

**QUARTERLY REPORT
SEPTEMBER 30, 2024**



DEWAN TEXTILE MILLS LIMITED



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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. Martime 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, Karachi
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

DIRECTORS' REPORT

IN THE NAME OF ALLAH; THE MOST GRACIOUS AND THE MERCIFUL

IF YE GIVE THANKS, I WILL GIVE YOU MORE (HOLY QURAN)

Dear Shareholder(s),
Assalam-o-Alykum!

The Board of Directors of your Company is pleased to present unaudited condensed interim financial statements for the first quarter ended September 30, 2024 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.

Economic & Industrial Overview

Challenges faced by Pakistan's economy continued impacting the textile industry during the first quarter of FY 2024-25 due to ongoing economic pressures. These challenges have seriously impacted Pakistan's growth, economic progress and political stability. Inconsistent policies, cross subsidization, resource misallocation, underperforming agriculture due to lack Govt. patronage, unemployment, rising energy prices and geopolitical tensions are pressing concerns for Pakistan's Industry. The textile sector, is responsible for around 60 percent of exports and employs 40 percent of the labor force. It also supports numerous other sectors such as cotton and retail through domestic linkages. In Pakistan, the discontinuation of regionally competitive energy pricing led to a substantial rise in production costs. Further, policy changes disallowing domestic EFS, high interest rates and delayed government refunds strained cash flows, undermining our cost competitiveness. Long-term stability of Pakistan depends upon resolving fundamental economic issues. In this context, it is important to recognize the criticality of facilitating the export industries including textile which result in net inflow of dollars and foster economic stability.

Operating results (Factory Shutdown):

Company's net revenue for first quarter remained nil 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.

These condensed interim financial statements have been prepared using going concern assumption as the conditions referred in note 2 are temporary and would reverse in foreseeable future. The company has approached its lenders for restructuring of its liabilities and is confident that the Company's restructuring proposals without markup will be accepted by the financial institutions / banks which will enable the company to resume its operations hence no provision of the markup has been made in these financial statements.

Future Outlook

Due to international recession coupled with geographical tension & high cost of production in our country, textile products are facing severe competition in the international market. Issue of weak demand of textile products in the local market, rising power tariffs owing to removal of energy subsidies along with inflationary pressures are getting worst day by day. Budgetary measures recently introduced in the Finance Act 2024 such as withdrawal of zero rating on local supplies under EFS, change of taxation regime on exports from final tax to normal tax will further effects competitiveness of textile industry. However, gradual reduction of policy rate by the State Bank of Pakistan will relatively reduce cost pressure. Further, for the globally competitiveness in the wake of prevalent economic crunch, we expect the government will focus on structural reforms to boost exports and foreign exchange, and to enable the exporters to compete internationally by prioritizing export-oriented sectors, including

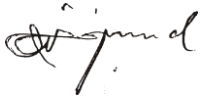
the textile industry. This involves facilitating the import of raw materials, parts, and accessories, further decrease in current interest rate presently too exorbitant for any business to sustain and also ensuring the availability of utilities at rationalized power tariff. Further, Taxation structure is also expected to create ease of doing business.

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

Karachi, October 28, 2024

DEWAN TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

	Notes	(Un-Audited) Sept 30, 2024	(Audited) June 30, 2024
(Rupees)			
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
Authorized share capital 50,000,000 (2024: 50,000,000) Ordinary shares of Rs. 10/- each		500,000,000	500,000,000
Issued, subscribed and paid-up share capital		460,646,090	460,646,090
Revenue Reserves			
General reserve		333,000,000	333,000,000
Accumulated losses		(6,266,452,190)	(6,248,315,316)
Capital reserve			
Surplus on revaluation of property, plant and equipment	6	2,701,318,948	2,715,378,092
		(2,771,487,152)	(2,739,291,134)
NON CURRENT LIABILITIES			
Long term financing	7	233,773,068	226,897,833
Deferred taxation	8	208,962,132	214,704,600
		442,735,200	441,602,433
CURRENT LIABILITIES			
Trade and other payables		141,549,266	140,724,216
Mark-up accrued		2,276,503,741	2,276,503,741
Short term borrowings		293,897,780	293,897,780
Liability for staff gratuity		1,784,351	1,784,351
Unclaimed dividend		254,206	254,206
Overdue portion of long term financing	9	2,925,634,170	2,925,634,170
		5,639,623,514	5,638,798,464
CONTINGENCIES AND COMMITMENTS			
		-	-
		3,310,871,562	3,341,109,763
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property, plant and equipment	10	3,300,627,821	3,330,513,777
Long term investment	11	-	-
Long term deposits		4,371,174	4,371,174
		3,304,998,995	3,334,884,951
CURRENT ASSETS			
Trade debts - unsecured		2,013,468	2,446,146
Advances and receivables		509,648	509,648
Taxes recoverable - net		188,806	180,739
Cash and bank balances		3,160,645	3,088,279
		5,872,567	6,224,812
		3,310,871,562	3,341,109,763

