



## **CONTENTS**

Company Information.....	3
Directors' Report.....	4
Review Report to the Members.....	6
Condensed Interim Balance Sheet.....	7
Condensed Interim Profit and Loss Account .....	8
Condensed Interim Statement of Comprehensive Income.....	9
Condensed Interim Cash Flow Statement.....	10
Condensed Interim Statement of Changes in Equity.....	11
Statement of Segmentwise Operating Results.....	12
Notes to the Condensed Interim Financial Statements.....	13

## COMPANY INFORMATION

### CHAIRMAN BOARD OF DIRECTORS

Dewan Muhammad Yousuf Farooqui

### EXECUTIVE DIRECTORS

Ghazanfar Baber Siddiqui  
Dewan Abdul Rehman Farooqui

### NON-EXECUTIVE DIRECTORS

Dewan Muhammad Yousuf Farooqui  
Dewan Abdul Baqi Farooqui  
Haroon Iqbal  
Syed Muhammad Anwar

### 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

Junaidy Shoaib Asad  
Chartered Accountants

### TAX ADVISOR

Sharif & Company - Advocates

### LEGAL ADVISOR

A.K. Brohi & Company Advocates

### AUDIT COMMITTEE

Aziz-ul-Haque  
Haroon Iqbal  
Syed Muhammad Anwar

Chairman  
Member  
Member

### HUMAN RESOURCE & REMUNERATION COMMITTEE MEMBERS

Dewan Muhammad Yousuf Farooqui  
Ghazanfar Baber Siddiqui  
Haroon Iqbal

Chairman  
Member  
Member

### BANKERS

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

NIB Bank Limited  
Meezan Bank Limited  
Silk Bank Limited  
Bank of Punjab Limited

### REGISTERED OFFICER:

7<sup>th</sup> Floor, Finance & Trade Centre, Block-A,  
Shahrah-e-Faisal, Karachi, Pakistan.

### CORORATE 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,  
3<sup>rd</sup> Floor, 49, Darul Aman Society,  
Main Shahrah-e-Faisal, Adjacent Baloch Colony,  
Karachi, Pakistan.

### FACTORY

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

### WEBSITE

[www.yousufdewan.com](http://www.yousufdewan.com)

## **DIRECTORS' REPORT**

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

Dear Shareholder(s),

Assalam-o-Alaikum

Your Directors take pleasure in presenting you the unaudited condensed interim financial statements of the Company for the half year ended March 31, 2015.

### **Financial Results.**

During the period under consideration, your Company has suffered after tax loss of Rs.490.60 million, as compared to loss of Rs.63.50 million in the corresponding period.

### **Performance Review**

#### **Sugar Segment**

The plant started its crushing on 19th December 2014 and operated (89 days) till 17th March 2015 as compared to last year plant operated for 92 days. During this period your Company was able to crush only 526,425 tons of sugar cane with average sucrose recovery of 9.954% and refined sugar production of 52,405 tons as compared with crushing of 634,634 tons with average sucrose recovery of 10.18% and refined sugar production of 64,600 M. Tons last season, showing 17% and 19% decline in crushing and production respectively. Sindh Govt. initially fixed the minimum support price of Rs. 182/- per 40kg as against Rs. 172/- last season, which was higher by 5.50%. However the Sindh High Court in its decision fixed the raw material price at Rs.172/- per 40 kg. as an interim arrangement, following the provincial Government's decision to pay Rs.12/- as subsidy to the growers till the apex court reached a final decision.

During the period sugar segment suffered 211.95 million loss as compared to loss of 47.85 million in the last period. The main reason for this heavy losses was due to limited working capital and unavailability of pledge facilities by financial institutions and we had no other option except to off load our entire stock with losses in order to maintain smooth crushing and keep per ton cost down to curtail further losses. Currently prices of white sugar is Rs.7/- per Kg. higher than peak season time and we could not get benefit from current higher prices.

