





## *Vision Statement*

*To be the leader in textile industry by building the Companys' image through quality, competitive prices, customer's satisfaction and meeting social obligation.*

## *Mission Statement*

*Our Mission is to be recognized as a premium quality yarn manufacturing unit.*

*The Unit is setup with an idea to cater to the premium market of fine count compact yarn to satisfy the valuable customers.*

*To assume leadership role in the technological advancement of the industry.*

*To benefit the customers, employees and shareholders and to fulfill our commitments to the society.*

*Our trademark is honesty, innovation, fairness, teamwork of our people and integrity in relationship with our customers, associates, shareholders, community and stake holders.*

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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Executive Directors	:	Mr. Ishtiaq Ahmed - Chief Executive Officer
Non-Executive Directors	:	Syed Muhammad Anwar (Chairman, Board of Directors) Mr. Imran Ahmed Javed Mr. Ghazanfar Baber Siddiqi Mr. Muhammad Baqar Jafferi Mr. Zafar Asim
Independent Director	:	Mr. Aziz-ul-Haque
Audit Committee	:	Mr. Aziz-ul-Haque - Chairman Mr. Muhammad Baqar Jafferi (Member) Mr. Ghazanfar Baber Siddiqi (Member)
Human Resources & Remuneration Committee	:	Mr. Aziz-ul-Haque - Chairman Mr. Imran Ahmed Javed (Member) Mr. Ishtiaq Ahmad (Member)
Auditors	:	Faruq Ali & Co. C-88, Ground Floor, KDA Scheme No. 1, Main Karsza Road, Opp. Maritime Museum Karachi.
Company Secretary	:	Mr. Muhammad Hanif German
Chief Financial Officer	:	Mr. S.M. Raza
Tax Advisor	:	Sharif & Co. Advocates
Legal Advisor	:	A. K. Brohi & Co. (Advocates)
Bankers	:	Habib Bank Limited Standard Chartered Bank Pakistan Limited Meezan Bank Limited United Bank Limited Bank Al-Falah Ltd Silk Bank Limited NIB Bank Limited Summit Bank Limited Faysal Bank Limited MCB Bank Limited
Registered Office	:	Finance & Trade Centre Block-A, 8 <sup>th</sup> Floor, Shahrah-e-Faisal, 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 Pakistan	:	H/20 & H/26, S.I.T.E., Kotri, District Dadu, Sind,
Website	:	<a href="http://www.yousufdewan.com">www.yousufdewan.com</a>

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Forty Ninth Annual General Meeting of **Dewan Textile Mills Limited** (“**DTML**” or “**the Company**”) will be held on **Thursday, October 25, 2018, at 10:30 a.m.** at Dewan Cement Limited Factory Site, at Deh Dhand, Dhabeji, District Malir, Karachi, Pakistan; to transact the following businesses upon recitation from Holy Qur’aan and other religious recitals:

1. To confirm the minutes of the preceding Annual General Meeting of the Company held on Monday, October 30, 2017;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2018, together with the Directors’ and Auditors’ Reports thereon;
3. To appoint the Statutory Auditors’ of the Company for the ensuing year, and to fix their remuneration;
4. To consider any other business with the permission of the Chair.

By Order of the Board



**Muhammad Hanif German**  
Company Secretary

Date : October 01, 2018

Place : Karachi

### NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from October 18, 2018 to October 25, 2018 (both days inclusive).
2. Members are requested to immediately notify change in their addresses, if any, at our Shares Registrar Transfer Agent BMF Consultants Pakistan (Private) Limited, located at Annum Estate Building, Room No. 310 & 311, 3rd Floor, 49 Darul Aman Society, Main Shahrah-e-Faisal, Adjacent Baloch Colony Bridge, Karachi, Pakistan.
3. A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received by the Company at the above-said address, not less than 48 hours before the meeting.
4. CDC Account holders will further have to observe the following guidelines, as laid down in Circular 01 dated January 20, 2000, issued by the Securities and Exchange Commission of Pakistan:
  - a) **For Attending Meeting:**
    - i) In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original National Identity Card (CNIC), or original passport at the time of attending the meeting.
    - ii) In case of corporate entity, the Board of Directors’ resolution/power of attorney, along with the specimen signature of the nominee, shall be produced (unless it has been provided earlier) at the time of meeting.
  - b) **For Appointing Proxies:**
    - i) In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirements.
    - ii) Two persons, whose names, addresses, and CNIC numbers shall be mentioned on the form, shall witness the proxy.
    - iii) Attested copies of CNIC or passport of the beneficial owners and proxy shall be furnished along with the proxy form.
    - iv) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
    - v) In case of corporate entity, the Board of Directors’ resolution/power of attorney, along with the specimen signature of the nominee, shall be produced (unless it has been provided earlier) along with the proxy form to the Company.



**5. Notice to Shareholders who have not provided CNIC:**

CNIC of the shareholders is mandatory in terms of directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(1)/2012 dated July 05, 2012 for the issuance of future dividend warrants etc. and in the absence of such information, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore, the shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs directly to our Shares Registrar without any further delay.

**6. Mandate for E-DIVIDENDS for shareholders:**

In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged where shareholders can get amount of dividend credited into their respective bank accounts electronically without any delay. In this way, dividends may be instantly credited to respective bank accounts and there are no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated April 5, 2013 had advised all Listed Companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. In view of the above, you are hereby encouraged to provide a dividend mandate in favor of e-dividend by providing dividend mandate form duly filled in and signed.

**7. Electronic Transmission of Financial Statements Etc.:**

SECP through its notification No. SRO 787(1)/2014 dated September 8, 2014 has allowed companies to circulate Annual Audited Financial Statements along with Notice of Annual General Meeting through email instead of sending the same through post, to those members who desires to avail this facility. The members who desire to opt to receive aforesaid statements and notice of AGM through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website: <http://www.yousufdewan.com/DTML/index.html>

## Chairman's Review

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

The Board of Directors comprises of individuals with diversified knowledge who endeavor to contribute towards the aim of the Company with the best of their abilities.

An annual selfevaluation of the Board of Directors of the Company is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

During financial year ended June 30, 2018, four board meetings were held. The Board of Directors of the Company received agendas and supporting material in advance prior to the board and its committee meetings. The non- executive and independent directors are equally involved in important decisions. The Board's overall performance and effectiveness for the year under review was satisfactory.



**Syed Muhammad Anwar**  
Chairman Board of Directors

Date : September 28, 2018  
Place : Karachi



## DIRECTORS' REPORT

**IN THE NAME OF ALLAH;  
THE MOST GRACIOUS AND 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 are pleased to present the Annual Audited Financial Statements of the Company for the year ended June 30, 2018 together with the Auditors' Report thereon.

### Overview

The Textile industry in Pakistan is the largest manufacturing sector and the second largest employment generating sector and has contributed around 60% in Foreign Exchange earnings. However due to ongoing adverse scenario and Government's apathy thereto, the Textile Mills are closing and textile exports are continuously showing declining trend. During the year under review, textile spinning industry continued to face distressed and adverse set of circumstances which hampered the operations of several units.

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

The operating results for the year under review are as follows:

	"Rupees"
SALES - NET	--
COST OF SALES	(193,454,015)
<b>GROSS LOSS</b>	<b>(193,454,015)</b>
ADMINISTRATIVE EXPENSES	(9,149,446)
<b>OPERATING LOSS</b>	<b>(202,603,461)</b>
FINANCE COST	(205,160,380)
OTHER CHARGES	(220,911,500)
OTHER INCOME	651,647
<b>LOSS BEFORE TAXATION</b>	<b>(628,023,694)</b>
TAXATION	26,038,255
<b>LOSS AFTER TAXATION</b>	<b>(601,985,439)</b>

Company's net sale for the year remained nil due to closure of operations as compared to Rs. 85.443 million of last year. Company has suffered gross loss of Rs. 193.454 million as compared to the gross loss of Rs. 329.132 million of previous year, whereas operating expenses of the company remained at Rs. 9.149 million. 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, lesser market demand and working capital constraints.

In 2011-12, Company had settled with its lenders through Compromise Agreement against which consent decrees had been passed by the Honorable High Court of Sindh, Karachi. Company's short term and long term loans had been rescheduled in the form of long term loans, however certain banks having suits of Rs. 419.065 million, did not accept the restructuring proposal at that time.

The Auditors of the company have expressed adverse opinion in their report on going concern assumption, default in repayment of installments of restructured liabilities along with related non-provisioning of mark-up and litigation from its lenders, non provisioning of markup and trade debtors.

The 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. Management is hopeful that such revision will be finalized soon. Moreover the markup outstanding up to the date of restructuring is Rs.1.632 billion, which the company would be liable to pay in the event of default of terms of agreement as fully explained in note 14.3 to the financial statements. Since the revision in restructuring is in process therefore management is confident that this amount will remain eligible for waiver, hence no provision of the same has been made in these financial statements.



In respect of liabilities towards banks / financial institutions disclosed in note 11.1 and 12 to the financial statements, certain banks / financial institutions have filed suits in Honorable High Court of Sindh at Karachi for recovery of their liabilities through attachment and sale of Company's hypothecated / mortgaged properties. The aggregate amount of suits is Rs. 419.065 million, out of which one of the banks having suit amount to the extent of Rs.193.266 million has also filed winding up petition u/s 305 of the repealed Companies Ordinance, 1984. The management disputed the claims and is strongly contesting the cases. The management has filed counter claims alleging that the banks claims are highly exaggerated as they charged markup on markup and other levies higher than the rate of markup agreed and other charges in violation of State Bank of Pakistan rules and all other applicable laws of Pakistan. The management is hopeful that the decision will be in favor of the company and the base less suits shall be rejected by the concerned courts.

Company has not made the provision of markup for the year amounting to Rs. 47.743 million (upto June 30, 2017: Rs. 364.714 million) in respect of borrowings from 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. Accordingly, no provision of the said mark-up has been made in these financial statements.

Auditors have also recommended for additional provision in respect of trade debtors whereas management of the company is confident and hopeful that these debtors would be recovered on the resumption of company's operations.

**Future Outlook**

The key challenges facing Pakistan's economy have continued to suppress economic activity and growth of the country. The textile industry has been hit hard due to the high cost of energy and high tariffs of both gas and electricity are making Pakistan's exports uncompetitive in the global market. However, some initiatives from the government are direly needed in order to make the textile industry sustainable, especially smooth supply of gas at affordable tariff. Management is endeavoring to resume the production of the company as soon as the situation in near future improves.

**Corporate Social Responsibilities**

We are also committed to Corporate Social Responsibility (CSR) and integrating sound social practices in our day to day business activities. CSR is an important part of who we are and how we operate. We measure our success not only in terms of financial criteria but also in building customer satisfaction and supporting the communities we serve.

**Health, Safety and Environment**

The management of the company is aware of its responsibility to provide a safe and healthy working environment to our associates and give highest priority to it. Our safety culture is founded on the premise that all injuries are preventable if due care is taken. Continual efforts for provision of safe, healthy and comfortable working conditions for the employees are made. We follow up and investigate on all incidents and injuries to address their root causes. We believe that safety and health is a journey of continuous improvement and eternal diligence. We will continue to take steps to improve the safety and health of all of our associates.

**Human Resource**

The management of the Company is committed to excellence and has a clear vision that human resources and strong leadership practices are important enablers of high productivity and sustainable competitive advantage of our Company. Therefore, management of the Company gives much importance to the optimal use of human resources by way of training proper guidance, motivation and incentive schemes for the employees.

**Compliance with Code of Corporate Governance**

The Directors are pleased to state that the Company is compliant with the provisions of the Code of Corporate Governance as required by Securities & Exchange Commission of Pakistan (SECP). Following are the statements on Corporate and Financial Reporting Framework:

1. The financial Statements presented by the management of the Company give a fair account of the state of affairs, the results of its operations, cash flow and changes in equity.
2. Proper books of accounts have been maintained.
3. Accounting policies have been consistently applied in the preparation of financial statements, except for certain changes whose impact have been appropriately disclosed in the financial statements and accounting estimates are based on reasonable and prudent judgment.



4. International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of financial statements and any departure there from, if any, has been adequately disclosed.
5. The system of internal controls, which is in place, is sound in design and has been effectively implemented and monitored.
6. There has been no material departure from the best practices of the corporate governance, except as disclosed in auditors review report.
7. The Company has constituted an Audit Committee from amongst the non-executive members of its Board.
8. The Board has prepared and circulated a Statement of Ethics and Business Practices amongst its members and the company's employees.
9. There are no doubts upon the company's Going Concern except as disclosed in Note no 3 to the financial statements.
10. Information regarding the outstanding taxes and Levis is given in the notes to the financial statements.
11. The value of investment made by the Provident fund as per its respective accounts is Rs. 41.806 million (2017: Rs 41.439 Million)
12. As required under the Code of Corporate Governance, the following information has been presented in this report:
  - i) Pattern of Shareholding;
  - ii) Shares held by associated undertaking and related persons;

#### Board

The Board of Directors comprises of individuals with diversified knowledge who endeavor to contribute towards the aim of the Company with the best of their abilities. The Board of Directors as of June 30, 2018 consisted of the following:

Directors			Numbers
a)	Male	▬	7
b)	Female	▬	Exempted from current term
Composition			Numbers
a)	Independent Director	▬	1
b)	Other Non-executive Directors	▬	5
c)	Executive Directors	▬	1

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

Names	No. of Meetings attended
Dewan Muhammad Yousuf Farooqui	2
Mr.Aziz-ul-Haq	4
Mr.Ishtiaq Ahmed	4
Mr.Ghazanfar Babar Siddiqi	4
Syed Muhammad Anwar	4
Mr.Muhammad Baqar Jaffer	4
Mr.Imran Ahmed Javed	4
Mr.Zafar Asim	2

Leave of absence was granted to directors who could not attend these meetings.

## DEWAN TEXTILE MILLS LIMITED

### Audit Committee

Audit committee was established by the Board to assist the Directors in discharging their responsibilities for Corporate Governance, Financial Reporting and Corporate Control. The committee consists of three members. Majority of members including the chairman of the committee are non-executive directors.

During the year, four Audit Committee meetings were held and attendance was as follows.

Names	No. of Meetings attended
Mr. Aziz-Ul-Haque - Chairman	4
Mr. Muhammad Baqar Jaferi	4
Mr. Ghazanfar Babar Siddiqui	4

### Human Resource and Remuneration Committee

Human Resource and Remuneration Committee was established by the Board to assist the Directors in discharging their responsibilities with regard to devising and periodic reviews of human resource policies. It also assists Board in selection, evaluation, compensation and succession planning of key management personnel.

The committee consists of three members. During the year one Human Resource and Remuneration committee meeting was held and attendance was as follows.

Names	No. of Meetings attended
Mr. Ghazanfar Baber Siddiqi - Chairman	1
Mr. Imran Ahmed Javed	1
Mr. Ishtiaq Ahmad	1

### Earnings per Share

Loss per share during the period under report worked out to Rs. (13.07) [2017: Rs. (16.01)]

### Appointment of Auditors

The present auditors, M/s. Faruq Ali & Co., Chartered Accountants, retire and being eligible, have offered themselves for re-appointment. The Board of Directors of your company, based on the recommendations of the Audit Committee of the board, proposes M/s. Faruq Ali & Co., Chartered Accountants, for reappointment as auditors of the company for the ensuing year.

### Pattern of Shareholding

The prescribed shareholding information, both under the Companies Act, 2017 and the Listing Regulations, vis-à-vis, Code of Corporate Governance, is attached at the end of this report.

