنگ کا نمونہ:

کمپنی کی شیئر ہولڈنگ کا نمونہ اس رپورٹ کے ساتھ منسلک ہے۔

اظہار تشکر:

بورڈ ممبران کمپنی کے حصص یافتگان، وفاقی اور صوبائی حکومتوں، بینکوں، مالیاتی اداروں اور کسانوں کے اعتماد پر تہہ دل سے شکر گزار ہیں۔ آپ کے اس غیر متزلزل اعتماد کی بدولت کمپنی چل رہی ہے۔

بورڈ ادارے کی اپنی ٹیم، ایگزیکٹو اراکین، اسٹاف اور ورکرز کا بھی بھرپور شکریہ ادا کرتا ہے جو کمپنی کی ترقی میں اپنا بھرپور کردار ادا کر رہے ہیں۔ ہم آپ کی محنت اور کاوشوں کو قدر کی نگاہ سے دیکھتے ہیں۔

اختتامی بیان:

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 اے اللہ ہماری رہنمائی کرتا رہے اور کمپنی قوم اور وطن عزیز کو اپنے حفظ و امان میں رکھے اور بھرپور ترقی کرنے کی توفیق عطا فرمائیں۔ 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

بورڈ کے ڈائریکٹران کی جانب سے

عبدالباسط

چیئر مین بورڈ آف ڈائریکٹرز

کراچی

مورخہ 05 جنوری 2024ء

اشتقاق احمد

چیف ایگزیکٹو آفیسر اینڈ ڈائریکٹر

آڈٹ کمیٹی کی میٹنگ:

دوران سال آڈٹ کمیٹی کے اراکین نے چار میٹنگ کیں جس کی صدارت جناب عزیزالحق نے کی۔
میٹنگ میں حاضر ہونے والے اراکین درج ذیل ہیں:

آڈٹ کمیٹی کے اراکین	ملاقاتوں میں حاضری
جناب عزیزالحق	4
جناب سید مقبول علی	4
عبدالباسط	2

انسانی وسائل اور خدمات کی کمیٹی میٹنگ:

بورڈ کی جانب سے انسانی وسائل اور خدمات کی کمیٹی قائم کی گئی تھی تاکہ ڈائریکٹرز کو انسانی وسائل کی پالیسیوں کے وقتاً فوقتاً جائزوں کے سلسلے میں اپنی ذمہ داریوں کو نبھانے میں مدد دی جاسکے۔ یہ بورڈ کو اہم انتظامی شخص کے انتخاب، تشریح، معاوضے اور جانشینی کی منصوبہ بندی میں بھی مدد کرتا ہے۔
دوران سال انسانی وسائل اور خدمات کی کمیٹی نے ایک میٹنگ کی جس کی سربراہی جناب عزیزالحق صاحب نے کی۔

اراکین برائے انسانی وسائل اور خدمات کی کمیٹی	ملاقاتوں میں حاضری
جناب عزیزالحق	1
سید مقبول علی	1
عبدالباسط	1

آڈیٹرز:

موجودہ آڈیٹرز ایم ایس فیروز شریف طارق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس اس سالانہ عمومی اجلاس کے بعد ریٹائر ہو جائیں گے تاہم اہلیت کی بنیاد پر خود کو بعد از ریٹائرمنٹ دوبارہ نامزدگی کے لئے پیش کرتے ہیں۔

قومی خزانے میں شراکت داری:

سال کے دوران آپ کی کمپنی نے سیلز ٹیکس، کسٹم ڈیوٹی، انکم ٹیکس اور دیگر لاگو محصولات کی مدد میں حکومتی خزانے میں 377 ملین روپے جمع کروائے ہیں۔

ڈیوڈنڈ:

جمع شدہ نقصانات اور بیان کردہ حالات کی وجہ سے ڈائریکٹرز نے اس سال کیلئے ڈیوڈنڈ کی سفارش نہیں کی ہے۔

فی حصص آمدن:

اس سال کا خسارہ فی حصص (9.44) روپے (2022): (8.29) روپے ہے۔



بورڈ:

بورڈ کے ڈائریکٹران قابل اور کئی علوم کے ماہرین پر مشتمل ہیں جو کمپنی کو منافع بخش بنانے میں اپنا بھرپور کردار ادا کر رہے ہیں۔ 30 ستمبر 2023ء کے بورڈ آف ڈائریکٹرز درج ذیل پر مشتمل ہیں:

ڈائریکٹرز	تعداد
مرد	6
خواتین	1
بشمول	تعداد
آزاد ڈائریکٹر	1
دیگر غیر ایگزیکٹو ڈائریکٹرز	4
ایگزیکٹو ڈائریکٹرز	2

