

**DEWAN TEXTILE MILLS LIMITED**

**QUARTERLY REPORT  
SEPTEMBER 30, 2022**

## DEWAN TEXTILE MILLS LIMITED

### COMPANY INFORMATION

#### BOARD OF DIRECTORS

**Executive Director** : Mr. Ishtiaq Ahmed - Chief Executive Officer & Director

**Non-Executive Directors** : Syed Maqbool Ali - Chairman, Board of Directors  
Mr. Abdul Basit  
Mr. Ghazanfar Baber Siddiqi  
Mr. Mehmood-ul-Hassan Asghar  
Mrs. Nida Jamil

**Independent Director** : Mr. Aziz-ul-Haque

**Audit Committee** : Mr. Aziz-ul-Haque (Chairman)  
Syed Maqbool Ali (Member)  
Mr. Mehmood-ul-Hassan Asghar (Member)

**Human Resources & Remuneration Committee** : Mr. Aziz-ul-Haque Chairman  
Syed Maqbool Ali (Member)  
Mr. Ishtiaq Ahmad (Member)

**Auditor** : Faruq Ali & Co.  
C-88, Ground Floor, KDA Scheme No. 1, Main Karsaz  
Road, Opp. Maritime Museum Karachi.

**Company Secretary** : Mr. Muhammad Hanif German

**Chief Financial Officer** : Mr. Muhammad Irfan Ali

**Tax Advisor** : Sharif & Co. Advocates

**Legal Advisor** : Abbas & Atif Law Associates

**Bankers** : Habib Bank Limited  
Standard Chartered Bank Pakistan Limited  
Meezan Bank Limited  
United Bank Limited  
Bank Al-Falah Ltd  
Silk Bank Limited  
Summit Bank Limited  
Faysal Bank Limited  
MCB Bank Limited

**Registered Office** : Dewan Centre, 3-A Lalazar  
Beach Hotel Road, Karaci

**Shares Registrar & Transfer Agent** : BMF Consultants Pakistan (Private) Limited  
Anum Estate Building, Room No. 310 & 311,  
3rd Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal  
adjacent to Baloch Colony Bridge, Karachi 75350, Pakistan.

**Factory Office** : H/20 & H/26, S.I.T.E.,  
Kotri, District Jamshoro, Sindh, Pakistan

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

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

The Board of Directors of your Company is pleased to present unaudited condensed interim financial statements for the first quarter ended September 30, 2022 in compliance with the requirements of section 237 of the Companies Act, 2017 and code of corporate governance issued by Securities and Exchange Commission of Pakistan.

**Industrial background**

Pakistan's domestic cotton crop production after flooding and devastating rains is estimated to be at 5.79 million bales, which is 36% less than earlier estimate of production of 9.03 million bales, the second lowest production level in past 40 years. Small-sized mills particularly those solely rely on domestic supply of cotton are unable to fully substitute their raw material with imported one. Imports are now projected at their second highest level of approximately 5.0 million bales.

In addition to above, currently textile industry is also facing challenges those include global recession, higher cost of production, increase in energy costs, decline in cotton crop, enhanced dependence on imported cotton, costlier labor, higher inflation, and continued rupee devaluation etc.

**Operating results (Factory Shutdown):**

Company's net revenue for first quarter remained nil as compared to net revenue of Rs. 90.224 million of the corresponding period of last year due to closure of operations. The Company, for the time being, has suspended its manufacturing operations since December 2015 which could not be resumed due to adverse scenario faced by the industry and working capital constraints.

The condensed interim financial statements have been prepared using going concern assumption as the company has approached its lenders for further restructuring of its liabilities, which is in process. Management is hopeful that such revision will be finalized soon which will enable the company to resume its operations.

**Future Outlook**

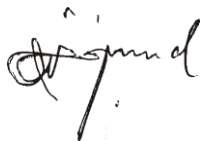
Global economic recession along with destroyed domestic cotton crops due to floods will remain a key challenge faced by textiles. Besides this, delay in the opening of LCs will further cause the firms and national economy to suffer badly. The raw material availability at competitive prices, currency stability and most importantly the ability to keep up the export orders' momentum will primarily determine the times ahead. Some further initiatives from the government are also expected for sustainable textile industry, especially smooth supply of Power at affordable tariff, continuation of long-term concessionary financing facility for boosting investments in new capacity expansion and up-gradation of technology. The government is expected to encourage the textile sector by inducing enhanced production, import substitution, duty cuts, tax incentives and early release of refunds etc.