### Key operating and financial data

Key operating and financial data for preceding six years is annexed.

### Vote of Thanks & Conclusion

On the behalf of the Board, we appreciate the valuable, loyal, and commendable services rendered to the Company by its executives, members of the staff and workers. In conclusion, we bow, beg and pray to Almighty Allah, Rahman-o-Ar-Rahim, in the name of our beloved Prophet Muhammad (peace be upon him) for the continued showering of his blessings, guidance, strength, health, and prosperity to us, our company, country and nation; and also pray to Almighty Allah to bestow peace, harmony, brotherhood, and unity in true Islamic spirit to whole of the Muslim Ummah; Ameen; Summa Ameen.

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

*By and under Authority of the Board of Directors*



**Syed Muhammad Anwar**  
Chairman Board of Directors

Date: September 28, 2018  
Place: Karachi.



**Imran Ahmed Javed**  
Director

**FINANCIAL HIGHLIGHTS***(Rupees in Million)*

	2013	2014	2015	2016	2017	2018
<b>Sales (Net)</b>	3,928	3,414	2,156	333	85	-
<b>Gross (Loss) /profit</b>	326	27	(287)	(372)	(329)	<b>(193)</b>
<b>(Loss) /profit before Tax</b>	58	(270)	(434)	(871)	(760)	<b>(628)</b>
<b>(Loss) / profit after Tax</b>	63	(275)	(425)	(853)	(738)	<b>(602)</b>
<b>Current Assets</b>	3,400	2,904	2,554	1,854	1,382	<b>1,116</b>
<b>Shareholder's Equity</b>	562	265	162	(960)	(1,332)	<b>(1,927)</b>
<b>Current Liabilities</b>	1,591	1,724	2,053	2,574	3,068	<b>4,491</b>
<b>Current ratio (Times)</b>	2.14	1.68	1.24	0.72	0.45	<b>0.25</b>
<b>(Loss) / Earning Per Share (Rs.)</b>	4.65	(20.36)	(26.88)	(18.51)	(16.01)	<b>(13.07)</b>
<b>Breakup Value per Share (Rs.)</b>	41.57	19.68	9.62	(20.84)	(28.94)	<b>(41.84)</b>
<b>Gross (Loss) / Profit Ratio (%)</b>	8.3%	0.8%	-13.28%	-111.61%	-385.21%	<b>0.00%</b>
<b>Net (Loss) / Profit Ratio (%)</b>	1.60%	-8.05%	-19.73%	-255.58%	-863.33%	<b>0.00%</b>

*comparative figures of shareholders' equity and breakup value per share have been restated to reflect changes as per Companies Act, 2017.*

## Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017

**For the Year Ended June 30, 2018**

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:
  - a) Male : 7
  - b) Female : Exempted from current term
2. The composition of board is as follows:
  - a) Independent Director : Mr. Aziz-ul-Haque
  - b) Other Non-executive Directors : Syed Muhammad Anwar  
Mr. Imran Ahmed Javed  
Mr. Ghazanfar Baber Siddiqi  
Mr. Muhammad Baqar Jafferri  
Mr. Zafar Asim
  - c) Executive Directors : Mr. Ishtiaq Ahmed
3. Four Directors have confirmed that they are not serving as Director in more than five listed Companies including this Company, however, three Directors are serving as Director in more than five listed Yousuf Dewan Companies.
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the board have been duly exercised and decision on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with requirements of Act and the regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Five Directors are qualified under the directors training program. During the year the board did not arrange training program. However, we will arrange the same in the next coming session.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:
 

a) Audit Committee	:	Mr. Aziz-ul-Haque	Chairman
		Mr. Muhammad Baqar Jafferri	Member
		Mr. Ghazanfar Baber Siddiqi	Member
b) HR and Remuneration Committee	:	Mr. Ghazanfar Baber Siddiqi	Chairman*
		Mr. Imran Ahmed Javed	Member
		Mr. Ishtiaq Ahmed	Member

\* Subsequent to June 30, 2018, The Chairman of the HR and Remuneration Committee has been changed and now independent director has been appointed as Chairman of the Committee.



13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
  - a) Audit Committee : 4 quarterly meetings during the financial year ended June 30, 2018
  - b) HR and Remuneration Committee : 1 annual meeting held during the financial year ended June 30, 2018
15. The board has set up an effective internal audit function. The staffs are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations have been complied with.

**Syed Muhammad Anwar**  
Chairman Board of Directors

**Imran Ahmed Javed**  
Director

Date : September 28, 2018  
Place : Karachi



C-88, Ground Floor, KDA Scheme No. 1, Telephone : (021) 34301966  
Main Karsaz Road, Opp. Maritime : (021) 34301967  
Museum, Karachi-75350 : (021) 34301968  
E-mail: info@fac.com.pk : (021) 34301969  
Fax : (021) 34301965

## Independent Auditors' Modified Review Report to the Members of Dewan Textile Mills Limited

### Review Report to the Members on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Dewan Textile Mills Limited (the Company) for the year ended 30 June 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Following instances of non-compliance with the requirements of the Code were observed which are not stated in the Statement of Compliance:

- The composition of board includes Mr. Aziz ul Haq, as independent director, whereas in our view he does not meet the criteria of independence on account of his cross directorship in associated companies;
- The chairman of the audit committee shall be an independent director, whereas in our view Mr. Aziz ul Haq does not meet the criteria of independence due to the reason referred in paragraph (a) above; and
- The chairman of HR and Remuneration Committee shall be an independent director, whereas independent director has not been appointed as the chairman of the committee.

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the Regulations as applicable to the Company for the year ended 30 June 2018.

Further, we highlight that the three of the directors of the Company are serving as directors in more than five listed companies as disclosed in the note 3 of the Statement of Compliance.

**Chartered Accountants**  
**(Muhammad Faisal Nini)**

Date : September 28, 2018  
Place : Karachi



**YD****A YOUSUF DEWAN COMPANY****FARUQ ALI & CO**  
CHARTERED ACCOUNTANTSC-88, Ground Floor, KDA Scheme No. 1, Telephone : (021) 34301966  
Main Karsaz Road, Opp. Maritime : (021) 34301967  
Museum, Karachi-75350 : (021) 34301968  
E-mail: info@fac.com.pk : (021) 34301969

Fax : (021) 34301965

## **INDEPENDENT AUDITORS' REPORT**

### **To the members of Dewan Textile Mills Limited Report on the audit of the financial statements**

#### **Adverse Opinion**

We have audited the annexed financial statements of Dewan Textile Mills Limited ('the Company'), which comprise the statement of financial position as at 30 June 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, because of the significance of the matters discussed in the "basis for adverse opinion" section of our report, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at 30 June 2018 and of the loss, comprehensive loss, the changes in equity and its cash flows for the year then ended.

#### **Basis for adverse opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan ('the Code') and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

- a) The financial statements for the year ended 30 June 2018 have been prepared on going concern assumption despite of the fact that the Company incurred loss after taxation of Rs.601.985 million and as of that date it has negative revenue reserves of Rs. 3,228.889 million which resulted in negative equity of Rs.1,927.222 million and its current liabilities (including the effect of non-provided markup and restructured liabilities classified under non-current liabilities) exceeded its current assets by Rs. 5,408.508 million and total assets by Rs. 3,591.427 million. In previous years the Company defaulted in repayment of installments of restructured liabilities, hence as per terms of restructuring, the entire restructured liabilities of Rs. 2,925.634 along with markup of Rs.1,621.421 million (eligible for waiver outstanding as of date of restructuring) have become immediately payable, therefore provision for markup should be made in these financial statements. Further, the Company's manufacturing operations have been suspended since December 2015 and could not be resumed till the date of this report. These conditions lead us to believe that going concern assumption used in preparation of these financial statements is inappropriate; consequently, the assets and liabilities should have been stated at their realisable and settlement amounts respectively.
- b) The Company has not made provision of markup for the year amounting to Rs.47.743 million (up to year ended 30 June 2018: Rs.412.458 million) (refer note 27.1) on account of restructuring proposal offered to the lenders. In our opinion, since the proposal has not been accepted by the lenders so far and the lenders, instead of accepting the restructuring proposal, have preferred filing suits against the Company, therefore the provision of markup should be made in these financial statements. Had the provisions of markups been made in these financial statements, the loss after taxation would have been higher by Rs. 412.458 million and markup payable would have been higher and shareholders' equity would have been lower by Rs. 412.458 million.



## DEWAN TEXTILE MILLS LIMITED



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- c) The trade debts include receivables of Rs. 627.612 million which are past due and impaired, against which the provision for doubtful debts to the extent of Rs.326.868 million has been made up to 30 June 2018, which should have been increased by Rs.300.744 million. Had the provision been made in these financial statements, the loss after taxation would have been higher, trade debts and shareholders' equity would have been lower by Rs.300.744 million.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Adverse Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

S.no.	Key audit matters	How the matter was addressed in our audit
1	<b>First time adoption of the third and fourth schedules to the Companies Act, 2017</b>	
	<p>As referred to in note 4.3.2 to the accompanying financial statements, the third and fourth schedules to the Companies Act, 2017 became applicable for the first time for the preparation of the Company's annual financial statements for the year ended 30 June 2018.</p> <p>The Companies Act, 2017 (including third and fourth schedules) forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements.</p> <p>In the case of the Company, specific additional disclosures and changes to the existing disclosures have been included in the financial statements as referred to note 4.3.2 to the accompanying financial statements.</p> <p>The aforementioned changes and enhancement in the financial statements are considered important and a key audit matter because of the volume and significance of the changes in the financial statements resulting from the transition to the new reporting requirements under the Companies Act, 2017.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Considering the management's process to identify the necessary amendments required in the Company's financial statements.</li> <li>Evaluating the results of management's analysis and key decisions taken in respect of the transition, using our knowledge of the relevant requirements of the third and fourth schedules to the Companies Act, 2017 and our understanding of the Company's operations and business.</li> <li>Assessing the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures made in the accompanying financial statements based on the new requirements.</li> </ul>

### Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**YD****A YOUSUF DEWAN COMPANY****FARUQ ALI & CO**  
CHARTERED ACCOUNTANTS

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) Because of the matters described in Basis for Adverse Opinion section, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have not been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) however, the same are in agreement with the books of account and returns;
- c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Faisal Nini.

Date : September 28, 2018  
Place : Karachi

Chartered Accountants

**YD**

A YOUSUF DEWAN COMPANY

## STATEMENT OF FINANCIAL POSITION

### AS AT JUNE 30, 2018

<b><u>EQUITY AND LIABILITIES</u></b>		<b>2018</b>	<b>2017</b>	<b>1 July 2016</b>
			<b>( Restated )</b>	<b>( Restated )</b>
		<b>----- ( Rupees ) -----</b>		
<b>SHARE CAPITAL AND RESERVES</b>				
Authorised share capital				
50,000,000 (2017: 50,000,000) Ordinary shares of Rs. 10/- each		<b>500,000,000</b>	<b>500,000,000</b>	<b>500,000,000</b>
Issued, subscribed and paid-up share capital	<b>6</b>	<b>460,646,090</b>	460,646,090	460,646,090
Revenue reserves	<b>7</b>	<b>(3,228,889,004)</b>	(2,687,659,494)	(2,001,750,457)
Capital reserves				
Surplus on revaluation of property, plant and equipment	<b>8</b>	<b>841,020,595</b>	894,025,745	580,958,629
		<b>(1,927,222,319)</b>	(1,332,987,659)	(960,145,738)
<b>NON-CURRENT LIABILITIES</b>				
Long term financing	<b>9</b>	<b>163,188,400</b>	1,396,987,213	1,841,364,737
Deferred taxation	<b>10</b>	<b>206,485,112</b>	240,274,147	166,787,471
		<b>369,673,512</b>	1,637,261,360	2,008,152,208
<b>CURRENT LIABILITIES</b>				
Trade and other payables	<b>11</b>	<b>179,386,866</b>	179,398,750	265,604,868
Mark-up accrued		<b>744,028,436</b>	560,647,938	379,793,193
Short term borrowings	<b>12</b>	<b>586,010,566</b>	586,010,566	634,624,527
Liability for staff gratuity	<b>13</b>	<b>50,808,126</b>	50,808,126	51,866,376
Unclaimed dividend		<b>254,206</b>	254,206	254,206
Current and overdue portion of long term financing	<b>9</b>	<b>2,930,630,585</b>	1,690,925,528	1,241,478,325
		<b>4,491,118,785</b>	3,068,045,114	2,573,621,495
<b>CONTINGENCIES AND COMMITMENTS</b>		<b>14</b>	--	--
		<b>2,933,569,978</b>	<b>3,372,318,815</b>	<b>3,621,627,965</b>
<b><u>ASSETS</u></b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	<b>15</b>	<b>1,805,068,853</b>	1,978,071,753	1,690,905,513
Long term investment	<b>16</b>	--	--	--
Long term deposits	<b>17</b>	<b>12,012,134</b>	12,012,134	76,110,680
		<b>1,817,080,987</b>	1,990,083,887	1,767,016,193
<b>CURRENT ASSETS</b>				
Stores and spares	<b>18</b>	<b>48,924,029</b>	60,989,447	61,820,409
Stock in trade	<b>19</b>	<b>706,044,419</b>	806,907,907	1,121,835,910
Trade debtors - Unsecured	<b>20</b>	<b>300,744,221</b>	435,767,740	583,080,227
Advances - Considered good	<b>21</b>	<b>2,506,044</b>	2,472,794	10,709,685
Short term deposits and other receivable	<b>22</b>	<b>4,120,116</b>	16,930,733	16,883,933
Taxes recoverable - Net		<b>45,675,889</b>	53,037,700	53,218,113
Cash and bank balances	<b>23</b>	<b>8,474,273</b>	6,128,607	7,063,495
		<b>1,116,488,991</b>	1,382,234,928	1,854,611,772
		<b>2,933,569,978</b>	<b>3,372,318,815</b>	<b>3,621,627,965</b>

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

**Note:** Chief Executive of the Company is presently not available in Pakistan, therefore these financial statements have been signed by two directors duly authorized in this behalf.

**Syed Muhammad Anwar**  
Chairman Board of Directors

**S.M. Raza**  
Chief Financial Officer

**Imran Ahmed Javed**  
Director

## STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
	Notes	------(Rupees)-----	
Sales - Net	24	--	85,443,194
Cost of sales	25	(193,454,015)	(414,575,029)
Gross loss		(193,454,015)	(329,131,835)
<b>Operating expenses</b>			
Administrative and general expenses	26	(9,149,446)	(10,487,032)
Operating loss		(202,603,461)	(339,618,867)
Finance cost	27	(205,160,380)	(205,213,813)
Other charges	28	(220,911,500)	(215,583,512)
Other income	29	651,647	364,461
		(425,420,233)	(420,432,864)
Loss before taxation		(628,023,694)	(760,051,731)
Taxation			
- Current	30	--	(854,432)
- Deferred		26,038,255	23,249,109
		26,038,255	22,394,677
<b>Loss for the year</b>		<b>(601,985,439)</b>	<b>(737,657,054)</b>
Loss per share - Basic and diluted	31	(13.07)	(16.01)

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

**Note:** Chief Executive of the Company is presently not available in Pakistan, therefore these financial statements have been signed by two directors duly authorized in this behalf.



