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DEWAN SUGAR MILLS LIMITED

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
Ishtiaq Ahmed
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 Chairman
Haroon Iqbal Member
Syed Muhammad Anwar Member

HUMAN RESOURCE & REMUNERATION COMMITTEE MEMBERS
Dewan Muhammad Yousuf Farooqui Chairman
Ghazanfar Baber Siddiqui Member
Haroon Iqbal 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:
7th Floor, Finance & Trade Centre, Block-A,
Shahrah-e-Faisal, Karachi, Pakistan.
CORPORATE OFFICE
Block-A, 2nd Floor
Finance & trade Centre
Shahrah-e-Faisal, Karachi, Pakistan.

SHARE REGISTRAR / TRANSFER AGENT
BMF Consultants Pakistan (Pvt.) Limited
Annum Estate Building, Room No. 310 & 311,
3rd Floor, 49, Darul Aman Society,
Main Shahrah-e-Faisal, Adjacent Baloch Colony,
Karachi, Pakistan.

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

WEBSITE
www.yousufdewan.com

DIRECTORS' REPORT

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

Dear Shareholder(s),

Assalam-o-Alaikum

Your Directors take pleasure in presenting you the unaudited condensed interim financial statements of the Company for the period ended March 31, 2016.

Financial Results

During the period under consideration, your Company has suffered after tax loss of Rs.426.13 million, as compared to loss of Rs.490.60 million in the corresponding period.

Performance Review

Sugar Segment

The plant had started its crushing on 9th December 2015 and was operated for 78 days i.e. till 24th February 2016 as compared to 89 days last year. During this period your Company was able to crush only 246,872 tons of sugar cane with average sucrose recovery of 9.47% and refined sugar production of 23,365 tons as compared with crushing of 526,425 tons with average sucrose recovery of 9.95% and refined sugar production of 52,405 M. Tons last season, showing 53% and 55% decline in crushing and production respectively. Sindh Govt. fixed the minimum support price of Rs. 182/- per 40kg as against Rs. 172/- last season, which was higher by 5.81%. However decision of price fixing of raw material linked with refined sugar price is still pending with honorable Supreme Court.

The main reason for the heavy losses is due to non availability of working capital. Management has no other option except to sell entire stock at prevailing market prices in order to maintain smooth crushing.

Distillery Segment

Distillery unit produced 10,641 tons of Alcohol during the period under review as compared to 10,357 tons of Alcohol produced during the corresponding period last year. During the period the plant ceased to operate from September 15, to December 10, 2015 due to non availability of raw material and for yearly plant repair & maintenance.

Keeping in view low ethanol prices globally because of fall in petroleum prices since couple of years and trend is continually declining which is affecting the profitability of this unit. However with efficient management and cost cutting measure we would try our best to bring this unit in profit in the coming future.

DEWAN SUGAR MILLS LIMITED

Chip Board

Chip Board plant had produced 69,010 sheets during the period under review as against last period 94,700 sheets were produced. Feed stock cost was not viable from other sources due to short crushing season in lower sindh. The higher price of bagasse will reduce down the production. Management is focused on producing value added products and best quality of sheets to compete with market product.

Polypropylene Segment

Polypropylene segment has started its production from June 2015 after a big interval and we are hopeful for its success.

As discussed above your Company is suffering losses because of working capital constraints. Your management is negotiating with banks for rescheduling/restructuring and further assistance in shape of working capital facilities. The term of rescheduling and further working capital lines are in place. The management is foreseeing that the rescheduling process will be closed within next few months.

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



Dewan Muhammad Yousuf Farooqui
Chairman

Place : Karachi
Date : May 27, 2016

FEROZE SHARIF TARIQ & CO.

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

FEROZE SHARIF TARIQ & CO.
Chartered Accountants
4-N/4, BLOCK 6, P.E.C.H.S.,
KARACHI 75400

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

Introduction

We have reviewed the accompanying Condensed interim balance sheet of Dewan Sugar Mills Limited ("the company") as at March 31, 2016 and the related Condensed interim profit and loss account, Condensed interim Statement of Comprehensive Income, Condensed interim cash flow statement, Condensed interim 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, 2016 and March 31, 2015 have not been reviewed as we are required to review only the cumulative figures for the Six month ended March 31, 2016.