دوران سال بورڈ کی پانچ میٹنگز منعقد ہوئیں۔ ڈائریکٹرز کی حاضری درج ذیل ہے:

بورڈ آف ڈائریکٹرز کے نام: میٹنگ میں حاضری کی تعداد

5	جناب عبدالباسط
2	جناب ذیشان اشرف
5	جناب غضنفر بابر صدیقی
5	جناب سید مقبول علی
3	جناب محمد اشرف
5	جناب عزیز الحق
5	محترمہ ندا جمیل

ڈائریکٹرز اور چیف ایگزیکٹو کے معاوضے کا پیکج:

ڈائریکٹرز اور چیف ایگزیکٹو کے معاوضے کی مکمل تفصیلات مالی بیانات کے نوٹ نمبر 35 میں دی گئی ہیں۔

داخلی مالیاتی کنٹرول کی مناسبت:

یہ بورڈ آف ڈائریکٹرز کی ذمہ داری ہے کہ وہ اس بات کو یقینی بنائے کہ غیر اخلاقی طریقوں سے پیدا ہونے والی شکایات کی شناخت اور ازالے کیلئے مناسب نظام اور کنٹرول موجود ہیں۔ بورڈ مطمئن ہے کہ مالیاتی اور آپریشنل کنٹرول سمیت اندرونی کنٹرول کے نظام، لین دین کی بروقت ریکارڈنگ کے لئے موثر اکاؤنٹنگ نظام موجود ہے۔

صحت، حفاظت اور ماحول:

ماحولیات سے جڑے معاملات کو اولین فوجیت حاصل ہے۔ آپ کی کمپنی نے اپنی تمام مصنوعات رینوبل فصل اور خام مال سے تیار کی ہیں۔ ہم کسی ایسے منافع کے حصول میں سرگرداں نہیں جس سے ماحولیات کو کسی قسم کے خطرات کا سامنا کرنا پڑے۔ توانائی میں کفایت اور صفر فضلہ پیدا کرنا ہماری ماحول دوست پالیسیوں کا تسلسل ہیں۔ کمپنی اپنے پلانٹ میں اور اطراف ہریالی کو یقینی بنانے کے اقدامات بھی لیتی ہے تاکہ پلانٹ میں ماحول دوستی پروان چڑھ سکے۔ ہمارا ماننا ہے کہ قدرتی ماحول انسان کی تمام سرگرمیوں کا ضامن ہے۔ استعمال شدہ پانی کو پہلے فلٹر کیا جاتا ہے اور پھر اخراج کیا جاتا ہے۔ اس کے علاوہ ملازمین کے لئے بھی صحت مند ماحول قائم کیا ہوا ہے تاکہ کسی ناخوشگوار واقعہ سے بچا جاسکے۔ پھر بھی کسی غیر یقینی صورتحال سے نمٹنے کے لئے ایجوکیشن اور ابتدائی طبی امداد کی سہولت پلانٹ میں دستیاب ہیں۔

کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک:

- ۱- 30 ستمبر 2023ء کو اختتام پذیر مالی سال میں انتظامیہ کی جانب سے تیار کئے گئے کمپنی کے مالیاتی گوشوارے کمپنی کے حالات، کاروباری نتائج، کیش فلوز اور ایکویٹی میں تبدیلی کی شفاف عکاسی کرتے ہیں۔
- ۲- کمپنی کے کھاتوں کی کتابیں مناسب انداز میں رکھی گئی ہیں۔
- ۳- 30 ستمبر 2023ء کو اختتام پذیر مالی سال کے مالیاتی گوشوارے تیار کرتے وقت مناسب اکاؤنٹنگ پالیسیاں مسلسل اختیار کی جاتی رہی ہیں اور تمام مالیاتی گوشوارے میں اندازے سمجھداری سے بہتر فیصلوں پر مرتب کئے گئے ہیں۔
- ۴- انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) جیسے پاکستان میں نافذ العمل ہیں انہیں ویسے ہی مالیاتی گوشواروں کی تیاری میں نافذ کیا گیا۔
- ۵- کمپنی میں اندرونی کنٹرول سسٹم کا ڈیزائن موزوں ہے اور بہت موثر انداز میں لاگو ہے اور اس کی عمدگی سے مانیٹرنگ کی جاتی رہی ہے۔
- ۶- انتظامیہ نے کمپنی کے آگے بڑھنے کی صلاحیت کے بارے میں نوٹ 1.2 اور مارک اپ کی عدم فراہمی کے بارے میں نوٹ 17.1 اور نوٹ 32.1 میں اپنے خیالات کی وضاحت کی ہے۔
- ۷- کارپوریٹ گورننس کی تمام اعلیٰ پریکٹسز جیسا کہ اسٹاک ایکس چینج آف پاکستان کی لسٹنگ ریگولیشن میں سے بھی کوئی اہم انحراف نہیں ہوا۔
- ۸- گذشتہ چھ سالوں کے کلیدی آپریٹنگ اور فنانشل معلومات مختصر اس رپورٹ میں شامل ہیں۔
- ۹- تمام ٹیکسز کی ادائیگی کر دی گئی ہے، سوائے اس کے کہ جو منسلک آڈٹ شدہ مالی حسابات کے نوٹ 26 میں درج ہے۔
- ۱۰- 30 ستمبر 2023ء کو اختتام پذیر مالی سال کے پروویڈنٹ فنڈ انویسٹمنٹ کی فیئر ویلیو 71.610 ملین روپے (60.356: 2022 ملین روپے) رہی ہے۔