**Syed Muhammad Anwar**  
Chairman Board of Directors



**S.M. Raza**  
Chief Financial Officer



**Imran Ahmed Javed**  
Director



## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2018

	Notes	2018 ------(Rupees)-----	2017 Restated
<b>Loss for the year</b>		<b>(601,985,439)</b>	<b>(737,657,054)</b>
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Surplus on revaluation of property, plant and equipment		--	461,550,918
Related deferred tax		--	(96,735,785)
		--	364,815,133
Effect of change in tax rates on balance of revaluation on property, plant and equipment	8	7,750,779	--
<b>Total comprehensive loss for the year</b>		<b>(594,234,660)</b>	<b>(372,841,921)</b>

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

**Note:** Chief Executive of the Company is presently not available in Pakistan, therefore these financial statements have been signed by two directors duly authorized in this behalf.

**Syed Muhammad Anwar**  
Chairman Board of Directors

**S.M. Raza**  
Chief Financial Officer

**Imran Ahmed Javed**  
Director

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
	Notes	------(Rupees)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before taxation		(628,023,694)	(760,051,731)
<i>Adjustment for non-cash and other items:</i>			
Depreciation / amortisation expense	15.1	172,819,547	173,304,953
Provision for doubtful debts	20.1	98,457,102	120,986,275
Provision for obsolete stock	19.3	100,863,488	93,766,275
Provision for obsolete and slow moving stores	18.1	8,780,293	830,962
Gain on sale of fixed assets	29	(651,647)	(364,461)
Unwinding of discount	27	10,902,659	10,066,095
Finance cost		194,257,721	195,147,718
Cash outflows before working capital changes		(42,594,531)	(166,313,914)
<i>Working capital changes</i>			
<i>(Increase) / decrease in current assets</i>			
Store & Spare		3,285,125	-
Stock in trade		--	221,161,728
Trade debtors		36,566,417	26,326,212
Advances		(33,250)	8,236,891
Short term deposit and other receivable		12,810,617	(46,800)
		52,628,909	255,678,031
<i>Increase / (decrease) in current liabilities</i>			
Trade and other payables		(11,884)	(86,206,118)
Short term borrowings		--	(48,613,961)
		(11,884)	(134,820,079)
Cash generated / (used in) from operations		10,022,494	(45,455,962)
Income tax refund / (paid) - Net		7,361,810	(674,019)
Gratuity paid		--	(1,058,250)
Finance cost paid		(10,877,223)	(14,292,973)
<b>Net cash generated from / (used in) operating activities</b>		<b>6,507,081</b>	<b>(61,481,204)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds against sale of fixed assets	15.3	835,000	1,444,186
Long term deposits		--	64,098,546
<b>Net cash generated from investing activities</b>		<b>835,000</b>	<b>65,542,732</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term financing paid		(4,996,415)	(4,996,416)
Net increase / (decrease) in cash and cash equivalents		2,345,666	(934,888)
Cash and cash equivalents at the beginning of the year		6,128,607	7,063,495
<b>Cash and cash equivalents at the end of the year</b>		<b>8,474,273</b>	<b>6,128,607</b>

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

**Note:** Chief Executive of the Company is presently not available in Pakistan, therefore these financial statements have been signed by two directors duly authorized in this behalf.



**Syed Muhammad Anwar**  
Chairman Board of Directors



**S.M. Raza**  
Chief Financial Officer



**Imran Ahmed Javed**  
Director



**YD**

A YOUSUF DEWAN COMPANY

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2018

	Issued, subscribed and paid-up capital	Revenue Reserves			Capital Reserves		Total capital reserves	Total equity
		General Reserve	Accumulated Loss	Total revenue reserves	Unrealized gain/(loss) due to change in fair value of investment	Surplus on revaluation of property, plant and equipment		
----- (Rupees) -----								
Balance as at 1 July 2016 - <i>As reported</i>	460,646,090	333,000,000	(2,176,231,519)	(1,843,231,519)	57,358,822	--	57,358,822	(1,325,226,607)
Impact of change in accounting policy - (Note 5.19.1)	--	--	(158,518,938)	(158,518,938)	(57,358,822)	--	(57,358,822)	(215,877,760)
Impact of change in accounting policy - (Note 5.19.2)	--	--	--	--	--	580,958,629	580,958,629	580,958,629
<b>Balance as on 1 July 2016 - <i>As restated</i></b>	<b>460,646,090</b>	<b>333,000,000</b>	<b>(2,334,750,457)</b>	<b>(2,001,750,457)</b>	<b>--</b>	<b>580,958,629</b>	<b>580,958,629</b>	<b>(960,145,738)</b>
<b>Total comprehensive loss for the year</b>								
Loss for the year	--	--	(737,657,054)	(737,657,054)	--	--	--	(737,657,054)
Other comprehensive income	--	--	--	--	--	364,815,133	364,815,133	364,815,133
	--	--	(737,657,054)	(737,657,054)	--	364,815,133	364,815,133	(372,841,921)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	--	51,748,017	51,748,017	--	(51,748,017)	(51,748,017)	--
<b>Balance as at 30 June 2017 - <i>As restated</i></b>	<b>460,646,090</b>	<b>333,000,000</b>	<b>(3,020,659,494)</b>	<b>(2,687,659,494)</b>	<b>--</b>	<b>894,025,745</b>	<b>894,025,745</b>	<b>(1,332,987,659)</b>
<b>Total comprehensive loss for the year</b>								
Loss for the year	--	--	(601,985,439)	(601,985,439)	--	--	--	(601,985,439)
Other comprehensive income	--	--	--	--	--	7,750,779	7,750,779	7,750,779
	--	--	(601,985,439)	(601,985,439)	--	7,750,779	7,750,779	(594,234,660)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	--	60,755,929	60,755,929	--	(60,755,929)	(60,755,929)	--
<b>Balance as at 30 June 2018</b>	<b>460,646,090</b>	<b>333,000,000</b>	<b>(3,561,889,004)</b>	<b>(3,228,889,004)</b>	<b>--</b>	<b>841,020,595</b>	<b>841,020,595</b>	<b>(1,927,222,319)</b>

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

**Note:** Chief Executive of the Company is presently not available in Pakistan, therefore these financial statements have been signed by two directors duly authorized in this behalf.

**Syed Muhammad Anwar**  
Chairman Board of Directors

**S.M. Raza**  
Chief Financial Officer

**Imran Ahmed Javed**  
Director



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### 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 8th Floor, Block-A, Finance & Trade Centre, Shahrah-e-Faisal, Karachi.
- Company's production plant is situated at H/20 & H/26, S.I.T.E., Kotri, District Jamshoro, Sindh, Pakistan.

### 2 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

All significant transactions and events that have affected the Company's statement of financial position and performance during the year have been adequately disclosed either in the notes to these financial statements or in the Directors' report.

### 3 GOING CONCERN ASSUMPTION

The financial statements of the Company for the year ended 30 June 2018 reflect that the Company has sustained a net loss after taxation of Rs.601.985 million (2017: Rs.737.657 million) and as of that date the Company's negative revenue reserves of Rs.3,228.889 million (2017: Rs.2,687.659 million) have resulted in negative equity of Rs.1,927.222 million (2017: Rs.1,332.988 million) and its current liabilities (including the effect of non-provided mark-up and restructured liabilities classified under non-current liabilities) exceeded its current assets by Rs. 5,408.508 million and total assets by Rs. 3,591.427 million. Further the Company's short term borrowing facilities having limit to the extent of Rs.315 million have expired and not been renewed. The Company is facing litigations with three of its lenders for repayment of liabilities through attachment and sale of Company's hypothecated / mortgaged properties and out of them one of the lenders had also filed winding up petition under section 305 of the repealed Companies Ordinance 1984. The Company has defaulted in repayment of its restructured liabilities due to liquidity crunch faced by the Company following the adverse conditions of overall textile industry. Accordingly, the entire restructured liabilities along with mark-up eligible for waiver (as disclosed in note 14.3 to the financial statements) have become immediately repayable. 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 realise its assets and discharge its liabilities during the normal course of business.

The 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 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.

### 4 BASIS OF PREPARATION

#### 4.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan with the exception of departure of IFRS as mentioned in note 27.1 to the financial statements, for which the management concludes that provisioning of mark-up would conflict with the objectives of the financial statements. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) 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 IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**4.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention except the obligation in respect of gratuity fund which is measured at present value and certain items of property, plant and equipment which are carried at revalued amounts.

**4.3 Standards, interpretations and amendments applicable to financial statements**

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as describe below:

**4.3.1 New standards, interpretations and amendments**

The Company has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

- IAS 7 - Statement of Cash Flows- Disclosure Initiative - (Amendment)
- IAS 12 Income Taxes- Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The adoption of the above amendments to accounting standards did not have any effect on the financial statements.

**4.3.2 Amendments to approved accounting standards and interpretations which are effective during the year ended 30 June 2018**

The third and fourth schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of these financial statements. The Companies Act, 2017 (including its third and fourth schedule) forms an integral part of the statutory financial reporting framework applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements. Additional disclosures include but are not limited to, particulars of immovable assets of the Company (note 15.4), treatment of surplus on revaluation of fixed assets (note 8), management assessment of sufficiency of tax provision in the financial statements (note 30.3), change in threshold for identification of executives (note 32), additional disclosure requirements for related parties (note 33).

The other amendments to published standards and interpretations that were mandatory for the Company's financial year ended 30 June 2018 are considered not to be relevant or to have any significant effect on the Company's financial reporting and therefore not disclosed in these financial statements.

**4.3.3 Standards, interpretations and amendments to approved accounting standards that are not yet effective**

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

<b>Standard or interpretation</b>	<b>Effective date (annual periods Beginning on or after)</b>
IFRS 2 - Share Based Payments- Classification and Measurement of Share Based Payment Transactions (Amendments)	1 January 2018
IFRS 9- Financial Instruments	1 July 2018
IFRS 9- Prepayment Features with Negative Compensation- (Amendments)	1 January 2018
IFRS 10- Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 15- Revenue from Contracts with Customers	1 July 2018
IFRS 16- Leases	1 January 2019
IFRS 4 - Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts- (Amendments)	1 January 2018
IAS 40- Investment Property: Transfers of Investment Property (Amendments)	1 January 2018
IAS 19- Plan Amendment, Curtailment or Settlement (Amendments)	1 January 2019
IAS 28- Long-term Interests in Associates and Joint Ventures - (Amendments)	1 January 2019
IFRIC 22- Foreign Currency Transactions and Advance Consideration	1 January 2018
IFRIC 23- Uncertainty over Income Tax Treatments	1 January 2019

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application except for IFRS 15 - Revenue from contracts with customers. The Company is currently evaluating the impact of the said standard.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019 respectively. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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

Standard	IASB Effective date (annual periods beginning on or after)
IFRS14- Regulatory Deferral Accounts	1 January 2016
IFRS 17- Insurance Contracts	1 January 2021

#### 4.4 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

#### 4.5 Use of estimates and judgements

The preparation of the financial statements in conformity with approved accounting standards as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities and income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

##### 4.5.1 Operating fixed assets, revaluation and depreciation

The Company reviews appropriateness of the rate of depreciation, useful lives and residual values used in the calculation of depreciation. The estimates of revalued amounts of revalued assets are based on valuations carried out by a professional valuer. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

##### 4.5.2 Trade debts

The Company reviews its doubtful debts at each reporting dates to access whether provision should be recorded in the profit and loss account. In particular, judgment by management is required in the estimates of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.



#### 4.5.3 Income tax

In making the estimates for income tax currently payable by the Company, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past.

#### 4.5.4 Stock in trade

The Company reviews the net realizable value (NRV) of stock in trade to assess any diminution in the respective carrying values. Any change in the estimates in future years might affect the carrying amounts of stock in trade and corresponding effect in profit and loss account of those future years. Net realisable value is determined with respect to estimated selling price less estimated expenditures to make the sales.

#### 4.5.5 Stores and spares

The Company reviews the net realizable value (NRV) and impairment of stores and spare parts to assess any diminution in the respective carrying values and wherever required provision for NRV / impairment is made. The calculation of provision involves the use of estimates with regards to future estimated use and past consumption along with stores and spares holding period.

### 5 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these unconsolidated financial statements are set out below. These accounting policies have been applied consistently except as stated in note 5.19 to the financial statements.

#### 5.1 Property, plant and equipment

##### *Owned*

Item of property, plant and equipment is recognized as asset when it is probable that future economic benefits associated with the asset will flow to the company and its cost to the company can be measured reliably.

An item of property, plant and equipment, which qualifies for recognition as an asset, is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent to initial recognition items of property, plant and equipment are carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using the fair value at the balance sheet date.

Any revaluation increase arising on the revaluation of assets is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of assets is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revalued assets to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

During the year the Company changed its accounting policy in respect of the accounting and presentation of revaluation surplus on property, plant and equipment. Previously, the Company's accounting policy was in accordance with the provisions of repealed Companies Ordinance, 1984. Those provisions and resultant previous policy of the company was not in alignment with the accounting treatment and presentation of revaluation surplus as prescribed in the IFRS. However, the Companies Act, 2017 has not specified any accounting treatment for revaluation surplus, accordingly the Company has changed the accounting policy and is now following the IFRS prescribed accounting treatment and presentation of revaluation surplus. The detailed information and impact of this change in policy is provided in note 5.19.2 to the financial statements..

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Depreciation is charged so as to write off the cost or revaluation of assets, other than leasehold land and capital work-in-process, over their estimated useful lives, using the reducing balance method, on the basis of rates specified in note 15 to the financial statements. The depreciation for assets acquired or disposed of during the year is charged from the month of acquisition or up to the month of disposal of such assets respectively.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in income.

#### ***Leased***

Assets subject to finance lease are stated at the lower of present value of minimum lease payments under the lease agreement and the fair value of the assets. The related obligations under the lease are accounted for as liabilities. Assets acquired under finance lease are depreciated over the useful life of the assets and depreciation is computed commencing from the month in which the assets are first put to use.

Cost in relation to certain plant and machinery signifies historic cost, mark-up, interest, profit and other charges on counter liabilities up to the date of commissioning of the respective plant and machinery acquired against such liabilities. All other mark-up, interest, profit, and other charges are charged to income.

Major repairs and renewals are capitalised. Gains or losses on disposals of property, plant and equipment are included in income currently.

#### ***Intangible assets***

Computer software acquired by the Company are stated at cost less accumulated amortisation. Cost represents the expense incurred to acquire the software license and bring them to use. The cost of computer software is amortised over the estimated useful life i.e. 4 years.

Cost associated with maintaining computer software is charged to the profit and loss account.

### **5.2 Capital work-in-progress**

All expenditure connected with specific assets incurred during development, installation and construction period are carried as capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.

### **5.3 Stores and spares**

These are valued at average cost except for those in transit, which are valued at cost.

### **5.4 Stock in trade**

These are valued at lower of average cost and net realizable values, the cost is determined as follows:

Raw material	-	Average cost
Packing material	-	Average cost
Work in process	-	Average cost
Waste	-	Selling price
Finished goods	-	Average cost

Cost of finished goods comprise of prime cost and appropriate portion of production overheads.

Net realisable value signifies the estimated selling price in the ordinary course of business less cost necessary to be incurred in order to make the sale.

### **5.5 Trade debts and other receivables**

Trade debts and other receivables are recognised and carried at original invoice amount less a provision for impairment. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Trade debts and other receivables considered irrecoverable are written-off.