**Conclusion**

In conclusion, we bow beg and pray to Almighty Allah, Rahman-o-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 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 Ahmed**  
**Chief Executive Officer & Director**



**Syed Maqbool Ali**  
**Chairman Board of Directors**

**Dated: October 24, 2022**

## دیوان ٹیکسٹائل ملز لمیٹڈ ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز،

السلام علیکم،

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز تختہ سہ ماہی 30 ستمبر 2022ء کیلئے پینیز ایکٹ 2017ء کے سیکشن 237 اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ کوڈ آف کارپوریٹ گورننس کی تعمیل کرتے ہوئے غیر میعاد عبوری مالیاتی حسابات پیش کرنے پر خوشی محسوس کر رہے ہیں۔  
صنعت کا پس منظر:

سیلاب اور بارشوں کے بعد پاکستان میں کپاس کی مقامی پیداوار کا تخمینہ 5.79 ملین گانٹھیں لگایا گیا ہے، جو کہ 9.03 ملین گانٹھوں کی پیداوار کے پہلے تخمینہ سے 36 فیصد کم ہے، جو کہ گزشتہ 40 سالوں میں دوسری سب سے کم پیداواری سطح ہے۔ چھوٹی ملز خاص طور پر جو ملک بھر میں کپاس کی سپلائی پر انحصار کرتی ہیں وہ اپنے خام مال کو درآمد شدہ کے ساتھ مکمل طور پر تبدیل کرنے سے قاصر ہیں تو قے ہے کہ درآمدات اب تقریباً 5.0 ملین گانٹھوں کی دوسری بلند ترین سطح پر ہوگی۔

مندرجہ بالا عوامل کے علاوہ، فی الحال ٹیکسٹائل انڈسٹری کو بھی چینلجز کا سامنا ہے جن میں عالمی کساد بازاری، زیادہ پیداواری لاگت، توانائی کی لاگت میں اضافہ، کپاس کی فصل میں کمی، درآمد شدہ کپاس پر بڑھتا ہوا انحصار، مہنگی مزدوری، زیادہ مہنگائی، اور روپے کی قدر میں مسلسل کمی وغیرہ شامل ہیں۔

### مالیاتی نتائج اور کارکردگی: (پیداوار معطل)

پیداوار معطل ہونے کی وجہ سے پہلی سہ ماہی کے دوران کمپنی کے خالص فروخت صفر صفر اور گزشتہ سال کی پہلی سہ ماہی میں مبلغ 90.224 ملین روپے ر ہی۔ کمپنی نے وقتی طور پر دسمبر 2015ء سے اپنی پیداوار کے عمل کو معطل کر دیا ہے جو کہ صنعت میں نامساعد مشکلات اور کام چلانے کے لیے سرمایہ میں کمی کی وجہ سے ہے۔

مالیاتی حسابات چلتی ہوئی کمپنی کے جاری کردہ امور کے تحت مرتب کئے گئے ہیں کیونکہ کمپنی نے اپنے قرضہ جات کے حوالے سے دوبارہ ترتیب کیلئے قرض خواہوں سے رابطہ کیا ہے جو ان کے زیر غور ہے۔ انتظامیہ کو امید ہے کہ یہ نظر ثانی جلد مکمل ہو جائے گی جس سے کمپنی کو اپنی پیداوار بحال کرنے میں مدد ملے گی۔

### مستقبل پر ایک نظر:

عالمی معاشی کساد بازاری کے ساتھ ساتھ سیلاب کے باعث کپاس کی مقامی فصلوں کا تباہ ہونا ٹیکسٹائل کو درپیش ایک اہم چیلنج رہے گا۔ اس کے علاوہ LCS کھولنے میں تاخیر ہونے سے فرمز اور قومی معیشت کو مزید نقصان پہنچے گا۔ مسابقتی قیمتوں پر خام مال کی دستیابی، کرنسی کا استحکام اور سب سے اہم برآمدی آرڈرز کی رفتار کو برقرار رکھنے کی صلاحیت بنیادی طور پر آنے والے وقت کا تعین کرے گی۔ حکومت کی جانب سے مستحکم ٹیکسٹائل انڈسٹری کے لیے مزید اقدامات کی بھی توقع ہے، خاص طور پر سٹے ٹیرف پر بجلی کی مسلسل فراہمی، نئی صلاحیت میں توسیع اور ٹیکنالوجی کی اپ گریڈیشن میں سرمایہ کاری کو بڑھانے کے لیے طویل مدتی رعایتی مالیاتی سہولت کا تسلسل۔ توقع ہے کہ حکومت ٹیکسٹائل کے شعبے کی حوصلہ افزائی کرے گی تاکہ پیداوار میں اضافہ، درآمدی متبادل، ڈیوٹی میں کٹوتی، ٹیکس مراعات اور جلد از جلد رقم کی واپسی وغیرہ کو فروغ دیا جاسکے۔