پولی پروپلین آپریشنز:

ناگزیر صورتحال کے باعث یہ پلانٹ اس وقت غیر فعال ہے۔

بینکوں کی جانب سے ورکنگ کیپٹل کی عدم دستیابی کے باعث کمپنی کو مالیاتی بحران کا سامنا ہے۔ مفاہمتی معاہدے کے مطابق ری اسٹرکچرڈ واجبات کی عدم ادائیگی کی وجہ سے بینکوں نے کونسیٹ ڈگری کی ایگزیکوشن دائر کردی ہے۔ کمپنی نے اس کے خلاف محترم ہائی کورٹ آف سندھ کراچی میں کیس دائر کیا ہے جس میں اس کیس کا سخت مقابلہ کیا جائے گا کہ بینکوں کا یہ اقدام غیر منصفانہ اور غیر قانونی ہے۔ انتظامیہ مثبت نتائج کے لئے پرامید ہے۔

آڈیٹرز نے اپنی رپورٹ میں کمپنی کے آگے بڑھنے اور ترقی کرنے کی صلاحیت، ری اسٹرکچرڈ واجبات کی اقساط کی ادائیگی میں ڈیفالٹ اور مارک اپ کی عدم ادائیگی جیسے معاملات پر منفی رائے کا اظہار کیا ہے۔

مالی حسابات کمپنی کے آگے بڑھنے کی صلاحیت پر تیار کئے گئے ہیں کیونکہ کمپنی نے اپنے قرض دہندگان سے ری اسٹرکچنگ کیلئے رجوع کیا ہے۔ کمپنی کو امید ہے کہ درخواست جلد قبول کر لی جائے گی اور کمپنی کی مالی اعانت سے ضروریات پوری ہو جائیں گی جو بالآخر انتظامیہ کو پیداواری صلاحیت کے زیادہ سے زیادہ استعمال کے ساتھ دوبارہ کام شروع کرنے میں مدد دے گی۔ لہذا آگے بڑھنے کی اس صلاحیت کا استعمال کرتے ہوئے مالی حسابات مرتب کئے گئے ہیں جو کہ مالی حسابات کے نوٹ 1.2 میں درج ہیں۔

شکرانڈسٹری کے مستقبل کا منظر نامہ برائے سال 2023-2024:

پاکستان میں شکر کی صنعت کے مستقبل کا نقطہ نظر چیلنجز اور مواقعوں کا مرکب ہے۔ مسابقتی رہنے کے لیے، صنعت کو مارکیٹ کی حرکیات کو تبدیل کرنے، جدت کو اپنانے اور تنوع کی تلاش اور استحکام کی سمت میں کام کرنا چاہئے۔ مستحکم معاشی پالیسیوں کے ساتھ حکومت کی بلا تعطل حمایت صنعت کی خوشحالی میں اہم کردار ادا کرتی ہے جس کے نتیجے میں تمام اسٹیک ہولڈرز کو فائدہ پہنچتا ہے جو کہ وقت کی اہم ضرورت ہے۔ حکومت کو مقامی مارکیٹ میں توازن برقرار رکھنے کے لیے شکر کی اضافی پیداوار پر غور کرنا چاہئے اور اسے برآمد کرنے کی اجازت دینی چاہئے۔

سندھ ایگریکلچر ڈیپارٹمنٹ نے 22 اگست 2023ء کو سیزن 2023-2024 کے لئے گنے کی قیمت 425 روپے فی 40 کلو طے کی جو کہ گذشتہ سال سے 41 فیصد زیادہ ہے۔ مزید برآں، کوالٹی پریمیم 8.7 فیصد ریکوری سے زائد یونٹ پر 50 پیسے فی یونٹ سیزن کے آخر میں ادا کیا جائے گا۔

کارپوریٹ گورننس کے ضابطہ کی تعمیل:

