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## COMPANY INFORMATION

### EXECUTIVE DIRECTORS

Muhammad Baqir Jafferi - Chief Executive Officer  
Ghazanfar Baber Siddiqui

### NON-EXECUTIVE DIRECTORS

Haroon Iqbal - Chairman Board of Director  
Syed Muhammad Anwar  
Syed Maqbool Ali  
Muhammad Ashraf

### INDEPENDENT DIRECTOR

Aziz-ul-Haque

### COMPANY SECRETARY

Muhammad Hanif German

### CHIEF FINANCIAL OFFICER

Muhammad Ilyas Abdul Sattar

### AUDITORS

Feroze Sharif Tariq & Co. - Chartered Accountants

### TAX ADVISOR

Sharif & Company - Advocates

### LEGAL ADVISOR

A.K. Brohi & Company Advocates

### AUDIT COMMITTEE

Aziz-ul-Haque	Chairman
Haroon Iqbal	Member
Syed Muhammad Anwar	Member

### HUMAN RESOURCE & REMUNERATION COMMITTEE MEMBERS

Aziz-ul-Haque	Chairman
Haroon Iqbal	Member
Muhammad Baqir Jafferi	Member

### BANKERS

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

### REGISTERED OFFICE:

Dewan Centre, 3-A Lalazar, Beach Hotel  
Road, Karachi-74000, Pakistan.

### CORPORATE OFFICE

Block-A, 2nd Floor  
Finance & Trade Centre  
Shahrah-e-Faisal, Karachi, Pakistan.

### SHARE REGISTRAR / TRANSFER AGENT

BMF Consultants Pakistan (Pvt.) Limited  
Annum Estate Building, Room No. 310 & 311,  
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)



## *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 Thirty Ninth Annual General Meeting of **Dewan Sugar Mills Limited** (“**DSML**” or “**the Company**”) will be held on **Wednesday, January 27, 2021, at 11:00 a.m.** at Dewan Cement Limited Factory Site, at DehDhando, Dhabeji, District Malir, Karachi, Pakistan; to transact the following businesses upon recitation from Holy Qur’an and other religious recitals:

1. To confirm the minutes of the preceding Annual General Meeting of the Company held on Monday, January 27, 2020;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended September 30, 2020, 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: December 28, 2020

### NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from January 20, 2021 to January 27, 2021 (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 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.



## **CHAIRMAN'S REVIEW**

I am pleased to present a report on the overall performance of the Board of Directors and effectiveness of the role played by the board in achieving the Company's objectives. The Board of Directors is responsible for the management of the Company, which formulates all significant policies and strategies. The Board is governed by relevant laws & regulations and its obligation, rights, responsibilities and duties are as specified and prescribed therein.

The Board of Directors comprises of individuals with diversified knowledge who endeavor to contribute towards the aim 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 evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

During financial year ended September 30, 2020 Two 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 important decisions. The Board's overall performance and effectiveness for the year under review was satisfactory.

Due to Covid-19 and pandemic situation, Company was unable to conduct 2nd and 3rd Quarter Board of Directors meetings which was later conducted on 28th December, 2020. The Board of Directors of The Company received agendas and supporting material in advance prior to the board and its committee meetings. All the Directors are equally involved in important decisions. The Board's overall performance and effectiveness for the year under review was satisfactory.

**Haroon Iqbal**  
Chairman Board of Director

## DIRECTORS' REPORT 2020

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

On behalf of the Board of Directors, it is my privilege to welcome you for participating the 39th Annual General meeting. The Company's Annual financial statements for the year ended 30th September 2020 is being presented.

### OVERVIEW

After textiles industry sugar sector is only which can be called a model for agro base industries in Pakistan, which is not only providing assistance to agriculture economy beside generating handsome amount of Government revenue in the shape of Sales taxes/excise duty. It's finished stock and by products is used in numerous industries such as beverage, confectionery, furniture, paper board, petroleum and other industries thus beneficial for rural area as well as city area.

Current year due to the emergence of COVID-19 pandemic which has caused major disruptions to economic activities in the world including Pakistan. This epidemic was also disastrous for Pakistan's already sick economy, which eroded the Country's economic growth. The drop in domestic and global demand compounded the strain on the economy and manufacturing sector was more effected. The Government of Pakistan's timely decision to slash the interest rate gave some relief to this sector.

### FINANCIAL RESULTS

	2020	2019
Net Sales	3,824,784,973	5,707,989,323
Gross (Loss)	(640,975,808)	(52,845,520)
(Net Loss) after tax	(886,326,102)	(546,913,922)
Key performance indicators		
- G.P % to sales	(16.76%)	(0.01%)
- (Net Loss)/Profit % to sales	(23.17%)	(9.58%)
- EPS	(9.69)	(5.98)

### PERFORMANCE REVIEW OF THE COMPANY IN SEASON 2019-2020

#### PLANT PERFORMANCE

##### Sugar Operations:

The plant started its Crushing on 2nd January, 2020 and operated up to February 26th 2020 for (56 days) as against operation of 73 days in the preceding season. The performance is as under.

Operation	2020	2019
Sugarcane crushed in M. Tons	230,906	333,105
Sugar produced in M. Tons	24,375	35,485
Average Sugar recovery %	10.55%	10.65%
Operating Loss (Rs. in million)	(695.047)	(572.421)

This substantial loss is apparently due to underutilization of existing crushing capacity owing to non-availability of working capital and pledge facilities. We have no other option but to sell the finished stock during peak crushing season time when the prices are at the lowest level in order to maintain continuity of supply of cane prices and other cost of production. We could not avail the opportunity to take the benefit of increase prices and post crushing off-season as we do not have the stock carrying opportunity.



### **Distillery Operations**

The plant produced 18,807 MT of industrial alcohol, as compared to 30,630 MT of industrial alcohol last year.

The period under review operating loss of distillery unit was Rs.138.938 million as compared to operating profit of Rs.84.400 million. This Decline in profit was because of raw material cost which was almost double as compared to last year. However, in order to curtail the losses management is taking various cost cutting measures and on other hand with better marketing to getting higher prices of finished stock by selling rather bulk shipment then Drum consignments and mini shipment and not only depending on bulk shipment as per current scenario. We are hope full that very soon we will come out from this uncertain situation and come back to positive position.

### **Board & Panel Operations**

Chip Board plant has produced 122,895 sheets during the period under review as compared to last year 72,410 sheets. This unit is dependent on supply of bagasse, which is not sufficient due to sugar segment short crushing. The procurement of main raw material from out-side is not viable. Management is focused on producing value added products and "A" quality of sheets to compete in the market. We are confident that in coming future this segment results will be positive.

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 where in it has been strongly contested that filing of executions is unjust and against the law. Management expect favorable outcome there from.

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 explained in their 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, There for 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 2020-2021**

Sugar industry play vital role in country economy more than 100,000 workers and more or less approximately 8 to 9 million people involved in the production of sugar cane which is primary raw material consist of more than 80% cost for sugar finished stock. Keeping in view of such importance it is utmost duty of Government to patronage this industry for the benefit of country economy and standard leaving of the rural area of the country. Following step and measure should be adopted for the revival of this sector.

- Introducing high yielding and high sucrose variety of seeds and technical assistance for improving quantity and quality of crops.
- Increasing cultivation of cane planted area which has nowadays witnessed shrinking.
- Taking steps for avoiding middlemen which make sugar costlier.
- Consistent export policies for refined sugar.
- Take up cost studies for sugar cane at growing stage for the purpose of fixing support price for the grower and also for the finished stock, variable cost and fixed cost of production. Currently fixed prices of sugar is controlled by Government various forces and on the other hand prices for raw material not restrained which is not level playing.

The Sugar industry needs support from Government. It should be supported by special financial limits for early grower payments and abolishment of sugar cane price system. It will lead the industry to grow in its natural and global business environment. Pakistan has serious potential to grow as net exporter of Sugar and Allied Products. Thus, Sugar cane seriously contribute in Pakistan economy.

The above measures will result in improving utilization of surplus crushing capacity of industry with higher recovery and keeping down cost of production on viable position which enable the country and industry for earning foreign exchange after fulfilling domestic requirement. Increase in Yield per hector, improvement in recovery and other measure will also help to maintain the cost on minimum level and improve the standard of living of our rural area population.

The Sindh Agriculture Department notified sugar cane prices on 23 November, 2020 for the season 2020-2021 of Rs.202/- per 40 kg., in addition to payment of quality premium which will actual determined sucrose recovery over and above 8.7% @ 50 paise per unit.

### **CORPORATE SOCIAL RESPONSIBILITIES**

We are also committed to Corporate Social Responsibility (CSR) and integrating sound social practices in our day today 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 un-warranted 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, 2020, prepared by the management of the company, present fairly its state of affairs, the results of its operations, statement of 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, 2020 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 27.1 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 27.2 of the annexed audited financial statement;
- The fair value of the Provident Fund's Investment as at June 30, 2020 was Rs.72.153 million (2019: Rs.67.107) million.



**BOARD**

The Board of Directors comprises of 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, 2020 consisted of the following:

Directors		Numbers
a)	Male	7
b)	Female	None
Composition		Numbers
a)	Independent Director	1
b)	Other Non-executive Directors	4
c)	Executive Directors	2

During the year 2 meetings of the Board were held. The attendance of directors was as follows:

Members of the Board of Directors	Number of meetings attended
Mr. Haroon Iqbal	2
Mr. Ghazanfar Babar Siddiqui	2
Syed Muhammad Anwar	2
Mr. Aziz-ul Haque	2
Mr. Ishtiaq Ahmed	1
Syed Maqbool Ali	2
Mr. Muhammad Naeemuddin Malik	0
Mr. Muhammad Baqar Jafferri	2

**AUDIT COMMITTEE MEETING**

During the year one 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 Audit Committee	Number of meetings/Eligibility to attended Meetings
Mr. Aziz-ul Haque	1
Mr. Haroon Iqbal	1
Syed Muhammad Anwar	1

**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 Human Resources	Number of meetings attend
Mr. Aziz-ul Haque	1
Mr. Haroon Iqbal	1
Mr. Muhammad Baqir Jafferri	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 is Rs.282 Million in under the head of Sales Tax, Custom Duty, and Income Tax and other statutory levies.

**DIVIDEND**

The management has decided not to declare any dividend due to enormous fund requirement.

**EARNING PER SHARE (EPS)**

The EPS is Rs (9.69)

**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 and farmers whose Co-operation, continued support and patronage have enabled the Company to perform well.

The Board also expresses its thanks for the valuable teamwork, loyalty and laudable efforts rendered by the executives, staff members and workers of your Company, during the year under review and wish to Place on record its appreciation for the same.

**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



**Haroon Iqbal**  
Chairman Board of Director

**Date:** December 28, 2020

**Place:** Karachi



## FINANCIAL HIGHLIGHTS

				Restated	(Rupees in Thousand)	
	2020	2019	2018	2017	2016	2015
TURNOVER	<b>4,117,144</b>	6,113,146	5,122,427	3,171,736	2,711,312	4,677,375
LESS GOVT. LEVY & COMMISSION	<b>292,359</b>	405,157	384,247	186,932	143,684	235,009
SALES (NET)	<b>3,824,785</b>	5,707,989	4,738,180	2,984,804	2,567,628	4,442,366
GROSS PROFIT/(LOSS)	<b>(640,976)</b>	(52,846)	(264,375)	(480,121)	(602,887)	(26,886)
PROFIT/(LOSS) BEFORE TAX	<b>(921,010)</b>	(560,457)	(817,979)	(773,310)	(772,009)	(448,958)
PROFIT/(LOSS) AFTER TAX	<b>(886,326)</b>	(546,914)	(787,799)	(755,907)	(695,893)	(454,131)
GROSS ASSETS EMPLOYED	<b>6,792,920</b>	6,179,329	7,673,517	6,426,362	5,195,790	5,267,983
CURRENT ASSETS	<b>2,007,517</b>	1,058,695	2,205,784	2,853,746	1,364,678	2,012,000
SHAREHOLDERS EQUITY	<b>(352,062)</b>	534,264	1,077,858	(69,232)	667,664	73,415
LONG TERM DEBTS & DEFERRED LIABILITIES	<b>892,082</b>	1,222,216	1,423,940	1,482,362	1,948,470	1,973,664
CURRENT LIABILITIES	<b>6,252,901</b>	4,422,849	5,171,718	5,013,232	2,579,656	2,389,859
GROSS PROFIT/(LOSS)(%)	<b>(16.76)</b>	(0.01)	(5.58)	(16.09)	(23.48)	(0.61)
CURRENT RATIO	<b>0.32</b>	0.24	0.43	0.57	0.53	0.84
NUMBER OF SHARES ISSUED	<b>91,511,992</b>	91,511,992	91,511,992	66,511,992	66,511,992	66,511,992
EARNINGS PER SHARE	<b>(9.69)</b>	(5.98)	(10.37)	(11.36)	(10.46)	(8.43)

## PRODUCTION

SUGAR -	VOLUME IN (TONS)	<b>24,375</b>	35,485	53,360	52,020	23,365	52,405
POLYPROPYLENE-	VOLUME IN (TONS)	-	-	-	-	404	131
BOARD & PANEL-	NO.OF SHEETS	<b>122,895</b>	72,410	100,310	141,450	86,180	173,450
ETHANOL-	VOLUME IN (TONS)	<b>18,807</b>	30,630	32,945	23,469	18,529	24,062

## STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATION, 2019 FOR THE YEAR ENDED SEPTEMBER 30, 2020

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: 7
  - b. Female: None\*

\*The requirement to have Female representation in the Company's board will be complied upon reconstitution of the Board.

