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## DEWAN SUGAR MILLS LIMITED

### COMPANY INFORMATION

#### EXECUTIVE DIRECTORS

Ishtiaq Ahmad - Chief Executive Officer  
Ghazanfar Baber Siddiqi

#### NON-EXECUTIVE DIRECTORS

Abdul Basit - Chairman Board of Directors  
Syed Maqbool Ali  
Nida Jamil  
Mehmood-ul-Hassan Asghar

#### INDEPENDENT DIRECTOR

Aziz-ul-Haque

#### COMPANY SECRETARY

Muhammad Hanif German

#### CHIEF FINANCIAL OFFICER

Muhammad Ilyas Abdul Sattar

#### AUDITORS

Feroze Sharif Tariq & Co. - Chartered Accountants

#### COST AUDITORS

UHY Hassan Naeem & Co.

#### LEGAL ADVISOR

A.K. Brohi & Company Advocates

#### AUDIT COMMITTEE

Aziz-ul-Haque  
Syed Maqbool Ali  
Abdul Basit

Chairman  
Member  
Member

#### HUMAN RESOURCE & REMUNERATION COMMITTEE

Aziz-ul-Haque  
Ghazanfar Baber Siddiqi  
Abdul Basit

Chairman  
Member  
Member

#### BANKERS

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

MCB Bank Limited  
Meezan Bank Limited  
The Bank of Punjab  
Dubai Islamic Bank Pakistan Limited  
Bank Islami Pakistan Limited

#### REGISTERED OFFICE:

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

#### CORPORATE OFFICE

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

#### SHARE REGISTRAR / TRANSFER AGENT

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

#### FACTORY

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

#### WEBSITE

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

## DIRECTOR'S REPORT

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

The Directors are pleased to present condensed unaudited interim financial information of the Company duly reviewed by the auditors for the period ended March 31, 2026.

### Industry Overview

The industrial sector plays a crucial role in Pakistan's economy, significantly to the GDP and employing a large workforce. It is the 2nd largest agro based industries facing challenges related to efficiency, technological advancements, by-product utilization and improved farming practices.

### Financial Results.

During the period under consideration, the financial results in brief summary is given as under: -

	<b>March 31, 2026 (Rupees)</b>	March 31, 2025 (Rupees)
Net Sales	<b>1,119,015</b>	1,197,917
Gross (Loss)	<b>(548,896)</b>	(541,068)
(Net Loss) after tax	<b>(570,073)</b>	(590,954)

### Operational Performance of the Company

#### Sugar Segment

Sugar plant resumed its operation on 1st January, 2026 and operated for 58 days till 27th February 2026 as against 24 days crushing period last season. During the period under review your Company a bled to crushed 90,644 Metric tons of sugar cane resulting producing 8,755 Metric Tons of white refined sugar and 4,039 Metric tons Molasses. The production is approximately three times more than last season; however, this result is not optimistic as per plant capacity and its efficiency. We are confident that in coming years with the availability of sufficient working capital, the Company will be able to achieve better results with efficiency along with considerably improved capacity utilization.

#### Distillery Segment

During the period under review, plant was not operated, due to the prevailing global economic downturn, recessionary conditions, operational challenges, continuous increase production costs and limited availability of working capital along with unfavorable market condition.

The management is actively exploring possible strategic solutions to overcome these difficulties and resume its operations in near future. Due to shutting of plant, the management takes cost cutting measures and operating loss for the period has been reduced to Rs.42.102 million from Rs.198.334 million that of corresponding period last year.

## DEWAN SUGAR MILLS LIMITED

### Chip Board Polypropylene Segment

Chip Board plant has produced 30,080 sheets during the period under review as against last period's 39,660 sheets. The operating loss of Rs. 9.10 million was suffered as against that of Rs. 4.51 million in the previous comparable period. Management is focused on producing value added products and "A" quality sheets which are well accepted in the market. The management is confident it will bring this segment out from losses in future. Polypropylene unit is already in the state of non-production because of working capital constraints.

### Auditor's Observation

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.

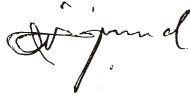
The condensed interim financial information has been prepared on going concern assumption as the Company approached its lender for further restructuring of its liabilities which is in process. Company is hopeful that such restructuring will be effective soon and will streamline the funding requirements of the Company which will ultimately help the management to operate with optimum utilization of production capacity. Therefore, the preparation of condensed interim financial information using going concern assumption is justified as fully explained in note 1.1 to the condensed interim financial information.

The management approached its financial institutions for restructuring of its obligations without markup which is in advance stage and expected to be finalized soon. Since, the liabilities will be restructured to the principal amounts in line with the earlier restructuring and any markup would not be payable. Therefore, the Company has not made any provision for markup as the markup will not be payable in accordance with the terms of restructuring.