اگہا ر تشکر اور نتیجہ:

آخر میں ہم اللہ تعالیٰ رحمن و رحیم سے دعا کرتے ہیں کہ وہ اپنے حبیب حضرت محمد ﷺ کے طفیل اپنی رحمت، ہدایات اور فضل و کرم ہم پر اسی طرح قائم رکھے جو کہ نہ صرف ہم پر بلکہ ہماری کہنی اور ہمارے ملک و قوم پر بھی اپنی رحمت نازل کرے، ہم اللہ تعالیٰ سے یہ بھی دعا کرتے ہیں کہ تمام مسلم ائمہ کے مابین صحیح اسلامی جذبہ اخوت اور بھائی چارگی پیدا کرے۔ آمین ثناء آمین۔

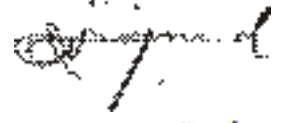


سید مقبول علی

چیرمین بورڈ آف ڈائریکٹرز

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

بورڈ آف ڈائریکٹرز کی جانب سے



اشتیاق احمد

چیف ایگزیکٹو آفیسر

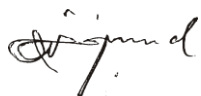
کراچی؛

مورخہ: 24 اکتوبر 2022ء

**DEWAN TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH SEPTEMBER, 2022**

	Notes	(Un-Audited) Sep 30, 2022	(Audited) June 30, 2022
<b>(Rupees)</b>			
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 50,000,000 (2022 :50,000,000) Ordinary shares of Rs. 10/- each		<b>500,000,000</b>	500,000,000
Issued, subscribed and paid-up share capital		<b>460,646,090</b>	460,646,090
Revenue Reserves			
General reserve		<b>333,000,000</b>	333,000,000
Accumulated losses	6	<b>(5,841,194,476)</b>	(5,706,187,727)
Capital reserve			
Surplus on revaluation of property, plant and equipment		<b>2,833,786,330</b>	2,851,974,176
		<b>(2,213,762,056)</b>	(2,060,567,461)
<b>NON CURRENT LIABILITIES</b>			
Long term financing		<b>171,978,858</b>	166,920,985
Deferred taxation		<b>263,068,528</b>	270,497,367
		<b>435,047,386</b>	437,418,352
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<b>154,220,655</b>	153,723,408
Mark-up accrued		<b>1,997,763,548</b>	1,901,746,751
Short term borrowings		<b>312,883,441</b>	281,897,780
Liability for staff gratuity		<b>50,528,588</b>	50,528,588
Unclaimed dividend		<b>254,206</b>	254,206
Overdue portion of long term financing		<b>2,925,497,108</b>	2,944,482,769
		<b>5,441,147,546</b>	5,332,633,502
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	-	-
		<b>3,662,432,876</b>	3,709,484,393
<b><u>ASSETS</u></b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	<b>3,579,757,301</b>	3,617,888,547
Long term investment	9	-	-
Long term deposits		<b>12,012,134</b>	12,012,134
		<b>3,591,769,435</b>	3,629,900,681
<b>CURRENT ASSETS</b>			
Stores and spares		<b>11,439,780</b>	11,439,780
Trade debts - unsecured		<b>30,944,001</b>	36,433,404
Advances - considered good		<b>509,648</b>	1,709,645
Taxes recoverable - net		<b>23,145,477</b>	23,137,410
Cash and bank balances		<b>4,624,535</b>	6,863,473
		<b>70,663,441</b>	79,583,712
		<b>3,662,432,876</b>	3,709,484,393

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



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irfan Ali**  
Chief Financial Officer