### **5.6 Investment in associates**

Associates are entities over which the Company exercises significant influence. Investment in associates is accounted for using equity basis of accounting, under which the investment in associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the Company's share of profit or loss of the associate after the date of acquisition. The Company's share of profit or loss of the associate is recognised in the Company's profit and loss account. Distributions received from associate reduce the carrying amount of the investment. Adjustments to the carrying amount are also made for





changes in the Company's proportionate interest in the associate arising from changes in the associates' other comprehensive income that have not been recognised in the associate's profit or loss. The Company's share of those changes is recognised in other comprehensive income of the Company. The carrying amount of the investment is tested for impairment, by comparing its recoverable amount (higher of value in use and the fair value less costs to sell) with its carrying amount and loss, if any, is recognised in profit or loss. If the Company's share of losses of an associate equals or exceeds its interest in the associate, the Company discontinues recognising its share of further losses. If the associate subsequently reports profits, the investor or joint venturer resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

#### **5.7 Cash and cash equivalents**

Cash and cash equivalents comprise of cash and bank balances.

#### **5.8 Trade and other payables**

Trade and other payables are recognised initially at fair value plus directly attributable cost, if any, and subsequently measured at amortised cost.

#### **5.9 Staff retirement benefits**

*Defined contribution plan*

Effective from 1 July 2010, the Company has, in place of gratuity scheme, established a recognised provident fund for its permanent management staff. Equal contributions are being made in respect thereof by the Company and the employee in accordance with terms of the fund.

#### ***Defined benefit plan***

The Company up to 30 June 2010 was operating an unfunded gratuity scheme for its management employee. Provision was made accordingly in the financial statements to cover obligation under the scheme. The Company has fully provided for the liability under the gratuity scheme as of 30 June 2010. Effective from 01 July 2010, the Company has, in place of gratuity scheme, established a recognised provident fund for its permanent management staff. Equal contributions are being made in respect thereof by the Company and the employees in accordance with terms of the fund.

#### **5.10 Taxation**

##### ***Current***

Provision for current taxation is based on current rates of tax after taking into account available tax credits and rebates available, if any.

##### ***Deferred***

Deferred tax is recognised on all timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### **5.11 Provision**

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

#### **5.12 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities, excluding discounts, rebates, sales tax or duty. Revenue is recognized as follows:

- Revenue from sale is recognised on dispatch of goods to customers.
- Dividend income is recognised when the right to receive dividend is established.

**5.13 Financial instruments**

The Company recognises financial asset or a financial liability when it becomes a party to the contractual provision of the instrument. Financial assets and liabilities are recognised initially at cost, which respectively is the fair value of the consideration given or received. These are subsequently measured at fair value or amortised cost, as the case may be.

Financial assets are derecognised when the contractual right to cash flows from the asset expire, or when substantially all the risks and reward of ownership of the financial asset are transferred. Financial liability is derecognised when its contractual obligations are discharged, cancelled or expired.

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of the asset.

**5.14 Impairment**

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is an indication of impairment loss. Any impairment loss arising is recognised as expense in the profit and loss account.

**5.15 Off-setting of financial assets and liabilities**

A financial asset and a financial liability may be offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

**5.16 Foreign currency translation**

Transactions in foreign currencies are recorded using the rates of exchange ruling at the date of transaction.

Assets and liabilities in foreign currencies, if any, are translated into rupees at the exchange rates prevailing on the balance sheet date except where forward exchange contracts have been entered into in which case the rates contracted for are used.

**5.17 Transactions with related parties**

All dealings with associated companies are carried out at arm's length using the Comparable Uncontrolled Price method.

**5.18 Borrowing costs**

Borrowings costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of the relevant asset.

**5.19 Change in accounting policy****5.19.1 Investment in associates**

The Company has changed its accounting policy for investments in associated company, which were previously classified as non-current assets held for sale at lower of its carrying amount and fair value less costs to sell, the same are now being classified using equity basis of accounting as follows:

Associates are entities over which the Company exercises significant influence. Investment in associates is accounted for using equity basis of accounting, under which the investment in associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the Company's share of profit or loss of the associate after the date of acquisition. The Company's share of profit or loss of the associate is recognised in the Company's profit and loss account. Distributions received from associate reduce the carrying amount of the investment. Adjustments to the carrying amount are also made for changes in the Company's proportionate interest in the associate arising from changes in the associates' other comprehensive income that have not been recognised in the associate's profit or loss. The Company's share of those changes is recognised in other comprehensive income of the Company. The carrying amount of the investment is tested for impairment, by comparing its recoverable amount (higher of value in use and the fair value less costs to sell) with its carrying amount and loss, if any, is recognised in



profit or loss. If the Company's share of losses of an associate equals or exceeds its interest in the associate, the Company discontinues recognising its share of further losses. If the associate subsequently reports profits, the investor or joint venturer resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The change in accounting policy has been applied retrospectively, and comparative figures have been restated. Had the policy not been changed, the carrying amount of investments would have been Rs.215.878 million (2017:Rs.215.878 million) and total equity would have been higher by the same amounts.

#### 5.19.2 Surplus on revaluation of property, plant and equipment

Previously, the Company's accounting policy for surplus on revaluation of property, plant and equipment was in accordance with the provisions of section 235 of the repealed Companies Ordinance 1984. Further, the revaluation of property, plant and equipment was shown as a separate item below equity, in accordance with the presentation requirement of the repealed Companies Ordinance 1984.

However, in the Companies Act 2017 the above mentioned specific accounting and presentation requirements of surplus on revaluation of property, plant and equipment have not been carried forward. This change has impacted the accounting policy of the Company related to surplus on revaluation of property, plant and equipment, and now the Company is following the accounting treatment and presentation of surplus on revaluation of property, plant and equipment, prescribed in IAS-16 'Property, plant and equipment' as follows:

Any revaluation increase arising on the revaluation of property, plant and equipment is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of property, plant and equipment is charged to profit or loss to the extent that it exceeds the balance, if any, held in the Revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation surplus to the extent of incremental depreciation charged (net of deferred tax) is transferred to accumulated loss.

The change in accounting policy has been applied retrospectively, and comparative figures have been restated. Had the policy not been changed, the shareholders' equity would have been lower by Rs.841.021 million (2017: Rs.894.026 million and as of 01 July 2016: Rs.580.959 million), the comprehensive income for comparative period would have been lower by Rs.313.067 million.

### 6 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2018	2017		2018	2017
---- (Number of shares) ----			----- (Rupees) -----	
34,060,000	34,060,000	Ordinary shares of Rs. 10/- each issued as fully paid in cash	340,600,000	340,600,000
225,000	225,000	Ordinary shares of Rs. 10/- each issued for consideration other than cash	2,250,000	2,250,000
11,779,609	11,779,609	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	117,796,090	117,796,090
<b>46,064,609</b>	<b>46,064,609</b>		<b>460,646,090</b>	<b>460,646,090</b>

6.1 Dewan Motors (Private) Limited, an associated company held, 1,306,887 ordinary shares of Rs. 10/- each.

### 7 REVENUE RESERVES

General reserve	333,000,000	333,000,000
Accumulated losses	(3,561,889,004)	(3,020,659,494)
	<b>(3,228,889,004)</b>	<b>(2,687,659,494)</b>



**8 SURPLUS ON REVALUATION OF PROPERTY PLANT AND EQUIPMENT**

The surplus revaluation is restated and now presented as a separate capital reserve in these financial statements (Note 5.19.2).

		2018 ----- (Rupees) -----	2017 -----
Balance as at 1 July		1,134,299,892	747,746,100
Surplus arising due to revaluation during the year	15.1	--	461,550,918
Transferred to accumulated losses in respect of incremental depreciation for the year		(86,794,184)	(74,997,126)
		<b>1,047,505,708</b>	1,134,299,892
<i>Deferred tax liability</i>			
Opening balance		240,274,147	166,787,471
On revaluation carried out during the year		--	96,735,785
Incremental depreciation		(26,038,255)	(23,249,109)
Effect of change in tax rates		(7,750,779)	--
		<b>206,485,113</b>	240,274,147
Balance as at 30 June	8.1	<b>841,020,595</b>	894,025,745

**8.1** This represents surplus on revaluation of leasehold land, factory building on leasehold land, non-factory building, labour quarters and plant, machinery and equipment. The revaluation are carried on the basis of market value or depreciated replacement values as applicable. The latest revaluation was carried out on 21 December 2016 by an independent valuer M/s. K.G.Traders (Private) Limited which resulted in increase in surplus amounting to Rs.461.551 million.

**8.2** The revaluation surplus on property, plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

**9 LONG TERM FINANCING**

***Banks and financial institutions - Secured***

Restructured long term financing	9.1	2,925,634,170	2,925,634,170
Restructured lease liability	9.2	31,090,531	36,086,947
Payments during the year		(4,996,415)	(4,996,416)
		<b>26,094,116</b>	31,090,531
		<b>2,951,728,286</b>	2,956,724,701

***Sponsor - Unsecured***

Sponsor loan	9.3	269,114,373	269,114,373
Unwinding of interest		30,262,475	19,359,816
Present value adjustment		(157,286,149)	(157,286,149)
		<b>142,090,699</b>	131,188,040
		<b>3,093,818,985</b>	3,087,912,741
Current and overdue portion - Shown under current liabilities		<b>(2,930,630,585)</b>	(1,690,925,528)
		<b>163,188,400</b>	1,396,987,213

**9.1** Compromise agreement dated 23 December 2011 was executed between the Company and majority of its lenders, consequent to which consent decrees were granted by the Honourable High Court of Sindh, Karachi. Company's liabilities in respect of short term borrowings, long term loans, leases and overdue letters of credit were rescheduled in the form of a syndicated long term financing of Rs.3.930 billion repayable in nine and half years with progressive mark-up rates ranging from 2% to 13% over the period on outstanding principal. As per the agreement, mark-up outstanding as on 21 December 2011 is Rs.1.621 billion, which the Company would be liable to pay in the event of default of terms of agreement. Moreover, banks / financial institutions had also agreed to provide further working capital to the Company amounting to Rs.916.800 million.



The loan is secured against first pari-passu hypothecation charge over stock, book debts, present and future property, plant and equipment of the Company and personal guarantees of directors.

The Company has defaulted in payment of restructured liabilities; however it has approached the lenders for further restructuring of liabilities as more fully explained in note 3 which is expected to be finalised soon.

**9.2** Settlement agreement dated 21 January 2014 was executed between the Company and a leasing company, consequent to which consent decrees have been granted by the Honourable High Court of Sindh, Karachi. Company's liabilities in respect of overdue lease liability has been rescheduled thereby the liability of Rs. 42.215 million is now repayable in 10 years with progressive mark-up rates ranging from 2% to 10.04% over the period on outstanding principal. As per agreement, mark-up relating to prior periods amounting of Rs. 11.005 million will be waived subject to the payment of restructured liability as per terms of agreement.

**9.3** This represents unsecured interest free loan payable to a sponsor against liabilities of a bank assumed by the sponsor. The loan is repayable in lump sum on 30 June 2026. The loan has been measured at amortised cost in accordance with International Accounting Standard 39, Financial Instruments: Recognition and Measurement, and has been discounted using the effective interest rate of 8.01% per annum.

## 10 DEFERRED TAXATION

### *Credit balance arising due to:*

- accelerated tax depreciation
- revaluation - Net of related depreciation
- finance lease transactions

### *Debit balance arising due to:*

- staff gratuity
- Provision for doubtful debts
- Provision for obsolete stock
- Provision for slow-moving stores and spares
- carried over losses

Deferred tax asset not recognised

## 11 TRADE AND OTHER PAYABLES

Creditors for goods and services

Accrued expenses

Workers' Welfare Fund

Withholding income tax payable

Workers' Profit Participation Fund

Provident fund payable

	2018	2017
	----- (Rupees) -----	
	<b>112,330,811</b>	125,384,735
	<b>206,485,112</b>	240,274,147
	<b>6,774,931</b>	5,579,644
	<b>(15,242,438)</b>	(15,750,519)
	<b>(98,060,312)</b>	(70,807,288)
	<b>(108,027,079)</b>	(80,360,300)
	<b>(2,883,377)</b>	(257,598)
	<b>(803,074,967)</b>	(738,259,085)
	<b>(701,697,319)</b>	(534,196,264)
	<b>908,182,431</b>	774,470,411
	<b>206,485,112</b>	240,274,147
	<b>113,765,239</b>	117,558,306
	<b>39,861,772</b>	36,442,482
	<b>15,536,001</b>	15,536,001
	<b>5,544,878</b>	5,509,877
	<b>4,301,850</b>	3,987,042
	<b>377,126</b>	365,042
	<b>179,386,866</b>	179,398,750

**11.1** This includes amount of Rs.97.484 million (2017: Rs.97.484 million) being amount payable to the banks in respect of outstanding letter of credits.

**11.2** Workers' Profit Participation Fund

Balance as at 1 July

Interest provided for the year

Balance as at 30 June

<b>3,987,042</b>	3,705,818
<b>314,808</b>	281,224
<b>4,301,850</b>	3,987,042

		2018	2017
		(Rupees)	
<b>12 SHORT TERM BORROWINGS</b>			
<i>Banks and financial institutions - Secured</i>			
Short term running finances	12.1	183,818,932	183,818,932
Short term loans	12.2	369,746,634	369,746,634
		553,565,566	553,565,566
<i>Sponsor - Unsecured</i>			
Sponsor loan	12.4	32,445,000	32,445,000
		586,010,566	586,010,566

**12.1** The facilities for running finance under mark-up arrangement obtained from various commercial banks against available limits of Rs. 215 million at mark-up rate ranging from 2% to 3% per annum over three months KIBOR payable quarterly in arrears. The facilities are secured by way of hypothecation of stock in trade, book debts and other current assets of the Company and personal guarantees of directors. These facilities have expired and not been renewed by the banks.

**12.2** The facilities for short term loans under mark-up arrangement obtained from various commercial banks against available limits of Rs. 916.800 million at mark-up rate ranging from 0% to 3.25% per annum over one / three months KIBOR payable quarterly in arrears. The facilities are secured by way of hypothecation of stock in trade, book debts, property, plant and equipment and other current assets and effective pledge on raw material and finished goods of the Company and personal guarantees of directors. These facilities have expired and not been renewed by the banks.

**12.3** Certain banks have filed recovery suits as more fully explained in note 14.2 to the financial statements.

**12.4** This represents unsecured interest free loan for the purpose of working capital requirements and is payable on demand. The interest free and unsecured loan has been provided by sponsor considering financial crunch being faced by the company.

### 13 LIABILITY FOR STAFF GRATUITY

Balance as at 1 July	50,808,126	51,866,376
Payments during the year	--	(1,058,250)
Balance as at 30 June	50,808,126	50,808,126

### 14 CONTINGENCIES AND COMMITMENTS

#### Contingencies

**14.1** As of reporting date no guarantees were outstanding.

**14.2** In respect of liabilities towards banks / financial institutions disclosed in note 11.1 and 12 to the financial statements, certain banks / financial institutions have filed suits in Honourable High Court of Sindh at Karachi for recovery of their liabilities through attachment and sale of Company's hypothecated / mortgaged properties. The aggregate suits' amount is Rs. 419.065 Million, out of total suits amount one of the banks having suits to the extent of Rs. 193.266 million have also filed winding up petition u/s 305 of the repealed Companies Ordinance 1984. Since the Company is in dispute with banks / financial institutions therefore the estimated financial effect of litigations is not being disclosed, as it may have adverse effect on Company's position in the suits.

The management has disputed the claims and is strongly contesting the cases. The management has filed counter claims alleging that the banks' claims are highly exaggerated as they have charged mark-up on mark-up and other levies higher than the rate of mark-up agreed and other charges in violation of State Bank of Pakistan rules and all other applicable laws of Pakistan. The management is hopeful that the decision will be in favour of the Company and the base less suits shall be rejected by the concerned courts. Since all the cases are pending before Honourable Courts therefore the ultimate outcome cannot be established at this stage.