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



Ishtiaq Ahmed
CEO & Director



Muhammad Irfan Ali
Chief Financial Officer

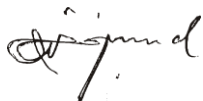


Syed Maqbool Ali
Chairman Board of Directors

DEWAN TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	Notes	July-Sept 2024	July-Sept 2023
		----- (Rupees) -----	
Sales - Net		-	-
Cost of sales		<u>(35,610,995)</u>	<u>(35,979,629)</u>
Gross (loss)		<u>(35,610,995)</u>	<u>(35,979,629)</u>
Operating expenses			
Administrative & general expenses		<u>(1,901,693)</u>	<u>(1,946,768)</u>
Operating (loss)		<u>(37,512,688)</u>	<u>(37,926,397)</u>
Finance cost	12	<u>(6,875,797)</u>	<u>(6,103,124)</u>
		<u>(44,388,485)</u>	<u>(44,029,521)</u>
Other income		<u>6,450,000</u>	<u>-</u>
(Loss) before taxation		<u>(37,938,485)</u>	<u>(44,029,521)</u>
Taxation			
- Current		<u>-</u>	<u>-</u>
- Deferred		<u>5,742,467</u>	<u>6,519,353</u>
		<u>5,742,467</u>	<u>6,519,353</u>
(Loss) for the period		<u><u>(32,196,018)</u></u>	<u><u>(37,510,168)</u></u>
(Loss) per share - Basic and diluted		<u><u>(0.70)</u></u>	<u><u>(0.81)</u></u>

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



Ishtiaq Ahmed
CEO & Director



Muhammad Irfan Ali
Chief Financial Officer

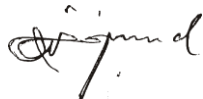


Syed Maqbool Ali
Chairman Board of Directors

DEWAN TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	July-Sept 2024	July-Sept 2023
Notes	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before taxation	(37,938,485)	(44,029,521)
Adjustment for non-cash and other items:		
Depreciation	29,885,956	33,712,447
Bad debts recovered	(6,450,000)	-
Unwinding of discount	6,875,233	6,101,420
Finance cost	564	1,704
	30,311,753	39,815,571
Cash outflows before working capital changes	(7,626,732)	(4,213,950)
Working capital charges		
<i>(Increase) / decrease in current assets</i>		
Trade debts	6,882,678	4,168,445
Advances and receivables	-	1,763
	6,882,678	4,170,208
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payable	825,050	(269,804)
	825,050	(269,804)
Cash generated/ (used in) operations	80,996	(313,546)
Payments for:		
Taxes paid	(8,067)	(8,067)
Finance cost	(564)	(1,704)
	(8,631)	(9,771)
Net cash inflow / (outflow) from operating activities	72,365	(323,317)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net increase / (decrease) in cash and cash equivalents	72,365	(323,317)
Cash and cash equivalents at the beginning of the period	3,088,279	3,313,815
Cash and cash equivalents at the end of the period	3,160,645	2,990,498

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



Ishtiaq Ahmed
CEO & Director



Muhammad Irfan Ali
Chief Financial Officer

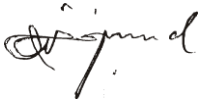


Syed Maqbool Ali
Chairman Board of Directors

DEWAN TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	July-Sept 2024	July-Sept 2023
	----- (Rupees) -----	
(Loss) for the period	(32,196,018)	(37,510,168)
<i>Other comprehensive income:</i>		
Item that will not be reclassified to profit or (loss)	-	-
Total comprehensive (loss) for the period	<u>(32,196,018)</u>	<u>(37,510,168)</u>