This condensed interim financial information was a bit late for Eid holidays at month end. In conclusion, we bow, beg and pray to Almighty Allah, Rahman-o-Ar-Rahim, in the name of our beloved Prophet Muhammad (peace be upon him) for the continued showering of his blessings, guidance, strength, health, and prosperity to us, our company, Country and nation; and also pray to Almighty Allah to bestow peace, harmony, brotherhood, and unity in true Islamic spirit to whole of the Muslim Ummah; Ameen; Summa Ameen.

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

*By and under Authority of the Board of Directors*



**Ishtiaq Ahmad**

Chief Executive Officer



**Abdul Basit**

Chairman Board of Directors

Place : Karachi

Date : June 03, 2026

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

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

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

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### **REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF DEWAN SUGAR MILLS LIMITED**

#### **Introduction**

We have reviewed the accompanying Condensed interim Statement of financial Position of Dewan Sugar Mills Limited ("the company") as at March 31, 2026 and the related Condensed interim statement of profit or loss, Condensed interim statement comprehensive income, Condensed interim statement of changes in equity and Condensed interim statement of cash flow and the notes to the financial statement for the half year then ended (hereinafter referred to as the "interim financial statements"). Management is responsible for the preparation and Presentation of these Condensed interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and Condensed interim statement comprehensive income for the quarters ended March 31, 2026 and March 31, 2025 have not been reviewed as we are required to review only the cumulative figures for the half year ended March 31, 2026.

#### **Scope of Review**

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

#### **Basis of Adverse Conclusion**

- a) The Condensed interim financial Statements which indicate in note 1.1 the company incurred a loss after taxation of Rs. 570.073 (March 31, 2025: Rs. 590.954) million as on March 31, 2026 and as of that date it has negative revenue reserves amounting to Rs. 6.698 (September 30, 2025: Rs. 6.242) billion which resulted in negative equity of Rs. 1.833 billion (September 30, 2025: 1.264 billion) and its current liabilities exceeded its current assets by Rs. 6.649 (September 30, 2025: Rs. 6.231) billion without provision of mark-up on Restructured Loan 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. 189.630 million, since 2016 the Company Closed down the production facility of Polypropylene unit and during the period the Distillery unit also not in operation and further, the company not utilizing its full capacity of production of all units due to working capital constraints. Furthermore, the financial institution filled suit for execution of decree and winding up petition.

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

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Accordingly, the financial institutions have not been provided bank confirmations as at reporting date this shows restructuring proposal of the company had not been accepted by the lenders till the reporting date. These conditions lead us to believe that the going concern assumption used in preparation of these condensed interim 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. 2.601 billion (note 8 and 9 to the financial Statements) along with markup of (2025: Rs. 896.875) million (Rs. 471.824 million eligible for waiver mark up and Rs. 425.051 million outstanding mark-ups note 9 to the condensed interim financial Statements) become immediately payable, therefore provision for markup should be made in these condensed interim 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 condensed interim financial statements. Further during the year, the company not made Provision of mark-up for the restructured long term and short-term liabilities amounting to Rs. 130.478 (September 30, 2025: Rs. 296.924) million in the financial Statements as disclosed in note 13 to the condensed interim financial Statements. Had the provisions for the mark up, as discussed in preceding paragraph (b), been made in these condensed interim financial statements, the loss after taxation would have been higher by Rs. 2.614 billion and markup payable would have been higher and shareholders' equity would have been lower by Rs. 2.614 billion.

### **Adverse Conclusion**

Our review indicates that, because of the significance of the matter discussed in paragraph (a) to (c) above, these accompanying interim financial Statements as of and for the half year ended March 31, 2026 is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial Reporting.

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

Place : Karachi  
UDIN: RR202610161dbs7KPt8V  
Date : June 02, 2026

  
CHARTERED ACCOUNTANTS  
Audit Engagement Partner: Mohammad Ghalib

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
FOR THE HALF YEAR ENDED MARCH 31, 2026**

ASSETS	Notes	(Un-Audited)	(Audited)
		Mar.31, 2026	Sep.30, 2025
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	6	6,864,509	7,017,386
<b>CURRENT ASSETS</b>			
Stores, Spares and Loose Tools		127,118	128,568
Stock-in-Trade		359,129	362,805
Trade Debts - Unsecured, Considered Good		40,734	52,302
Loans and Advances and Other Receivable - Unsecured, Considered Good		213,840	185,736
Trade Deposits, Short-Term Prepayments and Current Balances with Statutory Authorities		7,184	8,287
Income Tax Refunds and Advances		173,709	170,962
Cash and Bank Balances		15,452	15,561
		937,166	924,221
		<u>7,801,675</u>	<u>7,941,607</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized Capital</b>			
130,000,000 (2025: 130,000,000) Ordinary Shares of Rs. 10/- each		1,300,000	1,300,000
Issued, Subscribed and Paid-up Capital		915,120	915,120
Reserves and Surplus		(6,698,158)	(6,242,247)
Revaluation Surplus on Property Plant and Equipment		3,949,993	4,063,211
		<u>(1,833,045)</u>	<u>(1,263,916)</u>
<b>NON-CURRENT LIABILITIES</b>			
Sponsors Loan - Unsecured	7	513,955	469,855
Long Term Finance (Secured)	8	-	-
Long Term Interest Payable	9	-	-
Deferred Liabilities	10	1,534,577	1,580,949
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables - Unsecured		4,564,351	4,122,747
Interest, Profit, Mark-up Accrued on Loans and Other Payables		12,010	12,010
Short Term Finances - Secured	11	189,630	192,196
Unclaimed Dividends		770	770
Current Portion of Non-Current Liabilities	8 to 9	2,600,593	2,622,150
Provision for Taxation		218,834	204,846
		7,586,188	7,154,719
<b>CONTINGENCIES &amp; COMMITMENTS</b>			
	12	-	-
		<u>7,801,675</u>	<u>7,941,607</u>