ہم کارپوریٹ سماجی ذمہ داری (CSR) اور اپنی روزمرہ کاروباری سرگرمیوں میں اچھے سماجی طریقوں کو شامل کرنے کی کوشش کرتے ہیں۔ CSR اس بات کا اہم حصہ ہے کہ ہم کون ہیں اور کیسے کام کرتے ہیں۔ ہم اپنی کامیابی کی پیمائش نہ صرف مالی معیار کے لحاظ سے کرتے ہیں بلکہ صارفین کو مطمئن کرنے کی بھی کوشش کرتے ہیں اور ان کمیونٹی کی مدد بھی کرتے ہیں۔

2022	2023	آپریشنز
489,240	209,436	گنے کی کرشنگ میٹرک ٹن میں
50,790	20,380	چینی کی پیداوار میٹرک ٹن میں
10.41%	9.821%	چینی کی اوسط ریکوری فیصد میں
(692.741)	(798.177)	آپریٹنگ خسارہ

یہ بڑا نقصان موجودہ کرشنگ کی صلاحیت کے کم استعمال کی وجہ سے ہو رہا ہے جس کی وجہ ورکنگ کپینٹل اور پلنچ کی سہولیات کی عدم دستیابی ہے، ہمارے پاس اس کے علاوہ کوئی دوسرا راستہ نہیں تھا کہ جب قیمتیں سب سے نچلی سطح پر تھی تو کرشنگ سیزن کے وقت تیار اسٹاک کو فروخت کیا جائے تاکہ گنے کی فراہمی اور دیگر لاگت کی فراہمی کا تسلسل برقرار رکھا جاسکے۔ ہم کرشنگ سیزن کے بعد قیمتوں میں اضافے کا فائدہ نہ اٹھا سکے کیونکہ ہمارے پاس اسٹاک رکھنے کی مالی سہولت نہیں تھی۔ مالی بحران اور خام مال کی زیادہ قیمتوں کے اثرات کے باعث گذشتہ سال کی نسبت پیداوار میں بنیادی طور پر کمی ہوئی اور ان پٹ اخراجات میں اضافہ ہوا جس کے نتیجے میں تھوڑے ہی عرصہ میں کرشنگ بند ہوگئی۔

ڈسٹری آپریشنز:

پلانٹ نے دوران سال 19,511 میٹرک ٹن انڈسٹریل الکوحل تیار کیا جبکہ گذشتہ سال 32,236 میٹرک ٹن انڈسٹریل الکوحل تیار ہوا تھا۔

زیر جائزہ مدت کے دوران ڈسٹری یونٹ کا آپریٹنگ منافع 426.854 ملین روپے رہا (2022: 325.698 ملین روپے) جو کہ زرمبادلہ خسارہ 460.540 ملین روپے (2022: 391.105 ملین روپے) سے قبل حاصل کیا گیا تھا۔ برآمداتی فروخت کیلئے ایڈوانس کی وصولیوں اور اس کے نتیجے میں شرح مبادلہ کے اتار چڑھاؤ سے ڈسٹری یونٹ کا آپریٹنگ منافع منفی طور پر متاثر ہوا جس کے نتیجے میں موجودہ سال کیلئے خالص آپریٹنگ خسارہ 33.454 ملین روپے (2022: 64.953 ملین روپے) ہوا۔ فیڈ اسٹاک کی قیمت میں اچانک اور نمایاں اضافے کی وجہ سے کافی مشکلات کا سامنا کرنا پڑا، جو گذشتہ سال کے مقابلے میں تقریباً 32 فیصد بڑھ گئی۔ برآمدی مارکیٹ میں بہتر قیمتوں اور آپ کی انتظامیہ کی استعداد کار بڑھانے کے عزم کی وجہ سے اس یونٹ کے نتائج میں بہتری آئی۔ برآمدی کاروبار ہونے کی وجہ سے ڈسٹری آپریشنز کی بہتری کے امکانات روشن ہیں۔

بورڈ اور پینل آپریشنز:

دوران جائزہ مدت چپ بورڈ پلانٹ نے 67,970 شیئیں تیار کی ہیں جس کا موازنہ گذشتہ سال کی 104,310 شیٹوں سے کیا جاسکتا ہے۔ تاہم بدترین معاشی صورتحال کے باعث ہم اس سے بہتر نتائج حاصل نہیں کر سکے۔ انتظامیہ نے اپنی توجہ اعلیٰ معیاری شیٹوں کی تیاری پر مرکوز کر رکھی ہے۔ اقتصادی اور تعمیراتی سرگرمیوں میں اضافے کے ساتھ، انتظامیہ کو یقین ہے کہ کمپنی کے اس آپریشن میں مثبت نتائج سامنے آئیں گے۔



