

QUARTERLY REPORT  
MARCH 31, 2024



DEWAN TEXTILE MILLS LIMITED



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## DEWAN TEXTILE MILLS LIMITED

### COMPANY INFORMATION

#### BOARD OF DIRECTORS

<b>Executive Director</b>	: Mr. Ishtiaq Ahmed - Chief Executive Officer & Director
<b>Non-Executive Directors</b>	: Syed Maqbool Ali - Chairman, Board of Directors Mr. Abdul Basit Mr. Ghazanfar Baber Siddiqi Mr. Mehmood-ul-Hassan Asghar Mrs. Nida Jamil
<b>Independent Director</b>	: Mr. Aziz-ul-Haque
<b>Audit Committee</b>	: Mr. Aziz-ul-Haque - (Chairman) Syed Maqbool Ali (Member) Mr. Mehmood-ul-Hassan Asghar (Member)
<b>Human Resources &amp; Remuneration Committee</b>	: Mr. Aziz-ul-Haque - Chairman Syed Maqbool Ali (Member) Mr. Ishtiaq Ahmad - (Member)
<b>Auditor</b>	: Faruq Ali & Co. C-88, Ground Floor, KDA Scheme No. 1, Main Karsaz Road, Opp. Martime Museum Karachi.
<b>Company Secretary</b>	: Mr. Muhammad Hanif German
<b>Chief Financial Officer</b>	: Mr. Muhammad Irfan Ali
<b>Tax Advisor</b>	: Sharif & Co. Advocates
<b>Legal Advisor</b>	Abbas & Atif Law Associates
<b>Bankers</b>	: 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
<b>Registered Office</b>	: Dewan Centre, 3-A Lalazar Beach Hotel Road, Karachi
<b>Shares Registrar &amp; Transfer Agent</b>	: 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.
<b>Factory Office</b>	: H/20 & H/26, S.I.T.E., Kotri, District Jamshoro, Sindh, Pakistan
<b>Website</b>	: <a href="http://www.yousufdewan.com">www.yousufdewan.com</a>

**IN THE NAME OF ALLAH; THE MOST GRACIOUS AND 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 nine months ended March 31, 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.

**General market conditions:**

The textile industry is a crucial contributor to the economy of Pakistan, and its significance is amplified by the country's reliance on foreign exchange. Pakistan's economy is facing significant economic challenges of high inflation, interest rates on the back of rising commodity prices. In addition to this, high energy tariffs (increase in Gas Tariff of local gas by 129%), for export-oriented industries, production cost has significantly increased that has severely impacted on operational efficiency and cost competitiveness in the international market by posing major threats for the survival of the textile industry which makes up 60% of country's exports. Further, Intensified competition from regional and global textile producing countries, coupled with fluctuating currency exchange rates, raised a threat to Pakistan's textile exports.

**Operating results and performance: (Factory Shutdown)**

Company's operational sales for the period 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. 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**

Looking towards the future, the economy is facing severe challenges. These challenges will not only impede the already weak economic growth, but they will also lead to spiraling prices of food items due to supply disruptions. As a result, inflation is likely to remain high throughout the year. The textile industry is expected to remain under stress due to all time high markup rates, elevated energy costs and shortage of gas will continue to remain a challenge as the energy tariffs are significantly higher than regional market players.

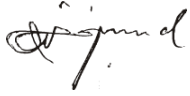
We expect, the newly elected Government will take well planned concrete steps to uplift the economy including supply of utilities at subsidized energy tariffs, tax credits, release of early tax refunds to mitigate liquidity crunch and availability of cheap financing facilities. Government should also provide subsidized financing for renewable energy initiatives taken by industries to adopt affordable, reliable and sustainable energy options specially for textile sector keeping in view to make them competitive in international market.

**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**



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

Dated: April 26, 2024  
Place: Karachi.