The annexed notes form an integral part of this condensed interim financial information



**Ishtiaq Ahmad**  
Chief Executive Officer



**Muhammad Ilyas Abdul Sattar**  
Chief Financial Officer



**Abdul Basit**  
Chairman Board of Directors

**DEWAN SUGAR MILLS LIMITED**

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE HALF YEAR ENDED MARCH 31, 2026**

	Half Year Ended		Quarter Ended	
	Mar.31, 2026	Mar.31, 2025	Mar.31, 2026	Mar.31, 2025
	(Rupees in '000')			
<b>Sales</b>	<b>1,119,015</b>	1,197,917	<b>1,110,679</b>	926,657
<b>Cost of Sales</b>	<b>(1,667,911)</b>	(1,738,985)	<b>(1,471,918)</b>	(1,146,203)
<b>Gross (Loss)</b>	<b>(548,896)</b>	(541,068)	<b>(361,239)</b>	(219,546)
Administrative and General Expenses	(25,583)	(36,796)	(13,076)	(19,813)
Distribution and Selling Costs	(1,484)	(21,219)	(1,484)	(13,145)
Other Operating Income/(Loss)	244	(297)	19	(1,624)
<b>(Loss) from Operations</b>	<b>(575,719)</b>	(599,379)	<b>(375,780)</b>	(254,128)
Finance Cost	(26,611)	(27,142)	(13,352)	(13,162)
<b>(Loss) before Income Tax</b>	<b>(602,330)</b>	(626,521)	<b>(389,132)</b>	(267,290)
Levies	(13,987)	(20,244)	(13,883)	(20,012)
Taxation	46,244	55,811	22,782	29,430
<b>(Loss) for the period (after Income Tax)</b>	<b>(570,073)</b>	(590,954)	<b>(380,233)</b>	(257,872)
<b>(Loss) per Share - Basic</b>	<b>(6.23)</b>	(6.46)	<b>(4.16)</b>	(2.82)

*The annexed notes form an integral part of this condensed interim financial information*



**Ishtiaq Ahmad**  
Chief Executive Officer



**Muhammad Ilyas Abdul Sattar**  
Chief Financial Officer



**Abdul Basit**  
Chairman Board of Directors

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR ENDED MARCH 31, 2026**

	Half Year Ended		Quarter Ended	
	Mar.31, 2026	Mar.31, 2025	Mar.31, 2026	Mar.31, 2025
	(Rupees in '000')			
(Loss) for the Period	(570,073)	(590,954)	(380,233)	(257,873)
<b>Items that will not reclassify to profit or loss</b>				
Other comprehensive income	944	(30,076)	472	(30,076)
Total Comprehensive (Loss) for The Period	<u>(569,129)</u>	<u>(621,030)</u>	<u>(379,761)</u>	<u>(287,949)</u>

*The annexed notes form an integral part of this condensed interim financial information*



**Ishtiaq Ahmad**  
Chief Executive Officer



**Muhammad Ilyas Abdul Sattar**  
Chief Financial Officer



**Abdul Basit**  
Chairman Board of Directors

**DEWAN SUGAR MILLS LIMITED**

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE HALF YEAR ENDED MARCH 31, 2026**