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



Ishtiaq Ahmed
CEO & Director



Muhammad Irfan Ali
Chief Financial Officer

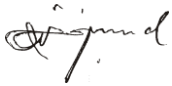


Syed Maqbool Ali
Chairman Board of Directors

DEWAN TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	Issued, subscribed and paid-up share capital	Revenue reserves			Capital reserves	Total Equity
		General reserve	Accumulated losses	Total revenue reserves	Surplus on revaluation of property, plant and equipment	
----- (Rupees) -----						
Balance as at 1st July 2023	460,646,090	333,000,000	(6,176,908,527)	(5,843,908,527)	2,779,222,794	(2,604,039,643)
Total comprehensive (loss) for the period						
(Loss) for the period			(37,510,168)	(37,510,168)		(37,510,168)
Other comprehensive income					-	-
			(37,510,168)	(37,510,168)	-	(37,510,168)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax			15,961,176	15,961,176	(15,961,176)	-
Balance as at 30 September 2023	460,646,090	333,000,000	(6,198,457,519)	(5,865,457,519)	2,763,261,618	(2,641,549,811)
Balance as at 1st July 2024	460,646,090	333,000,000	(6,248,315,316)	(5,915,315,316)	2,715,378,092	(2,739,291,134)
Total comprehensive (loss) for the period						
(Loss) for the period	-	-	(32,196,018)	(32,196,018)	-	(32,196,018)
Other comprehensive income	-	-	-	-	-	-
	-	-	(32,196,018)	(32,196,018)	-	(32,196,018)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	-	-	14,059,144	14,059,144	(14,059,144)	-
Balance as at 30 September 2024	460,646,090	333,000,000	(6,266,452,190)	(5,933,452,190)	2,701,318,948	(2,771,487,152)

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 STATEMENTS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

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 for the first quarter ended September 30, 2024 reflect that the Company has sustained a net loss after taxation of Rs.32.196 million (Sept 2023 Rs.37.510 million) and as of that date the Company's negative reserves of Rs.5,933.452 million (June 2024 Rs.5,915.315 million) have resulted in negative equity of Rs.2,771.487 million (June 2024: Rs.2,739.291 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 petition under section 301 of the Companies Act, 2017. 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 and is confident that the Company's restructuring proposals without markup will be accepted by the financial institutions / banks. Company is hopeful that such restructuring will be effective soon and will streamline the funding requirement of the Company which will ultimately help the management to resume the operations 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.

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 statements for the year ended 30 June 2024.

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 2024.

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, 2024 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, 2024.

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, 2024.

	(Un-audited) Sept 30, 2024	(Audited) 30 June 2024
	----- (Rupees) -----	
6 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
Surplus on Revaluation	2,910,281,080	2,930,082,691
Related deferred tax liability	(208,962,132)	(214,704,599)
	<u>2,701,318,948</u>	<u>2,715,378,092</u>

7 LONG TERM FINANCING

Banks and financial institutions - Secured	7.1	2,925,634,170	2,925,634,170
Sponsor - Unsecured		233,773,068	226,897,833
		<u>3,159,407,238</u>	<u>3,152,532,003</u>
Overdue portion - Shown under current liabilities		(2,925,634,170)	(2,925,634,170)
		<u>233,773,068</u>	<u>226,897,833</u>

7.1 The Company has not made the provision of mark-up from 1st July 2023 on Restructured long term financing from banks and financial institutions outstanding of Rs.2,925.634 million.

8 DEFERRED TAXATION

Credit balance arising due to:

- Accelerated tax depreciation	21,543,020	23,824,014
- Revaluation - Net of related depreciation	208,962,133	214,704,600
- Long term financing	15,754,820	17,748,638

Debit balance arising due to:

- Staff gratuity	(517,462)	(517,462)
- Provision for doubtful debts	(170,375,848)	(171,662,442)
- Provision for Advances & receivable	(3,983,896)	(3,983,896)
- Provision for slow-moving stores and spares	(15,428,405)	(15,428,405)
- Carried over losses	(1,042,502,348)	(1,043,601,350)

Deferred tax asset not recognised

1,195,510,118	1,193,620,902
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<u>208,962,133</u>	<u>214,704,600</u>
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9 CONTINGENCIES AND COMMITMENTS

There are no significant change in the status of contingencies and commitments as reported in note 12 to the annual audited financial statements of the Company for the year ended 30 June 2024.

(Un-audited)	(Audited)
Sept 30,	30 June
2024	2024
----- (Rupees) -----	

10 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	10.1	<u>3,300,627,821</u>	<u>3,330,513,777</u>
		<u>3,300,627,821</u>	<u>3,330,513,777</u>

10.1 Operating fixed assets

Opening balance	3,330,513,777	3,465,363,570
Depreciation charged for the period / year	(29,885,956)	(134,849,793)
Closing balance	<u>3,300,627,821</u>	<u>3,330,513,777</u>

10.2 There is no addition / deletion in property, plant and equipment during the period under consideration.

11 INVESTMENT IN AN ASSOCIATE COMPANY

Investment in associate

Dewan Salman Fibre Limited	<u>---</u>	<u>---</u>
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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 and its ownership interest of 28.47% in investee company.