#### **Distillery Segment**

Distillery unit produced 10,357 tons of Alcohol during the period under review as compared to 13,045 tons of Alcohol produced during the corresponding period last year. During the period the plant ceased to operate from November 1, to January 8 2015, due to non availability of raw material and yearly plant repair & maintenance.

Keeping in view low ethanol prices globally because of fall in petroleum prices and limited short period of operation the profitability of this unit is not the same as previous. However we hope that unit will perform positively in the remaining period.

#### **Chip Board Segment**

Chip Board plant has produced 94,700 sheets during the period under review as against last period 82,550 sheets were produced. Management is focused on producing value added products which are well accepted in market and enhanced its production which was possible by recently new power supply from our distillery unit, which was earlier dependent on poor supply of electricity from WAPDA. This will make possible board unit to improve its profitability.

**Polypropylene Segment**

Polypropylene segment will start its production in the coming quarter and letter of credits for its raw materials import have been established.

Company whilst aggressively improving the contribution to the government exchequer, is also positively contributing towards economic development of the country.

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

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

*By and under Authority of the Board of Directors*



**Haroon Iqbal**  
Director



**Dewan Abdul Rehman Farooqui**  
Director

**Statement under section 241(2) of the Companies Ordinance, 1984**

The Chief Executive Officer & Chairman of the Company is presently out of the Country, therefore this report has been signed by two Directors of the Company duly authorized by the Board of Directors.

Place : Karachi

Date : May 28, 2015

**AUDITORS' REVIEW REPORT TO THE MEMBERS ON REVIEW  
OF CONDENSED INTERIM FINANCIAL STATEMENTS****Introduction**

We have reviewed the accompanying Condensed balance sheet of Dewan Sugar Mills Limited ("the company") as at March 31, 2015 and the related Condensed profit and loss account, Condensed Statement of Comprehensive Income, Condensed cash flow statement, Condensed statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the 'Condensed interim financial statements') for the six months period then ended. Management is responsible for the preparation and Presentation of this Condensed interim financial statements in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this Condensed interim financial statements based on our review. The figures of the condensed interim profit and loss account for the quarters ended March 31, 2015 and March 31, 2014 have not been reviewed as we are required to review only the cumulative figures for the Six month ended March 31, 2015.

**Scope of Review**

We conducted our review in accordance with the International Standard on review engagements 2410, "Review of Condensed interim financial statements performed by the independent Auditor of the Entity". A review of Condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Unqualified Conclusion**

Based on our review nothing has come to our attention that causes us to believe that the accompanying Condensed interim financial statements as of and for the six months period ended March 31, 2015 are not prepared, in all material respects, in accordance with approved accounting standard as applicable in Pakistan.