2. The composition of board is as follows:
  - a) Independent Director : Mr. Aziz-ul-Haque
  - b) Non-executive Directors : Mr. Haroon Iqbal  
Syed Muhammad Anwar  
Syed Maqbool Ali  
Mr. Muhammad Ashraf
  - c) Executive Director : Mr. Muhammad Baqar Jafferri  
Mr. Ghazanfar Baber Siddiqi
3. Six Directors have confirmed that none of them is serving as director on more than seven listed companies, including this company, whereas, 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. Four of the Directors are qualified under the directors training program. We will arrange Director Training Program in the 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<br>Syed Muhammad Anwar<br>Mr. Haroon Iqbal        | - Chairman<br>- Member<br>- Member |
| b) HR and Remuneration Committee | Mr. Aziz-ul Haque<br>Mr. Haroon Iqbal<br>Mr. Muhammad Baqar Jafferi | - Chairman<br>- Member<br>- 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               | 1 quarterly meetings during the financial year ended September 30, 2020  |
| b) HR and Remuneration Committee | 1 annual meeting held during the financial year ended September 30, 2020 |

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 have been complied with.

**Haroon Iqbal**  
Chairman Board of Director

**Muhammad Baqir Jafferi**  
Chief Executive Officer

Date : December 28, 2020  
Place : Karachi

**FEROZE SHARIF TARIQ & CO.**

FEROZE SHARIF TARIQ & CO.  
Chartered Accountants  
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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 for the year ended September 30, 2020 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

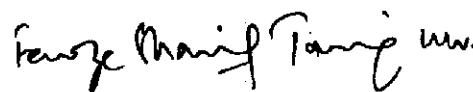
Following instances of Non-compliances with the requirements of the Code were observed which are not stated in the Statement of Compliance.

- a) The independent directors shall not be less than two or one third of total members of the board, whichever is higher, whereas board includes one independent director, who in our opinion does not meet the criteria of independence due to his cross-director ship in associated companies; accordingly, due to forgoing reasons, requirement of Chairman of audit and human resource committee to be an independent director has not been complied.

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, 2020.

Furthermore, we highlight that the company has no female director on its board and one of the directors of the company is serving as director in more than seven listed companies as reflected in the Para 1 and 3 of the statement of compliance.

Audit Engaging Partner: Mohammad Tariq  
Dated: December 28, 2020  
Place: Karachi



CHARTERED ACCOUNTANTS

**FEROZE SHARIF TARIQ & CO.**FEROZE SHARIF TARIQ & CO.  
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Email : [fstc.ca@gmail.com](mailto:fstc.ca@gmail.com)**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, 2020, 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, 2020 and of the loss and other comprehensive loss, 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, 2020 the company incurred a loss after taxation of Rs. 886.326 (2019: Rs. 546.914) million and as of that date it has accumulated losses amounting to Rs. 3.738 billion (2019: Rs. 3.038) billion and its current liabilities exceeded its current assets by Rs. 4.245 (2019: Rs. 3.364) billion without providing markups 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. Further, the financial institution filed suit for execution of decree as disclosed in note 27.1 to the financial Statements 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. 2.348 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 filed suit against the company, therefore the company should made the provision of mark up in the financial statements. Further during the year, the company not made Provision for the restructured long-term liabilities amounting to Rs. 124.667 million in the financial Statements as disclosed in note 33.1 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. 612.074 million and markup payable would have been higher and shareholders' equity would have been lower by Rs. 612.074 million.

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**Key Audit Matters**

Except for the matter described in the Basis for Adverse Opinion section, we have determined, 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.

Following are the Key Audit Matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1.	A novel strain of corona virus (COVID-19) that was classified as a pandemic by the World Health Organization in March 2020, impacting countries globally. This pandemic has significantly affected all segments of economy. The fair value determination at the measurement date has become more challenging due to the uncertainty of the economic impact of COVID-19.	In planning and performing audit, our audit procedures included the following: <ul style="list-style-type: none"> <li>Obtained an overall understanding of the changes in financial reporting process and underlying controls in order to determine the appropriate audit strategy;</li> </ul>
2.	Valuation of Stores and Stock in Trade  Refer to note 6 and 7 to the Company's financial Statements,  Stock in trade forms a significant part of the Company's total assets, stock in Trade comprises of Stores and Spares, Raw material, Work in Process and finished goods which are stated at lower of Cost and estimated net realizable value.  We identified the valuation of Stock in Trade as a key matter as it directly affects the profitability of the company and determining an appropriate provision written down as a result of Provisions for obsolete and slow-moving stores and Stocks involves significant Management Judgment and Estimation.	Our audit Procedures in relation to Valuation of Stores and Stock in Trade amongst others included the following. <ul style="list-style-type: none"> <li>Obtained an understanding of and assessed the designed and implementation of Management's Control over valuation of the Stock-in-trade including identification of Slow-Moving items and Obsolete Stock in hand and Estimation of NRV.</li> <li>Tested on a sample basis, management's assessment of the NRV' of the Stores and Stock in trade by Comparing to its recent sales prices and executed purchase orders for future sales, if any.</li> <li>Testing the accuracy of Provision of Slow moving and obsolete Stores with the help of Aging report and underlying documents, and</li> <li>Assessed that valuation of Stock in trade has been appropriately done at lower at Cost and net realizable value.</li> </ul>

**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.



## ***FEROZE SHARIF TARIQ & CO.***

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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 nothing to report in this regard.

### **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:

- 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.

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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);
- (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 Usher Ordinance, 1980 (XVIII of 1980).

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

Audit Engaging Partner: Mohammad Tariq  
Dated: December 28, 2020  
Place: Karachi



CHARTERED ACCOUNTANTS



## STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2020

		2020	2019
	Notes	(Rupees)	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	5	4,785,402,752	5,120,634,123
<b>CURRENT ASSETS</b>			
Stores, Spares and Loose Tools	6	195,842,773	232,018,466
Stock-in-Trade	7	1,033,517,670	273,052,732
Trade Debts - Unsecured, Considered Good	8	25,846,847	14,415,008
Loans, Advances and Other Receivable - Unsecured, Considered Good	9	640,872,550	391,148,587
Trade Deposits, Short-Term Prepayments and Current Balances with Statutory Authorities	10	9,501,536	11,261,492
Income Tax Refunds and Advances		68,606,864	88,449,938
Short Term Investment - Related Party	11	-	-
Cash and Bank Balances	12	33,329,240	48,348,292
		2,007,517,480	1,058,694,515
<b>TOTAL ASSETS</b>		<b>6,792,920,232</b>	<b>6,179,328,638</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized Capital</b>			
130,000,000 (2019: 130,000,000) Ordinary Shares of Rs. 10/- each		1,300,000,000	1,300,000,000
Issued, Subscribed and Paid-up Capital	13	915,119,920	915,119,920
Reserves and Surplus	14	(3,548,267,205)	(2,848,217,397)
Surplus on Revaluation of Property, Plant & Equipment (Net)	15	2,281,084,848	2,467,361,142
		(352,062,437)	534,263,665
<b>NON-CURRENT LIABILITIES</b>			
Sponsors Loan - Unsecured	16	377,813,650	343,000,146
Long Term Finance	17	-	-
Long Term Interest Payable	18	-	286,680,272
Liabilities Against Assets Subject to Finance Lease - Secured	19	-	1,770,419
Deferred Liabilities	20	514,268,050	590,764,928
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables - Unsecured	21	3,277,779,184	1,724,526,540
Interest, Profit, Mark-up Accrued on Loans and Other payables	22	12,009,624	12,693,247
Short Term Finances - Secured	23	208,709,471	199,477,537
Unclaimed Dividend	24	769,543	769,543
Current Portion of Non-Current Liabilities	25	2,635,833,147	2,355,682,341
Provision for Taxation	26	117,800,000	129,700,000
		6,252,900,969	4,422,849,208
<b>CONTINGENCIES &amp; COMMITMENTS</b>	27	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,792,920,232</b>	<b>6,179,328,638</b>

The annexed notes form an integral part of these financial statements

**Muhammad Baqir Jafferi**  
Chief Executive Officer

**Muhammad Ilyas Abdul Sattar**  
Chief Financial Officer

**Haroon Iqbal**  
Chairman Board of Director

## STATEMENT OF PROFIT OR LOSS

### FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Notes	2020 (Rupees)	2019
<b>Sales - Net</b>	<b>28</b>	<b>3,824,784,973</b>	5,707,989,323
<b>Cost of Sales</b>	<b>29</b>	<b>(4,465,760,781)</b>	(5,760,834,843)
<b>Gross (Loss)</b>		<b>(640,975,808)</b>	(52,845,520)
Administrative and General Expenses	30	(91,791,495)	(107,890,865)
Distribution and Selling Costs	31	(123,579,371)	(351,116,052)
Other Operating Income	32	1,897,862	5,828,593
<b>(Loss) from Operations</b>		<b>(854,448,812)</b>	(506,023,844)
Finance Cost	33	(36,363,656)	(54,433,284)
		(890,812,468)	(560,457,128)
Provision for obsolescence and slow moving stocks and stores	6	(30,197,600)	-
<b>(Loss) Before Income Tax</b>		<b>(921,010,068)</b>	(560,457,128)
Taxation	34	34,683,966	13,543,206
<b>(Loss) for the Year (after Income Tax)</b>		<b>(886,326,102)</b>	(546,913,922)
<b>(Loss) Per Share - Basic</b>	<b>35</b>	<b>(9.69)</b>	(5.98)

The annexed notes form an integral part of these financial statements



**Muhammad Baqir Jafferi**  
Chief Executive Officer



**Muhammad Ilyas Abdul Sattar**  
Chief Financial Officer



**Haroon Iqbal**  
Chairman Board of Director

**STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	2020	2019
	(Rupees)	
(Loss) for the year	<b>(886,326,102)</b>	(546,913,922)
<b>Other Comprehensive Income</b>		
Amortization of interest free loans	-	3,319,641
Total Comprehensive (loss) / income for the year	<b>(886,326,102)</b>	<b>(543,594,281)</b>
Items that will not reclassify to profit or loss		

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

**Muhammad Baqir Jafferi**  
Chief Executive Officer

**Muhammad Ilyas Abdul Sattar**  
Chief Financial Officer

**Haroon Iqbal**  
Chairman Board of Director

## STATEMENT OF CASH FLOW

### FOR THE YEAR ENDED SEPTEMBER 30, 2020

	2020	2019
	(Rupees)	
<b>Cash Flow from Operating Activities</b>		
(Loss) Before Taxation	(921,010,068)	(560,457,128)
Adjustment for non-cash and other items:		
Depreciation	355,601,829	427,679,277
Financial Charges	36,363,656	54,433,284
Provision for obsolescence and slow moving stocks and stores	30,197,600	--
	<b>422,163,085</b>	482,112,561
	<b>(498,846,983)</b>	(78,344,567)
<b>Changes in Operating Assets and Liabilities</b>		
<b>(Increase) / Decrease in Current Assets</b>		
Stores and Spares	5,978,093	(18,582,795)
Stock in Trade	(760,464,938)	1,194,583,776
Trade Debts	(11,431,839)	18,359,155
Loans and Advances	(249,723,963)	(81,814,402)
Trade Deposits, Prepayments & Other Balances	1,759,957	742,455
<b>Increase / (Decrease) in Current Liabilities</b>		
Trade and Other Payables	1,553,252,644	(929,004,365)
Short Term Finances	9,231,934	(3,249,052)
	<b>548,601,888</b>	181,034,772
Taxes Paid	(33,457,640)	(45,441,959)
Financial Charges Paid	(1,716,910)	(14,149,158)
Gratuity Paid	(412,200)	(110,700)
	<b>(35,586,750)</b>	(59,701,817)
<b>Net Cash Flows from Operating Activities</b>	<b>14,168,155</b>	42,988,388
<b>Cash Flow from Investing Activities</b>		
Fixed Capital Expenditure	(20,370,457)	(80,581,312)
<b>Net Cash Out Flows from Investing Activities</b>	<b>(20,370,457)</b>	(80,581,312)
<b>Cash Flow from Financing Activities</b>		
Sponsors Loan	--	5,807,000
Morabaha Payment	(4,304,366)	(6,026,082)
Lease Finance	(4,512,384)	(4,427,220)
<b>Net cash flows from financing activities</b>	<b>(8,816,750)</b>	(4,646,302)
Net Increase in Cash and Bank Balances	<b>(15,019,052)</b>	(42,239,226)
Cash and Bank Balances at Beginning of the year	<b>48,348,292</b>	90,587,518
Cash and Bank Balances at the end of the year	<b>33,329,240</b>	48,348,292