ڈائریکٹرز رپورٹ

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

بورڈ کے ڈائریکٹران کی جانب سے آپ کو 30 ستمبر 2023ء کو اختتام پر بریالی سال کے سالانہ آڈٹ شدہ مالیاتی گوشوارے پیش کرنا میرے لئے اعزاز کی بات ہے۔ کمپنی کی مالی کارکردگی کا خلاصہ درج ذیل ہے:

مالیاتی نتائج

2022 روپے	2023 روپے	
8,454,777,216	6,206,791,490	خالص فروخت
(139,843,965)	(84,778,413)	مجموعی خام (خسارہ)
(758,822,054)	(863,655,157)	(خالص خسارہ) بعد از ٹیکس

کارکردگی کے کلیدی اعداد و شمار:

(1.65%)	(1.37%)	- فروخت کیلئے خام منافع / (خسارہ) فیصد
(8.98%)	(13.91%)	- فروخت کیلئے (خالص خسارہ) / منافع فیصد
(8.29)	(9.44)	- (خسارہ) فی شیئر

پلانٹ کی کارکردگی:

چینی کے آپریشنز:

پلانٹ نے اپنی کرشنگ 23 دسمبر 2022ء کو شروع کی اور 15 فروری 2023 تک (55 دن) جاری رہا جبکہ گذشتہ سیزن میں اس کا آپریشن 99 دن تک محدود رہا تھا۔ پلانٹ کی کارکردگی مندرجہ ذیل ہے:

(i) ای ووٹنگ کا طریقہ کار:

- (a) ای ووٹنگ کی سہولت کی تفصیلات کمپنی کے ان ممبران کے ساتھ بذریعہ ای میل شیئر کی جائیں گی جن کے پاس ان کے درست کمپیوٹرائزڈ شناختی کارڈ نمبرز، موبائل نمبرز، اور ای میل ایڈریس مقررہ وقت کے اندر کمپنی کے ممبران کے رجسٹر میں دستیاب ہوں گے۔
- (b) ممبران کو ویب ایڈریس، لاگ ان کی تفصیلات سے بذریعہ ای میل آگاہ کیا جائے گا۔
- (c) ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے ممبران کی صداقت کی تصدیق محفوظ اور تصدیق شدہ لاگ ان عمل کے ذریعے کی جائے گی۔
- (d) ای ووٹنگ لائنز 20 جنوری 2024 صبح 10:00 بجے سے شروع ہوں گی اور 26 جنوری 2024 کو شام 5 بجے بند ہوں گی۔ ممبران اس دوران کسی بھی وقت اپنا ووٹ ڈال سکتے ہیں۔

(ii) پوسٹل بیلٹ:

کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 کی دفعات کے مطابق ممبران بذریعہ پوسٹل بیلٹ ووٹ ڈالنے کے لیے اپنے ووٹ کا حق استعمال کر سکتے ہیں جو کہ کمپنیز ایکٹ 2017 کے سیکشن 143 اور 144 کی ریگولیشنز سے مشروط ہے۔ اگر ضرورت پڑی تو ان ضابطوں کے تحت طے شدہ قانونی وقت کے اندر مزید تفصیلات سے شیئر ہولڈرز کو آگاہ کیا جائے گا۔

ممبران اس بات کو یقینی بنائیں گے کہ ان کے کمپیوٹرائزڈ شناختی کارڈ کی کاپی اور دستخط شدہ بیلٹ پیپر درست طریقے سے میٹنگ کے چیئرمین کو کمپنی کے رجسٹرڈ آفس پر بذریعہ ڈاک یا بذریعہ ای میل dsml.corp@yousufdewan.com مورخہ 26 جنوری کو ہونے والے سالانہ اجلاس سے ایک دن قبل دوران اوقات کار تک پہنچ جانے چاہئیں۔ بیلٹ پیپر پر دستخط کمپیوٹرائزڈ شناختی کارڈ یا کمپنی کے ریکارڈ پر موجود دستخط سے مماثلت ہونے چاہئیں۔



۷۔ مالیاتی گوشواروں کی الیکٹرانک ترسیل:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے نوٹیفیکیشن نمبر SRO 787(1)/2014 مورخہ 8 ستمبر 2014ء کے تحت کمپنیوں کو یہ اجازت دی ہے کہ وہ اپنے سالانہ آڈٹ شدہ مالیاتی گوشوارے بشمول سالانہ جنرل میٹنگ کا نوٹس، ان ممبران کو جو اس سہولت سے فائدہ اٹھانا چاہتے ہیں انہیں بذریعہ ڈاک بھیجنے کے بجائے بذریعہ ای میل ارسال کرے۔ جو ممبران مذکورہ گوشوارے اور سالانہ جنرل میٹنگ کے نوٹس کو بذریعہ ای میل وصول کرنا چاہتے ہیں ان سے درخواست کی جاتی ہے کہ وہ کمپنی کی ویب سائٹ <http://www.yousufdewan.com/DSML/index.html> پر دستیاب درخواست فارم پر اپنی تحریری رضامندی فراہم کریں۔