	Mar.31, 2026	Mar.31, 2025
	(Rupees in '000')	
<b>Cash Flow from Operating Activities</b>		
(Loss) Before Taxation	(602,330)	(626,521)
Adjustment for Non-Cash and Other Items:		
Depreciation	184,162	220,038
Financial Charges	26,611	27,142
	210,773	247,180
	(391,557)	(379,340)
<b>Changes in Operating Assets and Liabilities</b>		
<i>(Increase) / Decrease in Current Assets</i>		
Stores and Spares	1,450	(4,747)
Stock in Trade	3,676	290,864
Trade Debts	11,568	8,927
Loans and Advances	(28,104)	(4,283)
Trade Deposits, Prepayments & Other Balances	1,104	5,131
<i>Increase / (Decrease) in Current Liabilities</i>		
Trade and Other Payables	441,605	168,879
Short Term Finances	(2,566)	--
	428,733	464,771
Taxes Paid	(2,747)	(10,526)
Financial Charges Paid	(346)	(228)
Gratuity Paid	(128)	--
	(3,221)	(10,754)
<b>Net Cash Flows from Operating Activities</b>	33,955	74,678
<b>Cash Flow from Investing Activities</b>		
Fixed Capital Expenditure	(31,286)	(671)
<b>Net Cash Out Flows from Investing Activities</b>	(31,286)	(671)
<b>Cash Flow from Financing Activities</b>		
Long term Loan	(21,557)	--
Sponsors Loan	18,779	(71,834)
<b>Net Cash Out Flows from Financing Activities</b>	(2,778)	(71,834)
Net (Decrease) / Increase in Cash and Bank Balances	(109)	2,173
Cash and Bank Balances at Beginning of the Period	15,561	28,128
Cash and Bank Balances at the End of the Period	15,452	30,300

*The annexed notes form an integral part of this condensed interim financial information*



**Ishtiaq Ahmad**  
Chief Executive Officer



**Muhammad Ilyas Abdul Sattar**  
Chief Financial Officer



**Abdul Basit**  
Chairman Board of Directors

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE HALF YEAR ENDED MARCH 31, 2026**

	Issued, Subscribed & Paid-up Capital	General Reserve	Accumulated Profit/(Loss)	Revaluation Surplus on Property Plant & Equipment	Total
	<b>(Rupees in '000')</b>				
Balance as on October 01, 2024	915,120	190,000	(6,085,009)	4,318,448	(661,441)
Loss for the period	--	--	(621,030)	--	(621,030)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	--	136,641	(136,641)	--
Balance as on March 31, 2025	<u>915,120</u>	<u>190,000</u>	<u>(6,569,398)</u>	<u>4,181,807</u>	<u>(1,282,471)</u>
Balance as on October 01, 2025	915,120	190,000	(6,432,247)	4,063,211	(1,263,916)
Loss for the period	--	--	(569,129)	--	(569,129)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	--	113,218	(113,218)	--
Balance as on March 31, 2026	<u>915,120</u>	<u>190,000</u>	<u>(6,888,158)</u>	<u>3,949,993</u>	<u>(1,833,045)</u>

*The annexed notes form an integral part of this condensed interim financial information*



**Ishtiaq Ahmad**  
Chief Executive Officer



**Muhammad Ilyas Abdul Sattar**  
Chief Financial Officer



**Abdul Basit**  
Chairman Board of Directors

**CONDENSED INTERIM SEGMENTWISE OPERATING RESULTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED MARCH 31, 2026**

**DEWAN SUGAR MILLS LIMITED**

	Sugar Segment		Polypropylene Segment		Board and Panel Segment		Distillery Segment		Total	
	Mar-26	Mar-25	Mar-26	Mar-25	Mar-26	Mar-25	Mar-26	Mar-25	Mar-26	Mar-25
<b>Gross Sales</b>	<b>1,295,818</b>	<b>463,606</b>	<b>-</b>	<b>-</b>	<b>36,051</b>	<b>67,961</b>	<b>-</b>	<b>75,398</b>	<b>1,331,869</b>	<b>606,965</b>
Local Exports	-	-	-	-	-	-	-	686,505	-	686,505
<b>Sales Commission</b>	<b>1,295,818</b>	<b>463,606</b>	<b>-</b>	<b>-</b>	<b>36,051</b>	<b>67,961</b>	<b>-</b>	<b>761,903</b>	<b>1,331,869</b>	<b>1,293,470</b>
<b>Sales Tax</b>	<b>206,667</b>	<b>70,720</b>	<b>-</b>	<b>-</b>	<b>6,187</b>	<b>11,883</b>	<b>-</b>	<b>3,757</b>	<b>212,854</b>	<b>3,757</b>
	<b>206,667</b>	<b>70,720</b>	<b>-</b>	<b>-</b>	<b>6,187</b>	<b>11,883</b>	<b>-</b>	<b>12,949</b>	<b>212,854</b>	<b>91,795</b>
										<b>95,553</b>
<b>Net Sales</b>	<b>1,089,151</b>	<b>392,886</b>	<b>-</b>	<b>-</b>	<b>29,864</b>	<b>56,078</b>	<b>-</b>	<b>748,954</b>	<b>1,119,015</b>	<b>1,197,917</b>
<b>COST OF SALES</b>	<b>1,600,731</b>	<b>772,568</b>	<b>-</b>	<b>-</b>	<b>38,920</b>	<b>60,539</b>	<b>28,260</b>	<b>905,878</b>	<b>1,667,911</b>	<b>1,738,985</b>
Gross Profit / Loss	<b>(511,580)</b>	<b>(379,682)</b>	<b>-</b>	<b>-</b>	<b>(9,056)</b>	<b>(4,461)</b>	<b>(28,260)</b>	<b>(156,924)</b>	<b>(548,896)</b>	<b>(541,068)</b>
Administrative Expenses	<b>8,339</b>	<b>13,248</b>	<b>3,298</b>	<b>3,646</b>	<b>45</b>	<b>50</b>	<b>13,901</b>	<b>19,852</b>	<b>25,583</b>	<b>36,796</b>
Selling and Distribution Costs	<b>1,484</b>	<b>385</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,834</b>	<b>1,484</b>	<b>21,219</b>
Other operating (income)/Loss	<b>(185)</b>	<b>(427)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(59)</b>	<b>724</b>	<b>(244)</b>	<b>297</b>
<b>Segment Results</b>	<b>9,638</b>	<b>13,206</b>	<b>3,298</b>	<b>3,646</b>	<b>45</b>	<b>50</b>	<b>13,842</b>	<b>41,410</b>	<b>26,823</b>	<b>58,312</b>
	<b>(521,218)</b>	<b>(392,888)</b>	<b>(3,298)</b>	<b>(3,646)</b>	<b>(9,101)</b>	<b>(4,510)</b>	<b>(42,102)</b>	<b>(198,334)</b>	<b>(575,719)</b>	<b>(599,379)</b>