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



**Muhammad Baqir Jafferi**  
Chief Executive Officer



**Muhammad Ilyas Abdul Sattar**  
Chief Financial Officer



**Haroon Iqbal**  
Chairman Board of Director



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Issued, Subscribed & Paid-up Capital	General Reserve	Accumulated Profit/( Loss)	Revaluation Surplus on Property, Plant & Equipment	Total
	(Rupees)				
Balance as on October 01, 2018	915,119,920	190,000,000	(2,718,757,159)	2,691,495,185	1,077,857,946
(Loss) for the year	-	-	(543,594,281)	-	(543,594,281)
Revaluation during the period Net of tax	-	-	-	-	-
Incremental Depreciation transferred from Surplus on Revaluation of Property, Plant & Equipment - Net of tax	-	-	224,134,043	(224,134,043)	-
<b>Balance as on September 30, 2019</b>	<b>915,119,920</b>	<b>190,000,000</b>	<b>(3,038,217,397)</b>	<b>2,467,361,142</b>	<b>534,263,665</b>
(Loss) for the Year	-	-	(886,326,102)	-	(886,326,102)
Revaluation during the period Net of tax					
Incremental Depreciation transferred from Surplus on Revaluation of Property, Plant & Equipment - Net of tax	-	-	186,276,294	(186,276,294)	-
<b>Balance as on September 30, 2020</b>	<b>915,119,920</b>	<b>190,000,000</b>	<b>(3,738,267,205)</b>	<b>2,281,084,848</b>	<b>(352,062,437)</b>

The annexed notes form an integral part of these financial statements

**Muhammad Baqir Jafferi**  
Chief Executive Officer

**Muhammad Ilyas Abdul Sattar**  
Chief Financial Officer

**Haroon Iqbal**  
Chairman Board of Director

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2020

### 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. (formerly Karachi and Lahore Stock Exchanges in Pakistan). The registered office of the company is situated at Dewan Centre, 3-A, Lalazar, Beach Hotel Road, Karachi-74000, Pakistan; while its manufacturing facilities are located at Jillaniabad, Budho Talpur, Taluka: Mirpur Bathoro, District: Thatta, Sindh, Pakistan. The Principal activity of the Company is production and sale of white 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 still non operative since 2016.

#### 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, 2020 reflect net loss after taxation of Rs.886.326 million (2019: Rs.546.914 million) and its current liabilities exceeded its current assets by Rs.4,245 (2019 Rs.3,364) million. 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 17.1, 18.1 and 27.1 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

The accounting policies and method of computation adopted in the preparation of this financial information are the same as those applied in the preparation of the annual financial statements of the Company for the preceding year ended September 30, 2019.

#### 2.1 Statement Of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- a) International Financial Reporting Standard issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

Islamic Financial Reporting Standard issued by the Institute of Chartered accountants of Pakistan as are notified under the Companies Act, 2017; and

- b) 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 for the fixed assets which are on revalued amount in note 5 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

### **New standards, amendments, interpretation and improvements effective during the current year**

The Company has adopted the following standards, amendments, interpretation and improvements to International Financial Reporting Standards (IFRSs) which became effective for the current year:

#### **Standards, Amendments or Interpretation**

IFRS 9 - Prepayment Features with Negative Compensation (Amendments)

IFRS 14 - Regulatory Deferral Accounts

IFRS 16 - Leases

IFRS 16 - COVID 19 Related Rent Concessions (Amendments)

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC 23 - Uncertainty over income tax treatments

#### **Improvements to Accounting Standards Issued by the IASB (2015-2017 cycle)**

IFRS 3 - Business Combinations - Previously held Interests in a joint operation

IFRS 11 - Joint Arrangements - Previously held Interests in a joint operation

IAS 12 - Income Taxes - Income tax consequences of payments on financial instruments classified as equity

IAS 23 - Borrowing Costs - Borrowing costs eligible for capitalisation

The adoption of the above standards, amendments, interpretations and improvements to the accounting standards did not have any effect on the Company's financial statements except for IFRS 16. The impact of adoption of IFRS 16 and its amendments are described below:

### **2.3.1 IFRS 16 Leases**

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single note on statement of financial position model.

The Company adopted IFRS 16 using the modified retrospective approach with the date of initial application of July 01, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Accordingly the information presented for prior years has not been restated. The Company elected to use the transition practical expedient allowing the standard to be applied only to lease contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases').

The new accounting policy in respect of leases is disclosed in note 4.1.1 & 4.5.1 to these financial statements which do not effects the financial Statement of the Company.

## 2.4 Standards, amendments and improvements to the approved accounting standards that are not yet effective

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

<b>Amendments</b>	Effective date (annual periods beginning on or after)
IFRS 3 -- Definition of a Business (Amendments)	01 January 2020
IFRS 3 -- Reference to the Conceptual Framework (Amendments)	01 January 2022
IFRS 9 / IAS 39 / IFRS 7 -- Interest Rate Benchmark Reform (Amendments)	01 January 2020
IFRS 10 / IAS 28 -- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
IAS 1 / IAS 8 -- Definition of Material (Amendments)	01 January 2020
IAS 1 -- Classification of Liabilities as Current or Non-current (Amendments)	01 January 2022*
IAS 16 -- Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37 -- Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	01 January 2022

\*The IASB has issued an exposure draft proposing to defer the effective date of the Amendments to IAS 1 to 01 January 2023.

#### **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	01 January 2022
IAS 41 -- Agriculture – Taxation in fair value measurements	01 January 2022

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

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

<b>Standard or Interpretation</b>	Effective date (annual periods beginning on or after)
IFRS 1 -- First time adoption of IFRSs	01 January 2004
IFRS 17 -- Insurance Contracts	01 January 2023

## **2.5 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:

### **2.5.1 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.

### 2.5.2 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.

Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against which such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

### 2.5.3 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 Doubtful Receivables

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. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were resolved as approved by the Board of Directors and authorized for issue on December 28, 2020.

## 4. 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 except new amendment if applicable as disclosed in note 2 and 4.1. to the financial statements.

### 4.1 Change in Significant Accounting Policies

The Company has adopted IFRS 16 Leases from October 1, 2019 which is effective from annual Periods beginning on or after January 1, 2019 and the Key changes to the Company's Accounting policies resulting from the adoption of IFRS 16 are Summarised below.

#### 4.1.1. IFRS 16 'Leases'

The Company has applied IFRS 16 using the modified retrospective approach and has not restated the comparative information presented for 2019, as permitted under the specific transitional provisions in the standard. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

The company has not elected to recognise right-of-use assets and lease liabilities for short-term leases of properties that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. There is no impact of adaption of IFRS 16 in the financial statements.

#### **4.2 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 scheme for its eligible permanent employees who opted for the benefits. Equal monthly contributions are made, both by the company and the employees of the fund at the rate of 8.33% of the basic salary.

#### **4.3 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.

#### **4.4 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 financial statement liability method, on all temporary differences at the financial statement 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the balance sheet date up to September 30, 2012 the company has recognized deferred tax assets in financial statements.

#### **4.5 Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any or revalued amounts; 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.

#### 4.5.1 Right-of-use assets

The Company recognises 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 recognised, 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. as fully disclosed in note 4.1 to the financial Statements.

##### - 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. Previously the same was charged at an annual basis. Further, the rates applied are in no case less than the rates prescribed by the Central Board of Revenue. 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 .

Depreciation on Plant and Machinery of Board & Panel Unit, Poly Propylene Unit & Distillery Unit 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 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 by the company to its accumulated profit / loss.

##### - 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.

- 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 profit and loss account.

#### 4.6 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 recognises 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 recognises 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 recognised 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.”

#### 4.7 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.

#### 4.8 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 use ability.

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.

#### 4.9 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	:	At lower of weighted average cost and net realizable value. 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 financial statement 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 4.10
Stock at Fair Price Shop	:	At cost calculated on the first-in-first-out method of valuation.
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.

#### 4.10 Inter Segment Transfer

Transfer between business segment are recorded at net realizable value.

#### 4.11 Trade Debts and Other Receivables

Trade and other receivables are recognised initially at their transaction price and subsequently measured at amortised 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.

#### 4.12 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 financial statement 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 Profit or Loss.

**4.13 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 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 recognised 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 profit and loss account in the period in which these arise.

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

**4.14 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.

**4.15 Provisions**

A provision is recognized in the financial statement 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 financial statement date and adjusted to reflect the current best estimate.

**4.16 Cash and Cash Equivalents**

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

**4.17 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 profit or loss. The recoverable amount of property, plant and equipment is the greater of the net selling price and its value in use.

**4.18 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.

#### 4.19 **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 receivables based on a review of all outstanding amounts at the reporting date. Balances considered bad and irrecoverable are written off when identified.

#### 4.20 **Short Term and Long Term Loans**

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

#### 4.21 **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.

#### 4.22 **Intangible Assets**

Computer software costs that are directly associated with the computer and computer controlled machines which cannot operate without the related specific software, are included in the costs of the respective assets. Software which are not an integral part of the related hardware are classified as intangible assets.

#### 4.23 **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 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 profit and 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 as more fully explained in note 4.

**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.

**4.24 Offsetting of Financial Assets and Financial Liabilities**

Financial assets and liabilities are off-set 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.

**4.25 Proposed Dividends And Transfer Of Between Reserves**

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

**4.26 Expenses**

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

**5 PROPERTY, PLANT & EQUIPMENT**

Operating Property, Plant and Equipment

**5.1**
**2020**
**(Rupees)**
**2019**

Capital work -in-progress

**5.2**
**4,612,687,259**

4,932,036,435

**172,715,493**

188,597,688

**4,785,402,752**
**5,120,634,123**
**5.1 Operating Property, Plant and Equipment**

PARTICULARS	COST				Rate %	DEPRECIATION			Written Down Value as at September 30, 2020
	As at October 01, 2019	Additions/Transfer (Disposals)/	SURPLUS ON REVALUATION	As at September 30, 2020		As at October 01, 2019	For the year / (Adjustment)	As at September 30, 2020	
Free Hold Land	142,650,000	--	--	142,650,000	--	--	--	--	142,650,000
Factory Building on Free Hold Land	1,261,556,023	15,985,184	--	1,277,541,207	10	657,887,393	58,588,817	716,476,210	561,064,997
Labour Quarters on Free Hold Land	494,262,950	--	--	494,262,950	25	403,627,867	20,234,576	423,862,443	70,400,507
<u>Plant and Machinery</u>									
Owned	7,442,866,532	--	--	7,442,866,532	10	3,457,561,991	266,982,917	3,724,544,908	3,718,321,624
Right of use of assets									
Leased	100,000,000	--	--	100,000,000	10	38,461,320	2,680,823	41,142,143	58,857,857
Furniture and Fixtures	56,985,206	329,000	--	57,314,206	10	42,124,066	1,443,203	43,567,269	13,746,937
Office Equipment	63,198,676	19,891,966	--	83,090,642	10	46,366,319	2,640,900	49,007,219	34,083,423
Vehicles	172,099,633	46,500	--	172,146,133	20	155,553,631	3,030,588	158,584,219	13,561,914
<b>2020</b>	<b>9,733,619,019</b>	<b>36,252,650</b>	<b>--</b>	<b>9,769,871,670</b>		<b>4,801,582,588</b>	<b>355,601,829</b>	<b>5,157,184,412</b>	<b>4,612,687,259</b>

PARTICULARS	COST				Rate %	DEPRECIATION			Written Down Value as at September 30, 2019
	As at October 01, 2018	Additions/Transfer (Disposals)/	SURPLUS ON REVALUATION	As at September 30, 2019		As at October 01, 2018	For the year / (Adjustment)	As at September 30, 2019	
Free Hold Land	142,650,000	--	--	142,650,000	--	--	--	--	142,650,000
Factory Building on Free Hold Land	1,241,472,143	20,083,880	--	1,261,556,023	10	595,153,560	62,733,833	657,887,393	603,668,630
Labour Quarters on Free Hold Land	494,262,950	--	--	494,262,950	25	377,577,451	26,050,416	403,627,867	90,635,083
<u>Plant and Machinery</u>									
Owned	7,424,087,594	18,778,941	--	7,442,866,535	10	3,129,778,659	327,783,332	3,457,561,991	3,985,304,544
Leased	100,000,000	--	--	100,000,000	10	34,179,837	4,281,483	38,461,320	61,538,680
Furniture and Fixtures	56,172,158	813,047	--	56,985,205	10	40,585,651	1,538,415	42,124,066	14,861,139
Office Equipment	60,719,624	2,479,052	--	63,198,676	10	44,771,938	1,594,381	46,366,319	16,832,357
Vehicles	172,099,633	--	--	172,099,633	20	151,856,212	3,697,419	155,553,631	16,546,002
<b>2019</b>	<b>9,691,464,102</b>	<b>42,154,920</b>	<b>--</b>	<b>9,733,619,021</b>		<b>4,373,903,310</b>	<b>427,679,279</b>	<b>4,801,582,587</b>	<b>4,932,036,435</b>

5.1a The segment and category wise allocation of depreciation is as follows:

	2020	2019
	( Rupees)	
Cost of Sales		
Sugar Unit	245,408,421	274,137,689
Polypropylene Unit	4,508,048	4,986,043
Board and Panel Unit	8,452,785	7,403,753
Distillery Unit	91,633,180	136,170,288
Administrative and General Expenses		
Sugar Unit	2,459,400	2,779,131
Polypropylene Unit	106,958	120,046
Board and Panel Unit	103,195	113,265
Distillery Unit	2,929,842	1,969,062
	<b>355,601,829</b>	<b>427,679,277</b>

5.1b Company had revalued its Factory Building and Plant and Machinery which arises amounting to Rs.2.311 on 17th January 2018 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 4.211 billion. Had there been no such revaluation made by the Company, the written down values of these assets would have been as under:

Free Hold Land	50,612,532	50,612,532
Factory building on freehold land	101,832,909	95,642,402
Labour quarters on freehold land	1,157,562	1,490,269
Plant and Machinery	1,163,631,341	1,236,949,295
	<b>1,317,234,344</b>	<b>1,384,694,498</b>

5.1c Freehold land represents 320 Acres and 16 ghuntas situated at jilaniabad, Budhu Talpur, District Sujawal. The value of Freehold land is Rs.142.650 million(2019 Rs.142.650 million).