**14.3** As per terms of restructuring (refer to note 9.1 & 9.2) the mark-up outstanding up to the date of restructuring is Rs.1.632 billion, which the Company would be liable to pay in the event of default of terms of agreement. The Company has defaulted in repayment of liability, however has approached the lenders for further restructuring as detailed in note 3 to the financial statements. Since the restructuring is in advanced stage therefore management is confident that this amount will remain eligible for waiver, hence no provision of the same has been made in these financial statements.

**14.4** The Government of Pakistan has promulgated the Gas Infrastructure Development Cess Ordinance, 2014 (GIDC) accordingly, the Company was charged a sum of Rs.21.238 million in its gas bills, against which the Company has filed suit in the Honourable Sindh High Court challenging its legality and applicability on the Company and the Honourable Sindh High Court has issued stay against the recovery of GIDC. The Honourable Sindh High Court decided the case in favour of Company and directed to refund / adjust in bills the amounts already collected, against which the Sui Southern Gas Company Limited has filed appeal in Honourable Sindh High Court. The management is confident that the case will be decided in favour of the Company hence no provision in this respect is made in these financial statements.

## 15 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

Capital work-in-progress - At cost (Civil work)

15.1

2018

2017

----- (Rupees) -----

1,794,763,464

1,967,766,364

10,305,389

10,305,389

1,805,068,853

1,978,071,753

### 15.1 Operating fixed assets

The following is a statement of operating fixed assets:

2018										Rate %
PARTICULARS	COST / REVALUATION				DEPRECIATION				Written down	
	As at 1 July 2017	Additions during the year	(Deletions)	As at 30 June 2018	As at 1 July 2017	(Adjustments)	Charge for the year	As at 30 June 2018	value as at 30 June 2018	
	(Rupees)									
<b>Tangible assets:</b>										
<i>Owned assets:</i>										
Lease hold land	360,000,000	--	--	360,000,000	--	--	--	--	360,000,000	--
Factory building on lease hold land	881,926,540	--	--	881,926,540	415,867,438	--	46,605,910	462,473,348	419,453,192	10
Non - factory building	84,556,644	--	--	84,556,644	32,407,354	--	5,214,929	37,622,283	46,934,361	10
Labour quarters	194,265,675	--	--	194,265,675	124,572,812	--	17,423,216	141,996,028	52,269,647	25
Plant, machinery and equipment	2,783,547,445	--	--	2,783,547,445	1,835,949,214	--	94,759,823	1,930,709,037	852,838,408	10
Electric installation	20,782,880	--	--	20,782,880	17,020,013	--	564,430	17,584,443	3,198,437	15
Vehicles	64,774,753	--	(1,638,000)	63,136,753	58,896,048	(1,454,647)	1,175,741	58,617,142	4,519,611	20
Furniture and fixture	10,160,706	--	--	10,160,706	7,719,771	--	244,094	7,963,865	2,196,841	10
Office equipment	14,910,678	--	--	14,910,678	11,480,019	--	514,599	11,994,618	2,916,060	15
	4,414,925,321	--	(1,638,000)	4,413,287,321	2,503,912,669	(1,454,647)	166,502,742	2,668,960,764	1,744,326,557	
<i>Leased assets:</i>										
Plant and machinery	128,705,731	--	--	128,705,731	74,619,930	--	5,408,580	80,028,510	48,677,221	10
	128,705,731	--	--	128,705,731	74,619,930	--	5,408,580	80,028,510	48,677,221	
<b>Intangible assets:</b>										
Software	3,632,900	--	--	3,632,900	964,989	--	908,225	1,873,214	1,759,686	25
<b>TOTAL</b>	4,547,263,952	--	(1,638,000)	4,545,625,952	2,579,497,588	(1,454,647)	172,819,547	2,750,862,488	1,794,763,464	

2017											Rate %
PARTICULARS	COST / REVALUATION				DEPRECIATION				Written down		
	As at	Additions	(Deletions)	(Revaluation)	As at	As at	(Adjustments)	Charge for	As at	value as	
	1 July 2016	during the year			30 June 2017	1 July 2017		the year	30 June 2017	30 June 2017	
(Rupees)											
Tangible assets:											
Owned assets:											
Lease hold land	210,500,000	--	--	149,500,000	360,000,000	--	--	--	--	360,000,000	--
Factory building on lease hold land	706,120,539	--	--	175,806,001	881,926,540	373,850,093	--	42,017,345	415,867,438	466,059,102	10
Non - factory building	86,366,759	--	--	(1,810,115)	84,556,644	26,512,427	--	5,894,927	32,407,354	52,149,290	10
Labour quarters	143,538,556	--	--	50,727,119	194,265,675	109,796,378	--	14,776,434	124,572,812	69,692,863	25
Plant, machinery and equipment	2,696,219,532	--	--	87,327,913	2,783,547,445	1,735,512,072	--	100,437,142	1,835,949,214	947,598,231	10
Electric installation	20,782,880	--	--	--	20,782,880	16,355,978	--	664,035	17,020,013	3,762,867	15
Vehicles	67,088,650	--	(2,313,897)	--	64,774,753	58,390,613	(1,234,172)	1,739,607	58,896,048	5,878,705	20
Furniture and fixture	10,160,706	--	--	--	10,160,706	7,448,556	--	271,215	7,719,771	2,440,935	10
Office equipment	14,910,678	--	--	--	14,910,678	10,874,608	--	605,411	11,480,019	3,430,659	15
	3,955,688,300	--	(2,313,897)	461,550,918	4,414,925,321	2,338,740,725	(1,234,172)	166,406,116	2,503,912,669	1,911,012,652	
Leased assets:											
Plant and machinery	128,705,731	--	--	--	128,705,731	68,610,397	--	6,009,533	74,619,930	54,085,801	10
	128,705,731	--	--	--	128,705,731	68,610,397	--	6,009,533	74,619,930	54,085,801	
Intangible assets:											
Software	3,632,900	--	--	--	3,632,900	75,685	--	889,304	964,989	2,667,911	25
TOTAL	4,088,026,931	--	(2,313,897)	461,550,918	4,547,263,952	2,407,426,807	(1,234,172)	173,304,953	2,579,497,588	1,967,766,364	

## DEWAN TEXTILE MILLS LIMITED

		2018	2017
		----- (Rupees) -----	
<b>15.2</b>	Depreciation charge for the year has been allocated as follows:		
	Cost of sales	<b>25      171,852,330</b>	172,022,946
	Administrative and general expenses	<b>26      967,217</b>	1,282,007
		<b><u>172,819,547</u></b>	<b><u>173,304,953</u></b>

**15.3** Motor vehicles disposed-off during the year had net book value less than Rs.500,000/-, and all the disposals were made in accordance with the Company's policy.

**15.4** Immovable property (i.e. leasehold land and factory building, non-factory building and labour quarters thereon) is situated at S.I.T.E. Kotri, District Jamshoro. This comprises of two industrial plots of land bearing plot no. H-20 & H-26 with an accumulated area of 49.5 acres.

**15.5** The forced sale value of the revalued property, plant and equipment owned by the Company had been assessed at Rs.1,635.089 million.

**15.6** Had there been no revaluation the carrying amounts of revalued assets would have been as follows:

Leasehold land	<b>778,000</b>	778,000
Factory building on leasehold land	<b>166,683,555</b>	185,203,950
Non-factory building	<b>33,594,630</b>	37,327,367
Labour quarters	<b>5,837,672</b>	7,783,563
Plant, machinery and equipment	<b>477,096,043</b>	530,106,714
	<b><u>683,989,900</u></b>	<b><u>761,199,594</u></b>

## 16 LONG TERM INVESTMENT

### Investment in associate

Dewan Salman Fibre Limited

**16.1** 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.

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

Number of shares held	<b>104,288,773</b>	104,288,773
Cost of investment (Rupees)	<b>210,000,000</b>	210,000,000
Fair value of investment (Rupees)	<b>91,774,120</b>	424,455,306
Ownership interest	<b>28.47%</b>	28.47%

### 16.3 Summarised financial information of associated company

Total assets	<b>10,023,571,000</b>	10,973,763,000
Total liabilities	<b>20,188,204,000</b>	20,002,313,000
Net assets	<b>(10,164,633,000)</b>	(9,028,550,000)
Company's share of net assets	<b>(2,893,871,015)</b>	(2,570,428,185)
Revenue	<b>--</b>	--
Loss for the year	<b>(1,182,607,000)</b>	(650,034,000)

**16.4** 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.



		2018	2017
		----- (Rupees) -----	
<b>17 LONG TERM DEPOSITS</b>			
Security deposits		<b>12,012,134</b>	12,012,134
<b>18 STORES AND SPARES</b>			
Stores and spares		<b>48,158,980</b>	48,249,432
Packing material		<b>10,376,304</b>	13,570,977
		<b>58,535,284</b>	61,820,409
Provision for slow-moving stores and spares	<b>18.1</b>	<b>(9,611,255)</b>	(830,962)
		<b>48,924,029</b>	60,989,447
<b>18.1 Provision for slow-moving stores and spares</b>			
Balance as at 1 July		<b>830,962</b>	--
Provision made during the year	<b>28</b>	<b>8,780,293</b>	830,962
Balance as at 30 June		<b>9,611,255</b>	830,962
<b>19 STOCK IN TRADE</b>			
Raw material	<b>19.1</b>	<b>942,518,281</b>	942,518,281
Work-in-process		<b>2,211,117</b>	2,211,117
Finished goods	<b>19.2</b>	<b>121,405,284</b>	121,405,284
		<b>1,066,134,682</b>	1,066,134,682
Provision for obsolete stock	<b>19.3</b>	<b>(360,090,263)</b>	(259,226,775)
		<b>706,044,419</b>	806,907,907
<b>19.1</b> Raw material stock valuing Rs.175.767 million (2017: Rs.175.767 million) was pledged with the banks against the finance facilities obtained by the Company.			
<b>19.2</b> Finished goods stock valuing Rs.101.765 million (2017: Rs.101.765 million) was pledged with the banks against the finance facilities obtained by the Company.			
<b>19.3 Provision for obsolete stock</b>			
Balance as at 1 July		<b>259,226,775</b>	165,460,500
Provision made during the year	<b>28</b>	<b>100,863,488</b>	93,766,275
Balance as at 30 June		<b>360,090,263</b>	259,226,775
<b>20 TRADE DEBTS - Unsecured</b>			
Considered good		<b>300,744,221</b>	435,767,740
Considered doubtful		<b>326,867,707</b>	228,410,605
		<b>627,611,928</b>	664,178,345
Provision for doubtful debts	<b>20.1</b>	<b>(326,867,707)</b>	(228,410,605)
		<b>300,744,221</b>	435,767,740
<b>20.1 Provision for doubtful debts</b>			
Balance as at 1 July		<b>228,410,605</b>	107,424,330
Provision made during the year	<b>28</b>	<b>98,457,102</b>	120,986,275
Balance as at 30 June		<b>326,867,707</b>	228,410,605
<b>21 ADVANCES - Considered good</b>			
Employees - Interest free		<b>1,846,883</b>	1,846,883
Suppliers		<b>149,513</b>	116,263
Others		<b>509,648</b>	509,648
		<b>2,506,044</b>	2,472,794



# DEWAN TEXTILE MILLS LIMITED

		2018	2017
		----- (Rupees) -----	
<b>22 SHORT TERM DEPOSITS AND OTHER RECEIVABLE</b>			
Short term deposits and margin		1,749,732	1,749,732
Sales tax receivable		15,181,001	15,181,001
		16,930,733	16,930,733
Provision against sales tax receivable	28	(12,810,617)	--
		4,120,116	16,930,733
<b>23 CASH AND BANK BALANCES</b>			
Cash in hand		52,519	63,608
Cash at banks - Current accounts		8,421,754	6,064,999
		8,474,273	6,128,607
<b>24 SALES - Net</b>			
Local yarn		--	2,317,591
Cotton sales - Raw material		--	83,125,603
		--	85,443,194
<b>25 COST OF SALES</b>			
<i>Raw material consumed / sold</i>			
Opening stock		942,518,281	1,161,631,114
Closing stock		(942,518,281)	(942,518,281)
		--	219,112,833
<i>Manufacturing overheads</i>			
Salaries, wages and others benefits	25.1	17,614,811	16,013,034
Fuel and power		1,135,250	886,084
Rent, rates and taxes		1,015,450	--
Insurance		1,736,154	4,400,682
Vehicle running and maintenance		77,630	87,575
Repairs and maintenance		22,390	2,980
Depreciation	15.2	171,852,330	172,022,946
		193,454,015	193,413,301
Total manufacturing cost		193,454,015	412,526,134
Work in process - Opening		2,211,117	2,211,117
Work in process - Closing		(2,211,117)	(2,211,117)
		--	--
Cost of goods manufactured		193,454,015	412,526,134
Finished goods - Opening		121,405,284	123,454,179
Finished goods - Closing		(121,405,284)	(121,405,284)
		193,454,015	414,575,029
<b>25.1</b> Salaries, wages and other benefits includes amount of Rs.0.141 million (2017: Rs.0.149 million) in respect of staff retirement benefits.			
<b>26 ADMINISTRATIVE AND GENERAL EXPENSES</b>			
Salaries, allowances and others benefits	26.1	3,024,260	4,076,294
Depreciation	15.2	967,217	1,282,007
Vehicle expenses		1,323,749	1,279,189
Fee and subscription		966,259	913,487
Legal and professional		917,300	216,800
Auditor's remuneration	26.2	835,000	835,000
Communication		800,614	1,466,383
Printing and stationery		223,255	281,214
Traveling and conveyance		47,750	45,150
Entertainment		43,242	90,805
Repairs and maintenance		800	703
		9,149,446	10,487,032



**26.1** Salaries, allowances and others benefit includes amount of Rs. 0.112 million (2017: Rs.0.164 million) in respect of staff retirement benefits.

**26.2 Auditor's remuneration**

	2018	2017
	(Rupees)	
Audit fee	550,000	550,000
Half yearly review	250,000	250,000
Out of pocket expenses	35,000	35,000
	<b>835,000</b>	<b>835,000</b>

**27 FINANCE COST**

Mark-up on long term financing	177,111,038	176,734,400
Mark-up on short term borrowings	15,202,356	16,384,783
Interest on Workers' Profit Participation Fund	314,808	281,224
Unwinding of discount	10,902,659	10,066,095
Bank charges	1,629,519	1,747,311
	<b>205,160,380</b>	<b>205,213,813</b>

**27.1** In addition to the non-provisioning of mark-up eligible for waiver as disclosed in note 14.3, Company has not made the provision of mark-up for the year amounting to Rs.47.743 million (up to 30 June 2018: Rs.412.458 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 year would have been higher by Rs.412.458 million and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs.412.458 million. The said non-provisioning is departure from the requirements of IAS 23 - 'Borrowing Costs'.

**28 OTHER CHARGES**

Provision for obsolete stock	19.3	100,863,488	93,766,275
Provision for doubtful debts	20.1	98,457,102	120,986,275
Provision for slow-moving stores and spares	18.1	8,780,293	830,962
Provision against sales tax receivable	22	12,810,617	--
		<b>220,911,500</b>	<b>215,583,512</b>

**29 OTHER INCOME**

Gain on disposal of fixed assets	15.3	651,647	364,461
----------------------------------	------	---------	---------

**30 TAXATION**

**30.1 Current**

The Income tax assessment of the Company deemed to have been finalised up to and including tax year 2017. In respect of tax year 2015, audit proceedings u/s 177 are in progress. In respect of tax year 2010 the Company has filed an appeal against order u/s 122 (1) against the demand created amounting to Rs.9.817 million, the decision of which is pending.