*(Rupees in '000)*



**Ishtiaq Ahmad**  
Chief Executive Officer



**Muhammad Ilyas Abdul Sattar**  
Chief Financial Officer



**Abdul Basit**  
Chairman Board of Directors

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2026

### 1 LEGAL STATUS AND NATURE OF BUSINESS

Dewan Sugar Mills Limited (the Company) was incorporated in Pakistan, as a public limited company on June 27, 1982, under the Companies Act, 1913 (Now the Companies Act 2017 and its shares are listed in Pakistan Stock Exchange Guarantee Limited. The Principal activity of the Company is production and sale of white crystalline refined sugar, processing and trading of by-products, and other related activities and allied products.

The geographical Location and address of the company's business units, including mill/plant are as under:

The Company consist of Four units namely

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

The registered office of the company is situated at Dewan Centre, 3-A, Lalazar, Beach Hotel Road, Karachi-74000, Pakistan; while its all four units manufacturing facilities are located at Jillaniabad, Budho Talpur, Taluka: Mirpur Bathoro, District: Thatta, Sindh, Pakistan.

The Company's Polypropylene unit is non operational since 2016 and distillery unit also remained non operational during the period under consideration due to working capital constraints.

### 1.1 GOING CONCERN ASSUMPTION

The condensed financial interim information of the company for the half year ended March 31, 2026 reflect that Company incurred a net loss after taxation of Rs.570.073 million (March 31, 2025 590.954 million) and as of that date company has negative reserves of Rs6.698 billion (September 30, 2025 Rs.6.242) billion and its current liabilities exceeded its current assets by Rs.6.649 billion (September 30, 2025: Rs.6.230) billion. Further the company's short term borrowing facilities amounting Rs.189.630 million have expired and not been renewed by the lenders. The company defaulted in repayment of its restructured long term loan due to liquidity crunch, hence as per clause 10.2 of the compromise agreement entire restructured liabilities along with markup eligible for waiver have become immediately repayable. These conditions indicate the existence of material uncertainty which may cast significant doubt about company's ability to continue as going concern, therefore the company may be unable to realize its assets and discharge its liabilities in the normal course of business. The going concern assumption used in preparation of these financial statements is largely dependent on the acceptance of restructuring proposal by the lenders which is in advance stage and expected to be finalized soon.

### 2 BASIS OF PREPARATION

#### Statement of compliance

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

- International Accounting Standards (IAS) 34-'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

## DEWAN SUGAR MILLS LIMITED

### 3 BASIS OF PRESENTATION

**3.1** These condensed interim financial statements are unaudited but subject to limited scope review by auditors and are being submitted to the shareholders as required by the listing regulation of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017. These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended September 30, 2025, which have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

**3.2** The comparative statement of financial position presented in these condensed interim financial statements have been extracted from the annual audited financial statements of the Company for the year ended September 30, 2025, whereas the comparative condensed interim profit or loss account, condensed interim statement of comprehensive income, condensed interim cash flows and condensed statement of changes in equity are extracted from the unaudited condensed interim financial statement for the half year ended March 31, 2025

#### **3.3 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 6 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.

### 4 ACCOUNTING POLICIES

These condensed interim financial statements have been prepared using the same accounting policies which were applied in the preparation of the annual financial statements of the Company for the year ended September 30, 2025.

### 5 ACCOUNTING ESTIMATES AND JUDGMENTS

**5.1** The preparation of this condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.

**5.2** In preparing this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key source of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended September 30, 2025.