5.2	<b>Capital Work-in-Progress</b>	188,597,688	150,171,296
	<b>Additions during the year</b>	12,611,545	57,205,330
		<b>201,209,233</b>	<b>207,376,626</b>
	<b>Less: Transfer to Fixed assets</b>	28,493,740	18,778,938
		<b>172,715,493</b>	<b>188,597,688</b>
	<b>5.2.1 Break up are as follows</b>		
	Civil Work	62,259,725	78,141,900
	Plant and Machinery	110,455,768	110,455,788
		<b>172,715,493</b>	<b>188,597,688</b>

6 **STORES, SPARES & LOOSE TOOLS**

Stores	265,791,388	270,573,862
Spares	66,447,847	67,643,466
	<b>332,239,235</b>	<b>338,217,328</b>
Less: Provision for obsolescence and slow moving items	(136,396,462)	(106,198,862)
	<b>195,842,773</b>	<b>232,018,466</b>

**7 STOCK-IN-TRADE**
**Raw Materials**

- Board and Panel Unit
- Molasses (Distillery) Unit
- Polypropylene Unit

**Work-in-Process**

- Sugar Unit
- Board and Panel Unit
- Distillery Unit
- Polypropylene Unit

- Boards and Panels - at cost

Less valued written down to net realizable value

Net realizable value

- Industrial Alcohol - at cost

2020

2019

(Rupees)

	2020	2019
	<b>44,308,091</b>	31,265,690
	<b>525,612,074</b>	12,346,654
	<b>1,028,066</b>	1,028,066
	<b>570,948,231</b>	44,640,410
	<b>1,908,463</b>	1,974,457
	<b>245,221</b>	232,499
	<b>20,165,571</b>	1,654,424
	<b>-</b>	739,103
	<b>22,319,255</b>	4,600,483
	<b>15,654,011</b>	18,245,567
	<b>(1,749,382)</b>	(2,468,130)
	<b>13,904,629</b>	15,777,437
	<b>426,345,555</b>	208,034,402
	<b>1,033,517,670</b>	273,052,732
<b>8 TRADE DEBTS - UNSECURED, CONSIDERED GOOD</b>		
Sugar Unit	175,200	3,450
Board and Panel Unit	42,127	1,247,000
Distillery Unit	25,629,520	13,164,558
	<b>25,846,847</b>	14,415,008
<b>8.1</b> The aging of debtors at the reporting date was		
Up to one month	11,631,081	6,486,754
1 to 6 months	7,754,054	4,324,502
More than 6 months	6,461,712	3,603,752
	<b>25,846,847</b>	14,415,008

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 financial statement 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.

**9 LOANS, ADVANCES AND OTHER RECEIVABLES UNSECURED, CONSIDERED GOOD**
**Advances**

Against Imports

To Contractors

To Growers

To Staff

Against Stores and Expenses

Advances against Supplier

Sundry

Others

9.2

**9.1** These advances and other receivables are interest free.

**9.2** Advance to Staff includes Rs.0.70 (2019: Rs. 0.20) million due from the executives of the company. The maximum amount due from these executives at any month end was Rs.0.70(2019: Rs. 0.20) million.

10	<b>TRADE DEPOSITS, SHORT-TERM PREPAYMENTS &amp; CURRENT BALANCES WITH STATUTORY AUTHORITIES</b>	2020	2019
		(Rupees)	
	Security Deposits	6,928,110	6,928,110
	Prepayments	2,573,426	4,333,382
		<u>9,501,536</u>	<u>11,261,492</u>
11	<b>SHORT TERM INVESTMENT IN ASSOCIATED COMPANY- AVAILABLE FOR SALE</b>		
	<i>No. of Ordinary Shares of Rs. 10/- each</i>		
	2020	2019	
	<u>13,000,000</u>	13,000,000	Invested in Cash
	<u>650,000</u>	650,000	Received as fully paid
	<u>13,650,000</u>	<u>13,650,000</u>	
	Impairment in the value of investment	(130,000,000)	(130,000,000)
		<u>(130,000,000)</u>	<u>(130,000,000)</u>
		-	-
	Market Value as at September 30 (Rupees per share)	7.89	4.70
	Percentage of Equity held	9.84%	9.84%
		<u>9.84%</u>	<u>9.84%</u>
11.1	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 % investee Company.		
11.2	<b>Investment in Dewan Farooque Motors Limited</b>		
	Number shares held	13,650,000	13,650,000
	Cost of investment (Rupees)	130,000,000	130,000,000
	Fair value of investment (Rupees)	107,690,500	64,155,000
	Ownership interest	9.84%	9.84%
11.3	<b>Summarized financial information of associated Company</b>		
	Total assets	3,155,195,470	3,397,958,000
	Total Liabilities	5,837,186,759	5,798,151,000
	Net assets	(2,681,991,289)	(2,400,193,000)
	Company's share of net assets	(263,907,943)	(236,178,991)
	Revenue	99,258	-
	Loss for the period	(36,838,366)	(47,562,000)
12	<b>CASH AND BANK BALANCES</b>		
	Cash in Hand	343,983	451,991
	Cash at Banks		
	Current Accounts	32,985,257	47,896,301
	Saving Accounts	-	-
		<u>33,329,240</u>	<u>48,348,292</u>

Bank balances with deposits and saving accounts are placed under interest / mark-up arrangements. The Company has conventional banking relationships with all the banks.

**13 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

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

				2020	2019
				(Rupees)	
2020	2019				
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	182,559,960	182,559,960	
55,000,000	55,000,000	Right Issue of the Ordinary Share from Sponsor loan	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	
<b>91,511,992</b>	<b>91,511,992</b>		<b>915,119,920</b>	<b>915,119,920</b>	

The above Holding includes holding of associated companies 5,788,938 (2019: 5,788,938)

**13.1** 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.

**13.2** 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.

**14 RESERVES AND SURPLUS**

General Reserve	190,000,000	190,000,000
Accumulated Loss	(3,738,267,205)	(3,038,217,397)
	<b>(3,548,267,205)</b>	<b>(2,848,217,397)</b>

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

The following fixed assets of the Company were revalued on January 17, 2018. The revaluation was carried out by independent valuer M/s. Anderson, 103 1st Floor 16-C Rahat Commercial DHAPhase VI, Karachi. Bases of revaluation are as follows:

**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 Rs2,310 million.

Particulars	W.D.V. of assets before revaluation	Revalued amount	Revaluation Surplus
		(Rupees)	
Free hold Land	50,612,532	142,650,000	92,037,468
Plant and Machinery	2,809,073,194	4,633,757,000	1,824,683,806
Factory Building on free hold land	80,411,704	388,643,607	308,231,903
Labour Quarter on free hold land	55,041,968	141,028,636	85,986,668
	<u>2,995,139,398</u>	<u>5,306,079,243</u>	<u>2,310,939,845</u>

		2020	2019
		Rupees	
Balance at beginning		<b>2,467,361,142</b>	2,691,495,185
Surplus relating to incremental depreciation - net of deferred tax		<b>(186,276,294)</b>	(224,134,043)
		<b><u>2,281,084,848</u></b>	<u>2,467,361,142</u>
<b>16 SPONSORS LOAN-UNSECURED</b>			
Sponsors Loan	<b>16.1</b>	<b>244,414,635</b>	219,836,873
Sponsors Loan	<b>16.2</b>	<b>133,399,015</b>	123,163,273
		<b><u>377,813,650</u></b>	<u>343,000,146</u>
<b>16.1 Sponsors Loan</b>			
Opening Balance Original Loan amount		<b>513,232,200</b>	507,425,200
Addition during the year		-	5,807,000
		<b><u>513,232,200</u></b>	<u>513,232,200</u>
Less Present value adjustment		<b>(293,395,327)</b>	(311,931,844)
Amortized Interest Income		-	(3,319,641)
Add Amortization Discount Charged to P & L		<b>24,577,762</b>	21,856,158
		<b><u>(268,817,565)</u></b>	<u>(293,395,327)</u>
Present Value of Sponsors Loan		<b><u>244,414,635</u></b>	<u>219,836,873</u>
The Sponsors 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 11.18% per annum. These interest free loans are payable in lump sum on September 30, 2027.			
<b>16.2 Sponsors Loan obtained for payment of Term Loan</b>		<b>159,647,920</b>	159,647,920
Less Present value adjustment		<b>(36,484,647)</b>	(45,934,999)
Add Amortization Discount Charged to P & L		<b>10,235,742</b>	9,450,352
		<b><u>(26,248,905)</u></b>	<u>(36,484,647)</u>
		<b><u>133,399,015</u></b>	<u>123,163,273</u>

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 and as of that date payable in lump sum on December 31, 2022. The amount of loan has been measured at amortized cost in accordance with International Accounting Standard 39, Financial Instruments: Recognition and Measurement, and have been discounted using the weighted average interest rate of ranging 8.1% per annum.

		2020	2019
		(Rupees)	
<b>17</b>	<b>LONG TERM FINANCE - SECURED</b>		
	<b>Syndicated Term Finance</b>	17.1	-
	<b>First National Bank Modaraba</b>	17.2	-
	<b>Syndicated Term Finance</b>	-	-
<b>17.1</b>	<b>Syndicated Term Finance</b>	<b>2,348,128,218</b>	2,348,128,218
	Less: Repayment during the year	-	-
	Classified as current portion	<b>2,348,128,218</b>	2,348,128,218
	Current Maturity	-	136,305,886
	Overdue installments	<b>2,348,128,218</b>	2,211,822,332
	Less : Current Maturity of Non Current Liabilities	<b>2,348,128,218</b>	2,348,128,218
		-	-
<b>17.2</b>	<b>First National Bank Modaraba</b>		
	Principal amount outstanding	<b>3,041,739</b>	9,067,821
	Less: Repayment during the year	<b>3,041,739</b>	6,026,082
		-	3,041,739
	Less : Current Maturity of Non Current Liabilities	-	3,041,739
		--	--

**17.1** 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 ranging from Rs.57.099 million to Rs. 152.395 million. The tenure of repayments had been started from March 30, 2012 and last payment will be made on December 30, 2020.

Moreover banks / financial institutions had allowed further working capital limit to the Company as fully explained in note 23.1 and 27.1 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 has 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.

**17.2** This amount represents principal outstanding out of 37.525 million mutual agreed rescheduled amount approved by the management of First National Bank Modaraba on June 15, 2011. The Principal amount will be paid in 32 (1 to 32) quarterly un-equal installments of Rs. 0.558 million to 1.520 million repayable in 10 year including grace Period of one year installments have been commenced from 16th June, 2012 and the last installment will be paid on March 16, 2021. No mark up will be charged during the period of tenure.

		2020	2019
		(Rupees)	
<b>18</b>	<b>LONG TERM MARK UP PAYABLE</b>		
	<b>Syndicated Term Finance Markup Payable</b>	<b>18.1</b>	-
			284,801,103
	<b>Mark-up payable (First National Bank Modaraba)</b>	<b>18.2</b>	-
			1,879,169
			<u>286,680,272</u>

**18.1** This amount represents token mark up of Rs. 425.051 payable to Syndicated (Summit Bank & Other) in 4 equal quarterly installments (33 to 36) million. Company had provided Rs.284.80 million till September, 2018 and stopped providing further markup and approaching to lender for waiver due to current worst situation of industries of the Country specially Sind province. The management of the company hopeful this request will be oblige.

**Syndicated Term Finance Markup Payable**

Mark up Payable opening	<b>284,801,103</b>	284,801,103
Add Provision during the year	-	-
	<b>284,801,103</b>	-
Less :Over due Current Maturity of Non Current Liabilities	<b>284,801,103</b>	-
	-	<u>284,801,103</u>

**18.2** This amount represents token mark up of Rs. 2.525 million payable to First National Bank Moradabad in 4 equal quarterly installments (33 to 36) of Rs.0.631 million.

**Mark-up payable  
(First National Bank Modaraba)**

Mark up Payable opening	<b>1,879,169</b>	1,879,169
Add Provision during the year	<b>516,864</b>	-
	<b>2,396,033</b>	1,879,169
Less: Payment during the period	<b>1,262,626</b>	-
	<b>1,133,407</b>	1,879,169
Less : Current Maturity of Non Current Liabilities	<b>1,133,407</b>	-
	-	<u>1,879,169</u>

**18.3** In 2015 one of the Banks had Settled the liability of the company through the sponsor of the company as disclosed in note 16.2. to the financial statements.