**DEWAN TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2024**

	Notes	(Un-Audited) March 31, 2024	(Audited) June 30, 2023
<b>(Rupees)</b>			
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 50,000,000 (2023 :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		<b>(6,228,419,726)</b>	(6,176,908,526)
Capital reserve			
Surplus on revaluation of property, plant and equipment	6	<b>2,731,339,267</b>	2,779,222,794
		<b>(2,703,434,369)</b>	(2,604,039,642)
<b>NON CURRENT LIABILITIES</b>			
Long term financing	7	<b>220,224,802</b>	201,360,300
Deferred taxation	8	<b>221,223,953</b>	240,782,014
		<b>441,448,755</b>	442,142,314
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<b>139,618,005</b>	148,814,459
Mark-up accrued		<b>2,276,503,741</b>	2,276,503,741
Short term borrowings		<b>293,897,780</b>	293,897,780
Liability for staff gratuity		<b>1,784,351</b>	1,984,351
Unclaimed dividend		<b>254,206</b>	254,206
Overdue portion of long term financing		<b>2,925,634,170</b>	2,925,634,170
		<b>5,637,692,253</b>	5,647,088,707
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9	<b>-</b>	-
		<b>3,375,706,639</b>	3,485,191,379
<b><u>ASSETS</u></b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	<b>3,364,226,226</b>	3,465,363,570
Long term investment	11	<b>-</b>	-
Long term deposits		<b>5,070,174</b>	8,721,608
		<b>3,369,296,400</b>	3,474,085,178
<b>CURRENT ASSETS</b>			
Trade debts - unsecured		<b>2,450,952</b>	7,084,978
Advances and receivables		<b>609,648</b>	556,248
Taxes recoverable - net		<b>172,672</b>	151,160
Cash and bank balances		<b>3,176,967</b>	3,313,815
		<b>6,410,239</b>	11,106,201
		<b>3,375,706,639</b>	3,485,191,379

*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 NINE MONTHS & QUARTER ENDED 31 MARCH 2024**

	Notes	Nine Months Ended		Quarter Ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
		----- (Rupees) -----		----- (Rupees) -----	
Sales - Net		-	-	-	-
Cost of sales		<u>(108,179,094)</u>	<u>(138,679,914)</u>	<u>(35,836,725)</u>	<u>(45,314,443)</u>
Gross profit / (loss)		<u>(108,179,094)</u>	<u>(138,679,914)</u>	<u>(35,836,725)</u>	<u>(45,314,443)</u>
<b>Operating expenses</b>					
Administrative & general expenses		<u>(8,177,392)</u>	<u>(20,186,695)</u>	<u>(4,798,357)</u>	<u>(3,468,909)</u>
<b>Operating (loss)</b>		<u>(116,356,486)</u>	<u>(158,866,609)</u>	<u>(40,635,082)</u>	<u>(48,783,352)</u>
Finance cost	12	<u>(18,865,300)</u>	<u>(301,294,325)</u>	<u>(6,476,781)</u>	<u>(99,145,244)</u>
Other Income -Reversal of Provision of doubtful debts		<u>16,269,000</u>	<u>34,986,400</u>	<u>3,050,500</u>	<u>34,986,400</u>
<b>(Loss) before taxation</b>		<u>(118,952,786)</u>	<u>(425,174,534)</u>	<u>(44,061,363)</u>	<u>(112,942,196)</u>
Taxation					
- Current		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
- Deferred		<u>19,558,060</u>	<u>22,286,515</u>	<u>6,519,353</u>	<u>7,428,839</u>
		<u>19,558,060</u>	<u>22,286,515</u>	<u>6,519,353</u>	<u>7,428,839</u>
<b>(Loss) for the period</b>		<u>(99,394,726)</u>	<u>(402,888,019)</u>	<u>(37,542,010)</u>	<u>(105,513,357)</u>
<b>(Loss) per share - Basic and diluted</b>	13	<u>(2.16)</u>	<u>(8.75)</u>	<u>(0.82)</u>	<u>(2.29)</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 NINE MONTHS & QUARTER ENDED 31 MARCH 2024**

	<u>Nine Months Ended</u>		<u>Quarter Ended</u>	
	<u>March 31,</u> <u>2024</u>	<u>March 31,</u> <u>2023</u>	<u>March 31,</u> <u>2024</u>	<u>March 31,</u> <u>2023</u>
	----- (Rupees) -----		----- (Rupees) -----	
<b>(Loss) for the period</b>	<b>(99,394,726)</b>	(402,888,019)	<b>(37,542,010)</b>	(105,513,357)
<i>Other comprehensive income :</i>				
<i>Item that will not be reclassified to profit or (loss)</i>	-	-	-	-
<b>Total comprehensive (loss) for the period</b>	<b><u>(99,394,726)</u></b>	<u>(402,888,019)</u>	<b><u>(37,542,010)</u></b>	<u>(105,513,357)</u>