**30.2 Relationship between income tax expense and accounting profit**

Numerical reconciliation between the average tax rate and the applicable tax rate has not been given as the Company is subject to the provisions of minimum tax under Section 113 of the Income Tax Ordinance, 2001.

**30.3** Management has provided sufficient tax provision in financial statements in accordance with Income Tax Ordinance, 2001. However, on account of closure of operations, no tax provision has been made for the year ended 30 June 2018. Following is comparison of tax provision as per accounts vis a vis tax assessment for last three years.

	Deemed assessment	Provision
Year 2017	854,432	854,432
Year 2016	--	--
Year 2015	160,541	162195



## DEWAN TEXTILE MILLS LIMITED

### 31 LOSS PER SHARE - Basic and diluted

There is no dilutive effect on loss per share of the Company which is based on:

Loss after taxation

2018                      2017  
----- (Rupees) -----

(601,985,439)      (737,657,054)

----- (Number of shares) -----

Weighted average number of shares

46,064,609      46,064,609

----- (Rupees) -----

Loss per share - Basic and diluted

(13.07)      (16.01)

### 32 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

**32.1** Chief executive and directors of the Company did not charge any fee or other remuneration.

**32.2** No employee of the Company falls under the definition of "executive" as per the Companies Act, 2017. Hence no disclosure is given in the financial statements. Accordingly, comparative figures of remuneration to executives have been amended to reflect changes in the definition of executive as per the Companies Act, 2017.

### 33 TRANSACTIONS WITH RELATED PARTIES

Related parties include associated group companies, directors, executives, key management personnel and staff retirement funds. The remuneration paid to chief executive, directors, executive and key management personnel in terms of their employment is disclosed in note 32 to the financial statements. Material transactions and balances with related parties are given below:

Name of the related party	Basis of relationship	Percentage of shareholding	Nature of transactions during the year	2018 ----- (Rupees) -----	2017
Dewan Khalid Textile Mills Limited	Common director	0.007%	Sale of cotton and yarn	--	1,511,328
Dewan Farooq Spinning Mills Limited	Common director	0.008%	Sale of cotton	--	82,809,700
Dewan Textile Mills Limited Staff Provident Fund	Employees Fund	N/A	Expense in relation to provident fund	507,440	626,188

### 34 PROVIDENT FUND RELATED DISCLOSURES

The following information is based on latest un-audited financial statements of the Fund:

Size of the fund - Total assets

45,376,595      44,881,193

Cost of investment

41,039,192      41,438,978

Percentage of investments made

92%      92%

Fair value of investments

41,806,318      41,438,978

**34.1** The break-up of cost of investments is as follows:

	2018 ----- (Percentage) -----	2017	2018 ----- (Rupees) -----	2017
Term deposit receipt	19.01%	0.00%	7,800,000	--
Bank balances	80.99%	100.00%	33,239,192	41,438,978
	100.00%	100.00%	41,039,192	41,438,978



**34.2** The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

	2018	2017
	----- (Numbers) -----	
<b>35 NUMBER OF EMPLOYEES</b>		
Number of employees as at 30 June	71	85
Number of factory employees as at 30 June	69	79
Average number of employees during the year	79	87
Average number of factory employees during the year	68	81
<b>36 PLANT CAPACITY AND PRODUCTION</b>		
Attainable capacity converted to 20 count (Kgs)	19,510,682	19,510,682
Number of spindles installed	65,544	65,544

**36.1** The operations of the Company have been suspended since December 2015 consequently there have been no production ever since.

### 37 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

#### 37.1 Financial risk management

##### Overview

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

##### Risk management framework

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.

#### 37.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

##### Exposure to credit risk

In summary, the maximum exposure to credit risk as at 30 June 2018 and 30 June 2017 was as follows:

	2018		2017	
	Financial assets	Maximum exposure	Financial assets	Maximum exposure
	----- (Rupees) -----		----- (Rupees) -----	
Trade debts	300,744,221	300,744,221	435,767,740	435,767,740
Deposits	4,255,776	4,255,776	4,222,526	4,222,526
Advances and other receivables	2,506,044	2,506,044	2,472,794	2,472,794
Bank balances				
(excluding cash in hand)	8,421,754	8,421,754	6,064,999	6,064,999
	<u>315,927,795</u>	<u>315,927,795</u>	<u>448,528,059</u>	<u>448,528,059</u>

## DEWAN TEXTILE MILLS LIMITED

### Trade debts

The Company manages credit risk of receivables through the monitoring of credit exposures and continuous assessment of credit worthiness of its customers. The Company believes that it is not exposed to any major concentration of credit risk as its customers are credit worthy and when there is doubt about the customer's credit worthiness the sales are made through letter of credit and dealing banks possess good credit ratings.

	2018	2017
The aging of trade debts at the reporting dates was:	----- (Rupees) -----	
Neither past due nor impaired	--	1,195,425
More than 6 months	300,744,221	434,572,315
	<u>300,744,221</u>	<u>435,767,740</u>

Based on past experience the management believes that no impairment allowance is necessary in respect of trade debts except as provided in the financial statements. The credit quality of the Company's receivable can be assessed with their past performance of no default.

### Cash and cash equivalents

The cash and cash equivalents are held with banks, which are rated as follows:

Name of bank	Rating agency	Rating	
		Short term	Long term
Habib Bank Limited	JCR-VIS	A-1+	AAA
United Bank Limited	JCR-VIS	A-1+	AAA
Standard Chartered Bank	PACRA	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
Meezan Bank Limited	JCR-VIS	A-1+	AA+
Bank Alfalah Limited	PACRA	A1+	AA+
Bank Islami Pakistan Limited	PACRA	A1	A+

None of the financial assets of the Company are secured.

### 37.3 Liquidity risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements. During the year, the Company faced liquidity problems due to adverse conditions of overall textile industry, hence it was unable to make scheduled repayments of restructured long term financing. The management has actively taken measure to rectify the default by approaching its lenders for further restructuring of the liabilities. The further restructuring is in advanced stage and expected to be finalised soon.

#### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments.

	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to eight years
<b>2018</b>					
<b>Non-derivative financial liabilities</b>			(Rupees)		
Long term financing - Secured	3,093,818,985	4,034,660,817	3,737,168,572	3,164,716	294,327,529
Trade and other payables	179,386,866	179,386,866	179,386,866	--	--
Liability for staff gratuity	50,808,126	50,808,126	50,808,126	--	--
Unclaimed dividend	254,206	254,206	254,206	--	--
Mark-up accrued	744,028,436	744,028,436	744,028,436	--	--
Short term borrowings	586,010,566	608,402,318	608,402,318	--	--
	<u>4,654,307,185</u>	<u>5,617,540,769</u>	<u>5,320,048,524</u>	<u>3,164,716</u>	<u>294,327,529</u>
<b>2017</b>					
<b>Non-derivative financial liabilities</b>			(Rupees)		
Long term financing - Secured	3,087,912,741	4,041,238,443	1,924,821,600	298,668,368	1,817,748,475
Trade and other payables	179,398,750	179,398,750	179,398,750	--	--
Liability for staff gratuity	50,808,126	50,808,126	50,808,126	--	--
Unclaimed dividend	254,206	254,206	254,206	--	--
Mark-up accrued	560,647,938	560,647,938	560,647,938	--	--
Short term borrowings	586,010,566	608,402,318	608,402,318	--	--
	<u>4,465,032,327</u>	<u>5,440,749,781</u>	<u>3,324,332,938</u>	<u>298,668,368</u>	<u>1,817,748,475</u>

**37.4 Market risk**

Market risk is a risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of financial instruments. The Company is exposed to currency risk and interest rate risk only.

**37.4.1 Currency risk**

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. The financial instruments of the Company are not exposed to currency risk as there were no financial instruments in foreign currencies.

**37.4.2 Interest rate risk**

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the risk of changes in interest rates relates primarily to the following:

<b>Fixed rate instruments at carrying amounts:</b>	<b>2018</b>	<b>2017</b>
	<b>----- (Rupees) -----</b>	
<i>Financial liabilities</i>		
Long term financing	<b>3,093,818,985</b>	<b>3,087,912,741</b>
<b>Variable rate instruments at carrying amounts:</b>		
<i>Financial liabilities</i>		
Short term borrowings	<b>553,565,566</b>	<b>553,565,566</b>

**Fair value sensitivity analysis for fixed rate instruments:**

The Company does not account for any fixed rate financial assets at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

**Cash flows sensitivity analysis for variable rate instruments:**

A change of 100 basis points in interest rates at the reporting date would have increased / decreased loss/profit for the year by the amounts shown below:

Effect on loss due to change of 100 bps		
Increase / decrease	<b>2,806,866</b>	<b>2,806,866</b>

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

**37.5 Capital risk management**

The Company's prime objective when managing capital is to safe guard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

**37.6 Fair values of financial instruments**

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.

**38 CORRESPONDING FIGURES**

The corresponding figures have been rearranged and reclassified for the purpose of comparison and better presentation, significant restatements are disclosed in note 5.19 in the financial statements. The significant reclassifications consists of reclassification of provision for obsolete stock, provision for doubtful debts and provision for slow moving stores and spares from 'administrative and general expenses' (note 26) to 'other charges' (note 28). Further, unclaimed dividend has been reclassified from trade and other payables (note 11) and presented on face of statement of financial position.

**39 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on 28th September 2018, by the Board of Directors of the Company.

**40 GENERAL**

These financial statements are presented in rupees and figures have been rounded off to the nearest rupee.

*Note: Chief Executive of the Company is presently not available in Pakistan, therefore these financial statements have been signed by two directors duly authorized in this behalf.*



**Syed Muhammad Anwar**  
Chairman Board of Directors



**S.M. Raza**  
Chief Financial Officer



**Imran Ahmed Javed**  
Director



## PATTERN OF SHAREHOLDING THE CODE OF CORPORATE GOVERNANCE AS ON 30TH JUNE 2018

*Pattern of Shareholding under Regulation 37(xx)(i) of the Code of Corporate Governance  
as at June 30, 2018*

Srl #	Categories of Shareholders	Number of Shareholders	Number of Shares held	% of Shareholding
1.	Associated Companies	1	1,306,887	2.84%
2.	NIT and ICP	-	-	0.00%
3.	Directors, CEO, their Spouses & Minor Children	7	4,000	0.01%
4.	Executives	-	-	0.00%
5.	Public Sector Companies & Corporations	4	212,438	0.46%
6.	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Modarbas & Mutual Funds	-	-	0.00%
7.	Individuals	316	44,541,284	96.69%
	<b>TOTAL</b>	<b>328</b>	<b>46,064,609</b>	<b>100.00%</b>

DETAILS OF CATAGORIES OF SHAREHOLDERS				
Srl #	Names	Number of Shareholders	Number of Shares held	% of Shareholding

### 1. Associated Companies

1.1	Dewan Motors (Pvt.) Limited	1	1,306,887	2.84%
-----	-----------------------------	---	-----------	-------

### 2. NIT and ICP

-	-	0.00%
---	---	-------

### 3. Directors, CEO, their Spouses & Minor Children Directors and CEO

3.1	Mr. Aziz-Ul-Haq	1	1,000	0.00%
3.2	Mr. Muhammad Baqar Jafferi	1	500	0.00%
3.3	Mr. Gazanfar Babar Siddiqi	1	500	0.00%
3.4	Mr. Ishtiaq Ahmed	1	500	0.00%
3.5	Mr. Syed Muhammad Anwar	1	500	0.00%
3.6	Mr. Imran Ahmed Javed	1	500	0.00%
3.7	Mr. Zafar Asim	1	500	0.00%
		<b>7</b>	<b>4,000</b>	<b>0.01%</b>

### Spouses of Directors and CEO

-	-	0.00%
-	-	0.00%

### Minor Children of Directors and CEO

SHAREHOLDERS HOLDING 5% OR MORE OF THE VOTING SHARES/ INTERESTS IN THE COMPANY				
Srl #	Names	Number of Shareholders	Number of Shares held	% of Shareholding
1	Dewan Muhammad Yousuf Farooqui	2	31,040,518	67.38%
2	Dewan Abdul Rehman Farooqui	2	6,299,053	13.67%

### DETAILS OF TRADING IN THE SHARES OF THE COMPANY BY DIRECTORS, CEO, CFO, COMPANY SECRETARY, THEIR SPOUSES AND MINOR CHILDREN

During the year under review, none of the CEO, CFO, Directors, Company Secretary, their spouses and minor children have traded in the shares of the Company.

# DEWAN TEXTILE MILLS LIMITED

**FORM 34**

## THE COMPANIES ORDINANCE, 1984

(Section 236(1) and 464)

### PATTERN OF SHAREHOLDING

1. Incorporation Number **0003113**
2. Name of the Company **DEWAN TEXTILE MILLS LIMITED**
3. Pattern of holding of the shares held by the Shareholders as at 

3	0	0	6	2	0	1	8
---	---	---	---	---	---	---	---

4.	Number of Shareholders	Shareholdings			Total Shares held
	143	1	-	100 Shares	2,185
	52	101	-	500 Shares	18,650
	28	501	-	1,000 Shares	24,419
	62	1,001	-	5,000 Shares	151,175
	9	5,001	-	10,000 Shares	67,500
	5	10,001	-	15,000 Shares	63,594
	4	15,001	-	25,000 Shares	90,006
	2	25,001	-	35,000 Shares	62,316
	1	35,001	-	45,000 Shares	42,500
	2	45,001	-	50,000 Shares	99,106
	2	50,001	-	70,000 Shares	129,624
	2	70,001	-	80,000 Shares	149,503
	1	80,001	-	250,000 Shares	211,000
	2	250,001	-	300,000 Shares	518,080
	1	300,001	-	400,000 Shares	333,965
	1	400,001	-	450,000 Shares	401,293
	1	450,001	-	500,000 Shares	500,000
	2	500,001	-	900,000 Shares	1,679,714
	3	900,001	-	1,000,000 Shares	2,873,521
	1	1,000,001	-	1,500,000 Shares	1,306,887
	1	1,500,001	-	2,000,000 Shares	1,669,053
	1	2,000,001	-	4,500,000 Shares	4,321,092
	1	4,500,001	-	5,000,000 Shares	4,630,000
	1	5,000,001	-	27,000,000 Shares	26,719,426
	<b>328</b>	<b>TOTAL</b>			<b>46,064,609</b>

5.	Categories of Shareholders	Shares held	Percentage
5.1	Directors, Chief Executive Officer, their spouses and minor children	4,000	0.01%
5.2	Associated Companies, undertakings and related parties	1,306,887	2.84%
5.3	NIT and ICP	-	0.00%
5.4	Banks, Development Financial Institutions, Non-Banking Finance Companies	-	0.00%
5.5	Insurance Companies	-	0.00%
5.6	Modarabas and Mutual Funds	-	0.00%
5.7	Shareholders holding 5%	37,339,571	81.06%
5.8	<u>General Public</u>		0.00%
	a. Local	44,541,284	96.69%
	b. Foreign	-	0.00%
5.9	Others (Joint Stock Companies, Brokrage Houses, Employees Funds & Trustees)	212,438	0.46%

**YD**

A YOUSUF DEWAN COMPANY

**آمدنی فی شیئر:**

زیر جائزہ مدت کے دوران مبلغ (13.07) (2017: مبلغ (16.01)) روپے فی شیئر خسارہ پایا گیا۔