**19 LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE**

	2020		2019	
	Minimum Lease Payments	Present value of Minimum Lease Payments	Minimum Lease Payments	Present value of Minimum Lease Payments
(Rupees)				
Due not later than one year	<b>1,770,419</b>	<b>1,770,419</b>	2,256,192	2,256,192
Due later than one year but not later than five years	--	--	4,026,612	4,026,612
Due later than five year and onward	--	--	--	--
Total Payments	<b>1,770,419</b>	<b>1,770,419</b>	6,282,804	6,282,804
Less: Financial charges allocated to future periods	--	--	--	--
Present Value of Minimum Lease Payments	<b>1,770,419</b>	<b>1,770,419</b>	6,282,804	6,282,804
Classified as current portion				
Current Maturity on Lease Liabilities	<b>1,770,419</b>	<b>1,770,419</b>	4,512,384	4,512,385
	--	--	1,770,420	1,770,419

The company entered into Finance Lease arrangements with various leasing companies in order to obtain certain Property & Plant & Equipment's. The minimum lease payments had been discounted at an implicit interest rate, floating as per the relevant arrangements, i.e., three month KIBOR (Ask Side) base rate plus 2.75% per annum and State Bank of Pakistan Discount rate base rate plus 2% per annum; to arrive at the present value of the liability. Rentals are paid in monthly / quarterly / bi-annual basis, and in case of a default in any payment, an additional charge @ 3%~20% per annum is required to be paid.

The company has the option to purchase the asset upon expiry of the lease term, which it intends to exercise at the offered residual value being the amount advanced as security deposit to the leasing companies. Taxes, repairs, and insurance are borne by the company. In case of an early termination of the lease contract, the company is required to pay the entire amount of the rentals under the contract for the unexpired period of the lease agreement. In case of a finance lease, the prime security is the leased asset itself, as the title to the asset does not transfer to the company until the satisfactory discharge of the lease contract.

**19.1** The Dawood Investment Bank Ltd has accepted our request and agreed to reschedule their lease liabilities. In this regard a Supplemental Lease Agreement was made on December 15, 2011. As per term 27.731 million settled amount will be paid in 40 installments in 10 years and paid quarterly commencing from 24 November, 2011 and ended on 15 August, 2021. No mark up will be paid during tenure of period.

		2020	2019
		(Rupees)	
<b>20</b>	<b>DEFERRED LIABILITIES</b>		
	Deferred Liability for Staff Gratuity (Provision)	<b>20.1</b> 5,558,694	5,970,894
	Deferred Income Tax Liability	<b>20.2</b> 508,709,356	584,794,034
		<u>514,268,050</u>	<u>590,764,928</u>
<b>20.1</b>	<b>Deferred Liability for Staff Gratuity (Provision)</b>		
	Opening Balance	5,970,894	6,081,594
	Less: Payments made during the year	412,200	110,700
		<u>5,558,694</u>	<u>5,970,894</u>

The Company discontinued its policy for staff retirement benefits plan for gratuity to Provident fund on 31-3-2007 and provision for all its outstanding liabilities had been made until 31-3-2007.

<b>20.2</b>	<b>Deferred Income Tax Liability</b>		
	Deferred tax liability arising on Surplus on Revaluation of Property, Plant and Equipment	894,117,943	970,202,626
	Deferred tax liability arising due to accelerated tax depreciation	88,278,858	92,593,241
	Deferred tax asset arising on carry forward losses	(1,251,164,472)	(1,098,162,486)
	Deferred tax assets arising on Staff Gratuity and Other Provisions	(1,492,483)	(1,731,559)
		<u>(270,260,154)</u>	<u>(37,098,178)</u>
	Deferred tax asset not recognized	778,969,509	621,892,212
		<u>508,709,356</u>	<u>584,794,034</u>

**DEWAN SUGAR MILLS LIMITED**

			2020	2019
			(Rupees)	
<b>21</b>		<b>TRADE AND OTHER PAYABLES</b>		
		<b>Creditors for Goods</b>	<b>2,104,132,678</b>	1,343,482,212
		<b>Advance from Customers</b>	<b>785,578,479</b>	152,527,058
		<b>Accrued Expenses</b>		
		Sales Tax	<b>311,929,722</b>	181,696,477
		Sales Commission	<b>17,901,482</b>	11,194,265
		Salaries and Wages	<b>27,136,100</b>	16,047,971
		Others	<b>16,018,515</b>	8,430,819
			<b>372,985,819</b>	217,369,532
		<b>Other Liabilities</b>		
		Others	<b>15,082,208</b>	11,147,738
			<b><u>3,277,779,184</u></b>	<b><u>1,724,526,540</u></b>
<b>22</b>		<b>INTEREST, PROFIT, MARK-UP ACCRUED ON LOAN &amp; OTHER PAYABLES</b>		
		On Short Term Finances	<b>12,009,624</b>	12,693,247
			<b><u>12,009,624</u></b>	<b><u>12,693,247</u></b>
<b>23</b>		<b>SHORT TERM FINANCE - SECURED</b>		
		Short Term Running Finance Facilities - Secured	<b>192,195,875</b>	192,195,875
		Book Overdraft	<b>16,513,596</b>	7,281,662
			<b><u>208,709,471</u></b>	<b><u>199,477,537</u></b>
<b>23.1</b>		This amount represent RF facility of 192.196 (2019: 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 quarterly basis. The Financing agreement has been Expired and not renewed by the Banks.		
<b>24</b>		<b>UNCLAIMED DIVIDEND</b>		
		Opening	<b>769,543</b>	769,543
		Paid during the year	<b>-</b>	--
			<b><u>769,543</u></b>	<b><u>769,543</u></b>
<b>25</b>		<b>CURRENT PORTION OF NON-CURRENT LIABILITIES</b>		
		Long Term Finance Facilities	<b>2,634,062,728</b>	2,351,169,957
		Liability against Assets subject to Finance Lease	<b>1,770,419</b>	4,512,384
			<b><u>2,635,833,147</u></b>	<b><u>2,355,682,341</u></b>
<b>26</b>		<b>PROVISION FOR TAXATION</b>		
		Balance at the beginning	<b>129,700,000</b>	88,700,000
		Add: Provision for the year	<b>46,800,000</b>	71,000,000
			<b><u>176,500,000</u></b>	<u>159,700,000</u>
		Payment /adjustment during the period	<b>58,700,000</b>	30,000,000
			<b><u>117,800,000</u></b>	<b><u>129,700,000</u></b>

Update income tax returns of the Company have been filed and adjustment have been made till tax year 2019 which are deemed to be assessed u/s 120 of the Income Tax Ordinance 2001. However, the Commissioner of Income Tax may at any time during a period of five years from the date of filing of return may select the deemed assessment for audit.

	<b>Provision</b>	<b>Deemed Assessment</b>
Tax Year 2017	<b>26,000,000</b>	24,018,878
Tax Year 2018	<b>30,000,000</b>	36,465,273
Tax Year 2019	<b>58,700,000</b>	53,300,717
<b>26.1 Relationship between income tax expense and accounting profit.</b>		
Accounting (loss) as per profit or loss account (Profit) & Loss under FTR	<b>(921,010,068)</b>	(560,457,128)
	<b>137,463,086</b>	(85,326,957)
	<b><u>(783,546,981)</u></b>	<b><u>(645,784,085)</u></b>
Applicable tax rate	<b>29%</b>	29%
Tax on accounting (loss)	<b>(227,228,625)</b>	(187,277,385)
Tax effect of timing difference on depreciation	<b>64,250,257</b>	69,140,612
Tax effect of expenses/provision that are not deductible in determining taxable loss charged to profit & loss account	<b>9,976,378</b>	8,084,089
Effect of Loss carried/(brought) forward	<b>153,001,990</b>	110,052,684
	-	-
	-	-
	<b><u>46,800,000</u></b>	<b><u>71,000,000</u></b>
Minimum tax payable under Income Tax Ordinance, 2001		

## 27 CONTINGENCIES AND COMMITMENTS

### Contingencies

- 27.1 a** In respect of liabilities towards banks / financial institutions disclosed in note 17 to the financial statements, During the year ended 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 principle amount of Rs.3.451 billion and markup there on of Rs.471.824 million (eligible for waiver if the Company repays the entire outstanding principal as per term of agreement), consequent to which consent decrees were granted by the Honorable High Court of Sindh, Karachi. Consequent to default in repayment of restructured liabilities as per compromise agreement, the lenders filed for execution of consent decrees amounts to Rs.3.451 billion. 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 of the Company expects favorable outcome therefrom.
- b** As per the terms of the restructuring the waiver markup allowed by the lender amounting Rs. 471.824 million, which would be liable to pay 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.
- 27.2** The Sales tax Department showed inadmissible sales tax of Rs. 120 million and 13.8 million the company filled appeal against the disallowance of adjustment of same in Commissioner appeals and obtained stay orders against the recovery of the same amount from High Court of Sindh. The out Come of same two Cases are in Pending and the management and the Legal Council Feels the Out come will favorable to the company.
- 27.3** The Department issued show cause against the recovery of the May 2019 sales tax amounting to Rs. 138.90 million the Company filled appeal against the demand to Appellate tribunal IR and the Tribunal after the Statement of Financial Position date order passed 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 Refund as of reporting date the same pending with the department.

- 27.4** After the financial statement date as on December 8, 2020 the amended orders for the years 2015 to 2019 has been passed u/s 122(1) after making huge additions and the company going to file the appeals before the Commissioner Inland revenue (Appeals 1) Karachi which will file in due course, The management and Lawyer feels the demand created is totally unjustified and after appeal the orders will amend and remand back to the assessing officer, there for the amended orders and the tax liability created are disputed. there for the management of the company feels the liability created by assessing officer will reverse in future.
- 27.5** Certain appeals are pending with the Income tax authorities related to the disallowances of expenses etc. The management feels that the outcome of the appeals will not be against the company.
- 27.6** Guarantees given by the commercial banks on behalf of the Company amounted to Rs.2.84 million (2019:Rs. 2.84) million.

**28 SALES**

	Sugar Segment		Polypropylene Segment		Board and Panel Segment		Distillery Segment		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(Rupees)									
<b>Gross Sales</b>										
Local	1,714,733,890	2,844,185,565	-	-	132,875,219	62,748,172	110,641,217	95,915,876	1,958,250,326	3,002,849,613
Exports	-	-	-	-	-	-	2,158,893,802	3,110,296,392	2,158,893,802	3,110,296,392
	1,714,733,890	2,844,185,565	-	-	132,875,219	62,748,172	2,269,535,019	3,206,212,268	4,117,144,128	6,113,146,005
Sales Commission	674,900	781,000	-	-	-	-	11,094,348	16,307,059	11,769,248	17,088,059
Sales Tax / Further Tax	248,625,000	367,944,780	-	-	22,123,351	10,431,384	9,841,556	9,692,459	280,589,907	388,068,623
	249,299,900	368,725,780	-	-	22,123,351	10,431,384	20,935,904	25,999,518	292,359,155	405,156,682
<b>Net Sales</b>	<b>1,465,433,990</b>	<b>2,475,459,785</b>	<b>-</b>	<b>-</b>	<b>110,751,868</b>	<b>52,316,788</b>	<b>2,248,599,115</b>	<b>3,180,212,750</b>	<b>3,824,784,973</b>	<b>5,707,989,323</b>