۸۔ باضابطہ طور پر یا بذریعہ ویڈیو کانفرنس سالانہ جنرل میٹنگ (AGM) میں شرکت:

کمپنی تمام شیئرز ہولڈرز کو سالانہ جنرل میٹنگ میں بذریعہ ویڈیو لنک شرکت کی سہولت فراہم کرے گی۔

جو شیئرز ہولڈرز سالانہ جنرل میٹنگ میں الیکٹرانک طور پر شرکت کے خواہشمند ہوں ان سے درخواست کی جاتی ہے کہ وہ اپنی تفصیلات درج ذیل جدول کے مطابق سالانہ جنرل میٹنگ سے 48 گھنٹے قبل مقررہ ای میل ایڈریس dsml.corp@yousufdewan.com پر بھیج کر اپنی رجسٹریشن کرائیں: (۱) ممبر کا نام (۲) کمپیوٹرائزڈ شناختی کارڈ/این ٹی این نمبر (۳) فولیو نمبر/ CDC IAS نمبر (۴) موبائل نمبر اور (۵) ای میل ایڈریس۔

ممبران کو مندرجہ بالا ضروریات کے مطابق ضروری تصدیق کے بعد رجسٹر کیا جائے گا اور کمپنی کی طرف سے ای میل کے ذریعے ایک ویڈیو لنک فراہم کیا جائے گا۔

صرف وہ ممبران ہی ویڈیو کانفرنس کے ذریعے سالانہ جنرل میٹنگ کیلئے اہل تصور کئے جائیں گے جن کے نام رجسٹریشن کے لیے کمپنی کے ساتھ شیئر کی گئی تفصیلات (جیسا کہ اوپر بتایا گیا ہے) کے مطابق ہوں گے۔
لاگ ان کی سہولت صبح 10:45 بجے سے سالانہ جنرل میٹنگ کے اختتام تک کھلی رہے گی۔

۹۔ اسپیشل ایجنڈا آؤٹرز کیلئے ای ووٹنگ:

یہاں یہ مطلع کیا جاتا ہے کہ کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 اور اس کی ترامیم SRO 2192(1)/2022 مورخہ 5 دسمبر 2022ء کے ذریعے مطلع کیا گیا ہے کہ ممبران کو مذکورہ ضوابط میں بیان کردہ شرائط کے مطابق سالانہ جنرل میٹنگ میں خصوصی کاروبار کے لیے ووٹ کا حق استعمال کرنے کی اجازت ہوگی۔ کمپنی اپنے ممبران کو ووٹنگ کے لیے درج ذیل اختیارات فراہم کرے گی:

۱۔ میٹنگ میں حاضری کے لئے:

- i- کسی ایک فرد کے معاملے میں اکاؤنٹ ہولڈر اپنی شناخت ثابت کرنے کے لئے اپنے ہمراہ قومی شناختی کارڈ یا قومی پاسپورٹ لائیں گے۔
- ii- میٹنگ میں کارپوریٹ اکائی کی نمائندگی کے معاملے میں اپنے ہمراہ بورڈ آف ڈائریکٹرز کی جانب سے دی گئی پاور آف اٹارنی لائیں گے جس میں نامزد کردہ شخص کے حق میں تمام بورڈ کے ممبران کے دستخط ہونگے۔

ب۔ پراکسی کی نامزدگی کے لئے:

- i- کسی ایک فرد کے معاملے میں میٹنگ میں شرکت کے لئے اکاؤنٹ ہولڈر اور سب اکاؤنٹ ہولڈر اور وہ شخص جس کے حصص گروپ اکاؤنٹ میں موجود ہیں اپنے ہمراہ پراکسی فارم لیکر آئیں گے۔
- ii- کسی دو اشخاص کے معاملے میں فارم پر دونوں فریق کے قومی شناختی کارڈ نمبر اور ایڈریس پراکسی فارم پر موجود ہونے چاہئے۔
- iii- نامزد کردہ پراکسی اور اصل شیئر ہولڈر کے شناختی کارڈ کی دو تصدیق شدہ نقول لازمی ساتھ ہونی چاہئے۔
- iv- نامزد کردہ پراکسی میٹنگ میں شمولیت کے وقت اپنے ہمراہ اصل شناختی کارڈ لیکر آئیں گے۔
- v- میٹنگ میں کارپوریٹ اکائی کی نمائندگی کے معاملے میں اپنے ہمراہ بورڈ آف ڈائریکٹرز کی جانب سے دی گئی پاور آف اٹارنی لائیں گے جس میں نامزد کردہ پراکسی شخص کے حق میں تمام بورڈ کے ممبران کے دستخط ہونگے اور پراکسی فارم بھی لازمی ہے۔