CHARTERED ACCOUNTANTS

Audit Engagement Partner: Mohammad Ghalib

Place : Karachi  
Date : May 28, 2015

# DEWAN SUGAR MILLS LIMITED

## CONDENSED INTERIM BALANCE SHEET FOR THE HALF YEAR ENDED MARCH 31, 2015

ASSETS		(Un-Audited) Mar.31, 2015	(Audited) Sep.30, 2014
NON-CURRENT ASSETS	Notes	(Rupees in '000')	
Property, Plant and Equipment	4	3,211,554	3,323,748
<b>CURRENT ASSETS</b>			
Stores, Spares and Loose Tools		408,115	415,572
Stock-in-Trade		1,463,695	541,098
Trade Debts - Unsecured, Considered Good		151,664	325,754
Loans and Advances - Unsecured, Considered Good		669,153	975,309
Trade Deposits, Short-Term Prepayments and Current Balances with Statutory Authorities		20,771	14,351
Income Tax Refunds and Advances		127,969	102,804
Short Term Investment - Related Party	5	71,936	90,909
Cash and Bank Balances		39,479	88,850
		<b>2,952,782</b>	<b>2,554,647</b>
		<b>6,164,336</b>	<b>5,878,395</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized Capital</b>			
70,000,000 (Sept 2014: 50,000,000) Ordinary Shares of Rs. 10/- each	6	700,000	500,000
Issued, Subscribed and Paid-up Capital		665,120	365,120
Reserves and Surplus		(728,826)	(261,489)
		(63,706)	103,631
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT &amp; EQUIPEMNT (Net)</b>		859,134	901,375
<b>NON-CURRENT LIABILITIES</b>			
Sponsors Loan - Unsecured	7	146,713	196,726
Re-schedule Term Finance	8	2,045,191	2,273,724
Liabilities Against Assets Subject to Finance Lease -Secured	9	18,468	20,350
Deferred Liabilities	10	49,069	72,084
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables - Unsecured		1,629,629	1,095,419
Interest, Profit, Mark-up Accrued on Loans and Other Payables		-	9,003
Short Term Finances - Secured	11	571,163	423,683
Current Portion of Non-Current Liabilities	8 & 9	733,676	630,401
Provision for Taxation		174,999	151,999
		<b>3,109,467</b>	<b>2,310,505</b>
<b>CONTINGENCIES &amp; COMMITMENTS</b>	12	-	-
		<b>6,164,336</b>	<b>5,878,395</b>

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



**Haroon Iqbal**  
Director



**Dewan Abdul Rehman Farooqui**  
Director

**Statement under section 241(2) of the Companies Ordinance, 1984**

The Chief Executive Officer of the Company is presently out of the Country, therefore these financial statements have been signed by two Directors of the Company duly authorized by the Board of Directors.



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)  
FOR THE HALF YEAR ENDED MARCH 31, 2015**

	Half Year Ended		Quarter Ended	
	Mar.31, 2015	Mar.31, 2014	Mar.31, 2015	Mar.31, 2014
	(Rupees in '000')			
<b>Sales</b>	2,292,355	3,481,583	1,939,866	2,637,424
<b>Cost of Sales</b>	(2,434,687)	(3,370,613)	(1,900,473)	(2,443,631)
<b>Gross (Loss)/Profit</b>	(142,332)	110,970	39,393	193,793
Administrative and General Expenses	(49,990)	(41,979)	(26,439)	(23,246)
Distribution and Selling Costs	(52,254)	(72,382)	(29,588)	(36,230)
Other Operating Income	3,178	2,841	2,344	2,160
Other Charges	(184,853)	-	(184,853)	-
<b>(Loss)/Profit from Operations</b>	(426,251)	(550)	(199,143)	136,477
Finance Cost	(62,158)	(52,711)	(34,816)	(29,502)
<b>(Loss)/Profit before Income Tax</b>	(488,409)	(53,261)	(233,959)	106,975
Taxation	(2,195)	(10,247)	(9,103)	(14,693)
<b>(Loss)/Profit for the period (after Income Tax)</b>	(490,604)	(63,508)	(243,062)	92,282
<b>(Loss)/Profit per Share - Basic</b>	(11.93)	(1.74)	(5.91)	2.53

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

**Haroon Iqbal**  
Director

**Dewan Abdul Rehman Farooqui**  
Director

**Statement under section 241(2) of the Companies Ordinance, 1984**

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# DEWAN SUGAR MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2015

	Half Year Ended		Quarter Ended	
	Mar.31, 2015	Mar.31, 2014	Mar.31, 2015	Mar.31, 2014
	(Rs. in '000')			
(Loss)/Profit for the Period	(490,604)	(63,508)	(243,062)	92,282
Available for Sale Financial Assets:				
Changes in Fair Value	(18,974)	24,434	(45,592)	14,060
<b>Total Comprehensive (Loss)/Income for The Period</b>	<b>(509,578)</b>	<b>(39,074)</b>	<b>(288,654)</b>	<b>106,342</b>

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



**Haroon Iqbal**  
Director



**Dewan Abdul Rehman Farooqui**  
Director

**Statement under section 241(2) of the Companies Ordinance, 1984**

The Chief Executive Officer of the Company is presently out of the Country, therefore these financial statements have been signed by two Directors of the Company duly authorized by the Board of Directors.

## CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2015

	Mar.31, 2015	Mar.31, 2014
(Rupees in '000')		
<b>Cash Flow from Operating Activities</b>		
(Loss) Before Taxation	(488,409)	(53,261)
Adjustment for Non-Cash and Other Items:		
Depreciation	126,620	138,343
Financial Charges	62,158	52,711
Amortization of Loan	184,853	--
	373,631	191,054
	(114,778)	137,793
<b>Changes in Operating Assets and Liabilities</b>		
<i>(Increase) / Decrease in Current Assets</i>		
Stores and Spares	7,456	(6,339)
Stock in Trade	(922,598)	(1,028,827)
Trade Debts	174,090	(162,597)
Loans and Advances	306,156	52,324
Trade Deposits, Prepayments & Other Balances	(6,420)	(4,181)
<i>Increase / (Decrease) in Current Liabilities</i>		
Trade and Other Payables	534,210	680,772
Short Term Finances	147,480	371,017
	240,374	(97,831)
Taxes Paid	(25,165)	(18,648)
Financial Charges Paid	(26,538)	(16,622)
Gratuity Paid	(2,209)	(2,424)
	(53,912)	(37,694)
<b>Net Cash Flows from Operating Activities</b>	71,684	2,268
<b>Cash Flow from Investing Activities</b>		
Fixed Capital Expenditure	(14,426)	(13,195)
<b>Net Cash Out Flows from Investing Activities</b>	(14,426)	(13,195)
<b>Cash Flow from Financing Activities</b>		
Sponsors Loan	(256,860)	206,860
Right issue of Paid-up Capital	300,000	--
Syndicated Term Finance Secured	(145,348)	(191,014)
Morabaha Payment	(2,538)	(1,320)
Lease Finance	(1,883)	(979)
<b>Net Cash Out Flows from Financing Activities</b>	(106,629)	13,547
Net (Decrease)/ Increase in Cash and Bank Balances	(49,371)	2,620
Cash and Bank Balances at Beginning of the Period	88,850	45,532
Cash and Bank Balances at the End of the Period	39,479	48,152

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



**Haroon Iqbal**  
Director



**Dewan Abdul Rehman Farooqui**  
Director

**Statement under section 241(2) of the Companies Ordinance, 1984**

The Chief Executive Officer of the Company is presently out of the Country, therefore these financial statements have been signed by two Directors of the Company duly authorized by the Board of Directors.

# DEWAN SUGAR MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2015

	Issued, Subscribed & Paid-up Capital	General Reserve	Accumulated Profit/( Loss)	Total
(Rupees in '000')				
Balance as on October 01, 2013 (Restated)	365,120	190,000	(458,627)	96,493
Total comprehensive Loss for the period	--	--	(39,074)	(39,074)
Transfer of incremental depreciation on the revalued items of property, plant and equipment, from the Surplus account (Net of Tax)	--	--	45,970	45,970
<b>Balance as on March 31, 2014</b>	<b>365,120</b>	<b>190,000</b>	<b>(451,731)</b>	<b>103,389</b>
Balance as on October 01, 2014	365,120	190,000	(451,489)	103,631
Total comprehensive income for the period	--	--	(509,578)	(509,578)
Right issue of paid up capital	300,000	--	--	300,000
Transfer of incremental depreciation on the revalued items of property, plant and equipment, from the Surplus account (Net of Tax)	--	--	42,241	42,241
<b>Balance as on March 31, 2015</b>	<b>665,120</b>	<b>190,000</b>	<b>(918,826)</b>	<b>(63,706)</b>

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



**Haroon Iqbal**  
Director



**Dewan Abdul Rehman Farooqui**  
Director

**Statement under section 241(2) of the Companies Ordinance, 1984**

The Chief Executive Officer of the Company is presently out of the Country, therefore these financial statements have been signed by two Directors of the Company duly authorized by the Board of Directors.