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.

- a) 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. 2.647 billion along with markup of Rs. 694.57 million (Rs.471.824 million eligible for waiver outstanding as of date of restructuring and Rs.222.750 million outstanding provision) become immediately payable, therefore provision for markup should be made in these financial statements and the long term financing of Rs. 1.535 billion should be classified under current liabilities.
- b) Had the provisions for the mark up, as discussed in preceding paragraph (a), been made in these financial statements, the loss after taxation would have been higher by Rs. 694.57 million and mark up payable would have been higher and shareholders' equity would have been lower by Rs. 694.57 million.

Qualified Conclusion

Based on our review, except for the matter discussed in the preceding paragraph (a) and (b) and its effects, 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, 2016 are not prepared, in all material respects, in accordance with approved accounting standard as applicable in Pakistan.



CHARTERED ACCOUNTANTS
Audit Engagement Partner: Mohammad Tariq

Place : Karachi
Date : May 27, 2016

DEWAN SUGAR MILLS LIMITED

**CONDENSED INTERIM BALANCE SHEET
FOR THE HALF YEAR ENDED MARCH 31, 2016**

	Notes	(Un-Audited) Mar.31, 2016 (Rupees in '000')	(Audited) Sep.30, 2015
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	4	3,967,759	3,255,983
CURRENT ASSETS			
Stores, Spares and Loose Tools		375,635	399,112
Stock-in-Trade		860,246	198,918
Trade Debts - Unsecured, Considered Good		111,385	176,518
Loans and Advances - Unsecured, Considered Good		926,864	905,452
Trade Deposits, Short-Term Prepayments and Current Balances with Statutory Authorities		18,834	15,103
Income Tax Refunds and Advances		158,562	146,647
Short Term Investment - Related Party	5	130,358	131,040
Cash and Bank Balances		25,393	39,210
		<u>2,607,277</u>	<u>2,012,000</u>
		<u>6,575,036</u>	<u>5,267,983</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Capital			
70,000,000 (Sept 2015: 70,000,000) Ordinary Shares of Rs. 10/- each		700,000	700,000
Issued, Subscribed and Paid-up Capital		665,120	665,120
Reserves and Surplus		(966,226)	(591,705)
		(301,106)	73,415
SURPLUS ON REVALUATION OF PROPERTY, PLANT & EQUIPEMNT (Net)		1,368,882	831,045
NON-CURRENT LIABILITIES			
Sponsors Loan - Unsecured	6	280,136	236,207
Re-schedule Term Finance	7	1,534,390	1,705,979
Liabilities Against Assets Subject to Finance Lease -Secured	8	14,702	16,585
Deferred Liabilities	9	238,791	14,893
CURRENT LIABILITIES			
Trade and Other Payables - Unsecured		1,884,770	1,017,374
Interest, Profit, Mark-up Accrued on Loans and Other Payables		-	3,759
Short Term Finances - Secured	10	227,479	220,760
Current Portion of Non-Current Liabilities	7 & 8	1,116,011	951,367
Provision for Taxation		210,981	196,599
		3,439,241	2,389,859
CONTINGENCIES & COMMITMENTS	11	-	-
		<u>6,575,036</u>	<u>5,267,983</u>

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



Ghazanfar Baber Siddiqi
Chief Executive Officer



Dewan Abdul Rehman Farooqui
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2016**

	Half Year Ended		Quarter Ended	
	Mar.31, 2016	Mar.31, 2015	Mar.31, 2016	Mar.31, 2015
	(Rupees in '000')			
Sales	1,458,207	2,292,355	1,129,842	1,939,866
Cost of Sales	(1,842,500)	(2,434,687)	(1,296,873)	(1,900,473)
Gross (Loss)/Profit	(384,293)	(142,332)	(167,031)	39,393
Administrative and General Expenses	(51,173)	(49,990)	(25,516)	(26,439)
Distribution and Selling Costs	(35,890)	(52,254)	(30,437)	(29,588)
Other Operating Income	1,216	3,178	745	2,344
Other Charges /Income	70,852	(184,853)	70,852	(184,853)
(Loss) from Operations	(399,288)	(426,251)	(151,387)	(199,143)
Finance Cost	(35,966)	(62,158)	(18,002)	(34,816)
(Loss) before Income Tax	(435,254)	(488,409)	(169,389)	(233,959)
Taxation	9,115	(2,195)	3,336	(9,103)
(Loss) for the period (after Income Tax)	(426,139)	(490,604)	(166,053)	(243,062)
(Loss) per Share - Basic	(6.41)	(11.93)	(2.50)	(5.91)