11.2 Investment in Dewan Salman Fibre Limited - At equity method

Number of shares held	<u>104,288,773</u>	<u>104,288,773</u>
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>

11.3 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 19 February 2018.

12 FINANCE COST AND MARK-UP ACCRUED

In addition to the non-provisioning of mark-up eligible for waiver as disclosed in note 22.1 of the annual financial statement for the year ended 30 June 2024, Company has not made the provision of mark-up for the period amounting to Rs. 106.826 million (up to 30 June 2024: Rs.1,150.485 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 106.826 million and accrued mark-up would have been higher and shareholders' equity would have been lower by 1,257.311million. The said non-provisioning is departure from the requirements of IAS 23 - 'Borrowing Costs'.

	(Un-audited) Sept 30, 2024 ----- (Rupees) -----	(Un-audited) Sept 30, 2023
13 (LOSS) PER SHARE - Basic and diluted		
(Loss) after taxation	<u><u>(32,196,018)</u></u>	<u><u>(37,510,168)</u></u>
	----- (Number of shares) -----	
Weighted average number of shares	<u><u>46,064,609</u></u>	<u><u>46,064,609</u></u>
	----- (Rupees) -----	
(Loss) per share - Basic and diluted	<u><u>(0.70)</u></u>	<u><u>(0.81)</u></u>

14 TRANSACTIONS WITH RELATED PARTIES

Related parties include associated group companies, directors, executives, key management personnel and staff retirement funds. Material transactions and balances with related parties incurred during the period consisted of following heads:

14.1 Staff Provident fund

Staff provident fund	<u><u>23,520</u></u>	<u><u>17,790</u></u>
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15 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

15.1 Financial risk factors

The Company is exposed to the credit risks, liquidity risks and market risks (including currency rate risk and other price risk) from its use of financial instruments.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors is responsible for developing and monitoring the Company's risk management policies.

The Company's objective in managing risk is the creation and protection of shareholders value. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to

reflect changes in market conditions and the Company's activities. The Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

There have been no changes in the risk management policies during the period, consequently these condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

15.2 Fair value hierarchy

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

The fair value hierarchy has not been presented in these financial statements, as the Company does not hold any such financial instrument in its portfolio.

16 CORRESPONDING FIGURES

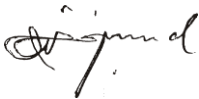
In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", condensed interim statement of financial position has been compared with the balances of annual financial statements, whereas condensed interim statement of profit or loss, statement of cash flows and statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.

17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 28th October, 2024 by the Board of Directors of the Company.

18 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

دیوان ٹیکسٹائل ملز لمیٹڈ

ڈائریکٹرز رپورٹ

محترم شیئرز ہولڈرز،

السلام علیکم،

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز جمعہ 30 مئی 2024ء کیلئے کیلئے ایکٹ 2017ء کے سیکشن 237 اور سیکورٹیز اینڈ انویسٹمنٹ 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:

پاکستان کی معیشت نے مئی سال 2024-25 کی پہلی سہ ماہی کے دوران بہت سے چیلنجز کا سامنا ہے جس نے اس کی شرح نمو، اقتصادی ترقی اور سیاسی استحکام کو نمایاں طور پر متاثر کیا ہے۔ ان چیلنجز میں متضاد پالیسیاں، کراس سبسڈی، وسائل کی غلط تقسیم، حکومتی تعاون کی کمی کی وجہ سے زرعی شعبے کی کم کارکردگی کا مظاہرہ کرنا، بے روزگاری کی بلند شرح، اور توانائی کی بڑھتی قیمتیں شامل ہیں۔ یہ مسائل پاکستان کے صنعتی شعبے کے لیے خاص طور پر تشویش کبابا عث ہیں۔ ٹیکسٹائل کا شعبہ، جو کہ ملک کی تقریباً 60 فیصد برآمدات کا حصہ ہے اور 40 فیصد افرادی قوت کو ملازمت دیتا ہے۔ یہ شعبہ اپنے ڈومیسٹک رابطوں کے ذریعے مختلف دیگر صنعتوں جیسے کپاس کی پیداوار اور خوردہ فروشی کو بھی خاطر خواہ مدد فراہم کرتا ہے۔ پاکستان میں توانائی کے مسابقتی ٹیرف کے خاتمے نے پیداواری لاگت میں خاطر خواہ اضافہ کیا ہے۔ مزید برآں مہنگے سودی قرضے، ٹیکس ریفنڈ ز وصول کرنے میں تاخیر، کمپنی کی کیش پوزیشن کو متاثر کر رہے ہیں۔ پاکستان کا طویل مدتی استحکام بنیادی معاشی مسائل کے حل پر منحصر ہے۔ اس سلسلے میں، برآمدی صنعتوں بشمول ٹیکسٹائل کی اہمیت کو تسلیم کرنا بہت ضروری ہے، کیونکہ یہ غیر ملکی کرنسی کی خالص آمد میں حصہ ڈالتی ہیں اور اقتصادی استحکام کو فروغ دیتی ہیں۔