**CONDENSED INTERIM SEGMENTWISE OPERATING RESULTS(UN-AUDITED)  
FOR THE HALF YEAR ENDED MARCH 31, 2015**

	Sugar Segment		Polypropylene Segment		Board and Panel Segment		Distillery Segment		Total	
	Mar-15	Mar-14	Mar-15	Mar-14	Mar-15	Mar-14	Mar-15	Mar-14	Mar-15	Mar-14
<b>Gross Sales</b>										
Local Exports	1,539,974	2,286,632	-	-	46,033	78,956	46,092	12,605	1,632,099	2,378,194
	-	296,278	-	-	-	-	793,710	976,598	793,710	1,272,876
	1,539,974	2,582,910	-	-	46,033	78,956	839,802	989,203	2,425,809	3,651,070
<b>Sales Commission</b>										
Sales Tax /Special Excise Duty	1,599	2,548	-	-	-	-	4,041	4,904	5,640	7,452
	114,072	148,162	-	-	7,022	12,006	6,720	1,867	127,814	162,035
	115,671	150,710	-	-	7,022	12,006	10,761	6,771	133,454	169,487
<b>Net Sales</b>	1,424,303	2,432,200	-	-	39,011	66,950	829,041	982,432	2,292,355	3,481,583
<b>COST OF SALES</b>										
Gross Profit / Loss	1,591,977	2,429,458	5,512	5,090	45,030	76,617	792,168	859,448	2,434,687	3,370,613
	(167,674)	2,742	(5,512)	(5,090)	(6,019)	(9,667)	36,873	122,984	(142,332)	110,970
<b>Administrative Expenses</b>										
Selling and Distribution Costs	41,805	35,513	135	109	270	257	7,780	6,100	49,990	41,979
	2,467	15,079	-	-	-	-	49,787	57,303	52,254	72,382
	44,272	50,592	135	109	270	257	57,567	63,403	102,244	114,361
<b>Segment Results</b>	(211,946)	(47,850)	(5,647)	(5,199)	(6,289)	(9,924)	(20,696)	59,581	(244,576)	(3,391)

*(Rupees in '000')*



**Haroon Iqbal**  
Director



**Dewan Abdul Rehman Farooqui**  
Director

**Statement under section 241(2) of the Companies Ordinance, 1984**

The Chief Executive Officer of the Company is presently out of the Country, therefore these financial statements have been signed by two Directors of the Company duly authorized by the Board of Directors.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED MARCH 31, 2015**

**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 Ordinance, 1984) and its shares are listed on the Karachi and Lahore Stock Exchanges in Pakistan. The registered office of the company is situated at 7th floor, block-A Finance and Trade Centre Shahara-e-faisal, Karachi, Pakistan; while its manufacturing facilities are located at Jillaniabad, Budho Talpur, Taluka: Mirpur Bathoro, District: Thatta, Sindh, Pakistan, The Principal activity of the Company is production and sale of white crystalline refined sugar, processing and trading of by-products, and other related activities and allied products.

**2 STATEMENT OF COMPLIANCE**

These condensed interim financial statements are un-audited but subject to limited scope review by the auditors. These financial statements are un-audited and are being submitted to the share holders under the requirement of section 245 of the Companies Ordinance 1984. These condensed interim financial statements of the company for the six months period ended March 31, 2015 has been prepared in accordance with the requirements of International Accounting Standard (IAS) -34 " Interim Financial Reporting" and Provisions of and directives issued under the companies Ordinance, 1984, in case where the requirements differ, the provision of or directives issued under the Companies Ordinance, 1984 have been followed.

The figures of the condensed interim profit and loss account for the quarters ended March 31, 2014 and 2015 have not been reviewed by the auditors of the company as they have reviewed the cumulative figures for the half years ended March 31, 2014 and 2015. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the company's annual financial statements for the year ended September 30, 2014.

**3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and method of computation adopted in the preparation of these financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the preceding year ended September 30, 2014.