**آڈیٹرز کی تقرری:**

موجودہ آڈیٹرز میسرز فاروق علی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں انہوں نے دوبارہ تقرری کیلئے اپنی خدمات پیش کی ہیں۔ آپ کی کمپنی کے بورڈ آف ڈائریکٹرز نے بورڈ کی آڈٹ کمیٹی کی سفارشات کی بنیاد پر مجوزہ میسرز فاروق علی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو کمپنی کی آڈیٹرز کے طور پر دوبارہ تقرری کی تجویز کی ہے۔

**شیئر ہولڈنگ کا پیٹرن:**

کمپنیز ایکٹ، 2018ء، لسٹنگ ریگولیشن اور کوڈ آف کارپوریٹ گورننس کے تحت مقررہ شیئر ہولڈنگ کی معلومات مرتب کی گئی ہیں جو کہ اس رپورٹ کے ساتھ منسلک ہیں۔

**اہم آپریٹنگ اور مالیاتی تفصیل:**

چھ سالہ اہم آپریٹنگ اور مالیاتی تفصیل منسلک ہے۔

**اظہار تشکر اور دعائیہ کلمات:**

بورڈ کی جانب سے ہم تمام ایگزیکٹو، اسٹاف ممبران اور ورکرز کا کمپنی کیلئے ان کی خدمات پر شکریہ ادا کرتے ہیں۔

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 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 ثناء آمین۔

میرا پروردگار یقیناً ہماری دعاؤں کو سنتا ہے۔ (قرآن کریم)  
بورڈ آف ڈائریکٹرز کی جانب سے

**سید محمد انوار**

چیئرمین بورڈ آف ڈائریکٹرز

**عمران احمد جاوید**

ڈائریکٹر

کراچی؛

تاریخ: 28 ستمبر 2018



اس سال کے دوران بورڈ کی چار میٹنگوں کا انعقاد ہوا جس میں شرکت کرنے والے ڈائریکٹرز کی تفصیل درج ذیل ہے:

نام:	میٹنگ میں شرکت کنندہ کی تعداد
دیوان محمد یوسف فاروقی	2
جناب عزیز الحق	4
جناب اشتیاق احمد	4
جناب غنفر بابر صدیقی	4
سید محمد انوار	4
جناب محمد باقر جعفری	4
جناب عمران احمد جاوید	4
جناب ظفر عاصم	2

وہ ڈائریکٹرز جو میٹنگ میں شرکت نہیں کر سکے ان ڈائریکٹرز کو غیر حاضری پر چھٹی عنایت کر دی گئی تھی۔

آڈٹ کمیٹی:

بورڈ نے اپنے ڈائریکٹرز کو کارپوریٹ گورننس، مالیاتی رپورٹنگ اور کارپوریٹ کنٹرول کیلئے ان کی ذمہ داریوں کی تکمیل میں تعاون کیلئے آڈٹ کمیٹی تشکیل دی تھی۔ یہ کمیٹی تین ممبران پر مشتمل ہے، ممبران کی اکثریت بشمول کمیٹی کے چیئرمین اور غیر ایگزیکٹو ڈائریکٹر پر مشتمل ہے۔

سال کے دوران آڈٹ کمیٹی کی چار میٹنگوں کا انعقاد کیا گیا تھا جس میں درج ذیل نے شرکت کی تھی:

نام:	میٹنگ میں شرکت کنندہ کی تعداد
جناب عزیز الحق - چیئرمین	4
جناب محمد باقر جعفری	4
جناب غنفر بابر صدیقی	4

ہیومن ریسورس اور اجرتی کمیٹی:

ہیومن ریسورس اور اجرتی کمیٹی کی تشکیل بورڈ نے کی تھی تاکہ ہیومن ریسورس کی پالیسیوں پر میعاد کی جائزے سے متعلق ان کی ذمہ داریوں میں تعاون فراہم کر سکیں۔ اس کے علاوہ انتخاب، تنجینہ، معاوضہ اور انتظامیہ کی اہم کامیابی کی منصوبہ بندی بورڈ کے ساتھ تعاون کر سکے۔

یہ کمیٹی تین ممبران پر مشتمل ہے، دوران سال ہیومن ریسورس اور اجرتی کمیٹی کی ایک میٹنگ منعقد کی گئی تھی جس میں درج ذیل نے شرکت کی:

نام:	میٹنگ میں شرکت کنندہ کی تعداد
جناب غنفر بابر صدیقی - چیئرمین	1
جناب عمران احمد جاوید	1
جناب اشتیاق احمد	1

**YD**

A YOUSUF DEWAN COMPANY

**انسانی ذرائع (ہیومن ریسورس):**

کمپنی کی انتظامیہ اس بات پر واضح یقین رکھتی ہے کہ بہترین پیداواری صلاحیت کیلئے انسانی ذرائع اور مضبوط قیادت بے حد اہم ہے۔ لہذا کمپنی کی انتظامیہ انسانی ذرائع کے استعمال کو بے حد اہمیت دیتی ہے، اس سلسلے میں ملازمین کیلئے مناسب تربیت، ہدایات اور وقتاً فوقتاً مراعاتی اسکیمیں فراہم کرتے ہیں۔

**کوڈ آف کارپوریٹ گورننس پر عملدرآمد:**

آپ کی کمپنی کے ڈائریکٹرز نے سیکورٹی اینڈ انکیکیٹ کمیشن آف پاکستان کے جاری کردہ کوڈ آف کارپوریٹ گورننس کے تمام قوانین پر عملدرآمد یقینی بنایا ہے۔ اس سے متعلق کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک پر مندرجہ ذیل بیانات ہیں:

- ۱- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے حالات، اس کے کاروباری نتائج، نقد رقم کی ترسیل اور حصص میں رد و بدل کی شفاف عکاسی کرتے ہیں۔
- ۲- کمپنی کے کھاتے مناسب طریقہ سے مرتب کئے جاتے ہیں۔
- ۳- اکاؤنٹنگ پالیسیوں کے تسلسل کو مالیاتی گوشوارے کی تیاری میں یقینی بنایا گیا ہے، جن پالیسیوں میں تبدیلی کی گئی ہے ان کے مالی اثرات مناسب طریقے سے بتایا گیا ہے، تخمینوں کے اندازے لگانے میں ماہرانہ احتیاط برتی جاتی ہے۔
- ۴- مالیاتی گوشوارے کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیارات جیسے پاکستان میں نافذ العمل ہیں، باقاعدہ طور پر اس کا لحاظ رکھا جاتا ہے اور اگر ان سے کوئی انحراف ہو تو اسے موثر طریقے سے بیان کیا گیا ہے۔
- ۵- اندرونی کنٹرول کے نظام منظم ہیں اور اس کی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- ۶- کارپوریٹ گورننس پر عملدرآمد کے حوالے سے کوئی بھی انحراف نہیں کیا گیا سوائے ان کے جن کا ذکر آڈیٹرز کی جائزہ رپورٹ میں ہے۔
- ۷- کمپنی نے اپنے بورڈ کے غیر ایگزیکٹو ممبران میں سے ایک آڈٹ کمیٹی تشکیل دی ہے۔
- ۸- بورڈ نے اپنے ممبران اور کمپنی کے ملازمین میں سے اسٹینڈنٹ برائے اصول اور کاروباری عمل کیلئے مرتب کر کے جاری کیا ہے۔
- ۹- آنے والے سالوں میں کمپنی کے کاروباری تسلسل پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں ماسوائے وہ جس کا انکشاف مالیاتی حسابات کے نوٹ نمبر 3 میں کیا گیا ہے۔
- ۱۰- منیکسرس، ڈیپوٹیز اور دیگر چارجز سے متعلق معلومات مالیاتی گوشواروں میں دی گئی ہیں۔
- ۱۱- پروڈیٹ فنڈ کی سرمایہ کاری کی دہلیوان کے متعلقہ اکاؤنٹس کے مطابق مبلغ 41.806 ملین ہے۔ (2017: مبلغ 41.439 ملین روپے)۔
- ۱۲- کارپوریٹ گورننس کے حوالے سے مندرجہ ذیل معلومات منسلک ہیں:
  - (۱) شیئر ہولڈنگ کی تفصیلات
  - (۲) متعلقین اور منسلک کمپنیز کے شیئرز کی تفصیلات

**بورڈ:**

بورڈ آف ڈائریکٹرز متنوع علم کے حامل افراد اور ماہرین پر مشتمل ہے جو کمپنی بہترین مہارت کے تحت کمپنی کے مقاصد پر عملدرآمد کرتے ہیں۔

30 جون 2018ء کو بورڈ آف ڈائریکٹرز کی تفصیلات مندرجہ ذیل ہیں:

تعداد	ڈائریکٹرز
7	الف) مرد
کوئی نہیں	ب) خواتین
تعداد	ساخات
1	الف) آزاد ڈائریکٹر
5	ب) دیگر غیر انتظامی ڈائریکٹر
1	ج) انتظامی ڈائریکٹر

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 رابطہ قائم کیا ہے جو کہ زیر غور ہے۔ انتظامیہ کو امید ہے کہ یہ نظر ثانی حتمی ہوگی اسی لیے بینک کے قرضہ جات کی درجہ بندی طویل مدتی بنیاد پر کی گئی ہے جس کی مکمل وضاحت مالیاتی حسابات کے نوٹ 9.1 اور نوٹ 2 میں کی گئی ہے۔ اس کے علاوہ متعلقہ تاریخ تک واجب الادا مارک اپ مبلغ 1.632 بلین روپے ہے جس کے لئے کمپنی معاہدے کی شرائط میں ڈیفالٹ کے تحت ادا کرنے کی پابند ہوگی جس کی مکمل وضاحت مالیاتی حسابات کے نوٹ 14.3 میں کی گئی ہے جبکہ دوبارہ تجدید کے حوالے سے نظر ثانی کا مسئلہ زیر غور ہے اور انتظامیہ کو اعتماد ہے کہ یہ رقم واجب الادا نہیں ہوگی۔ اسی لیے مالیاتی حسابات میں اسے ریکارڈ نہیں کیا گیا ہے۔

بینک/مالیاتی اداروں کے قرضہ جات جو کہ نوٹ 11.1 اور 12 میں بیان کیے گئے ہیں، کچھ بینکوں/مالیاتی اداروں نے محترم ہائی کورٹ آف سندھ کراچی میں کمپنی کی رہن کردہ اثاثوں کی منسلک اور فروخت کے ذریعے اپنے قرضہ جات کی وصولی کے مقدمات داخل کئے ہیں۔ مقدمات کی رقم مبلغ 419.065 بلین روپے ہے، جن میں سے دو بینکوں جن کے مقدمات میں دعویٰ کی رقم مبلغ 359.439 بلین روپے ہے، نے اختتام کی درخواستیں زیر دفعہ 305 سابقہ کمپنیز آرڈیننس 1984ء کے تحت بھی دائر کی ہیں۔ کمپنی نے کھیمز کو متنازع قرار دیا ہے اور کھیمز کا سامنا کیا ہے۔ انتظامیہ نے کاؤنٹر کھیمز داخل کئے ہیں جس میں یہ الزام لگایا گیا ہے کہ بینک کے کلیم میں مارک اپ زیادہ چارج کیا گیا ہے اس کے علاوہ دیگر ریٹ بھی مارک اپ کے مقابلے میں زیادہ ہیں۔ اس کے علاوہ دیگر چارجز بھی اسٹیٹ بینک آف پاکستان اور پاکستان میں نافذ العمل دیگر قوانین کے خلاف ہے۔ انتظامیہ پر امید ہے کہ ان کا فیصلہ کمپنی کے حق میں ہوگا اور ان بے بنیاد مقدمات کو متعلقہ عدالتیں خارج کر دیں گی۔

کمپنی نے اس سال کے لئے مارک اپ مبلغ 47.743 بلین روپے (30 جون 2017ء تک 364.714 بلین روپے) کو ریکارڈ نہیں کیا ہے جو کہ مختلف بینکوں سے قرضہ سے متعلق ہے جنہوں نے اب تک ری اسٹرکچرنگ قبول نہیں کی ہے۔ کمپنی کی انتظامیہ پر امید ہے کہ یہ بینکس بھی مستقبل قریب میں اس دوبارہ ترتیب کو قبول کر لیں گے۔ لہذا ان مالیاتی حسابات میں مذکور مارک اپ کو ریکارڈ نہیں کیا ہے۔

آڈیٹرز نے تجارتی وصولیات سے متعلق اضافی پروویژن کیلئے سفارش بھی کی ہے جبکہ کمپنی کی انتظامیہ مکمل طور پر پر امید ہے کہ یہ وصولیاں کمپنی کے فعال ہونے پر وصول ہو جائیں گی۔

### مستقبل پر ایک نظر:

پاکستان کی معیشت اقتصادی طور پر کئی ایک چیلنجز سے دوچار ہے جو کہ اقتصادی سرگرمیوں اور ملکی ترقی کو متاثر کر رہی ہے۔ ٹیکسٹائل کی صنعت توانائی، گیس، بجلی کے چارجز میں اضافہ کی وجہ سے مشکلات کا شکار ہے اسی لئے پاکستان کی برآمدات عالمی مارکیٹ میں مقابلہ کرنے سے قاصر ہے۔ اس سلسلے میں حکومت کی جانب سے براہ راست اقدامات کی ضرورت ہے تاکہ ٹیکسٹائل کی صنعت کو جاری و ساری رکھا جاسکے بالخصوص قابل برداشت گیس کی قیمتوں اور اس کی رسد کو موثر بنانے کیلئے اقدامات کرنے ہو گئے۔ انتظامیہ کمپنی کی پیداواری سرگرمیوں کو بحال کرنے کی ہر ممکن کوشش کر رہی ہے جس کا دار و مدار مستقبل کے معاشی حالات پر ہے۔

### کارپوریٹ معاشرتی ذمہ داریاں:

ہم کارپوریٹ معاشرتی ذمہ داریوں کے حوالے سے اس بات کا بھی عہد کرتے ہیں کہ ہم اپنی معمول کے مطابق کاروباری سرگرمیوں کے عمل کو مضبوط کرنا چاہتے ہیں۔ ہم کیا ہیں اور کیسے عوامل چاہتے ہیں، CSR اس چیز کا ایک اہم حصہ ہے۔ ہم نے اپنی کامیابی کو نہ صرف مالیاتی سرگرمیوں کیلئے وقف کیا ہے بلکہ ہم اپنے صارفین کا اطمینان بھی چاہتے ہیں اور ان تمام برادریوں کو بھی سپورٹ کرنا چاہتے ہیں جن کی ہم خدمت کرتے ہیں۔

### صحت، حفاظت اور ماحول:

کمپنی کی انتظامیہ اپنی ذمہ داری سے آگاہ ہے جس کے تحت ہمیں ہمارے متعلقین کو محفوظ اور صحت مندانہ ماحول فراہم کرنا ہے۔ ہماری حفاظتی ثقافت کا مقصد یہ ہے کہ ہر طرح کے مسائل سے محفوظ رہا جائے۔ ملازمین کیلئے محفوظ، صحت مندانہ اور پرسکون امور حالات پیدا کرنے کیلئے مستقل جدوجہد کرتے ہیں۔ ہم تمام تر حادثات وغیرہ کی صورت میں مکمل تفتیش کرتے ہیں اور اس کا سبب معلوم کرتے ہیں۔ ہمیں یقین ہے کہ تحفظ اور صحت مندانہ عمل بہتری کیلئے مستقل اصلاح کا راستہ ہے۔ ہم اپنے اور اپنے متعلقین کیلئے مستقل بنیاد پر تحفظ اور صحت مندانہ امور کی اصلاح کیلئے اقدامات کرتے رہتے ہیں۔