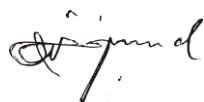


**Syed Maqbool Ali**  
Chairman Board of Directors

**DEWAN TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER, 2022**

		<b>July-Sept, 2022</b>	<b>July-Sept, 2021</b>
	<b>Notes</b>	<b>----- (Rupees) -----</b>	
Sales - Net		-	90,224,449
Cost of sales		<u>(50,212,063)</u>	<u>(90,114,592)</u>
Gross profit / (loss)		<u>(50,212,063)</u>	109,857
<b>Operating expenses</b>			
Administrative & general expenses		<u>(9,335,422)</u>	<u>(1,633,767)</u>
<b>Operating loss</b>		<u>(59,547,485)</u>	<u>(1,523,910)</u>
Finance cost	<b>10</b>	<u>(101,075,948)</u>	<u>(62,809,497)</u>
<b>Loss before taxation</b>		<u>(160,623,433)</u>	<u>(64,333,407)</u>
Taxation			
- Current		<u>-</u>	<u>(1,127,806)</u>
- Deferred		<u>7,428,838</u>	<u>3,747,389</u>
		<u>7,428,838</u>	<u>2,619,583</u>
<b>Loss for the period</b>		<u>(153,194,595)</u>	<u>(61,713,824)</u>
<b>Loss per share - basic and diluted</b>	<b>11</b>	<u>(3.33)</u>	<u>(1.34)</u>

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



**Ishtiaq Ahmed**  
**CEO & Director**



**Muhammad Irfan Ali**  
**Chief Financial Officer**

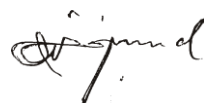


**Syed Maqbool Ali**  
**Chairman Board of Directors**

**DEWAN TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER, 2022**

	<b>July-Sept, 2022</b>	<b>July-Sept, 2021</b>
	----- (Rupees) -----	-----
Loss for the period	<b>(153,194,595)</b>	(61,713,824)
<b>Other comprehensive income:</b>		
Effect of change in tax rates on balance of revaluation on property, plant and equipment	-	-
<b>Total comprehensive loss for the period</b>	<b><u>(153,194,595)</u></b>	<b><u>(61,713,824)</u></b>

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



**Ishtiaq Ahmed**  
**CEO & Director**



**Muhammad Irfan Ali**  
**Chief Financial Officer**



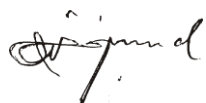
**Syed Maqbool Ali**  
**Chairman Board of Directors**



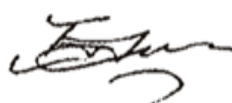
**DEWAN TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER, 2022**

	July-Sept, 2022	July-Sept, 2021
Notes	----- (Rupees) -----	-----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(160,623,433)	(64,333,407)
Adjustment for non-cash and other items:		
Depreciation / amortisation expense	38,131,246	26,587,648
Unwinding of discount	5,057,874	4,488,606
Finance Cost	96,018,074	58,320,891
	139,207,194	89,397,145
Cash outflows before working capital changes	(21,416,239)	25,063,738
<b>Working capital charges</b>		
<i>(Increase) / decrease in current assets</i>		
Stock in trade	-	60,259,566
Trade debts	5,489,403	(4,760,875)
Advances	1,199,997	95,170
	6,689,400	55,593,861
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payable	497,246	(2,529,752)
Short term borrowings	12,000,000	(66,325,000)
	12,497,246	(68,854,752)
<b>Cash generated/ (used in) operations</b>	(2,229,593)	11,802,847
<b>Payments for:</b>		
Income taxes	(8,067)	(580,439)
Gratuity	-	(37,200)
Finance cost	(1,278)	(391,203)
	(9,345)	(1,008,842)
<b>Net cash inflow / (outflow) from operating activities</b>	(2,238,938)	10,794,005
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing paid	-	(300,000)
Net increase / (decrease) in cash and cash equivalents	(2,238,938)	10,494,005
Cash and cash equivalents at the beginning of the period	6,863,473	10,144,166
<b>Cash and cash equivalents at the end of the period</b>	4,624,535	20,638,171

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



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irfan Ali**  
Chief Financial Officer




**Syed Maqbool Ali**  
Chairman Board of Directors

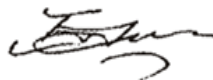
**DEWAN TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER, 2022**