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



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



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



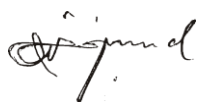
**Syed Maqbool Ali**  
**Chairman Board of Directors**



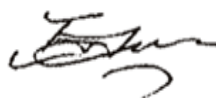
**DEWAN TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED 31 MARCH 2024**

	March 31, 2024	March 31, 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) before taxation	<b>(118,952,786)</b>	(425,174,534)
Adjustment for non-cash and other items:		
Depreciation	<b>101,137,344</b>	114,393,734
Reversal of provision against doubtful debts	<b>(16,269,000)</b>	(34,986,400)
Provision for slow moving stores	-	5,719,890
Advances / Deposit write off	<b>3,651,434</b>	-
Unwinding of discount	<b>18,864,500</b>	15,638,042
Finance cost	<b>800</b>	285,656,283
	<b>107,385,078</b>	386,421,549
Cash outflows before working capital changes	<b>(11,567,708)</b>	(38,752,985)
<b>Working capital charges</b>		
<i>(Increase) / decrease in current assets</i>		
Trade debts	<b>20,903,026</b>	69,798,689
Advances and receivables	<b>(53,400)</b>	1,125,897
Long term deposit	-	3,290,526
	<b>20,849,626</b>	74,215,112
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payable	<b>(9,196,454)</b>	(1,574,650)
Short term borrowings	-	12,000,000
	<b>(9,196,454)</b>	10,425,350
<b>Cash generated/ (used in) operations</b>	<b>85,464</b>	45,887,477
<b>Payments for:</b>		
Income taxes	<b>(21,512)</b>	(24,201)
Gratuity Paid	<b>(200,000)</b>	(48,544,237)
Finance cost	<b>(800)</b>	(3,154)
	<b>(222,312)</b>	(48,571,592)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>(136,848)</b>	(2,684,115)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	-	--
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term loans	-	137,062
Net increase / (decrease) in cash and cash equivalents	<b>(136,848)</b>	(2,547,053)
Cash and cash equivalents at the beginning of the period	<b>3,313,815</b>	6,863,473
<b>Cash and cash equivalents at the end of the period</b>	<b>3,176,967</b>	4,316,420

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



**Ishita 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 NINE MONTHS ENDED 31MARCH 2024**

	Revenue reserves			Capital reserves	Total	
	General reserve	Accumulated losses	Total revenue reserves	Surplus on revaluation of property, plant and equipment		
	----- (Rupees) -----					
<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			(402,888,019)	(402,888,019)		(402,888,019)
Other comprehensive income					-	-
			(402,888,019)	(402,888,019)	-	(402,888,019)
Incremental depreciation transferred from surplus on revaluation						
of property, plant and equipment - Net of tax			54,563,536	54,563,536	(54,563,536)	-
<b>Balance as at 31 March 2023</b>	<b>460,646,090</b>	<b>333,000,000</b>	<b>(6,054,512,210)</b>	<b>(5,721,512,210)</b>	<b>2,797,410,640</b>	<b>(2,463,455,480)</b>
<b>Balance as at 1st July 2023</b>	<b>460,646,090</b>	<b>333,000,000</b>	<b>(6,176,908,527)</b>	<b>(5,843,908,527)</b>	<b>2,779,222,794</b>	<b>(2,604,039,643)</b>
<b>Total comprehensive (loss) for the period</b>						
(Loss) for the period	-	-	(99,394,726)	(99,394,726)	-	(99,394,726)
Other comprehensive income	-	-	-	-	-	-
	-	-	(99,394,726)	(99,394,726)	-	(99,394,726)
Incremental depreciation transferred from surplus on revaluation						
of property, plant and equipment - Net of tax	-	-	47,883,527	47,883,527	(47,883,527)	-
<b>Balance as at 31 March 2024</b>	<b>460,646,090</b>	<b>333,000,000</b>	<b>(6,228,419,726)</b>	<b>(5,895,419,726)</b>	<b>2,731,339,267</b>	<b>(2,703,434,369)</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 STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED 31 MARCH 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 nine months ended March 31, 2024 reflect that the Company has sustained a net loss after taxation of Rs.99.395 million (June 2023: Rs.543.472 million) and as of that date the Company's negative reserves of Rs.5,895.420 million (June 2023: Rs.5,843.909 million) have resulted in negative equity of Rs.2,703.434 million (June 2023: Rs.2,604.040 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. 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. 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 statements for the year ended 30 June 2023.