**29 COST OF SALES**

Note	Sugar Segment		Polypropylene Segment		Board and Panel Segment		Distillery Segment		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(Rupees)									
Raw material - opening stock	-	-	1,028,066	1,028,066	31,265,691	10,147,896	12,346,654	131,457,129	44,640,411	142,633,091
Purchases	1,745,312,713	1,766,219,605	-	-	102,421,770	59,343,141	2,455,728,409	1,614,593,380	4,303,462,892	3,440,156,126
Raw material - Return	-	-	-	-	-	-	-	-	-	-
Raw material - closing stock	-	-	(1,028,066)	(1,028,066)	(44,308,091)	(31,265,690)	(525,612,074)	(12,346,654)	(570,948,231)	(44,640,410)
Raw material consumed	1,745,312,713	1,766,219,605	-	-	89,379,370	38,225,347	1,942,462,989	1,733,703,855	3,777,155,071	3,538,148,807
Road Cess	1,443,169	2,081,923	-	-	-	-	-	-	1,443,169	2,081,923
Salaries, Wages and Other Benefits	135,320,948	159,551,091	336,914	463,077	9,007,876	13,297,477	70,729,852	70,319,813	215,395,590	243,631,458
Water, Fuel and Power	34,332,340	37,222,910	-	-	15,162,577	8,119,596	234,326,728	384,396,358	283,821,646	429,738,864
Stores and Spares consumed	64,946,468	77,839,204	43,895	28,944	2,099,468	5,840,864	100,901,064	102,991,328	167,990,895	186,700,340
Printing and Linter feeding	-	-	-	-	-	-	-	-	-	-
Insurance	169,226	154,916	-	-	-	-	3,860,753	6,149,246	4,029,979	6,304,162
Depreciation	245,408,421	274,137,689	4,508,048	4,986,043	8,452,785	7,403,753	91,633,180	136,170,288	350,002,434	422,697,773
Repairs and Maintenance	6,244,798	5,386,516	-	-	53,765	47,239	19,540,467	15,087,933	25,839,030	20,521,688
Other Overheads	12,974,598	20,738,132	-	-	147,257	217,080	9,899,628	11,903,913	23,021,483	32,859,125
Vehicle Running Expenses	3,119,668	5,951,072	-	-	272,075	308,340	326,857	287,943	3,718,600	6,547,356
	2,249,272,350	2,349,283,058	4,888,857	5,478,064	124,575,173	73,459,696	2,473,681,518	2,461,010,677	4,852,417,897	4,889,231,495
Work in process - beginning	1,974,457	1,910,558	739,103	739,103	232,499	180,187	1,654,424	242,219	4,600,483	3,072,067
Work in process - ending	(1,908,463)	(1,974,457)	-	(739,103)	(245,221)	(232,499)	(20,165,571)	(1,654,424)	(22,319,255)	(4,600,483)
<b>Cost of Goods Manufactured</b>	<b>2,249,338,344</b>	<b>2,349,219,199</b>	<b>5,627,959</b>	<b>5,478,064</b>	<b>124,562,451</b>	<b>73,407,384</b>	<b>2,455,170,372</b>	<b>2,459,598,472</b>	<b>4,834,699,125</b>	<b>4,887,703,079</b>
Finished goods - opening stock	-	845,229,000	-	-	15,777,437	10,227,526	208,034,403	466,474,818	223,811,840	1,321,931,344
Transfer to Other Segments	(152,500,000)	(224,987,740)	-	-	-	-	-	-	(152,500,000)	(224,987,740)
Finished goods - closing stock	-	-	-	-	(13,904,629)	(15,777,437)	(426,345,555)	(208,034,403)	(440,250,184)	(223,811,840)
	<b>2,096,838,344</b>	<b>2,969,460,419</b>	<b>5,627,959</b>	<b>5,478,064</b>	<b>126,435,259</b>	<b>67,857,473</b>	<b>2,236,859,219</b>	<b>2,718,038,887</b>	<b>4,465,760,781</b>	<b>5,760,834,843</b>

- 29.1 a)** No production activity in polypropylene Unit during the year, therefore the depreciation on Plant & Machinery has not been charged on same unit as per the Company policy as disclosed in No.4.5.1 to the Financial Statements.
- 29.2** Salaries, Allowances & Other Benefits include Rs.3.26 (2019:3.640) million in respect of Staff Retirement Benefits.

**30 ADMINISTRATIVE AND GENERAL EXPENSES**

Note	Sugar Segment		Polypropylene Segment		Board and Panel Segment		Distillery Segment		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(Rupees)									
Salaries, Allowance & Other Benefits	36,716,167	38,434,881	-	-	840,000	2,580,000	13,377,921	17,106,157	50,934,088	58,121,038
Office and Other Expenses	26,180	10,030	-	-	-	-	-	-	26,180	10,030
Entertainment	362,793	441,149	-	-	-	-	2,165	247,309	364,958	688,458
Communication	639,540	638,144	-	-	-	-	1,927,998	1,371,477	2,567,538	2,009,621
Depreciation	2,459,400	2,779,131	106,958	120,046	103,195	113,265	2,929,842	1,969,062	5,599,395	4,981,504
Vehicle Running Expenses	1,291,960	3,293,696	-	-	-	-	2,827,643	3,026,927	4,119,603	6,320,623
Legal and Professional Charges	2,847,415	5,094,942	-	-	-	-	1,726,560	1,500,412	4,573,975	6,595,354
Printing and Stationery	1,081,828	530,256	-	-	-	-	97,790	210,370	1,179,618	740,626
Rent, Rates and Taxes	15,267,075	22,200,850	-	-	-	-	-	-	15,267,075	22,200,850
Traveling and Conveyance	360,245	449,583	-	-	-	-	2,500,361	3,619,577	2,860,606	4,069,159
Auditors' Remuneration	650,000	650,000	-	-	-	-	-	-	650,000	650,000
Fees and Subscription	90,305	1,079,752	-	-	-	-	3,374,134	398,402	3,464,439	1,478,154
Miscellaneous	59,020	25,447	-	-	-	-	125,000	-	184,020	25,447
	<b>61,851,928</b>	<b>75,627,861</b>	<b>106,958</b>	<b>120,046</b>	<b>943,195</b>	<b>2,693,265</b>	<b>28,889,414</b>	<b>29,449,693</b>	<b>91,791,495</b>	<b>107,890,865</b>

**30.1** Salaries, Allowances & Other Benefits include Rs.1.67(2019:1.705) million in respect of Staff Retirement Benefits.

	2020	2019
<b>30.2</b> Auditors Remuneration		
Audit Fee	<b>525,000</b>	525,000
Half Yearly Review	<b>125,000</b>	125,000
	<b>650,000</b>	<b>650,000</b>

**31 DISTRIBUTION AND SELLING COSTS**

	Sugar Segment		Polypropylene Segment		Board and Panel Segment		Distillery Segment		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(Rupees)									
Sugar Bags Handling	1,790,482	2,792,264	-	-	-	-	-	-	1,790,482	2,792,264
Export Expenses	-	-	-	-	-	-	121,788,889	348,323,788	121,788,889	348,323,788
	<b>1,790,482</b>	<b>2,792,264</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>121,788,889</b>	<b>348,323,788</b>	<b>123,579,371</b>	<b>351,116,052</b>

**32 OTHER OPERATING INCOME**

Profit from Dewan Petroleum Services		<b>85,007</b>	746,459
Profit on Deposit Account	<b>32.1</b>	<b>1,812,855</b>	1,327,006
Excise Duty Refund		<b>-</b>	3,755,128
		<b>1,897,862</b>	<b>5,828,593</b>

**32.1** Represents markup on bank accounts under conventional banking relationship.

**33 FINANCIAL COST**

Markup and Charges on:			
Term Finance Facilities		<b>516,864</b>	22,713,509
Short Term Finance Facilities		<b>710,585</b>	--
Bank Charges		<b>322,703</b>	413,266
Unwinding of discount	<b>16</b>	<b>34,813,504</b>	31,306,509
		<b>36,363,656</b>	<b>54,433,284</b>

**33.1** The company had stopped providing token markup since 30th September 2018 note # 18.1 to the Financial Statement on long term borrowings from Banks the accumulated markup amounting come to Rs.409.468 million till September 2020 and subsequently approaching to lender for waiver and hopefully this request will be oblige considering globally current worst situation. However had the provision been made in the financial statements markup for the year would have been higher by Rs.124.67 million and resulting increase in long term markup payable will be the same amount.

34	TAXATION	2020	2019
		(Rupees)	
	Current Income Tax charge	46,800,000	71,000,000
	Provision for Deferred Income Tax	(76,084,683)	(91,547,711)
	Prior Year Adjustment	(5,399,283)	7,004,505
		<b>(34,683,966)</b>	<b>(13,543,206)</b>

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, 2020 have been taxed @ 1.5% 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. Hence a reconciliation of the accounting and taxable profits is deemed not applicable in the instance.

### 35 LOSS PER SHARE - BASIC

Loss for the Year	<b>(886,326,102)</b>	<b>(546,913,922)</b>
Weighted average number of shares in issue	<b>91,511,992</b>	<b>91,511,992</b>
Loss per Share - Basic	<b>(9.69)</b>	<b>(5.98)</b>

**35.1** 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.

### 36 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	2020				2019			
	Chief Executive	Director	Executives	Total	Chief Executive	Director	Executives	Total
		(Rupees)				(Rupees)		
Managerial Remuneration	3,249,290	4,062,194	11,732,129	19,043,613	3,249,290	5,417,032	12,764,385	21,430,707
House Rent Allowance	1,462,181	1,827,987	5,279,458	8,569,626	1,462,181	2,437,665	5,743,973	9,643,819
Utilities	324,929	406,219	1,173,213	1,904,361	324,929	541,703	1,276,438	2,143,070
Others	3,600	3,600	21,600	28,800	3,600	3,600	21,600	28,800
<b>Total</b>	<b>5,040,000</b>	<b>6,300,000</b>	<b>18,206,400</b>	<b>29,546,400</b>	<b>5,040,000</b>	<b>8,400,000</b>	<b>19,806,396</b>	<b>33,246,396</b>
Number of Persons	1	1	6	8	1	1	6	8

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

**37 PLANT CAPACITY AND PRODUCTION**

	2020	2019
<b>Sugar Unit</b>		
Rated crushing capacity per day (MT)	8,000	8,000
Cane crushed by the company (MT)	230,906	333,105
Sugar produced by the company (MT)	24,375	35,485
Days worked (Nos.)	56	73
Sugar Recovery (%)	10.550%	10.650%
<b>Polypropylene Unit</b>		
Annual Capacity in Tons	4,455	4,455
Capacity Utilization	-	-
<b>Board and Panel Unit</b>		
Per Day Capacity (Number of Sheets)	1,000	1,000
Capacity Utilization	33.67%	19.84%
<b>Distillery Unit</b>		
Annual Capacity on the basis of 300 days (Tons)	30,000	30,000
Capacity Utilization	63%	96.32%

The company has not utilized the full capacity for the production of all units due to working capital constraints and short supply of Raw material to the plant.

**38 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**
**38.1 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:

	2020	2019
	Rupees	
Short term Investment	-	-
Trade Debts	25,846,847	14,415,008
Loans and Advances	640,872,550	391,148,587
Trade Deposits and Prepayments	9,501,536	11,261,492
Cash and Bank Balances	33,329,240	48,348,292
	<u>709,550,173</u>	<u>465,173,379</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.

### 38.2 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)						
<b>Financial Liabilities - Recognized</b>							
Term Finance Rescheduled	2,348,128,218	2,634,062,728	2,348,128,218	285,934,510	--	--	--
Short Term Finances	192,195,875	216,195,875	216,195,875	--	--	--	--
Finance Lease Liability	1,770,419	1,770,419	885,210	885,209	--	--	--
Trade & Other Payables	3,277,779,184	3,277,779,184	3,277,779,184	--	--	--	--
Mark up payable	12,009,624	12,009,624	12,009,624	--	--	--	--
<b>Total 2020</b>	<u>5,831,883,320</u>	<u>6,141,817,830</u>	<u>5,854,998,111</u>	<u>286,819,719</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Financial liabilities - Recognized</b>							
Term Finance Rescheduled	2,351,169,964	2,351,169,964	2,351,169,964	--	--	--	--
Short Term Finances	192,195,875	203,580,985	203,580,985	--	--	--	--
Finance Lease Liability	6,282,804	6,282,804	2,256,192	2,256,192	1,770,420	--	--
Trade & Other Payables	1,724,526,540	1,724,526,540	1,724,526,540	--	--	--	--
Mark up payable	12,693,247	12,693,247	12,693,247	--	--	--	--
<b>Total 2019</b>	<u>4,286,868,430</u>	<u>4,298,253,540</u>	<u>4,294,226,928</u>	<u>2,256,192</u>	<u>1,770,420</u>	<u>--</u>	<u>--</u>

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.

### 38.3 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:

#### 38.3.1 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.

### 38.3.2 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:

Financial Assets	2020	2019
Balance with banks		
Variable rate instruments at carrying amounts:		
Financial liabilities		
	<b>Rupees</b>	
Lease liabilities	1,770,419	6,282,804
Short term borrowings	192,195,875	192,195,875
	<b>193,966,294</b>	<b>198,478,679</b>

#### 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	1,921,959	1,921,959
Decrease	1,921,959	1,921,959

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

### 38.4 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 statement of financial position). Following is the quantitative analysis of capital managed by the Company.

### 38.5 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.

### 39 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:

	2020	2019
	Rupees	
Sales Commission	<b>11,094,348</b>	16,307,059
Sales/Purchase	<b>5,898,659</b>	-
Provident fund Contribution	<b>4,924,919</b>	5,345,426
Loan from Director	-	5,807,000

All transactions were carried out on commercial terms and conditions and were 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 36 above.

The receivable/payable balances with related parties as at September 30, 2020 are disclosed in the respective notes to the financial statements.