**YD**

A YOUSUF DEWAN COMPANY

## ڈائریکٹر رپورٹ

محترم شیئر ہولڈرز،

السلام علیکم،

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز اختتامی مالیاتی سال 30 جون 2018ء کے لئے سالانہ آڈٹ شدہ مالیاتی حسابات بمع آڈیٹرز رپورٹ پیش کر رہے ہیں۔

جائزہ:

پاکستان میں ٹیکسٹائل کی صنعت ایک وسیع پیداواری اور دوسرا بڑا روزگار فراہم کرنے والا اہم شعبہ ہے اور اس کا تقریباً 60 فیصد حصہ زر مبادلہ کی آمدن میں شامل ہے، مگر جاری نامساعد حالات اور حکومت کی جانب سے عدم تعاون کے سبب ٹیکسٹائل ملز بند ہو رہی ہیں اور ٹیکسٹائل کی برآمدات بھی مستقل طور پر زوال پذیر ہیں۔ زیر جائزہ سال کے دوران ٹیکسٹائل اسپننگ کی صنعت مستقل دباؤ کا شکار رہی اور درپیش مخالف حالات نے مختلف پوائنٹس کے امور میں رخنہ کا باعث رہی۔

مالیاتی نتائج اور کارکردگی: (پیداوار معطل)

زیر جائزہ سال کے دوران مالیاتی نتائج درج ذیل ہیں:

(روپے)

--
(193,454,015)
<b>(193,454,015)</b>
(9,149,446)
<b>(202,603,461)</b>
(205,160,380)
(220,911,500)
651,647
<b>(628,023,694)</b>
26,038,255
<b>(601,985,439)</b>

فروخت (صافی)

فروخت کی لاگت

خام خسارہ

آپریٹنگ اخراجات

آپریٹنگ خسارہ

مالیاتی لاگت

دیگر اخراجات

دیگر آمدنی

قبل از ٹیکس خسارہ

محصولات

بعد از ٹیکس خسارہ

اس سال کمپنی کی صافی فروخت پیداوار معطل ہونے کی وجہ سے صفر رہی جو کہ گزشتہ سال مبلغ 85.443 ملین روپے تھی۔ کمپنی کو مبلغ 193.454 ملین روپے کا کل خسارہ برداشت کرنا پڑا ہے جس کا موازنہ گزشتہ سال کے کل خسارہ 329.132 روپے سے کیا جاسکتا ہے جبکہ کمپنی کے آپریٹنگ کے اخراجات مبلغ 9.149 ملین روپے رہے۔ کمپنی نے وقتی طور پر دسمبر 2015ء سے اپنی پیداوار کے عمل کو معطل کر دیا ہے جو کہ صنعت میں نامساعد مشکلات، مارکیٹ میں طلب کی کمی اور کام چلانے کے لیے سرمایہ میں کمی کی وجہ سے ہے۔

سال 2011-12 میں کمپنی نے اپنے قرض خواہوں کے ساتھ مصالحتی معاہدہ کے ذریعہ تصفیہ کر لیا تھا جس کے تحت محترم ہائی کورٹ آف سندھ کراچی نے ڈکری پاس کی تھی، کمپنی کے مختصر مدتی اور طویل مدتی قرضوں کو طویل مدتی قرضہ جات کی شکل میں دوبارہ مرتب کیا گیا، جبکہ کچھ قرض خواہوں جن کے مقدمات کی رقم مبلغ 419.065 ملین روپے تھی، انہوں نے اس وقت اس ری اسٹرکچرنگ کو قبول نہیں کیا تھا۔

کمپنی کے آڈیٹرز نے اپنی جاری کردہ رپورٹ میں تحفظات کا اظہار کیا ہے جن میں کمپنی کی مستقبل میں چلنے کی اہلیت، مارک اپ کو ریکارڈ نہ کرنا، قرضہ جات کی اقساط میں واپسی کی کوتاہی اور تجارتی وصولیات پر تحفظات شامل ہیں۔

5- تاحال سی این آئی سی فراہم نہ کرنے والے شیئر ہولڈرز کو نوٹس سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ایس آر او 831(1)/2012 مورخہ 5 جولائی 2012ء میں درج ذیل ہدایات کے مطابق شیئرز ہولڈرز کو ڈیویڈنڈ وارنٹس وغیرہ کے اجرا کے لیے سی این آئی سی لازمی ہے جس کی عدم موجودگی میں ڈیویڈنڈ کی ادائیگی ایس ای سی پی کی مندرجہ بالا ہدایات کے مطابق روکی جاسکتی ہے لہذا جن حصص یافتگان نے تاحال اپنے سی این آئی سی فراہم نہیں کیے ہیں ان کو ایک بار پھر ہدایت کی جاتی ہے کہ اپنے سی این آئی سی کی تصدیق شدہ کاپی بلا تاخیر براہ راست ہمارے شیئر رجسٹرار کو فراہم کر دیں۔

6- شیئر ہولڈرز کے لیے ای ڈیویڈنڈ مینڈیٹ نقد منافع منقسمہ کی ادائیگی کو مزید بہتر بنانے کے لیے ای ڈیویڈنڈ میکنزم متعارف کرایا گیا ہے جس کے تحت حصص یافتگان ڈیویڈنڈ کی رقم فوری طور پر اپنے متعلقہ بینک اکاؤنٹ میں الیکٹرونکلی وصول کر سکتے ہیں اس طریقہ سے ڈیویڈنڈ ان کے بینک اکاؤنٹ میں منتقل ہو جائے گا اور بذریعہ ڈاک گمشدگی، عدم وصولی اور غلط پتے پر وصولی وغیرہ کے خدشات ہوں گے، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے نوٹس نمبر 8(4) ایس ایم/سی ڈی سی 2008ء مورخہ 5 اپریل 2013ء کے ذریعہ تمام لسٹڈ کمپنیوں کو حصص ہولڈرز کے مفاد میں ای ڈیویڈنڈ میکنزم کو اختیار کرنے کی ہدایات جاری کی گئی ہیں، مندرجہ بالا کے پیش نظر آپ کو ڈیویڈنڈ مینڈیٹ فارم پر اور دستخط کے ہمراہ جمع کرا کے ڈیویڈنڈ مینڈیٹ فراہم کیا جا رہا ہے۔

7- مالی گوشواروں وغیرہ کی الیکٹرونکلی ترسیل ایس ای سی پی نے اپنے اعلامیہ نمبر ایس آر او 787(1)/2014 مورخہ 8 ستمبر 2014ء کمپنیوں کو سالانہ آڈٹ شدہ مالی گوشواروں مع سالانہ اجلاس کے نوٹس ڈاک کی بجائے بذریعہ ای میل ان ممبران کو ارسال کرنے کی اجازت دے دی ہے جو اس سہولت سے استفادہ حاصل کرنے کے متنبی ہیں مذکورہ بالا گوشوارے اور سالانہ اجلاس عام کے نوٹس بذریعہ ای میل وصول کرنے کے خواہشمند ممبران سے درخواست ہے کہ وہ کمپنی کی ویب سائٹ <http://www.yousufdewan.com/DTML/index.html> اسٹینڈرڈ ریکوئسٹ فارم پر اپنی خواہش تحریری طور پر فراہم کریں۔

**YD**

A YOUSUF DEWAN COMPANY

## دیوان ٹیکسٹائل ملز لمیٹڈ سالانہ اجلاس عام

ہذا کو مطلع کیا جاتا ہے کہ دیوان ٹیکسٹائل ملز لمیٹڈ (ڈی ٹی ایم ایل یا کمپنی) کا اونچا سواں (49) واں سالانہ اجلاس عام جمعرات 25 اکتوبر 2018ء کو صبح ساڑھے دس بجے دیوان سینٹ لمیٹڈ فیکٹری سائٹ واقع دی ڈھنڈو، دھانیجی ضلع ملیر کراچی پاکستان میں مندرجہ ذیل امور کی انجام دہی کے لیے منعقد کیا جائے گا۔ کارروائی کا آغاز تلاوت کلام پاک سے ہوگا۔

### عمومی امور

- 1- گزشتہ سالانہ اجلاس عام منعقدہ پیر، 30 اکتوبر 2017ء کی کارروائی کی توثیق۔
- 2- 30 جون 2018ء کو مکمل ہونے والے سال کے لیے آڈٹ شدہ مالی گوشواروں مع ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری۔
- 3- آئندہ سال کے لیے کمپنی کے آڈیٹرز کی تقرری اور ان کے مشاہرہ کا تعین۔
- 4- چیئرمین کی اجازت سے دیگر امور کی انجام دہی۔

بحکم بورڈ

محمد حنیف جومان  
کمپنی سیکریٹری

کراچی۔

01 اکتوبر 2018ء

### نوٹ:

- 1- کمپنی کی متعلقہ حصص کی کتب 18 اکتوبر 2018ء تا 25 اکتوبر 2018ء (دونوں دن شامل) بند رہیں گی۔
- 2- ممبران سے درخواست ہے کہ وہ اپنے پتے میں کسی قسم کی تبدیلی سے فوری طور پر ہمارے شیئر رجسٹرار ٹرانسفر ایجنٹ بی ایم ایف کنسلٹنٹس پاکستان (پرائیویٹ) لمیٹڈ واقع انعم اسٹیٹ بلڈنگ کمرہ نمبر 311-310 تھرڈ فلور 49 دارالامان سوسائٹی مین شاہراہ فیصل متصل بلوچ کالونی پل، کراچی پاکستان کو مطلع کریں۔
- 3- اجلاس ہذا میں شرکت اور رائے دہی کا اہل ممبر اپنی جانب سے شرکت اور رائے دہی کے لیے دوسرے ممبر کو اپنا پروکسی مقرر کر سکتا ہے تاہم پروکسی کی تقرری کی دستاویز اجلاس کے انعقاد سے کم از کم اڑھتالیس گھنٹے قبل کمپنی کو مندرجہ بالا پتے پر مل جانی چاہیے۔
- 4- سی ڈی سی اکاؤنٹ ہولڈرز کو مزید براں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکلر نمبر 1 مورخہ 20 جنوری 2000ء میں درج مندرجہ ذیل ہدایات پر عمل کرنا ہوگا۔

### الف) برائے اجلاس میں شرکت

- (i) انفرادی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور یا افراد کی صورت میں یا جن کی سیکورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن تفصیلات ضابطہ کے مطابق اپ لوڈ ہوں اپنی شناخت کے لیے اصل قومی شناختی کارڈ (سی این آئی سی) یا اصل پاسپورٹ اجلاس میں شرکت کے موقع پر پیش کرنا ہوگا۔
- (ii) کارپوریٹ اسٹیبلشمنٹ کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیے گئے ہوں) اجلاس کے موقع پر پیش کرنا ہوگا۔

### ب) پروکسی کی تقرری

- (i) انفرادی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور یا افراد کی صورت میں جن کی سیکورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن تفصیلات ضابطہ کے تحت اپ لوڈ ہوں پروکسی فارم مندرجہ بالا شرائط کے مطابق داخل کرانے ہوں گے۔
- (ii) پروکسی فارم پر دو افراد کی گواہی ہونی چاہیے جن کے نام پتے اور سی این آئی سی نمبر فارم میں درج ہوں۔
- (iii) ممبر اور پروکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پروکسی فارم سے منسلک کرنی ہوں گی۔
- (iv) پروکسی کو اجلاس کے موقع پر اصل قومی شناختی کارڈ (سی این آئی سی) یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (v) کارپوریٹ اسٹیبلشمنٹ کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیے گئے ہوں) پروکسی فارم ہمراہ کمپنی کو پیش کرنے ہوں گے۔

**DEWAN TEXTILE MILLS LIMITED**  
**49th ANNUAL GENERAL MEETING**  
**FORM OF PROXY**

This form of Proxy duly completed must be deposited at our Shares Registrar Transfer Agent **BMF Consultants Pakistan (Private) Ltd.** Anum Estate Building, Room No. 310 & 311, 3rd Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal, Adjacent Baloch Colony Bridge, Karachi-75350, Pakistan. Not later than 48 hours before the time of holding the meeting A Proxy should also be a member of the Company.

I/we \_\_\_\_\_  
of \_\_\_\_\_ being a member (s) of  
**DEWAN TEXTILE MILLS LIMITED** and holder of \_\_\_\_\_  
Ordinary Shares as per Registered Folio No./CDC Participant's ID and Account No. \_\_\_\_\_  
hereby appoint \_\_\_\_\_  
of \_\_\_\_\_  
or failing him \_\_\_\_\_  
of \_\_\_\_\_  
who is also member of DEWAN TEXTILE MILLS LIMITED vide Registered Folio  
No./CDC Participant's ID and Account No. \_\_\_\_\_ as my/our proxy to vote for me/us and  
on my/our behalf at the 49th Annual General Meeting of the Company to be held on **Thursday, October 25, 2018, at 10:30 a.m.** And any adjournment thereof.  
Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

Affix  
Revenue  
Stamp  
Rs. 5/-

Signature \_\_\_\_\_

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

Signature

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

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

\_\_\_\_\_

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

Signature

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

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

\_\_\_\_\_



پراکسی فارم  
۴۹ واں سالانہ اجلاس عام

اہم اعلان

یہ پراکسی فارم مکمل پر کر کے ہمارے رجسٹرار شیئر ٹرانسفر ایجنٹ، بی ایم ایف کنسلٹنٹ (پرائیوٹ) لمیٹڈ، انعم اسٹیٹ بلڈنگ، روم نمبر 310 اور 311، تیسری منزل، 49، دارالمان سوسائٹی، شاہراہ فیصل، ملحقہ بلوچ کالونی پل، کراچی۔ 75350، پاکستان۔ کے آفس میں، میٹنگ کے انعقاد سے اڑتالیس گھنٹے پہلے یہ فارم ضرور جمع کروادیں، کسی بھی پراکسی کا کمپنی کا ممبر ہونا ضروری ہے۔

میں / ہم \_\_\_\_\_ کا (مکمل پتہ)

\_\_\_\_\_ بحیثیت ممبر

دیوان ٹیکسٹائل ملز لمیٹڈ کے \_\_\_\_\_ حصص کے مالک، رجسٹرڈ فوئیو نمبر /

سی ڈی سی آئی ڈی اور کھاتہ نمبر \_\_\_\_\_ میں

بطور پراکسی تقرر کرتا / کرتی ہوں \_\_\_\_\_ کا (مکمل پتہ)

جو بذات خود بھی \_\_\_\_\_

\_\_\_\_\_ دیوان ٹیکسٹائل ملز لمیٹڈ

\_\_\_\_\_ سی ڈی سی آئی ڈی اور کھاتہ نمبر

جو کہ میری / ہماری غیر موجودگی کی صورت میں کمپنی کے ۴۹ واں سالانہ اجلاس عام جو کہ بروز جمعرات، ۲۵ اکتوبر ۲۰۱۸ کو صبح ۱۰:۳۰ بجے، ہے میری / ہماری جانب سے ووٹ دے۔

بطور گواہ میں / ہم نے بروز \_\_\_\_\_ بتاریخ \_\_\_\_\_ ۲۰۱۸ کو میرے / ہمارے ہاتھ سے مہر لگائی۔

Affix  
Revenue  
Stamp  
Rs. 5/-

دستخط \_\_\_\_\_

گواہ: \_\_\_\_\_

نام: \_\_\_\_\_

مکمل پتہ: \_\_\_\_\_

گواہ: \_\_\_\_\_

نام: \_\_\_\_\_








مکمل پتہ: \_\_\_\_\_










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