**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 2023.

## 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, 2023 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, 2023.

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, 2023.

	(Un-audited) March 31, 2024	(Audited) 30 June 2023
	----- (Rupees) -----	
<b>6 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>		
Surplus on Revaluation	2,952,563,220	3,020,004,807
Related deferred tax liability	(221,223,953)	(240,782,013)
	<u>2,731,339,267</u>	<u>2,779,222,794</u>

## 7 LONG TERM FINANCING

Banks and financial institutions - Secured	2,925,634,170	2,925,634,170
Loan from sponsor	7.1 --	18,985,659
Sponsor - Unsecured	220,224,802	182,374,641
	<u>3,145,858,972</u>	<u>3,126,994,470</u>
Overdue portion - Shown under current liabilities	(2,925,634,170)	(2,925,634,170)
	<u>220,224,802</u>	<u>201,360,300</u>

7.1 Principal terms and conditions of outstanding loans have remained the same as disclosed in note 7 to the financial statements of the Company for the year ended June 30, 2023.

7.2 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	26,363,836	43,199,495
- Revaluation - Net of related depreciation	221,223,954	240,782,014
- Finance lease transactions	-	--
- Long term financing	19,683,817	19,648,681

### *Debit balance arising due to:*

- Staff gratuity	(517,462)	(575,462)
- Provision for doubtful debts	(173,695,342)	(182,397,248)
- Provision for obsolete stock	-	--
- Provision for slow-moving stores and spares	(15,428,405)	(15,428,405)
- Carried over losses	(1,043,365,545)	(1,329,767,775)

Deferred tax asset not recognised

	(965,735,147)	(1,224,538,700)
	1,186,959,101	1,465,320,714
	<u>221,223,954</u>	<u>240,782,014</u>

## 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 2023.

(Un-audited)  
March 31,  
2024  
----- (Rupees) -----  
(Audited)  
30 June  
2023

## 10 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	10.1	<u>3,364,226,226</u>	<u>3,465,363,570</u>
		<u>3,364,226,226</u>	<u>3,465,363,570</u>

### 10.1 Operating fixed assets

Opening balance	3,465,363,570	3,617,888,547
Depreciation charged for the period / year	(101,137,344)	(152,524,977)
Closing balance	<u>3,364,226,226</u>	<u>3,465,363,570</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><u>91,774,120</u></u>	<u><u>91,774,120</u></u>
Ownership interest	<u><u>28.47%</u></u>	<u><u>28.47%</u></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 12.2 of the annual financial statement for the year ended 30 June 2023 and note 7.2 to the interim condensed financial statements as at 31 March 2024 the Company has not made the provision of mark-up for the period amounting to Rs.321.653 million (up to 31 March 2024: Rs.1043.659 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 Rs.321.653 million and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs.1043.659 million. The said non-provisioning is departure from the requirements of IAS 23 - 'Borrowing Costs'.

	(Un-audited) March 31, 2024 ----- (Rupees) -----	(Un-audited) March 31, 2023
<b>13 (LOSS) PER SHARE - Basic and diluted</b>		
(Loss) after taxation	<u><u>(99,394,726)</u></u>	<u><u>(402,888,019)</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>(2.16)</u></u>	<u><u>(8.75)</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>64,044</u></u>	<u><u>53,370</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**

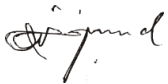
In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", condensed interim statement of financial position has been compared with the balances of annual financial statements, whereas condensed interim statement of profit or loss, statement of cash 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 26th April, 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

## 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 شیئر ہولڈرز،  
السلام علیکم،

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز اختتامی مالیاتی سال 31 مارچ 2024ء کو ختم ہونے والی نو ماہی مدت کیلئے کمپنیز 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۔