	March 31, 2015	September 30, 2014
	(Rupees in '000')	
<b>4 PROPERTY, PLANT AND EQUIPMENTS</b>		
Written Down Value Opening	3,246,048	3,483,490
Capital work-in-progress	-	77,700
Addition during the period	92,126	37,765
Depreciation for the period	(126,620)	(275,207)
	3,211,554	3,323,748

Fixed capital expenditure during the period amounted to Rs.92.126million (September 30, 2014:Rs.115.465 million).

**5 SHORT TERM INVESTMENT - Related Party**

The Market value of Dewan Farooque Motors Limited as at March 31, 2015 was Rs. 5.27 per share and as of financial statement issuing date the market value of above share are Rs. 6.20 per share. Had the company account for the effect of change in market value of accounts issuing date the value of investment would have been increased by Rs.12.69 million and the loss for the current period have been decreased by Rs.12.69 million.

	<b>March 31,</b>	<b>September 30,</b>
	<b>2015</b>	<b>2014</b>
	<b>(Rupees in '000')</b>	
<b>6 SHARE CAPITAL AND RESERVES</b>		
<b>Authorized Capital</b>		
50,000,000 (Sept 2014: 50,000,000) Ordinary Shares of Rs. 10/- each	500,000	500,000
<u>20,000,000 Increase in Authorized Capital Ordinary Share of Rs. 10/- each</u>	<u>200,000</u>	<u>-</u>
<u>70,000,000 (Sept 2014: 50,000,000) Ordinary Shares of Rs. 10/- each</u>	<u>700,000</u>	<u>500,000</u>
Issued, Subscribed and Paid-up Capital at beginning	365,120	365,120
Right issue of paid up capital from sponsor loan	<u>300,000</u>	<u>-</u>
	665,120	365,120
Reserves and Surplus	<u>(728,826)</u>	<u>(261,489)</u>
	(63,706)	103,631
	<b>March 31,</b>	<b>September 30,</b>
	<b>2015</b>	<b>2014</b>
<b>7 SPONSORS LOAN - UNSECURED</b>		
Opening Balance	780,204	443,344
Addition during the period	<u>43,140</u>	<u>336,860</u>
	823,344	780,204
Right issue of paid up capital from sponsor loan	(300,000)	-
Present value adjustment	(398,625)	(594,719)
Add; Amortization Discount Charged to P&L	<u>21,994</u>	<u>11,241</u>
	<u>146,713</u>	<u>196,726</u>

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

## DEWAN SUGAR MILLS LIMITED

		March 31, 2015	September 30, 2014
		(Rupees in '000')	
<b>8</b>	<b>SYNDICATED LONG TERM FINANCE - SECURED</b>		
	<b>Re-schedule Term Finance</b>		
	<b>FIRST NATIONAL BANK MODARBAHA</b>		
	Principal Amount	27,588	31,446
	<b>MARK UP PAYABLE</b>		
	Mark-up payable on Reschedule Term Finance	191,250	168,750
	Mark-up payable (First National Bank Modaraba)	975	845
		<u>2,922,988</u>	<u>3,219,541</u>
	Less: Repayment during the period	<u>147,888</u>	<u>319,182</u>
		<u>2,775,100</u>	<u>2,900,359</u>
	Classified as current portion		
	Current Maturity	<u>502,323</u>	<u>502,323</u>
	Overdue installments	<u>227,586</u>	<u>124,312</u>
	Less : Current Maturity on Long Term Loan	<u>729,909</u>	<u>626,635</u>
		<u>2,045,191</u>	<u>2,273,724</u>
<b>8.1</b>	This amount represent outstanding balance of rescheduled settled amount as per compromising decree dated February 18, 2011 granted by Honourable High Court of Sindh at Karachi. As per terms 32 quarterly instalments of principal loan ranging from Rs.57.09 million to Rs. 143.858 million will be payable in ten years with one year grace period with no mark-up through out the repayment period. The repayments of loan had been started from March 30, 2012 and last payment will be made on December 30, 2020		
<b>8.2</b>	This amount represents principal outstanding rescheduled amount approved by the management of First National Bank Modaraba on June 15, 2011. The Principal amount will be paid in 32 quarterly un-equal instalments of Rs. 0.558 million to 1.520 million repayable in 10 year including grace Period of one year instalments commencing from 16th June, 2012 and the last instalment will be paid on March 16, 2021. No mark up will be charged during the period of tenure.		
<b>8.3</b>	This amount represents accumulated running balance of token mark up of Rs 450 million payable to Syndicated (Summit Bank & Other) in 4 equal quarterly instalments of Rs. 112.5 million each. The mark-up will be accrued quarterly in ten years for 40 equal instalment of Rs. 11.250 million.		
<b>8.4</b>	This amount represents accumulated running balance of token mark up of Rs 2.525 million payable to First National Bank Modaraba in 4 equal quarterly instalments of Rs.0.631 million each. The mark-up will be accrued quarterly in 9 years for 36 equal instalment of Rs.0.065 million.		
<b>9</b>	<b>LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE</b>		
	Present value of minimum lease payment	22,234	24,116
	Current Maturity	<u>(3,766)</u>	<u>(3,766)</u>
		<u>18,468</u>	<u>20,350</u>
<b>10</b>	<b>DEFERRED LIABILITIES</b>		
	Deferred Tax Liability for Staff Gratuity (Provision)	11,323	13,532
	Deferred Income Tax Liability	37,746	58,552
		<u>49,069</u>	<u>72,084</u>