**5.3** The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended September 30, 2025.

		Un-Audited March 31, 2026	Audited September 30, 2025
	Note	(Rupees in '000')	
<b>6 PROPERTY, PLANT AND EQUIPMENTS</b>			
<b>Operating Property , Plant &amp; Equipment</b>	<b>6.1</b>	<b>6,755,382</b>	6,908,258
<b>Capital work-in-progress</b>	<b>6.2</b>	<b>109,128</b>	109,128
		<u><b>6,864,509</b></u>	<u>7,017,386</u>
<b>6.1</b> Written Down Value Opening		<b>6,908,258</b>	7,321,668
Addition during the period	<b>6.1.1</b>	<b>31,286</b>	671
		<u><b>6,939,544</b></u>	<u>7,322,339</u>
Depreciation for the period	<b>6.1.2.</b>	<b>(184,162)</b>	(414,081)
		<u><b>6,755,382</b></u>	<u>6,908,258</u>
<b>6.2</b> Capital work-in-progress			
Opening Balance	<b>6.2.1.</b>	<b>109,128</b>	109,128
		<u><b>109,128</b></u>	<u>109,128</u>
<b>6.1.1</b>	Fixed capital expenditure during the period amounted to Rs,31.286 Million (September 30, 2025:Rs.0.671 Million).		
<b>6.1.2.</b>	During the period the company has not charged the Depreciation on plant & machinery in the Polypropylene and Distillery unit as the company uses unit of production method of depreciation and these units are not in Production as disclosed in note.1 to the condensed interim financial Statements.		
<b>6.2.1.</b>	This has not been capitalized during the period as the same is not completed yet due to working capital constraints being faced by the Company.		
<b>7 SPONSOR LOAN - UNSECURED</b>			
<b>Sponsor Loan</b>	<b>7.1</b>	<b>513,955</b>	469,855
		<u><b>513,955</b></u>	<u>469,855</u>
<b>Sponsor Loan</b>			
Opening Balance Original Loan amount		<b>580,788</b>	580,788
Additional Loan from Sponsor		<b>18,779</b>	--
		<u><b>599,567</b></u>	<u>580,788</u>
Less Present value adjustment		<b>(110,933)</b>	(158,180)
Additional Amortization Discount		<b>(944)</b>	--
Amortization Discount Charges to P & L		<b>26,265</b>	47,247
		<u><b>(85,612)</b></u>	<u>(110,933)</u>
Closing Balance		<u><b>513,955</b></u>	<u>469,855</u>
<b>7.1</b>	Represents interest free Sponsor Loan for the working capital requirements of the Company, which have 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. Loan is repayable in lum sum on September 30, 2027.		

## DEWAN SUGAR MILLS LIMITED

	Note	Un-Audited March 31, 2026	Audited September 30, 2025
		(Rupees in '000')	
<b>8 LONG TERM FINANCE - SECURED</b>			
<b>Syndicate Term Finance: Principal opening</b>		2,337,349	2,348,128
Repayment During the period		21,557	10,779
		<u>2,315,792</u>	<u>2,337,349</u>
Classified as current portion			
Current Maturity		--	--
Overdue Installments		2,315,792	2,337,349
		<u>2,315,792</u>	<u>2,337,349</u>
		--	--

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

<b>9 LONG TERM MARK UP PAYABLE</b>			
Mark-up payable on Reschedule Term Finance : Opening		284,801	284,801
Less Overdue installments		284,801	284,801
		<u>--</u>	<u>--</u>

This amount represents mark up of Rs. 425.051 million payable to Syndicated (Summit Bank & Others) in 4 equal quarterly installments. Company had provided Rs.284.80 million till September, 2018 and stopped providing further markup of Rs 140.251 million in the financial statements. Furthermore the Company approached to lenders for waiver due to unfavourable economic conditions of the Company. The management of the Company is hopeful, the request will be accepted in near future.

<b>10 DEFERRED LIABILITIES</b>			
Deferred Tax Liability for Staff Gratuity (Provision)	10.1	5,221	5,348
Deferred Income Tax Liability		1,529,356	1,575,601
		<u>1,534,577</u>	<u>1,580,949</u>

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

<b>11 SHORT TERM RUNNING FINANCES - SECURED</b>			
Short term running finances - Secured	11.1	189,630	192,196
		<u>189,630</u>	<u>192,196</u>

**11.1** This amount represent RF facility of Rs.192.196 million sanctioned by the lenders as per Court order/compromising decree. The facility is secured by the way of first charge over current assets of the Company with 20% margin. The mark-up of this facility is 3 month KIBOR plus 0.75% per annum payable quarterly basis. The facility had expired and not renewed by the banks.

**12 CONTINGENCIES & COMMITMENTS**

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

**13 FINANCE COST**

The company has not provided the markup on long term and short term borrowings from Banks for the period amounting to Rs.130.478 million due to the fact that under restructuring terms with the lenders in respect of liabilities disclosed in note 8,9 and 11 to the Financial Statements, the liabilities will be restructured at principal amounts only. However had the provision been made in the financial statements markup for the year would have been higher by Rs.2.614 billion and accrued markup and accumulated loss would have been increased by Rs.2.614 billion.