### 40 ADDITIONAL BUSINESS SEGMENT INFORMATION

	Sugar Segment		Polypropylene Segment		Board & Panel Segment		Distillery Segment		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(Rupees)									
Net Sales (Note 28)	1,465,433,990	2,475,459,785	-	-	110,751,868	52,316,788	2,248,599,115	3,180,212,750	3,824,784,973	5,707,989,323
Cost of Sales (Note 29)	2,096,838,344	2,969,460,419	5,627,959	5,478,064	126,435,259	67,857,473	2,236,859,219	2,718,038,887	4,465,760,781	5,760,834,844
Gross Profit(Loss)	(631,404,354)	(494,000,634)	(5,627,959)	(5,478,064)	(15,683,391)	(15,540,685)	11,739,896	462,173,863	(640,975,808)	(52,845,521)
Administrative Expenses (Note 30)	61,851,928	75,627,861	106,958	120,046	943,195	2,693,265	28,889,414	29,449,693	91,791,495	107,890,865
Selling & Distribution costs (Note 31)	1,790,482	2,792,264	-	-	-	-	121,788,889	348,323,788	123,579,371	351,116,052
	<b>63,642,410</b>	<b>78,420,125</b>	<b>106,958</b>	<b>120,046</b>	<b>943,195</b>	<b>2,693,265</b>	<b>150,678,302</b>	<b>377,773,481</b>	<b>215,370,865</b>	<b>459,006,917</b>
Segment Results	(695,046,763)	(572,420,759)	(5,734,917)	(5,598,110)	(16,626,586)	(18,233,950)	(138,938,407)	84,400,382	(856,346,673)	(511,852,437)
Segments Assets	2,790,141,874	3,066,103,031	214,316,789	221,574,604	278,774,968	276,858,557	3,509,686,594	2,614,792,447	6,792,920,226	6,179,328,639
Segments Liabilities	2,155,860,802	2,237,016,007	(3,419,815)	(922,793)	51,593,367	19,698,381	1,793,532,979	871,381,868	3,997,567,334	3,127,173,463
Properety, Plant and Equipments (WDV)	2,359,978,840	2,607,846,659	206,581,883	211,196,890	206,486,990	215,042,967	1,839,639,548	1,897,949,920	4,612,687,259	4,932,036,435
Capital Expenditure - Excluding revaluation	-	58,150,830	-	-	-	19,800	20,370,455	22,410,679	20,370,455	80,581,309
Depreciation	247,867,819	276,916,820	4,615,007	5,106,089	8,555,977	7,517,018	94,563,022	138,139,350	355,601,825	427,679,277

**40.1** As at September 30, 2020 all non current assets of the company are located in Pakistan.

**40.2** The Company Exporting its Product to numerous Countries.

**41.1 IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS**

The sudden spread of COVID-19 has disrupted lives, livelihoods, communities and businesses worldwide. In March, 2020, the relevant authorities announced a temporary lockdown as a measure to reduce the spread of the COVID-19. Complying with the lockdown, the Company offices were also temporarily closed. At that difficult time, our focus was to safeguard the well-being of everyone. Further due to the measures taken by the Government to control the pandemic has also badly affected the economic activity and businesses have come to a halt not only in Pakistan but globally as well. The Company believes that this crisis presents an opportunity to take bold actions and show leadership and solidarity. Level of communication has been significantly increased and associates have been empowered to work remotely. In addition, the Company had to incur additional cost to ensure safety of its employees and stakeholders. Consequently, Covid-19 being one of the major factors hence increased the fixed and variable cost and variable overheads. However, after implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company henceforth resumed its operations and has also taken all necessary steps to ensure smooth and adequate continuation of its business despite of slowed down economic activity. Due to this, the management has assessed the accounting implications arising out of these developments on these financial statements, including but not limited to the following areas:

- The impairment of tangible and intangible assets under IAS 36, "Impairment of non-financial assets"
- The net realizable value of Inventory under IAS 2, "Inventories"

Based on the assessment, there is no significant accounting implication arising out of the effects of COVID-19 in these financial statements except Fixed and Variable cost and variable overheads as stated above.

<b>41 NUMBER OF EMPLOYEES</b>	<b>2020</b>	<b>2019</b>
Number of Head Office employees as at 30 September	<u>23</u>	<u>31</u>
Number of factory employees as at 30 September	<u>229</u>	<u>463</u>
Average number of employees during the year	<u>32</u>	<u>33</u>
Average number of factory employees during the year	<u>509</u>	<u>526</u>

**42 GENERAL**

**i Functional and Presentation Currency**

These financial statements are presented in 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.



**Muhammad Baqir Jafferi**  
Chief Executive Officer



**Muhammad Ilyas Abdul Sattar**  
Chief Financial Officer



**Haroon Iqbal**  
Chairman Board of Director

**PATTERN OF SHAREHOLDING UNDER REGULATION 37 (XX) (I) OF  
THE CODE OF CORPORATE GOVERNANCE  
AS ON SEPTEMBER 30, 2020**

Srl #	Categories of Shareholders	Number of Shareholders	Number of Shares held	% of Shareholding
1.	Associated Companies	2	5,788,938	6.33%
2.	NIT and ICP	6	1,641,284	1.79%
3.	Directors, CEO, their Spouses & Minor Children	6	4,000	0.00%
4.	Executives			0.00%
5.	Public Sector Companies & Corporations	15	183,319	0.20%
6.	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Modarbas & Mutual Funds	1	71,935	0.08%
7.	Individuals	2,028	83,822,516	91.60%
	<b>TOTAL</b>	<b>2,058</b>	<b>91,511,992</b>	<b>100.00%</b>

DETAILS OF CATAGORIES OF SHAREHOLDERS				
Srl #	Names	Number of Shareholders	Number of Shares held	% of Shareholding
1.	<b>Associated Companies</b>			
1.1	M/s Dewan Motors (Pvt.) Limited	1	2,894,469	3.16%
1.2	M/s Dewan Mushtaq Motors Co. (Pvt.) Limited	1	2,894,469	3.16%
		<b>2</b>	<b>5,788,938</b>	<b>6.33%</b>
2.	<b>NIT and ICP</b>			
2.1	NATIONAL BANK OF PAKISTAN	1	1,357	0.00%
2.2	NATIONAL BANK OF PAKISTAN, TRUSTEE WING	1	100	0.00%
2.3	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	1,366,432	1.49%
2.4	NATIONAL INVESTMENT TRUST LIMITED-ADMINISTRATION FUND	1	44,818	0.05%
2.5	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	1	7,749	0.01%
2.6	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	1	220,828	0.24%
		<b>6</b>	<b>1,641,284</b>	<b>1.79%</b>
3.	<b>Directors, CEO, their Spouses &amp; Minor Children</b>			
	<b>Directors and CEO</b>			
3.1	Mr. Haroon Iqbal	1	1,000	0.00%
3.2	Mr. Muhammad Baqar Jaffer	1	500	0.00%
3.3	Mr. Aziz-UI-Haque	1	500	0.00%
3.4	Mr. Ghazanfar Badar Siddiqui	1	500	0.00%
3.5	Syed Muhammad Anwar	1	500	0.00%
3.6	Syed Maqbool Ali	1	500	0.00%
3.7	Mr. Muhammad Ashraf	1	500	0.00%
		<b>7</b>	<b>4,000</b>	<b>0.00%</b>
3.2	<b>Spouses of Directors and CEO</b>			
3.2.1		-	-	0.00%
		-	-	0.00%
3.3	<b>Minor Children of Directors and CEO</b>			
3.3.1		-	-	0.00%
		-	-	0.00%
		<b>7</b>	<b>4,000</b>	<b>0.00%</b>

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

**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 0**

Number of Shareholders	Shareholdings			Total Shares held
556	1	-	100 Shares	14,432
533	101	-	500 Shares	143,146
201	501	-	1,000 Shares	181,170
406	1,001	-	5,000 Shares	1,118,195
150	5,001	-	10,000 Shares	1,221,748
72	10,001	-	20,000 Shares	1,167,547
45	20,001	-	30,000 Shares	1,160,140
23	30,001	-	40,000 Shares	808,146
17	40,001	-	50,000 Shares	805,707
5	50,001	-	60,000 Shares	277,500
3	60,001	-	70,000 Shares	203,000
4	70,001	-	80,000 Shares	298,795
2	80,001	-	90,000 Shares	179,000
5	90,001	-	100,000 Shares	477,667
6	100,001	-	120,000 Shares	652,518
4	120,001	-	140,000 Shares	517,459
2	140,001	-	200,000 Shares	400,000
2	200,001	-	220,000 Shares	430,631
5	220,001	-	240,000 Shares	1,161,112
1	240,001	-	300,000 Shares	279,350
1	300,001	-	400,000 Shares	312,000
2	400,001	-	500,000 Shares	931,866
1	500,001	-	600,000 Shares	502,500
1	600,001	-	800,000 Shares	738,720
2	800,001	-	1,000,000 Shares	1,958,500
2	1,000,001	-	1,400,000 Shares	2,735,932
1	1,400,001	-	1,500,000 Shares	1,431,665
1	1,500,001	-	1,900,000 Shares	1,864,382
1	1,900,001	-	2,500,000 Shares	2,447,454
2	2,500,001	-	3,000,000 Shares	5,788,938
1	3,000,001	-	7,000,000 Shares	6,157,361
1	7,000,001	-	55,500,000 Shares	55,145,411
<b>2058</b>	<b>TOTAL :-</b>			<b>91,511,992</b>

5.	Categories of Shareholders	Shares held	Percentage
5.1	Directors, Chief Executive Officer, their spouses and minor children	4,000	0.00%
5.2	Associated Companies, undertakings and related parties	5,788,938	6.33%
5.3	NIT and ICP	1,641,284	1.79%
5.4	Banks, Development Financial Institutions, Non-Banking Finance	-	0.00%
5.5	Insurance Companies	71,935	0.08%
5.6	Modarabas and Mutual Funds	-	0.00%
5.7	Shareholders holding 5%	61,302,772	66.99%
5.8	General Public		
	a. Local	83,822,516	91.60%
	b. Foreign	-	0.00%
5.9	Others (Joint Stock Companies, Brokrage Houses, Employees Funds & Trustees)	183,319	0.20%

اظہارِ 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 کے ساتھی 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 کہ 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



ہارون اقبال  
چیئرمین بورڈ آف ڈائریکٹرز

کراچی

مورخہ 28 دسمبر 2020ء



### 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، تشخیص، معاوضے اور جانشینی کی منصوبہ بندی میں بھی مدد کرتا ہے۔

سال کے دوران انسانی وسائل اور خدمات کی کمیٹی نے ایک میٹنگ کی جس کی سربراہی جناب عزیز الحق صاحب نے کی۔

ملاقاتوں میں حاضری	اراکین برائے انسانی وسائل اور خدمات کی کمیٹی
1	جناب عزیز الحق
1	جناب ہارون اقبال
1	جناب محمد باقر جعفری

### 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، اکم ٹیکس اور دیگر لاگو محصولات کی مد میں حکومتی خزانے میں 282 ملین روپے جمع کروائے ہیں۔

### ڈیوڈنڈ:

انتظامیہ نے معقول فنڈز نہ ہونے کی وجہ سے اس بار ڈیوڈنڈ نہ دینے کا فیصلہ کیا ہے۔

### فی حصص آمدن:

اس سال EPS کارپوریٹ (9.69) روپے ہے۔

### شیئرز ہولڈنگ کا پیٹرن:

کمپنی کی شیئرز ہولڈنگ کا پیٹرن اس رپورٹ کے ساتھ منسلک 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 2020ء کے بورڈ آف ڈائریکٹرز درج ذیل پر مشتمل ہیں:

ڈائریکٹرز	تعداد
مرد	7
خواتین	کوئی نہیں
بشمول	تعداد
انفرادی ڈائریکٹر	1
دیگر غیر ایگزیکٹو ڈائریکٹرز	4
ایگزیکٹو ڈائریکٹرز	2

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

بورڈ آف ڈائریکٹرز کے نام: میٹنگ میں حاضری کی تعداد

2	جناب ہارون اقبال
2	جناب غضنفر بابر صدیقی
2	سید محمد انوار
2	جناب عزیز الحق
1	جناب اشتیاق احمد
2	سید مقبول علی
0	جناب محمد نعیم الدین ملک
2	جناب محمد باقر جعفری

آڈٹ کمیٹی کی میٹنگ:

سال کے دوران آڈٹ کمیٹی کے اراکین نے ایک میٹنگ کی جن کی صدارت جناب عزیز الحق نے کی۔

میٹنگ میں حاضر ہونے والے اراکین درج ذیل ہیں:

آڈٹ کمیٹی کے اراکین	ملاقاتوں میں حاضری
جناب عزیز الحق	1
جناب ہارون اقبال	1
سید محمد انوار	1



سندھ ایگری کلچر ڈیپارٹمنٹ نے 23 نومبر 2020ء کو نئے سیزن 2020-2021 کے لئے گنے کی قیمت 202 روپے فی 40 کلو طے کر دی۔ علاوہ ازیں سیزن کے اختتام پر کوالٹی پریمیئم جو کہ 8.7 فیصد ریکوری سے زائد پونٹ پر 50 پیسے فی پونٹ سیزن کے آخر میں ادا کی جائے گی۔

### کارپوریٹ گورننس کے ضابطہ کی تعمیل:

ہم کارپوریٹ گورننس کے ضابطہ کی تعمیل (CSR) کیلئے بھی عزم رکھتے ہیں اور اپنی روزمرہ کی کاروباری سرگرمیوں میں اچھے معاشرتی طریقوں کو مربوط کرتے ہیں۔ ہم کون ہیں اور ہم کس طرح عمل کرتے ہیں اس کا ایک اہم حصہ CSR ہے۔ ہم اپنی کامیابی کے لئے اقدامات نہ صرف مالیاتی معیار کے مطابق کرتے ہیں بلکہ صارفین کا اطمینان پیدا کرنے اور ان برادریوں کی حمایت کیلئے بھی کرتے ہیں جن کی ہم خدمت کرتے ہیں۔