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

<b>11 SHORT TERM RUNNING FINANCES - SECURED</b>	<b>Note</b>	<b>March 31, September 30,</b>	
		<b>2015</b>	<b>2014</b>
		<b>(Rupees in '000')</b>	
Short term running finances - Secured	<b>11.1</b>	192,196	192,196
Cash Finance Against Pledge (NBP)	<b>11.2</b>	220,422	220,108
Cash Finance Against Pledge (Summit Bank)	<b>11.3</b>	150,000	-
Book over draft		8,545	11,379
		<b>571,163</b>	<b>423,683</b>

**11.1** This amount represent RF facility of Rs.192.196 million sanctioned by the lenders as per Court order/compromising decree. The facility is secured by the way of first charge over current assets of the Company with 20% margin. The mark-up of this facility is 3 month KIBOR plus 0.75% per annum payable quarterly basis.

**11.2** The amount represent outstanding balance of fresh Cash Finance (Pledge) Facility to the extent of Rs.250 million sanctioned by (NBP) for procurement of Molasses for further reprocessing it. The facility is on rollover basis and secured against Molasses as well as Ethenol with 15% margin excluding sales tax. The markup of this facility is 3 month KIBOR plus 1.75 per annum payable quarterly basis and markup rebate is also allowed on prompt payment of markup payment.

**11.3** Amount represent Cash Finance (Pledge) facility of Rs.150 million sanctioned by Summit Bank Ltd. The facility is secured by pledge of refined sugar stock of current season (2014-15) with 10% margin. The mark-up of this facility is 3 month KIBOR plus 3% per annum payable quarterly basis.

## **12 CONTINGENCIES & COMMITMENTS**

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

## **13 TRANSACTION WITH RELATED PARTIES**

During the period, the aggregate of the transactions made by the Company with its associated companies in respect of purchases, sales & services were for Rs.4.04 million (September 30, 2014: Rs.25.108 million).

## **14 DATE OF AUTHORIZATION FOR ISSUE**

These Financial Statements were authorized for issue on 28th May, 2015 by the board of directors of the Company.

## **15 GENERAL**

Figures have been rounded off to the nearest thousand rupees.



**Haroon Iqbal**  
Director



**Dewan Abdul Rehman Farooqui**  
Director

## **Statement under section 241(2) of the Companies Ordinance, 1984**

The Chief Executive Officer of the Company is presently out of the Country, therefore these financial statements have been signed by two Directors of the Company duly authorized by the Board of Directors.