۵۔ نوٹس برائے شیئر ہولڈرز جنہوں نے اپنے کمپیوٹرائزڈ شناختی کارڈ فراہم نہیں کئے:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے S.R.O. 831(1)/2012 مورخہ 05 جولائی 2012ء کے تحت مستقبل کے ڈویڈنڈ وارنٹس کے اجراء کیلئے شیئر ہولڈرز کا کمپیوٹرائزڈ شناختی کارڈ لازمی ہے اور ایسی معلومات کی عدم موجودگی میں، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی مذکورہ ہدایت کے مطابق ڈویڈنڈ کی ادائیگی روکی جاسکتی ہے۔ لہذا، جن شیئر ہولڈرز نے ابھی تک اپنے کمپیوٹرائزڈ شناختی کارڈ فراہم نہیں کیے ہیں انہیں ایک بار پھر ہدایت کی جاتی ہے کہ وہ اپنے کمپیوٹرائزڈ شناختی کارڈ کی تصدیق شدہ کاپیاں بغیر کسی تاخیر کے براہ راست ہمارے شیئر رجسٹرار کو فراہم کریں۔

۶۔ شیئر ہولڈرز کیلئے ای ڈویڈنڈ مینڈیٹ:

ڈویڈنڈ کی نقد ادائیگی کے عمل کو مزید موثر کے لیے، ای ڈویڈنڈ میکانزم کا نظام قائم کیا گیا ہے، جہاں شیئر ہولڈرز الیکٹرانک طریقے سے بغیر کسی تاخیر کے اپنے متعلقہ بینک اکاؤنٹ میں ڈویڈنڈ کی رقم حاصل کر سکتے ہیں۔ اس طرح، ڈویڈنڈ متعلقہ بینک اکاؤنٹس میں فوری طور پر جمع ہو سکتا ہے اور پوسٹ میں گم ہونے، فراہم نہ کیے جانے یا غلط ایڈریس وغیرہ پر ڈویڈنڈ وارنٹس نہیں پہنچتے۔ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے نوٹس نمبر SM/CDC 2008 (4) مورخہ 15 اپریل 2013ء کے تحت تمام لسٹڈ کمپنیوں کو ای ڈویڈنڈ میکانزم کو اپنانے کا مشورہ دیا گیا تھا کیونکہ اس سے شیئر ہولڈرز کو فوائد حاصل ہوتے ہیں۔ مندرجہ بالا کو مدنظر رکھتے ہوئے، آپ کو اس کے ذریعے ای ڈویڈنڈ کے لئے ڈویڈنڈ مینڈیٹ فراہم کرنے کی ترغیب دی جاتی ہے جس میں ڈویڈنڈ مینڈیٹ فارم مکمل طور پر پُر کیا ہو اور دستخط شدہ ہو۔



نوٹس برائے سالانہ عمومی میٹنگ

آپ کو مطلع کیا جاتا ہے کہ دیوان شوگر ملز لمیٹڈ ("DSML" یا "کمپنی") کے 42 ویں سالانہ عمومی اجلاس کا انعقاد بروز ہفتہ مورخہ 27 جنوری 2024ء، بوقت 11:00 بجے صبح دیوان سینٹ لمیٹڈ کی فیکٹری سائٹ دیہی ڈھنڈو دھابھی ضلع ملیر میں ہوگا جس میں بعد از تلاوت قرآن پاک اور دیگر مذہبی ادائیگیوں کے بعد مندرجہ ذیل معاملات زیر بحث لائے جائیں گے۔

- ۱- مورخہ 26 جنوری 2023ء بروز جمعرات کو ہونے والی کمپنی کی سالانہ عام میٹنگ کے منٹس کو حتمی کیا جائے۔
- ۲- جانچ پڑتال کے بعد کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشوارے برائے اختتام سال 30 ستمبر 2023ء بشمول ڈائریکٹرز اور آڈیٹرز کی رپورٹ کی منظوری دی جائے۔
- ۳- آنے والے سال کے لئے آڈیٹرز کی تعیناتی کی جائے اور ان کا معاوضہ طے کیا جائے۔
- ۴- چیئرمین سے اجازت کے بعد دیگر کاروبار پر نظر ثانی۔

بجلم بورڈ
محمد حنیف جرسن
کمپنی سیکریٹری

کراچی
تاریخ: 05 جنوری 2024ء

نوٹس:

- ۱- کمپنی کی شیئرز ٹرانسفر کے کھاتے 20 جنوری 2024ء سے 27 جنوری 2024ء (بشمول دونوں دن) تک بند رہیں گے۔
- ۲- ممبران سے درخواست کی جاتی ہے کہ وہ اپنے پتے کی تبدیلی کو فوراً کمپنی کے علم میں لائیں اور اس کی اطلاع ہمارے شیئرز رجسٹرار ٹرانسفر ایجنٹ (بی ایم ایف کنسلٹنٹس پاکستان پرائیویٹ لمیٹڈ، انعم اسٹیٹ بلڈنگ، روم نمبر 310، 311، تیسری منزل، 49 دارالامان سوسائٹی، شاہراہ فیصل نزد بلوچ کالونی ٹیل) کو دیں۔
- ۳- کمپنی کے ممبر میٹنگ میں حاضر ہونے اور ووٹ دینے کا اختیار کسی دوسرے کو بطور پراکسی دے سکتے ہیں۔ مکمل ہر کئے ہوئے پراکسی فارم مورخہ میٹنگ کے شروع ہونے سے 48 گھنٹے پہلے تک کمپنی کو موصول ہو جانے چاہیں۔
- ۴- CDC کاؤنٹ ہولڈرز کے لئے سرکلر نمبر 01، مورخہ 20 جنوری 2000ء کے مطابق سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کی روشنی میں درج ذیل ہدایات پر عمل کرنا ضروری ہے۔

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DEWAN SUGAR MILLS LIMITED
42nd ANNUAL GENERAL MEETING
PROXY FORM
IMPORTANT

This form of Proxy duly completed must be deposited at our Shares Registrar Transfer Agent **BMF Consultants Pakistan (Private) Ltd.** Anum Estate Building, Room No. 310 & 311, 3rd Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal, Adjacent Baloch Colony Bridge, Karachi-75350, Pakistan. Not later than 48 hours before the time of holding the meeting A Proxy should also be a member of the Company.

I/We _____ of
_____ being a member
of **Dewan Sugar Mills Limited** and holder of _____
_____ Ordinary shares as per Registered Folio No./CDC
Participant's ID and Account No _____ hereby appoint
_____ of
_____ who is also
member of **Dewan Sugar Mills Limited** vide Registered Folio No./CDC Participant's ID
and Account No. _____ my/our proxy to vote for me/our behalf at the 42nd Annual General
Meeting of the Company to be held on **Saturday, January 27, 2024, at 11:00 a.m.**
adjournment thereof.
Signed this _____ day of _____ 2024.

Affix
Revenue
Stamp
Rs. 5/-

Signature _____

Witness: _____

Signature

Name: _____

Address: _____

Witness: _____

Signature

Name: _____

Address: _____

پراکسی فارم ۲۲ واں سالانہ اجلاس عام

اہم اعلان

یہ پراکسی فارم مکمل پر کر کے ہمارے رجسٹرار شیئر ٹرانسفر ایجنٹ، بی ایم ایف کنسلٹنٹ (پرائیویٹ) لمیٹڈ، انعم اسٹیٹ بلڈنگ، روم نمبر 310 اور 311، تیسری منزل، 49، دارالمان سوسائٹی، شاہراہ فیصل، ملحقہ بلوچ کالونی پل، کراچی۔ 75350، پاکستان۔ کے آفس میں، میٹنگ کے انعقاد سے اڑتالیس گھنٹے پہلے یہ فارم ضرور جمع کروادیں، کسی بھی پراکسی کا کمپنی کا ممبر ہونا ضروری ہے۔

میں / ہم _____ کا (مکمل پتہ)

_____ بحیثیت ممبر

دیوان شوگر ملز لمیٹڈ کے _____ حصص کے مالک، رجسٹرڈ فوئیو نمبر /

سی ڈی سی آئی ڈی اور کھاتہ نمبر _____ میں

بطور پراکسی تقرر کرتا / کرتی ہوں _____ کا (مکمل پتہ)

جو بذات خود بھی _____

_____ دیوان شوگر ملز لمیٹڈ

_____ سی ڈی سی آئی ڈی اور کھاتہ نمبر

جو کہ میری / ہماری غیر موجودگی کی صورت میں کمپنی کے ۲۲ واں سالانہ اجلاس عام جو کہ بروز ہفتہ، ۲۷ جنوری ۲۰۲۳ کو صبح ۱۱:۰۰ بجے، ہے، میری / ہماری جانب سے ووٹ دے۔

بطور گواہ میں / ہم نے بروز _____ بتاریخ _____ ۲۰۲۳ کو میرے / ہمارے ہاتھ سے مہر لگائی۔

Affix
Revenue
Stamp
Rs. 5/-

دستخط _____

گواہ: _____

نام: _____

مکمل پتہ: _____

گواہ: _____

نام: _____

مکمل پتہ: _____