### 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 ایبویلینس اور ابتدائی طبی امداد کی سہولت پلانٹ میں دستیاب ہیں۔

### کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک:

- ۱- 30 ستمبر 2020ء 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 2020ء 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 عملگی 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 27.1 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 میٹریل ڈیپارچر نہیں ہوا۔
- ۸- گذشتہ چھ سالوں کے کلیدی آپرٹنگ اور فنانشل معلومات مختصر آس 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 27.2 میں درج ہے۔
- ۱۰- 30 جون 2020ء کو اختتام پذیر مالی سال کے پروویڈنٹ فنڈ انویسٹمنٹ کی فیئر ویلیو 72.153 ملین روپے (2019: 67.107 ملین روپے) رہی ہے۔

کمپنی کو مالیاتی بحران کا سامنا ہے جس کی وجہ بیٹیکوں کی جانب سے ورکنگ کیپٹل کی عدم دستیابی ہے۔ معاہدتی معاہدے کے مطابق ری اسٹرکچر ڈواہجات کی عدم ادائیگی کی وجہ سے بیٹیکوں 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 بیٹیکوں کا یہ اقدام غیر منصفانہ اور غیر قانونی ہے۔

آڈیٹرز نے اپنی رپورٹ میں کمپنی کے آگے بڑھنے اور ترقی کرنے کی صلاحیت، ری اسٹرکچر ڈواہجات کی اقتساط کی دوبارہ ادائیگی میں ڈیفالٹ اور مارک اپ کی عدم ادائیگی جیسے معاملات پر متنی 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 مزید ری اسٹرکچرنگ 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۔

### شکر انڈسٹری کے مستقبل کا منظر نامہ برائے سال 2020-2021:

شکر کی صنعت ملک کی معیشت کی ترقی میں اہم کردار ادا کرتی ہے، 100,000 سے زیادہ مزدور اور گنے کی پیداوار میں کم و بیش 8 سے 9 ملین افراد کردار ادا کرتے ہیں جو کہ شکر کو تیار کرنے کے لئے لاگت کا 80 فیصد بنتا ہے۔ اس اہمیت کو مد نظر رکھتے ہوئے یہ حکومت کا فرض ہے کہ وہ ملکی معیشت اور ملک کے دیہی علاقوں کی معیاری زندگی کے مفاد کیلئے اس صنعت کی سرپرستی کرے۔ اس شعبے کی بحالی کیلئے درج ذیل اقدامات کئے جائیں:

- مختلف نوعیت کے عمدہ معیاری بیجوں اور اعلیٰ سکروز کی اقسام کو متعارف کرانا اور ٹیکنیکی معاونت فراہم کرنا تاکہ معیاری اور زائد فصل کی پیداوار ممکن ہو سکے۔
- گنے کی کاشت کے لئے مزید توجہ مختص کئے جائیں جو آج کل کم سے کم ہوتے جا رہے ہیں۔
- ایسے اقدام کرنا جس سے ڈل مین کار۔ جھان کم سے کم ہو۔
- ریفاؤنڈ شکر کیلئے متواتر برآمداتی پالیسیاں۔
- ایسے اقدامات کئے جائیں کہ گنے کی صحیح لاگت معلوم کر کے گنے کی قیمت مقرر کی جائے اور ساتھ ساتھ چینی کی بھی ٹھیک لاگت معلوم کی جائے۔ موجودہ صورت حال میں گنے کی قیمت مقرر کی جاتی ہے لیکن اس کی قیمت کو کنٹرول نہیں کیا جاتا، جبکہ چینی کی قیمت کو کنٹرول کیا جاتا ہے، یہ نا انصافی ہے اور برابری نہیں ہے۔

شکر انڈسٹری کو حکومت کی مدد کی ضرورت ہے۔ گنے کی قیمتوں کے نظام کو درست کرنے اور کسانوں کو جلد ادائیگی کرنے کیلئے خصوصی بینک فنانس مہیا کئے جائیں جس کی وجہ سے یہ صنعت ملکی اور عالمی کاروباری ماحول میں پروان چڑھے۔ پاکستان کو شکر اور متعلقہ خالص مصنوعات کے برآمد کنندہ کی خصوصی صلاحیت حاصل ہو۔ اس طرح گنا پاکستان کی معیشت میں خصوصی حیثیت رکھ سکے۔

مندرجہ بالا اقدامات سے چینی کی کرشنگ کے کاروبار کو دوام ملے گا اور صنعت کی صلاحیت اور کاروبار کی لاگت میں کمی کرنے میں معاونت ملے گی اور ملک کو قیمتی زر مبادلہ ملنے کے ساتھ ایکسپورٹ میں بھی اضافہ ہوگا۔ فی ایکڑ پیداوار میں اضافے سے لاگت کو کم سے کم رکھنے کی وجہ سے دیہی علاقے کو ترقی بھی ملے گی۔



مالی سال 2018/19 میں کمپنی کی کارکردگی کا جائزہ:

پلانٹ کی کارکردگی:

چینی کے آپریشنز:

پلانٹ نے اپنی کرشنگ 2 جنوری 2020ء کو شروع کی اور 26 فروری 2020ء تک (56 دن) جاری رہا جبکہ گذشتہ سیزن میں اس کا آپریشن 73 دن تک جاری رہا۔ پلانٹ کی کارکردگی مندرجہ ذیل ہے:

2019	2020	آپریشنز
333,105	230,906	گنے کی کرشنگ میٹرک ٹن میں
35,485	24,375	چینی کی پیداوار میٹرک ٹن میں
10.65%	10.55%	چینی کی اوسط ریکوری فیصد میں
(572.421)	(695.047)	آپریٹنگ خسارہ

یہ خسارہ بنیادی طور پر ورکنگ کیٹیگری اور پلینج کی سہولیات کی عدم دستیابی کی وجہ سے کرشنگ میں کمی کے باعث ہوا، ہمارے پاس اس کے علاوہ کوئی دوسرا راستہ نہیں تھا کہ جب قیمتیں سب سے نیچے 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 اٹھاسکے کیونکہ ہمارے پاس اسٹاک رکھنے کی سہولت نہیں تھی۔

ڈسٹری آپریشنز:

پلانٹ نے دوران سال 18,807 میٹرک ٹن انڈسٹریل الکوحل تیار کیا جبکہ گذشتہ سال 30,630 میٹرک ٹن انڈسٹریل الکوحل تیار ہوا تھا۔

زیر جائزہ مدت کے دوران ڈسٹری یونٹ کا آپریٹنگ خسارہ 138.938 ملین روپے رہا جس کے مقابلے میں پچھلے سال کا آپریٹنگ منافع 84.400 ملین روپے تھا۔ منافع میں کمی خام مال کی لاگت میں گذشتہ سال کے مقابلے میں دگنا اضافہ کے باعث ہوئی۔ تاہم، نقصانات کو کم کرنے کے لئے انتظامیہ لاگت میں کمی لانے اور دوسری طرف بہتر مارکیٹنگ کے ساتھ ڈرم کنٹینمنٹ اور مٹی شپمنٹ فروخت کر کے تیار اسٹاک کی زیادہ قیمتیں حاصل کرنے کے لئے بہتر اقدامات کر رہی ہے۔

بورڈ اور پینل آپریشنز:

چپ بورڈ پلانٹ نے زیر جائزہ مدت میں 122,895 ٹینٹیں تیار کی ہیں اس کے مقابلے میں پلانٹ گزشتہ سال 72,410 ٹینٹیں تیار کی گئی تھیں۔ اس یونٹ کی پیداوار گنے کے خشک ریشوں کی رسد پر انحصار کرتی ہے جو گنے کی کرشنگ کے آپریشنز میں کمی کی وجہ سے کم رہی۔ دوسری طوں سے خشک ریشوں کو خریدنا موزوں نہیں تھا۔ انتظامیہ نے اپنی توجہ ویلیو ایڈڈ مصنوعات کی تیاری پر مرکوز کر رکھی ہے اور درجہ A کی ٹیٹس تیار کر کے مسابقت میں سبقت لیجانے کے لئے کوشاں ہے۔ ہم پر امید ہیں 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 رو گے تو میں تم پر (نعمتوں میں) ضرور اضافہ کروں گا (القرآن)

بورڈ کے ڈائریکٹران کی جانب سے یہ میرے لئے اعزاز کی بات ہے کہ میں آپ کو کمپنی کی 39 ویں سالانہ عمومی اجلاس میں خوش آمدید کہوں۔ کمپنی کے سال 30 ستمبر 2020ء کو اختتام پذیر مالی سال کے مالیاتی نتائج آپ کے سامنے پیش کئے جاتے ہیں۔

جائزہ:

ٹیکسٹائل انڈسٹری کے بعد چینی کا شعبہ پاکستان میں زراعت پر مبنی صنعتوں کے لئے ایک ماڈل کہلایا جاسکتا ہے جو نہ صرف زراعت کی معیشت کی ترقی کے لئے بلکہ سبز ٹیکسٹائل/ ایکسپانڈیوٹی کی شکل میں سرکاری آمدنی کے اضافہ کا باعث بنتا ہے۔ اس کا تیار کردہ اسٹاک کھفیکیشنری اور مشروبات کی صنعتوں کے علاوہ ضائع شدہ پیداوار جو کاغذی بورڈ، فرنیچر، پیپرولیم اور بہت سی دیگر صنعتوں میں استعمال ہوتی ہیں اس طرح دیہی علاقوں کے ساتھ ساتھ شہری علاقوں کے لئے بھی فائدہ مند ہے۔

موجودہ سال Covid-19 وبائی بیماری کے ابھرنے کی وجہ سے پاکستان سمیت دنیا بھر کی معاشی سرگرمیوں میں بڑی رکاوٹ کا سبب بنا۔ یہ وباء پاکستان کی پہلے سے کمزور معیشت کے لئے اور بھی تباہ کن ثابت ہوئی۔ ملکی اور عالمی طلب میں کمی کی وجہ سے معیشت اور مینوفیکچرنگ کے شعبے پر تناؤ بڑھ گیا۔ حکومت پاکستان کے سود کی شرح میں کمی کے بروقت فیصلے نے اس شعبے کو کچھ ریلیف دیا۔

حتمی نتائج

2019	2020	
5,707,989,323	3,824,784,973	خالص فروخت
(52,845,520)	(640,975,808)	مجموعی خام (خسارہ)
(546,913,922)	(886,326,102)	خالص (خسارہ) بعد از ٹیکس
		کارکردگی کے کلیدی اعداد و شمار
(0.01%)	(16.76%)	- خام مجموعی (خسارہ) کا فیصد
(9.58%)	(23.17%)	- خالص (خسارہ) کا فیصد
(5.98)	(9.69)	- فی شیئر آمدنی



ا۔ 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 دوا شخص 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۔

## نوٹس برائے سالانہ عمومی میٹنگ

مطلع کیا جاتا ہے کہ دیوان شوگر ملز لمیٹڈ کی 39 ویں سالانہ عمومی میٹنگ کا انعقاد بروز بدھ مورخہ 27 جنوری 2021، بوقت 11:00 بجے صبح دیوان سینٹ لمیٹڈ کی فیکٹری سائٹ دیہی ڈھنڈو دھانجی 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 27 جنوری 2020ء بروز پیر 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 2020ء بشمول ڈائریکٹرز اور آڈیٹرز کی رپورٹ کی منظوری دی جائے۔
- ۳- پورے 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۔

بحکم بورڈ  
  
 محمد حنیف جرمن  
 کمپنی سیکریٹری

کراچی  
 تاریخ: 28 دسمبر 2020ء

### نوٹس:

- ۱- کمپنی کی شیئرز ٹرانسفر کے کھاتے 20 جنوری 2021 سے 27 جنوری 2021 (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 شیئر 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 پل پر دیں۔
- ۳- کمپنی کا ممبر میٹنگ میں حاضر ہونے اور ووٹ دینے کا اختیار کسی دوسرے کو بطور پراکسی دے سکتا ہے۔ مکمل پُر 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 ایگزیکٹو کمیشن آف پاکستان کی ہدایات کی روشنی میں درج ذیل ہدایات پر عمل کرنا ضروری ہے۔

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
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


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**DEWAN SUGAR MILLS LIMITED**  
**39th 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 39th Annual General  
Meeting of the Company to be held on **Wednesday, January 27, 2021, at 11:00 a.m.**  
adjournment thereof.  
Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

Affix  
Revenue  
Stamp  
Rs. 5/-

**Signature** \_\_\_\_\_

Witness: \_\_\_\_\_

**Signature**

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Witness: \_\_\_\_\_

**Signature**

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

پراکسی فارم  
۳۹ 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 ۳۹ واں سالانہ اجلاس عام جو کہ بروز بدھ، ۲۷ جنوری ۲۰۲۱ کو صبح ۱۱:۰۰ بجے، ہے، میری / ہماری جانب سے ووٹ دے۔

بطور گواہ میں / ہم نے بروز \_\_\_\_\_ بتاریخ \_\_\_\_\_ ۲۰۲۱ کو میرے / ہمارے ہاتھ سے مہر لگائی۔

Affix  
Revenue  
Stamp  
Rs. 5/-

\_\_\_\_\_ دستخط

\_\_\_\_\_ گواہ:

\_\_\_\_\_ نام:

\_\_\_\_\_ مکمل پتہ:

\_\_\_\_\_ گواہ:

\_\_\_\_\_ نام:

\_\_\_\_\_ مکمل پتہ: