



A YOUSUF DEWAN COMPANY

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DEWAN FAROOQUE SPINNING MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Executive Directors	:	Dewan Abdul Baqi Farooqui Chief Executive Officer & Director
Non-Executive Director	:	Syed Muhammad Anwar - Chairman, Board of Directors Mr. Imran Ahmed Javaid Syed Maqbool Ali Mr. Ghazanfar Baber Siddiqi Mr. Muhammad Baqar Jafferi
Independent Director	:	Mr. Aziz -ul-Haque
Audit Committee	:	Mr. Aziz -ul-Haque (Chairman) Syed Muhammad Anwar (Member) Mr. Ghazanfar Baber Siddiqi
Human Resources & Remuneration Committee	:	Mr. Aziz-ul-Haque - Chairman Mr. Imran Ahmed Javaid Dewan Abdul Baqi Farooqui - Member
Auditors	:	Feroze Sharif Tariq & Company Chartered Accountants 4/N/4 Block-6, PE.C.H.S.,
Company Secretary	:	Mr. Muhammad Hanif German
Chief Financial Officer	:	S. M. Raza
Tax Advisor	:	Abbass & Atif Law Associates
Legal Advisor	:	Sharif & Co. Advocates
Bankers	:	United Bank Limited Bank Islami Pakistan Limited MCB Bank Limited Silk Bank Limited Askari Bank Limited Allied Bank Limited Soneri Bank Limited Summit Bank Limited
Registered Office	:	Finance & Trade Centre Block-A, 7th Floor, Shahrah-e-Faisal, Karachi 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	:	54 Km, Multan Road, Phool Nagar By Pass District Kasur, Punjab , Pakistan.
Website	:	www.yousufdewan.com



A YOUSUF DEWAN COMPANY

DIRECTORS' REPORT

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

The Board of Directors of your Company is pleased to present unaudited condensed interim financial statements for the half year ended December 31, 2018 in compliance with the requirements of section 237 of the Companies Act, 2017 and code of corporate governance issued by Securities and Exchange Commission of Pakistan.

Operating results and performance:

Company's net revenue for half year was Rs. 232.367 million as compared to net sales of Rs. 547.798 million of the corresponding period of last year. Decrease in revenue in current period is due to manufacturing of yarn on contract basis during the period under review. Company suffered gross loss of Rs. 37.857 million as compared to the gross loss of Rs. 108.470 million of comparable period of last year due to working capital constraints, whereas operating expenses of the company remained at Rs. 17.341 million.

The demand of cotton is more than its consumption in Pakistan, therefore textile units have to rely on imported cotton, which not only increases the cost of production but also affect our foreign exchange reserves. In addition to above, cost of utilities and labor in Pakistan is significantly higher than other regional market players like Bangladesh, India and Vietnam, which ultimately increases the cost of doing business.

The auditors of the Company have qualified their review report on default in repayment of installments of restructured liabilities and related non-provisioning of mark-up. 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, hence no provision has been made in these condensed interim financial statements.

Future Outlook

It is difficult to compete in international market, at present, due to higher cost of production. However, we appreciate some steps taken by present Government, such as withdrawal of custom duty and sales tax on imported cotton which would be helpful for overall textile industry. Other measures such as power tariff i.e. RLNG \$6.5 per mmbtu effective from second quarter and electricity at 7.5 cent per unit effective from January 2019 would also help the textile industry to make its operations sustainable. Furthermore input sales tax paid on packing material is now claimable, by virtue of Finance Act, 2018, which will reduce the product cost.

Conclusion

With grace of Allah Almighty, the management of the company will put its best endeavors to bring better results in forthcoming half year. In conclusion, we bow beg and pray to Almighty Allah, Rahman-o-Rahim, in the name of our beloved Prophet Muhammad (Peace be upon him) for the continued showering of his blessings, Guidance, strength, health and prosperity to us, our company, country and nation, and also pray to Almighty Allah to bestow peace, Harmony, brotherhood and unity in true Islamic spirit to whole of Muslim Ummah; Ameen: Summa Ameen

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

By and under Authority of the Board of Directors

Dewan Abdul Baqi Farooqui
Chief Executive Officer & Director

Syed Muhammad Anwar
Chairman Board of Directors

Dated: February 26, 2019

04 ■ HALF YEARLY REPORT

FEROZE SHARIF TARIQ & CO.

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

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INDEPENDENT AUDITOR'S REVIEW REPORT To the members of Dewan Farooque Spinning Mills Limited Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying Condensed interim Statement of financial Position of Dewan Farooque Spinning Mills Limited ("the company") as at December 31, 2018 and the related Condensed interim statement of profit or loss and other comprehensive income, Condensed interim statement of changes in equity, and Condensed interim Statement of cash flow and together with the notes to the financial statement for the six months period then ended (hereinafter referred to as the "interim financial statements"). Management is responsible for the preparation and Presentation of this Condensed interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim statement of profit or loss for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed as we are required to review only the cumulative figures for the Six month ended December 31, 2018.

Scope of Review

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

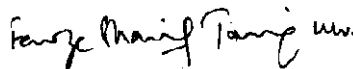
Basis of qualified Conclusion

- a) The company defaulted in repayment of installments of restructured liabilities of Financial institutions, hence as per clause 10.2 of the Compromise Agreement of the company, the entire outstanding restructured liabilities of Rs. 398.067 million along with markup of Rs.371.60 million (eligible for waiver outstanding as of date of restructuring) become immediately payable, therefore provision for markup should be made in these financial statements. Further, the short term finance facilities have expired and not been renewed by banks amounting to Rs. 192.10. The company is facing litigations from its lenders; the aggregate suit amount is Rs. 66.60 million on the which the company has also not provided markup on the same amount as fully disclosed in note 9 to the Condensed interim Financial Statements.
- b) Had the provisions for the mark up, as discussed in preceding paragraphs, been made in these financial statements, the loss after taxation would have been higher by Rs. 375.436 million and markup payable would have been higher and shareholders' equity would have been lower by Rs. 427.431 million.

Qualified Conclusion

Based on our review, except for the matter discussed in the preceding paragraph (a) and (b) and its effects, nothing has come to our attention that causes us to believe that these accompanying interim financial statements as of and for the six months period ended December 31, 2018 are not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial Reporting.

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



Dated: February 26, 2019
Place: Karachi

CHARTERED ACCOUNTANTS



A YOUSUF DEWAN COMPANY

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2018

		Un-Audited Dec. 31, 2018	Audited June 30, 2018
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES		Note	------(Rupees)-----
Authorized share capital 100,000,000 (2018: 100,000,000) Ordinary shares of Rs.10/- each		1,000,000,000	1,000,000,000
Issued, Subscribed and Paid-up Capital		977,507,260	977,507,260
Revenue Reserve - Accumulated loss		(1,016,686,817)	(964,607,537)
Capital Reserve - Revaluation surplus on property, plant and equipment		1,108,511,692	1,126,834,919
		1,069,332,135	1,139,734,642
NON-CURRENT LIABILITIES			
Long term loans	4	189,654,335	182,233,028
Deferred Taxation		202,030,654	219,835,713
Deferred Liability for staff gratuity		6,422,292	3,756,623
CURRENT LIABILITIES			
Trade and other payables		94,831,721	105,910,779
Accrued mark-up		161,682,457	146,302,764
Short term borrowings		244,477,965	274,477,965
Overdue portion of long term liabilities		463,896,977	463,896,977
Provision for taxation		12,519,453	9,614,864
		977,408,573	1,000,203,349
CONTINGENCIES AND COMMITMENTS			
	5	--	--
		2,444,847,989	2,545,763,355
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,032,721,867	2,089,034,129
Long term deposits		29,480,245	24,077,045
CURRENT ASSETS			
Stores & Spares		28,174,726	28,469,486
Stock-in-trade		28,103,027	28,188,863
Trade Debts- Unsecured, Considered Good.		115,736,102	168,475,529
Loans and advances- Unsecured, Considered Good.		64,614,403	64,608,999
Trade deposits and other receivables- Considered Good.		81,449,512	79,253,986
Taxes recoverable		61,180,080	55,745,041
Cash and bank balances	7	3,188,027	7,910,277
		382,645,877	432,652,181
		2,444,847,989	2,545,763,355

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


Dewan Abdul Baqi Farooqui
Chief Executive Officer & Director


S.M. Raza
Chief Financial Officer


S.M. Anwar
Chairman Board of Directors

DEWAN FAROOQUE SPINNING MILLS LIMITED


**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Half Year Ended		Quarter Ended	
	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
Note	----- (Rupees) -----			
Sales / Revenue - Net	232,367,135	547,797,780	108,977,935	225,536,997
Cost of sales / revenue	(270,223,686)	(656,268,402)	(136,996,576)	(275,195,007)
Gross (loss)	(37,856,551)	(108,470,622)	(28,018,641)	(49,658,010)
Operating expenses				
Administrative expenses	(14,964,856)	(65,993,538)	(7,834,238)	(57,684,572)
Selling and distribution expenses	(2,376,628)	(3,184,875)	(1,209,131)	(2,027,868)
	(17,341,484)	(69,178,413)	(9,043,369)	(59,712,440)
Operating (loss)	(55,198,035)	(177,649,035)	(37,062,010)	(109,370,450)
Other charges				
Finance cost	(30,112,310)	(32,864,696)	(16,279,045)	(16,486,776)
Other income	7,368	-	-	-
	(30,104,942)	(32,864,696)	(16,279,045)	(16,486,776)
(Loss) before taxation	(85,302,977)	(210,513,731)	(53,341,055)	(125,857,226)
Taxation				
Current	(2,904,589)	(6,847,472)	(1,362,224)	(2,819,212)
Deferred	10,477,203	12,033,797	5,238,601	5,816,335
	7,572,614	5,186,325	3,876,377	2,997,123
(Loss) after taxation	(77,730,363)	(205,327,406)	(49,464,678)	(122,860,103)
(Loss) per share - Basic and diluted (Rupees) 9	(0.80)	(2.10)	(0.51)	(1.26)

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


Dewan Abdul Baqi Farooqui
Chief Executive Officer & Director


S.M. Raza
Chief Financial Officer


S.M. Anwar
Chairman Board of Directors



A YOUSUF DEWAN COMPANY

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Half Year Ended		Quarter Ended	
	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
	(Restated)		(Restated)	
	----- (Rupees) -----			
(Loss) after taxation	(77,730,363)	(205,327,406)	(49,464,678)	(122,860,103)
Effect of change in tax rates on balance of revaluation on property, plant and equipment	7,327,856	8,130,110	-	-
Total comprehensive loss for the period	(70,402,507)	(197,197,296)	(49,464,678)	(122,860,103)

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


Dewan Abdul Baqi Farooqui
Chief Executive Officer & Director


S.M. Raza
Chief Financial Officer


S.M. Anwar
Chairman Board of Directors

DEWAN FAROOQUE SPINNING MILLS LIMITED

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Note	December 31, 2018 ----- (Rupees) -----	December 31, 2017 -----
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss) before taxation		(85,302,977)	(210,513,731)
Adjustments for non cash and other items:			
Provision for doubtful debts		-	49,623,784
Provision for gratuity		2,701,720	-
Depreciation		66,872,666	70,451,930
Financial charges		30,112,310	32,864,696
Cash flow before working capital changes		14,383,719	(57,573,321)
Working Capital changes			
(Increase)/ Decrease in current assets:			
Stores & spares		294,760	(4,559,795)
Stock in trade		85,836	76,828,196
Trade debts		52,539,427	226,559
Loans & advances		(5,404)	9,334,306
Trade deposits & other receivables		(2,195,526)	2,847,382
Increase/ (Decrease) in current liabilities:			
Trade and other payables		(11,079,058)	(27,905,854)
Cash generated from /(used in) operations		54,023,754	(802,527)
Taxes paid		(5,435,039)	(4,707,279)
Gratuity paid		(36,051)	-
Financial charges paid		(7,311,310)	(8,357,047)
		41,241,354	(13,866,853)
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(10,560,404)	(65,500)
Long term deposits		(5,403,200)	-
Net cash outflow from investing activities		(15,963,604)	(65,500)
CASH FLOW FROM FINANCING ACTIVITIES			
Syndicated Long Term Loan		-	-
Net cash Inflow/(out flow) from financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		25,277,750	(13,932,353)
Cash and Cash equivalents at the beginning of the period		(266,567,688)	(287,229,069)
Cash and Cash equivalents at the end of the period	7	<u>(241,289,938)</u>	<u>(301,161,422)</u>

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


Dewan Abdul Baqi Farooqui
Chief Executive Officer & Director


S.M. Raza
Chief Financial Officer


S.M. Anwar
Chairman Board of Directors



A YOUSUF DEWAN COMPANY

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

Issued, subscribed and Paid-up Capital	Revenue reserve	Capital Reserve	Total
	Accumulated loss	Revaluation surplus on property, plant & equipment	

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

Balance as at July 01, 2017 - as reported	977,507,260	(643,645,234)	--	333,862,026
Effect of Change in accounting policy (note 3.2)	--	--	1,174,862,529	1,174,862,529
Balance as at July 01, 2017 - as restated	977,507,260	(643,645,234)	1,174,862,529	1,508,724,555

Total comprehensive loss for the period

(Loss) for the period

Other comprehensive income

--	(205,327,406)	--	(205,327,406)
--	--	8,130,110	8,130,110
--	(205,327,406)	8,130,110	(197,197,296)

Transfer to accumulated loss

in respect of incremental depreciation - net of tax

--	13,838,867	(13,838,867)	--
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Balance as at December 31, 2017 - as restated

977,507,260	(835,133,773)	1,169,153,772	1,311,527,259
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Balance as at July 01, 2018

977,507,260	(964,607,537)	1,126,834,919	1,139,734,642
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Total comprehensive loss for the period

(Loss) for the period

Other comprehensive income

--	(77,730,363)	--	(77,730,363)
--	--	7,327,856	7,327,856
--	(77,730,363)	7,327,856	(70,402,507)

Transfer to accumulated loss

in respect of incremental depreciation - net of tax

--	25,651,083	(25,651,083)	--
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Balance as at December 31, 2018

977,507,260	(1,016,686,817)	1,108,511,692	1,069,332,135
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The annexed notes form an integral part of these condensed interim financial statements.


Dewan Abdul Baqi Farooqui
 Chief Executive Officer & Director


S.M. Raza
 Chief Financial Officer


S.M. Anwar
 Chairman Board of Directors

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018

1 THE COMPANY AND ITS OPERATIONS

Dewan Farooque Spinning Mills Limited is incorporated in Pakistan on December 22, 2003 as public limited company, under the Companies Ordinance, 1984. The shares of the company are listed on the Pakistan Stock Exchange Limited. The registered office of the company is located at Finance & Trade Centre, Block "A" 7th floor, Shara-e-Faisal, Karachi, Pakistan; while its manufacturing facilities are located at 54 km Multan Road, near the Phool Nagar By-pass, District Kasur, near the city of Lahore in Pakistan. The principal activity of the company is manufacturing and sale of fine quality yarn. Company also manufactures yarn on contract basis. The company has installed capacity of 28,800 spindles.

2 BASIS OF PREPARATION

2.1 These condensed interim financial statements of the Company for the six months ended 31 December 2018 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2018.

2.3 The figures included in the condensed interim profit and loss account for the quarters ended 31 December 2018 and 2017 and in the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half years ended 31 December 2018 and 2017.

3 Significant Accounting Policies and Estimates

3.1 The accounting policies and methods of computation adopted and applied in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2018.

3.2 Change in accounting policy

During the financial year ended June 30, 2018 Company has changed its accounting policy for revaluation surplus on property, plant and equipment. The detailed impacts of the said change in accounting policies have been given in the annual financial statements of the Company for the year ended June 30, 2018. The comparative figures in statement of comprehensive income and statement of changes in equity have been restated due to same.



3.3 New standards, amendments and interpretation to published approved accounting and reporting standards which are effective during the half year ended 31 December 2018

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on 1 July 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

In addition to that two new standards (i.e. IFRS 9 and IFRS 15) have become applicable to the Company effective 1 July 2018. Because of these new standards certain changes to the Company's accounting policies have been made in light of the following paragraphs:

- IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.
- IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by these standard do not have any significant impact on these condensed interim financial statements of the Company.

3.4 New standards and amendments to published approved accounting and reporting standards that are not yet effective

There is a new standard, certain amendments and an interpretation to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after 1 July 2019. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

DEWAN FAROOQUE SPINNING MILLS LIMITED

		December 31, 2018	June 30, 2018
	Notes	------(Rupees)-----	
4 LONG TERM LOAN			
Sponsor Loan unsecured, interest free - at amortized cost		189,654,335	182,233,028
		189,654,335	182,233,028
5 CONTINGENCIES AND COMMITMENTS			
There is no material change in the contingencies and commitments since the last audited financial statements for the year ended June 30, 2018.			
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	2,001,926,608	2,068,556,003
Capital work in progress		30,795,259	20,478,126
		2,032,721,867	2,089,034,129
6.1 Operating fixed assets			
Opening written down value		2,068,556,003	2,136,981,934
Additions during the period / year		243,271	74,295,853
Disposals during the period - net book value (Vehicles)		-	(195,298)
Depreciation during the period / year		(66,872,666)	(142,526,486)
Closing written down value		2,001,926,608	2,068,556,003
6.2 Additions during the period / year			
Factory Building		-	11,455,200
Non Factory Building		-	4,759,511
Plant & Machinery		243,271	58,015,642
Furniture & Fixtures		-	22,500
Office Equipment		-	43,000
Capital work in progress		10,317,133	20,478,126
		10,560,404	94,773,979
		December 31, 2018	December 31, 2017
		------(Rupees)-----	
7 CASH AND CASH EQUIVALENTS			
Cash and Bank Balances		3,188,027	12,416,643
Short term Borrowings		(244,477,965)	(313,578,065)
		(241,289,938)	(301,161,422)
8 FINANCE COST			
Company has not made the provision of markup for the period amounting to Rs.3.836 million (up to June 30, 2018: Rs.51.995 million) in respect of borrowings of certain banks who have not yet accepted the restructuring proposal. The management of the Company is quite hopeful that these banks will also accept restructuring proposal in near future. Had the provision been made the loss for the period would have been higher by Rs.3.836 million, shareholders' equity would have been lower and accrued markup would have been higher by Rs.55.831 million.			



A YOUSUF DEWAN COMPANY

	Half Year Ended		Quarter Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
9 BASIC EARNINGS PER SHARE	----- (Rupees) -----			
Loss after taxation	(77,730,363)	(205,327,406)	(49,464,678)	(122,860,103)
Weighted average number of ordinary shares	97,750,726	97,750,726	97,750,726	97,750,726
Basic Loss per share	(0.80)	(2.10)	(0.51)	(1.26)

No figure for diluted earnings per share has been presented as the company has not yet issued any instruments which would have an impact on basic earnings per share when exercised.

December 31, December 31,
2018 2017
----- (Rupees) -----

10 RELATED PARTY TRANSACTIONS

Provident Fund	811,570	873,024
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11 CORRESPONDING FIGURES

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

12 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on February 26, 2019 by the Board of Directors of the company.

13 GENERAL

Figures have been rounded off to the nearest rupee.


Dewan Abdul Baqi Farooqui
Chief Executive Officer & Director

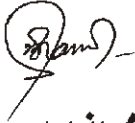

S.M. Raza
Chief Financial Officer


S.M. Anwar
Chairman Board of Directors

اظہار تشکر اور نتیجہ:

اللہ تعالیٰ کے کرم سے کمپنی کی انتظامیہ بھرپور کوشش کرے گی کہ سال کے بقیہ مہینوں میں بہتر نتائج حاصل ہوں۔ 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 امتہ کے مابین صحیح اسلامی جذبہ، اخوت اور بھائی چارگی پیدا کرے۔ آمین ثمہ آمین۔

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


محمد انوار احمد
چیئر مین بورڈ آف ڈائریکٹرز


دیوان عبدالباقی فاروقی
چیف ایگزیکٹو

کراچی؛
تاریخ: 26 فروری 2019ء



ڈائریکٹر رپورٹ

محترم شیئر ہولڈرز،

السلام علیکم،

آپ کی کمپنی کے بورڈ آف ڈائریکٹر کی میٹنگ، 2017 کی دفعہ 237 اور ریکورڈی اینڈ ایڈجسٹمنٹ آف پاکستان کے جاری کردہ کوڈ آف کارپوریٹ گورننس کے تحت 31 دسمبر 2018 کو ختم ہونے والی پہلی ششماہی کے غیر آڈٹ شدہ عبوری مالیاتی حسابات پیش کر رہے ہیں۔

مالیاتی نتائج اور کارکردگی:

پہلی ششماہی کے دوران کمپنی کی صاف آمدنی مبلغ 232.367 ملین روپے رہی جو کہ گزشتہ سال کی پہلی ششماہی میں مبلغ 547.798 ملین روپے تھی۔ زیر جائزہ پہلی ششماہی کے دوران کمپنی کی صاف آمدنی میں کمی کی وجہ ٹیکس کی بنیاد پر دھاگے کی پیداوار ہے۔ کمپنی کو مبلغ 37.857 ملین روپے کا کل خسارہ برداشت کرنا پڑا جو کہ گزشتہ سال کی ششماہی میں مبلغ 108.470 ملین روپے تھا جس کی وجہ کام چلانے کے سرمایہ کی عدم دستیابی تھی، جبکہ کمپنی کے آپریٹنگ اخراجات مبلغ 17.341 ملین روپے رہے۔

پاکستان میں کمپاس کی طلب پیداوار کے مقابلہ میں زیادہ ہے جس کے سبب ٹیکسٹائل یونٹس کو کمپاس کی درآمدات پر انحصار کرنا پڑتا ہے۔ جس کی وجہ سے نہ صرف پیداواری لاگت بڑھ جاتی ہے بلکہ ملک کے زرمبادلہ کے ذخائر پر بھی منفی اثر پڑتا ہے۔ اس کے علاوہ پوٹیلیم اور لیبر کے اخراجات پاکستان میں دوسرے ممالک جیسا کہ بنگلہ دیش، انڈونیشیا اور ویتنام سے کہیں زیادہ ہیں جن کی وجہ سے کاروباری لاگت بڑھ جاتی ہے۔

کمپنی کے آڈیٹرز نے اپنی جائزہ رپورٹ میں قرضہ جات کی اقساط کی واپسی میں کوتاہی اور مارک اپ ریکارڈ نہ کرنے پر بھی تحفظات کا اظہار کیا ہے۔ کمپنی نے اپنے قرضہ جات کو دوبارہ مرتب کرنے کے لئے اپنے قرض خواہوں سے رابطہ کیا ہے جو ان کے زیر غور ہے۔ انتظامیہ پر امید ہے کہ جلد اس پر عملدرآمد ہو جائے گا اور یہ مارک اپ کی رقم واجب الادا نہیں ہوگی۔ اسی لئے ان مالیاتی حسابات میں مذکورہ مارک اپ کو ریکارڈ نہیں کیا گیا ہے۔

مستقبل پر ایک نظر:

کاروباری لاگت زیادہ ہونے کے باعث بین الاقوامی مارکیٹ میں مقابلہ کرنا اچھائی مشکل ہو گیا ہے۔ ہم حکومت کی جانب سے کچھ اقدامات کو سراہتے ہیں جیسا کہ درآمدی کمپاس پر سے کسٹم ڈیوٹی اور سیلز ٹیکس کا ختم کرنا، جس سے ٹیکسٹائل کی صنعت کو مدد ملے گی۔ اس کے علاوہ RLNG کی فی mmbtu قیمت \$6.5 کا اکتوبر سے اطلاق، بجلی کی فی یونٹ قیمت 7.5 cents کا جنوری 2019 سے اطلاق ٹیکسٹائل کی صنعت کو سہارا دیں گے۔ فٹاس ایکٹ 2018 کے ذریعے پیکنگ میٹیریل پر سیلز ٹیکس کو بھی ختم کیا جاسکے گا جس سے لاگت میں کمی واقع ہوگی۔