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

Ghazanfar Baber Siddiqi
Chief Executive Officer

Dewan Abdul Rehman Farooqui
Director

DEWAN SUGAR MILLS LIMITED

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2016**

	Half Year Ended		Quarter Ended	
	Mar.31, 2016 (Rs. in '000')	Mar.31, 2015	Mar.31, 2016 (Rs. in '000')	Mar.31, 2015
(Loss) for the Period	(426,139)	(490,604)	(166,053)	(243,062)
Available for Sale Financial Assets:				
Changes in Fair Value	(682)	(18,974)	24,980	(45,592)
Transfer from surplus on revaluation of property plant and equipment in respect of Incremental Depreciation	75,797	63,046	47,426	31,388
Related Deferred tax	(23,497)	(20,805)	(14,418)	(10,358)
	52,300	42,241	33,008	21,030
Total Comprehensive (Loss) for The Period	<u>(374,521)</u>	<u>(467,337)</u>	<u>(108,065)</u>	<u>(267,624)</u>

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



Ghazanfar Baber Siddiqi
Chief Executive Officer



Dewan Abdul Rehman Farooqui
Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2016**

	Mar.31, 2016	Mar.31, 2015
	(Rupees in '000')	
Cash Flow from Operating Activities		
(Loss) Before Taxation	(435,254)	(488,409)
Adjustment for Non-Cash and Other Items:		
Depreciation	137,309	126,620
Financial Charges	35,966	62,158
Amortization of Loan	(70,852)	184,853
	102,423	373,631
	(332,831)	(114,778)
Changes in Operating Assets and Liabilities		
<i>(Increase) / Decrease in Current Assets</i>		
Stores and Spares	23,477	7,456
Stock in Trade	(661,328)	(922,598)
Trade Debts	65,133	174,090
Loans and Advances	(21,412)	306,156
Trade Deposits, Prepayments & Other Balances	(3,730)	(6,420)
<i>Increase / (Decrease) in Current Liabilities</i>		
Trade and Other Payables	867,396	534,210
Short Term Finances	6,719	147,480
	276,255	240,374
Taxes Paid	(11,916)	(25,165)
Financial Charges Paid	(11,250)	(26,538)
Gratuity Paid	(27)	(2,209)
	(23,193)	(53,912)
Net Cash Flows from Operating Activities	(79,769)	71,684
Cash Flow from Investing Activities		
Fixed Capital Expenditure	(11,525)	(14,426)
Net Cash Out Flows from Investing Activities	(11,525)	(14,426)
Cash Flow from Financing Activities		
Sponsors Loan	102,935	(256,860)
Right issue of Paid-up Capital	-	300,000
Syndicated Term Finance Secured	(21,037)	(145,348)
Morabaha Payment	(2,538)	(2,538)
Lease Finance	(1,883)	(1,883)
Net Cash Out Flows from Financing Activities	77,477	(106,629)
Net (Decrease) in Cash and Bank Balances	(13,817)	(49,371)
Cash and Bank Balances at Beginning of the Period	39,210	88,850
Cash and Bank Balances at the End of the Period	25,393	39,479

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

Ghazanfar Baber Siddiqi
Chief Executive Officer

Dewan Abdul Rehman Farooqui
Director

DEWAN SUGAR MILLS LIMITED

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2016**

	Issued, Subscribed & Paid-up Capital	General Reserve	Accumulated Profit/(Loss)	Total
(Rupees in '000')				
Balance as on October 01, 2014	365,120	190,000	(451,489)	103,631
Total comprehensive Loss for the period	--	--	(467,337)	(467,337)
Right issue of paid up capital	300,000	--	--	300,000
Balance as on March 31, 2015	<u>665,120</u>	<u>190,000</u>	<u>(918,826)</u>	<u>(63,706)</u>
Balance as on October 01, 2015	665,120	190,000	(781,705)	73,415
Total comprehensive income for the period	--	--	(374,521)	(374,521)
Balance as on March 31, 2016	<u>665,120</u>	<u>190,000</u>	<u>(1,156,226)</u>	<u>(301,106)</u>