مالیاتی نتائج اور کارکردگی: (پیداوار معطل)

پیداوار معطل ہونے کی وجہ سے پہلی سہ ماہی کے دوران کمپنی کے خالص فروخت صفر رہی۔ 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۔ یہ غیر میعاد عبوری مالیاتی حسابات جاری تشویش کے مفروضے کو استعمال کرتے ہوئے تیار کیے گئے ہیں کیونکہ نوٹ 2 میں بتائی گئی شرائط عارضی ہیں اور مستقبل قریب میں اس کے برعکس ہوں گی۔ کمپنی نے اپنی ذمہ داریوں کی مزید تنظیم نو کے لیے اپنے قرض دہندگان سے رابطہ کیا ہے اور کمپنی کو یقین ہے کہ بغیر مارک اپ کمپنی کی تنظیم نو کی تباہی کو مالیاتی اداروں/بینکوں کے ذریعے قبول کیا جائے گا جس سے کمپنی کو اپنی پیداوار بحال کرنے میں مدد ملے گی، نتیجتاً ان مالیاتی بیانات میں اس تنظیم نو سے متعلق سودی مارک اپ کے اخراجات کے لئے کوئی انتظام نہیں کیا گیا ہے۔

مستقبل پر ایک نظر:


بین الاقوامی کسادبازاری، جغرافیائی حالات اور مہنگی پیداواری لاگت کی وجہ سے ملکی ٹیکسٹائل پر وڈکس کو بین الاقوامی سطح پر کافی سخت مقابلہ کا سامنا ہے۔ ملکی سطح پر ٹیکسٹائل پر وڈکس کی کمزور طلب، مسابقتی توانائی ٹیرف کا خاتمہ، حالیہ بجٹ اقدامات کے اثرات، جیسے کہ برآمدی سہولت اسکیم (EFS) کے تحت مقامی سپلائی پر زیر ورینٹنگ کا خاتمہ، اور برآمد کنندگان کو حتمی ٹیکس نظام (FTR) سے عام ٹیکس نظام (NTR) میں تبدیلی، کے سبب صورت حال مزید پیچیدہ ہو سکتی ہے۔ مزید برآں عالمی سطح پر مسابقت کے لیے موجودہ اقتصادی بحران کے پیش نظر، ہم توقع کرتے ہیں کہ حکومت برآمدات اور زرمبادلہ میں اضافہ اور برآمد کنندگان کو بین الاقوامی سطح پر مقابلہ کرنے کے قابل بنانے کے لیے بنیادی اصلاحات پر توجہ دے گی، حکومت کو برآمداتی شعبوں، بشمول ٹیکسٹائل کی صنعت، کو ترجیح دینی چاہئے۔ اس میں خام مال، پرزے، اور لوازمات کی درآمد کو آسان بنانا، موجودہ شرح سود میں مزید کمی کرنا جو کسی بھی کاروبار کے لیے ناقابل برداشت ہے، اور ٹیپسٹی کی فراہمی کو معقول بنانی کے ٹیرف پر یقینی بنانا شامل ہے۔ اس کے علاوہ، ٹیکس اسٹرکچر کو کاروبار میں آسانی پیدا کرنے کے لیے ترمیم دیا جائے گا۔

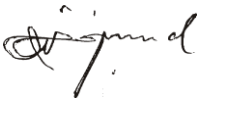
اعبار تشکر و توجہ:

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 ہی طرح کا غم رکھے جو کہ نہ صرف ہم پر بلکہ ہماری کمپنی 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 محمد آمین۔

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

بورڈ آف ڈائریکٹرز کی جانب سے


سید مقبول علی
چیرمن بورڈ آف ڈائریکٹرز


اشتیاق احمد
چیف ایگزیکٹو آفیسر
کراچی
مورخہ: 28 اکتوبر 2024ء