**14 SEASONAL PRODUCTION**

Due to the seasonal availability of sugarcane, the manufacturing of sugar is carried out during the period of availability of sugarcane and cost incurred / accrued up to the reporting date have been accounted for. Accordingly, the cost incurred / accrued after the reporting date will be reported in the subsequent interim and annual financial statements.

**15 FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES**

These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2025. There have been no changes in any risk management policies since the year end. The carrying values of all financial and non-financial assets and liabilities measured at other than amortized cost in these condensed interim financial approximate their fair values.

	March 31, 2026	March 31, 2025
<b>16 TRANSACTION WITH RELATED PARTIES</b>	<b>(Rupees in '000')</b>	
Sale Commission	-	3,757
Purchases	5,116	2,331
Sales	11,625	-
Provident fund contribution	1,844	2,127
Sponsor Loan Received	18,779	71,834
Dewan Mushtaq Trade Limited Relationship by Common Director Ship		

**17 DATE OF AUTHORIZATION FOR ISSUE**

These Financial Statements were authorized for issue on June 03, 2026 by the board of directors of the Company.

**18 GENERAL**

Figures have been rounded off to the nearest thousand rupees. Comparative rearranged, reclassified and restated wherever necessary as per requirement.



**Ishtiaq Ahmad**  
Chief Executive Officer



**Muhammad Ilyas Abdul Sattar**  
Chief Financial Officer



**Abdul Basit**  
Chairman Board of Directors

## DEWAN SUGAR MILLS LIMITED

### چپ بورڈ پولی پروڈیون کا شعبہ:

زیر جائزہ مدت کے دوران چپ بورڈ پلانٹ نے 30,080 ٹینس تیار کیں، جبکہ گزشتہ اسی مدت میں پیداوار 39,660 ٹینس رہی تھیں۔ اس شعبہ کو 9.10 ملین روپے کا آپریٹنگ خسارہ برداشت کرنا پڑا، جبکہ گزشتہ مدت میں یہ خسارہ 4.51 ملین روپے تھا۔ انتظامیہ کی توجہ و پیلوایڈ مصنوعات اور اعلیٰ معیار کی ("A" گریڈ) ٹینس کی تیاری پر مرکوز ہے، جنہیں مارکیٹ میں اچھی پذیرائی حاصل ہو رہی ہے۔ انتظامیہ کو یقین ہے کہ مستقبل میں اس سیکٹ کو خسارے سے نکال کر منافع بخش بنیادوں پر استوار کیا جاسکے گا۔ پولی پروڈیون پونٹ سرمائے کی کمی کی وجہ سے غیر فعال رہا۔

### آڈیٹرز کا مشاہدہ:

آڈیٹرز نے اپنی رپورٹ میں کہنے کے آگے بڑھنے اور ترقی کرنے کی صلاحیت، ری اسٹرکچر ڈیویژن کی اقساط کی ادائیگی میں ڈیفالٹ اور مارک اپ کی عدم ادائیگی جیسے معاملات پر روشنی رائے کا اظہار کیا ہے۔

کنٹریبیوٹوری مالیاتی معلومات کو کوننگ تھولش کے مفروضے پر تیار کیا گیا ہے کیونکہ کہنے نے اپنی ذمہ داریوں کی مزید تنظیم نو کیلئے اپنے فرض دہندہ سے رابطہ کیا ہے۔ کہنے پر امید ہے کہ اس طرح کی تنظیم نو جلد ہی موثر ہوگی اور کہنے کی فنڈنگ کی ضروریات کو بہتر کرے گی جس سے بالآخر انتظامیہ کو پیداواری صلاحیت میں اضافہ کرنے میں مدد ملے گی۔ لہذا کنٹریبیوٹوری مالیاتی حسابات کی تیاری کو کوننگ تھولش مفروضے کا استعمال کرنا جائز ہے، جیسا کہ نوٹ 1.1 میں مکمل طور پر کنٹریبیوٹوری مالیاتی معلومات کی وضاحت کی گئی ہے۔

انتظامیہ نے اپنے بیجوں اور مالیاتی اداروں سے ری اسٹرکچرنگ کے لیے رجوع کیا ہے جس میں مارک اپ شامل نہ ہو۔ یہ عمل آخری مراحل میں ہے اور توقع ہے کہ جلد مکمل ہو جائے گا۔ چونکہ ان ذمہ داریوں کو سابقہ ری اسٹرکچرنگ کے مطابق اصل رقم تک محدود کر دیا جائے اور کسی مارک اپ کی ادائیگی درکار نہیں ہو، اس لیے کہنے نے مارک اپ کی کوئی پروویژن نہیں رکھی ہے، کیونکہ آئندہ شرائط کے مطابق یہ قابل ادائیگی نہیں ہوگا۔