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



Ghazanfar Baber Siddiqi
Chief Executive Officer



Dewan Abdul Rehman Farooqui
Director

**YD****A YOUSUF DEWAN COMPANY****CONDENSED INTERIM SEGMENTWISE OPERATING RESULTS(UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2016**

	Sugar Segment		Polypropylene Segment		Board and Panel Segment		Distillery Segment		Total	
	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15
Gross Sales										
Local	872,257	1,539,974	33,973	-	67,980	46,033	52,479	46,092	1,026,688	1,632,099
Exports	-	-	-	-	1,636	-	522,102	793,710	523,739	793,710
Sales Commission	829	1,599	579	-	-	46,033	3,505	4,041	4,913	5,640
Sales Tax /Special Excise Duty	64,612	114,072	5,404	-	10,854	7,022	6,437	6,720	87,307	127,814
	65,441	115,671	5,983	-	10,854	7,022	9,942	10,761	92,220	133,454
Net Sales	806,816	1,424,303	27,990	-	58,762	39,011	564,639	829,041	1,458,207	2,292,355
COST OF SALES	1,180,559	1,591,977	37,888	5,512	73,892	45,030	550,161	792,168	1,842,500	2,434,687
Gross Profit / Loss	(373,743)	(167,674)	(9,898)	(5,512)	(15,130)	(6,019)	14,478	36,873	(384,293)	(142,332)
Administrative Expenses	41,459	41,805	515	135	351	270	8,848	7,780	51,173	49,990
Selling and Distribution Costs	1,654	2,467	96	-	5	-	34,135	49,787	35,890	52,254
	43,113	44,272	611	135	356	270	42,983	57,567	87,063	102,244
Segment Results	(416,856)	(211,946)	(10,509)	(5,647)	(15,486)	(6,289)	(28,505)	(20,694)	(471,356)	(244,576)

*(Rupees in '000)***Ghazanfar Baber Siddiqi**
Chief Executive Officer**Dewan Abdul Rehman Farooqui**
Director

DEWAN SUGAR MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2016

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 crystal 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, 2016 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, 2015 and 2016 have not been reviewed by the auditors of the company as they have reviewed the cumulative figures for the half years ended March 31, 2015 and 2016. 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, 2015.

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, 2015.

	Note	March 31, 2016 (Rupees in '000')	September 30, 2015
4 PROPERTY, PLANT AND EQUIPMENTS			
Operating Property , Plant & Equipment	4.1	3,832,681	3,110,883
Capital work-in-progress	4.2	135,078	145,100
		3,967,759	3,255,983
4.1 Written Down Value Opening		3,110,883	3,246,048
Addition during the period		21,548	117,892
Revaluation on Property and Plant & Machinery	4.3	837,559	-
Depreciation for the period		(137,309)	(253,057)
		3,832,681	3,110,883
4.2 Capital work-in-progress		145,100	77,700
Addition during the period		-	145,100
Transfer to Fixed assets		(10,022)	(77,700)
		135,078	145,100

Fixed capital expenditure during the period amounted to Rs.11.525million(September 30, 2015:Rs.185.291 million).

4.3 During the period the Company has revalued its Factory Building and Plant and Machinery which arises amounting to Rs.837.559 as on 19th January 2016 with a independent valuer M/s.PEE DEE & ASSOCIATES, D-93/1, Clifton, 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.

5 SHORT TERM INVESTMENT - Related Party

The Market value of Dewan Farooque Motors Limited as at March 31, 2016 Rs. 9.55 per share and as of financial statement issuing date the market value of above share are Rs. 16.65 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. 96.91 million and the loss for the current period have been decreased by Rs. 96.91 million.