## معاشی جائزہ:

ٹیکسٹائل کی صنعت خاص طور پر ملکی زرمبادلہ پر انحصار کی وجہ سے پاکستان کی معیشت میں اہم کردار ادا کرتی ہے۔ پاکستان اس وقت کافی اقتصادی چیلنجوں بشمول بلند افراط زر اور اشیاء کی قیمتوں میں اضافے کی وجہ سے شرح سود سے نبرد آزما ہے۔ مزید برآں، توانائی کی قیمتوں میں اضافہ، جیسے کہ مقامی گیس کے نرخوں میں 129% اضافہ، برآمدات پر مبنی صنعتوں کے لیے پیداواری لاگت میں نمایاں اضافہ کا باعث بنا ہے۔ اس نے بین الاقوامی مارکیٹ میں آپریشنل کارکردگی اور لاگت کی مسابقت کو بری طرح متاثر کیا ہے، جس سے ٹیکسٹائل کی صنعت کی بقا کے لیے بڑے خطرات پیدا ہو گئے ہیں، جو کہ ملک کی برآمدات کا 60 فیصد ہے۔ مزید برآں، علاقائی اور عالمی ٹیکسٹائل کے پیداواری ممالک سے تیز مسابقت، کرنسی کی شرح تبادلہ کے اتار چڑھاؤ کے ساتھ، پاکستان کی ٹیکسٹائل برآمدات کے لیے خطرہ ہے۔

## عملی نتائج (فیٹری بند):

اس سال بھی کمپنی کی صافی پیداواری فروخت پیداوار معطل ہونے کی وجہ سے 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۔ مجموعی عبوری مالی بیانات تشویش کا اظہار کرتے ہوئے تیار کیئے گئے ہیں کیونکہ کمپنی نے اپنے قرض دہندگان سے اپنی ذمہ داریوں کی مزید تنظیم نو کے لئے رابطہ کیا ہے جو کہ جاری ہے۔ انتظامیہ کو امید ہے کہ جلد ہی اس طرح کی نظر ثانی کو حتمی شکل دے دی جائے گی جس سے کمپنی اپنے آپریشنز دوبارہ شروع کر سکے گی۔

## مستقبل کا نظریہ:

مستقبل کو مد نظر رکھتے ہوئے معیشت کو اہم چیلنجز کا سامنا ہے۔ توقع ہے کہ ان رکاوٹوں سے نہ صرف پہلے سے کمزور معاشی ترقی کی راہ میں رکاوٹ پیدا ہوگی بلکہ سپلائی میں رکاوٹ کی وجہ سے اشیاء کی قیمتوں میں بھی اضافہ ہوگا۔ نتیجتاً توقع ہے کہ افراط زر پورے سال بلند رہے گی۔ ٹیکسٹائل کی صنعت کو مارک اپ کی بلند شرح، بلند توانائی کے اخراجات، اور گیس کی کمی کی وجہ سے دباؤ کا سامنا جاری رکھنے کا امکان ہے، جو ایک چیلنج کے طور پر برقرار رہے گا کیونکہ توانائی کے نرخ علاقائی مارکیٹ کے حرینوں کے مقابلے میں نمایاں طور پر زیادہ ہیں۔

ہم امید کرتے ہیں کہ منتخب حکومت معیشت کو بہتر بنانے کے لیے منصوبہ بند ٹھوس اقدامات کرے گی، جیسا کہ سبڈی والے توانائی کے نرخوں پر یوٹیلیٹی فراہم کرنا، ٹیکس کریڈٹ کی پیشکش، لیکویڈیٹی کی کمی کو کم کرنے کے لیے جلد ٹیکس ریٹھنز جاری کرنا، اور سستی مالیاتی سہولیات دستیاب کرنا۔ صنعتوں کی



جانب سے سستی، قابل بھروسہ اور پائیدار توانائی کے اختیارات کو اپنانے کے لیے حکومت کو خاص طور پر ٹیکنالوجی کے شعبے کے لیے قابل تجدید توانائی کے اقدامات کے لیے رعایتی فنانسنگ بھی فراہم کرنی چاہئے۔ اس سے انہیں بین الاقوامی مارکیٹ میں مسابقتی بنانے میں مدد ملے گی۔

نتیجہ:

نتیجہ کے حوالے سے ہم اللہ تعالیٰ رحمن و رحیم سے دعا کرتے ہیں 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 کمپنی اور ہمارے ملک 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 چاڑگی پیدا کرے۔ آمین ثناء آمین۔

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

بورڈ آف ڈائریکٹرز کی جانب سے

سید مقبول علی

چیئر مین، بورڈ آف ڈائریکٹرز

اشتیاق احمد

چیف ایگزیکٹو آفیسر

مورخہ: 26 اپریل 2024ء