یہ مختصر عبوری مالی حسابات عید کی تعطیلات کے باعث کچھ تاخیر سے جاری کئے گئے۔ اعتماد 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 کر اور کہنے قوم اور وطن عزیز کو اپنے حفظ و امان میں رکھ اور بھرپور ترقی کرنے کی توفیق عطا کرے۔ ساتھ ہی اللہ پاک سے دعا مانگتے ہیں کہ امت مسلمہ میں امن، چین اور بھائی چارہ پیدا کرے آمین۔

میرا پروردگار یقیناً ہماری دعاؤں کو سنتا ہے۔ (قرآن کریم)

بورڈ آف ڈائریکٹرز کی جانب سے

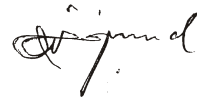


عبدالباسط

چیئر مین بورڈ آف ڈائریکٹرز

کراچی؛

کراچی مورخہ 03 جون 2026ء



اشتیاق احمد

چیف ایگزیکٹو آفیسر



## ڈائریکٹرز رپورٹ

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

محترم حصص یافتگان،

السلام علیکم،

دیوان شکر ملٹریٹنڈ کے بورڈ آف ڈائریکٹرز 31 مارچ 2026ء کو ختم ہونے والی مدت کے غیر محاسبی مالیاتی گوشوارے پیش کرتے ہوئے نہایت مسرت محسوس کر رہے ہیں۔

صنعت کا جائزہ:

صنعتی شعبہ پاکستان کی معیشت میں ایک اہم کردار ادا کرتا ہے، جو کہ ملکی GDP میں نمایاں اضافہ کا باعث بننے کے ساتھ بڑی تعداد میں افرادی قوت کو روزگار فراہم کرتا ہے۔ زرعی بنیاد پر قائم دوسرا بڑا صنعتی شعبہ ہونے کے باوجود، یہ شعبہ کئی مشکلات کا سامنا کر رہا ہے، جن میں کارکردگی میں بہتری، ٹیکنالوجی کی ترقی، ضمنی مصنوعات کے موثر استعمال اور جدید زرعی طریقوں کا نفاذ شامل ہے۔

مالیاتی نتائج:

زیر جائزہ مدت کے دوران مالیاتی نتائج کا مختصر خلاصہ درج ذیل ہے:

31 مارچ 2026ء (روپے) '000'	31 مارچ 2025ء (روپے) '000'
1,119,015	1,197,917
(548,896)	(541,068)
(570,073)	(590,954)

کارکردگی کا جائزہ:

شکر کا شعبہ:

شکر کے شعبہ نے یکم جنوری 2026 کو اپنی پیداوار کا آغاز کیا اور 27 فروری 2026 تک مجموعی طور پر 58 دن کام کیا، جبکہ گزشتہ سیزن میں کرشنگ کا دورانیہ صرف 24 دن تھا۔ زیر جائزہ مدت کے دوران کھیتی نے 90,644 میٹرک ٹن گنے کی کرشنگ کی، جس کے نتیجے میں 8,755 میٹرک ٹن سفید ریفائنڈ سٹوچھی اور 4,039 میٹرک ٹن مولاسس (Molasses) تیار کیا گیا۔ پیداوار گزشتہ سیزن کے مقابلے میں تقریباً تین گنا زیادہ رہی، تاہم پلانٹ کی مجموعی پیداواری صلاحیت اور عملی کارکردگی کے تناظر میں یہ نتائج ابھی بھی ہماری توقعات کے مطابق نہیں ہیں۔ ہمیں یقین ہے کہ آنے والے سالوں میں مناسب ورکنگ کیپٹل کی دستیابی کے ساتھ کھیتی اپنی کارکردگی میں مزید بہتری لانے، پیداواری استعداد کو زیادہ موثر انداز میں استعمال کرنے اور مجموعی نتائج کو نمایاں حد تک بہتر بنانے میں کامیاب ہوگی۔

ڈسٹری کا شعبہ:

زیر جائزہ مدت کے دوران ڈسٹری شعبہ غیر فعال رہا۔ اس کی بنیادی وجوہات میں عالمی معیشت میں جاری سست روی، کساد بازاری کے حالات، آپریشنل چیلنجز، پیداواری لاگت میں مسلسل اضافہ، ورکنگ کیپٹل کی محدود دستیابی اور مارکیٹ کے غیر سازگار حالات شامل ہیں۔ انتظامیہ ان مشکلات پر قابو پانے اور مستقبل قریب میں پلانٹ کی سرگرمیوں کو دوبارہ بحال کرنے کے لیے مختلف ممکنہ اقدامات اور متبادل راستوں کا جائزہ لے رہی ہے۔ پلانٹ کی بندش کے باعث انتظامیہ نے موثر لاگت کنٹرول اور اخراجات میں کمی کے اقدامات اختیار کیے، جس کے نتیجے میں زیر جائزہ مدت کے دوران آپریٹنگ خسارہ کم ہو کر 42.102 ملین روپے رہ گیا، جبکہ گزشتہ سال کی اسی مدت میں یہ خسارہ 198.334 ملین روپے تھا۔