	Revenue reserves			Capital reserves	Total equity	
	General reserve	Accumulated losses	Total revenue reserves	Surplus on revaluation of property, plant and equipment		
	----- (Rupees) -----					
<b>Balance as at 1st July 2021</b>	460,646,090	333,000,000	(5,405,352,214)	(507,235,214)	705,345,865	(3,906,360,259)
<b>Total comprehensive loss for the period</b>						
Loss for the period			(61,713,824)	(61,713,824)		(61,713,824)
Other comprehensive income			(61,713,824)	(61,713,824)	-	(61,713,824)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	-	-	9,174,641	9,174,641	(9,174,641)	-
<b>Balance as at 30 September, 2021</b>	<b>460,646,090</b>	<b>333,000,000</b>	<b>(5,457,891,397)</b>	<b>(559,774,397)</b>	<b>696,171,224</b>	<b>(3,968,074,083)</b>
<b>Balance as at 1st July 2022</b>	<b>460,646,090</b>	<b>333,000,000</b>	<b>(5,706,187,727)</b>	<b>(5,373,187,727)</b>	<b>2,851,974,176</b>	<b>(2,060,567,461)</b>
<b>Total comprehensive loss for the period</b>						
Loss for the period	-	-	(153,194,595)	(153,194,595)	-	(153,194,595)
Other comprehensive income	-	-	-	-	-	-
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	-	-	18,187,846	18,187,846	(18,187,846)	-
<b>Balance as at 30 September, 2022</b>	<b>460,646,090</b>	<b>333,000,000</b>	<b>(5,841,194,476)</b>	<b>(5,508,194,476)</b>	<b>2,833,786,330</b>	<b>(2,213,762,056)</b>

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



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irfan Ali**  
Chief Financial Officer



**Syed Maqbool Ali**  
Chairman Board of Directors

**DEWAN TEXTILE MILLS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN - AUDITED)**  
**FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER, 2022**

**1 STATUS AND NATURE OF BUSINESS**

Dewan Textile Mills Limited ('the Company') was incorporated in Pakistan on 16 April 1970 as a public limited company and is listed on the Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of yarn. However, the Company has suspended its manufacturing operations since December 2015.

**The geographical location and address of Company's business units including plant is as under:**

- Company's registered office is located at Dewan Centre 3-A, Lalazar, Beach Hotel Road, Karachi.
- Company's production plant is situated at H/20 & H/26, S.I.T.E., Kotri, District Jamshoro, Sindh, Pakistan.

**2 GOING CONCERN ASSUMPTION**

These condensed interim financial statements of the company for the first quarter ended September 30, 2022 reflects that the company has sustained a net loss after taxation of Rs. 153.195 million (2022: Rs.340.925 million) and as of that date the company's negative reserves of Rs. 5,508.194 million (2022: Rs.5,373.188 million) have resulted in negative equity of Rs. 2,213.762 million (2022: Rs.2,060,567 million). Further the Company's short term borrowing facilities have expired and not been renewed and the Company has been unable to ensure scheduled payments of liabilities due to the liquidity problems. Following course, majority of the lenders had gone into litigation for repayment of liabilities through attachment and sale of Company's hypothecated / mortgaged properties and one lender had also filed winding up petitions under section 301 of the Companies Act, 2017 as more fully explained in note 12.1 and note 12.2 to the financial statement. The Company has suspended its manufacturing operations since December 2015. 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.

These condensed interim financial statements have 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 streamline the funding requirements of the Company which will ultimately help the management to resume the operations with optimum utilisation of production capacity. As the conditions mentioned in the foregoing paragraph are temporary and would reverse therefore, the preparation of condensed interim financial statement using going concern assumption is justified.

**3 BASIS OF PREPARATION**

**3.1** These condensed interim financial statements of the Company 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 Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) 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 from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**3.2** These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial

**4 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES**

**4.1** The accounting policies and methods of computation adopted and applied in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2022.

**4.2 Application of new and revised International Financial Reporting Standards**

**4.2.1 Standards, amendments to standards and interpretations becoming effective during the period**

There are certain new standards, amendments to existing standards and new interpretations on approved

accounting standards that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2022 but are considered not to be relevant or not to have any material effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

#### 4.2.2 Standards, amendments to standards and interpretations becoming effective in future periods.

There are certain new standards, amendments to standards and interpretations that will become effective in future accounting periods but are considered not to be relevant or not to have any material effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

## 5 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

5.1 The preparation of these condensed interim financial statements in conformity with approved accounting standards 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 Judgments and estimates made by management in the preparation of these condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended June 30, 2022.

5.3 The Company's financial risk management objectives and policies are consistent with those objectives and policies which were disclosed in the financial statements of the Company for the year ended June 30, 2022.

	(Un-Audited) Sep 30, 2022	(Audited) Jun 30, 2022
<b>6 REVENUE RESERVES</b>	----- (Rupees) -----	
General reserves	333,000,000	333,000,000
Accumulated losses	<u>(5,841,194,476)</u>	<u>(5,706,187,727)</u>
	<u><u>(5,508,194,476)</u></u>	<u><u>(5,373,187,727)</u></u>

## 7 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the contingencies and commitments since the last audited financial statements for the year ended June 30, 2022

## 8 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	8.1	<u>3,579,757,301</u>	<u>3,617,888,547</u>
		<u>3,579,757,301</u>	<u>3,617,888,547</u>
<b>8.1 Operating fixed assets</b>			
Opening balance		3,617,888,547	1,386,580,374
Additions during the period / year		-	2,342,520,332
Depreciation charged for the period / year		<u>(38,131,246)</u>	<u>(111,212,159)</u>
Closing balance		<u>3,579,757,301</u>	<u>3,617,888,547</u>

## 9 LONG TERM INVESTMENT

### Investment in associate

Dewan Salman Fibre Limited	--	--
----------------------------	----	----

9.1 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 28.47% in investee company.

### 9.2 Investment in Dewan Salman Fibre Limited - at equity method

Number of shares held	104,288,773	104,288,773
-----------------------	-------------	-------------

Cost of investment (Rupees)	<u>210,000,000</u>	<u>210,000,000</u>
Fair value of investment (Rupees)	<u>91,774,120</u>	<u>91,774,120</u>
Ownership interest	<u>28.47%</u>	<u>28.47%</u>

- 9.3** Investment in associated company was made in accordance with the requirement of then effective Companies Ordinance, 1984. As the Company's share of losses exceed its interest in the associate, the Company has discontinued recognising its share of further losses. Market value is based on last available quoted price as of February 19, 2018.

## 10 FINANCE COST AND MARK-UP ACCRUED

In addition to the non-provisioning of mark-up eligible for waiver as disclosed in note 26.1 of the annual financial statement for the year ended 30 June 2022, Company has not made the provision of mark-up for the period amounting to Rs.16.746 million (up to 30 June 2022: Rs.626.137 million) in respect of borrowings of certain banks who have not yet accepted the restructuring proposal. The management of the Company is quite hopeful that these banks will also accept restructuring proposal in near future. Had the provision been made the loss for the period would have been higher by 16.746 million and accrued mark-up would have been higher and shareholders' equity would have been lower by 642.883 million. The said non-provisioning is departure from the requirements of IAS 23 - 'Borrowing Costs'.

<b>(Un-Audited)</b>	<b>(Un-Audited)</b>
<b>Jul-Sept,</b>	<b>Jul-Sept,</b>
<b>2022</b>	<b>2021</b>
-----	-----
<b>(Rupees)</b>	<b>(Rupees)</b>

## 11 LOSS PER SHARE - Basic and diluted

Loss after taxation	<u>(153,194,595)</u>	<u>(61,713,824)</u>
Weighted average number of shares	<u>46,064,609</u>	<u>46,064,609</u>
Loss per share - basic and diluted (rupees)	<u>(3.33)</u>	<u>(1.34)</u>

## 12 TRANSACTIONS WITH RELATED PARTIES

Related parties include associated group companies, director, executives. Key management personnel and staff retirement funds. Details of transactions with related parties during the period other than those which have been disclosed elsewhere in these condensed interim financial statements are given below.

Staff retirement benefits	<u>16,182</u>	<u>25,404</u>
---------------------------	---------------	---------------

## 13 CORRESPONDING FIGURES

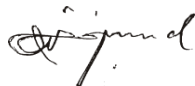
In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", balance sheet has been compared with the balances of annual financial statements, whereas profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial period

## 14 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on October 24, 2022 by the Board of Directors of the Company.

## 15 GENERAL

Figures have been rounded off to the nearest rupee.



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irfan Ali**  
Chief Financial Officer



**Syed Maqbool Ali**  
Chairman Board of Directors