		March 31, 2016	September 30, 2015
		(Rupees in '000')	
6 SPONSORS LOAN - UNSECURED	Note		
Sponsors Loan	6.1	186,997	146,713
Sponsors Loan obtained for payment of Term Loan	6.2	93,139	89,494
		280,136	236,207
6.1 Sponsors Loan			
Opening Balance Original Loan amount		523,344	780,204
Addition during the year		102,935	43,140
		626,279	823,344
Right issue of paid up capital from sponsor loan		-	(300,000)
		626,279	523,344
Less Present value adjustment		(376,631)	(583,478)
Amortized Interest Income		(70,852)	184,853
Add Amortization Discount Charged to P & L		8,201	21,994
		(439,282)	(376,631)
Closing Balance		186,997	146,713
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.			
6.2 Sponsors Loan			
Sponsors Loan obtained for payment of Term Loan		159,648	159,648
Less Present value adjustment		(70,154)	(71,922)
Add Amortization Discount Charged to P & L		3,645	1,768
		(66,509)	(70,154)
Closing Balance		93,139	89,494

This represents unsecured interest free loan payable to sponsor director. This liability has arisen on account of settlement of liabilities of the bank, which were settled by sponsor director. The terms of repayment of loan finalized after restructuring settlement made with the steering committee and as of that date payable in lumpsum on December 31, 2022. The amount of loan has been measured at amortized cost in accordance with International Accounting Standard 39, Financial Instruments: Recognition and Measurement, and have been discounted using the weighted average interest rate of ranging 8.1% per annum.

DEWAN SUGAR MILLS LIMITED

		March 31, 2016	September 30, 2015
		(Rupees in '000')	
7	SYNDICATED LONG TERM FINANCE - SECURED		
	Re-schedule Term Finance	2,444,165	2,703,175
	7.1		
	FIRST NATIONAL BANK MODARBAHA		
	Principal Amount	22,511	27,588
	7.2		
	MARK UP PAYABLE		
	Mark-up payable on Reschedule Term Finance	202,301	185,801
	7.3		
	Mark-up payable (First National Bank Modaraba)	1,233	1,104
	7.4		
		2,670,210	2,917,668
	Less: Repayment during the period /Settlement of loan	23,575	264,088
		2,646,635	2,653,580
	Classified as current portion		
	Current Maturity	426,388	476,475
	Overdue installments	685,857	471,126
	Less : Current Maturity on Long Term Loan	1,112,245	947,601
		1,534,390	1,705,979

7.1 This amount represent outstanding balance of rescheduled settled amount as per compromising decree dated February 18, 2011 granted by Honourable High Court of Sindh at Karachi. As per terms 32 quarterly instalments of principal loan ranging from Rs.57.09 million to Rs. 143.858 million will be payable in ten years with one year grace period with no mark-up through out the repayment period. The repayments of loan had been started from March 30, 2012 and last payment will be made on December 30, 2020

7.2 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.

7.3 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.

7.4 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...

		March 31, 2016	September 30, 2015
		(Rupees in '000')	
8	LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
	Present value of minimum lease payment	18,468	20,350
	Current Maturity	(3,766)	(3,765)
		14,702	16,585

9 DEFERRED LIABILITIES	Note	March 31,	September
		2016	30, 2015
(Rupees in '000')			
Deferred Tax Liability for Staff Gratuity (Provision)	9.1	9,195	9,222
Deferred Income Tax Liability		229,596	5,671
		238,791	14,893

9.1 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.

10 SHORT TERM RUNNING FINANCES - SECURED

Short term running finances - Secured	10.1	192,196	192,196
Book over draft		35,283	28,564
		227,479	220,760

10.1 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 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.

12 TRANSACTION WITH RELATED PARTIES

Sale Commission		4,193	11,822
Provident fund contribution		2,815	5,243
Loan from Director		102,935	202,788
Right shares issued to Director		-	300,000

13 DATE OF AUTHORIZATION FOR ISSUE

These Financial Statements were authorized for issue on 27th May, 2016 by the board of directors of the Company.

14 GENERAL

Figures have been rounded off to the nearest thousand rupees.



Ghazanfar Baber Siddiqi
Chief Executive Officer



Dewan Abdul Rehman Farooqui
Director