

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.

**YD****A YOUSUF DEWAN COMPANY**

CONTENTS

Company Information	3
Notice of Annual General Meeting	4
Chairman's Review.....	6
Directors' Report	7
Financial Highlights	12
Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019.....	13
Independent Auditors' Review Report to the Member on statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019	15
Independent Auditors' Report	16
Statement of Financial Position	20
Statement of Profit or Loss	21
Statement of Comprehensive Income	22
Statement of Cash Flows.....	23
Statement of Changes in Equity.....	24
Notes to the Financial Statements	25
Pattern of Share Holding	45
ڈائریکٹرز رپورٹ	51
سالانہ اجلاس عام	53
Jama Punji	
Form of Proxy	

COMPANY INFORMATION

BOARD OF DIRECTORS

Executive Director	:	Mr. Ishtiaq Ahmed - Chief Executive Officer & Director
Non-Executive Directors	:	Mr. Ghazanfar Baber Siddiqi (Chairman, Board of Director) Mr. Haroon Iqbal Syed Maqbool Ali Mr. Imran Ahmed Javed Mrs. Nida Jamil
Independent Director	:	Mr. Aziz-ul-Haque
Audit Committee	:	Mr. Aziz-ul-Haque - Chairman Syed Maqbool Ali (Member) Mr. Imran Ahmed Javed (Member)
Human Resources & Remuneration Committee	:	Mr. Aziz-ul-Haque - Chairman Syed Maqbool Ali (Member) Mr. Ishtiaq Ahmad - (Member)
Auditors	:	Faruq Ali & Co. C-88, Ground Floor, KDA Scheme No. 1, Main Karsaz Road, Opp. Maritime Museum Karachi.
Company Secretary	:	Mr. Muhammad Hanif German
Chief Financial Officer	:	Mr. Muhammad Irfan Ali
Tax Advisor	:	Sharif & Co. Advocates
Legal Advisor	:	Abbas & Atif Law Associates
Bankers	:	Habib Bank Limited Standard Chartered Bank Pakistan Limited Meezan Bank Limited United Bank Limited Bank Al-Falah Ltd Silk Bank Limited NIB Bank Limited Summit Bank Limited Faysal Bank Limited MCB Bank Limited
Registered Office	:	Dewan Centre, 3-A Lalazar Beach Hotel Road, Karachi
Shares Registrar & Transfer Agent	:	BMF Consultants Pakistan (Private) Limited Anum Estate Building, Room No. 310 & 311, 3rd Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal adjacent to Baloch Colony Bridge, Karachi 75350, Pakistan.
Factory Office	:	H/20 & H/26, S.I.T.E., Kotri, District Jamshoro, Sindh, Pakistan
Website	:	www.yousufdewan.com

**YD****A YOUSUF DEWAN COMPANY**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty Second Annual General Meeting of **Dewan Textile Mills Limited** (“**DTML**” or “**the Company**”) will be held on **Wednesday, October 27, 2021, at 09:30 a.m.** at Dewan Cement Limited Factory Site, at DehDhando, Dhabeji, District Malir, Karachi, Pakistan; to transact the following businesses upon recitation from Holy Qur’aan and other religious recitals:

ORDINARY BUSINESS:

1. To confirm the minutes of the preceding Annual General Meeting of the Company held on Monday, October 26, 2020;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2021, together with the Directors’ and Auditors’ Reports thereon;
3. To confirm the appointment of the Statutory Auditors of the Company for the year ended June 30, 2022, 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 : September 24, 2021

Place : Karachi

NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from October 20, 2021 to October 27, 2021 (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 Anum Estate Building, Room No. 310 & 311, 3rd Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal, adjacent to 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 abovesaid 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 changes 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 endeavour 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, 2021, five 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. All Directors are equally involved in important decisions. The Board's overall performance and effectiveness for the year under review was satisfactory.

Ghazanfar Baber Siddiqui
Chairman Board of Directors

Date : September 24, 2021
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, 2021 together with the Auditors' Report thereon.

Overview

Pakistan's economy, like rest of the world, has struggled to combat the economic consequences of COVID-19 shock through prompt measures for supporting the economy and saving the lives and livelihoods. Besides, virus containment measures, the government has implemented a comprehensive set of measures including an expansion of the social safety net to protect the vulnerable segments of the population, as well as monetary policy support and targeted financial initiatives. These measures supported the economy in mitigating the severe impact of the pandemic. The prudent decisions of the government with accommodative fiscal and monetary policies helped the economy to regain its pre-COVID-19 trajectory. Manufacturing has witnessed broad-based growth as major sectors of LSM have shown significant improvement i.e., Textile, Food Beverages & Tobacco, Non-Metallic Mineral Products and Automobile. The industrial sector has witnessed a remarkable turnaround largely because of accommodative policies by the government in the form of industrial support packages, relief to export-oriented industries, electricity and gas subsidy for the export-oriented industries and tax exemptions. The policy rate remained unchanged at 7.0 percent which improved business sentiments and thus stimulating economic activities enabling employment to recover. As a result, Alhamdulillah, the economy is steadily progressing towards more sustainable and inclusive growth. The economy has witnessed a V-shaped recovery with 3.94 percent growth in FY2021 against the negative growth of 0.47 percent last year. Remittances witnessed a remarkable growth as more formal channels were opted due to restrictions imposed on informal means. Added with this, timely resumption of economic activities helped the export sector performed relatively better than other emerging economies; both of which led to an improvement in the external sector.

The textile sector in Pakistan has an overwhelming impact on the economy and has been contributing around 60% to the country's exports. It comprises of 46% of the total manufacturing sector and being the second largest employment generating sector provides employment to 40% of the total labor force. Covid-19 has turned out to be a blessing in disguise for the textile industry as global buyers have turned towards Pakistan by cutting orders to regional players, resulting in 100% utilisation of available production capacity. Conditions for Pakistan's textile industry are very favorable and it is working at full capacity. The positive impact of the growth in textile industry is also being felt by the allied sectors including chemicals, logistics, packaging and other services. This has given Pakistani exporters, an opportunity to quote competitive prices and offer better quality products so that the new buyers could become their permanent customers. However, in contrast, cotton production in Pakistan for FY21 has been recorded 5.646 million bales which is the lowest in over three decades. The cotton crop suffered mainly due to decline in area sown, heavy monsoon rains and pest attacks. This production shortfall to the critical level has pushed the cotton prices to a record 11 years high to Rs. 12,800 / Maund consequently cotton imports have increased by more than 80% during FY 2021 as compared to last year. The acute shortfall in the main industrial input affected the benefit that could have been reaped from increased exports and is expected to upset the exports going forward also. Moreover, the higher prices in the international market resulted in the continued volatility in yarn prices.

Operating results and performance: (Factory Shutdown)

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

	"Rupees"
SALES - NET	76,817,000
COST OF SALES	(191,117,219)
GROSS LOSS	(114,300,219)
ADMINISTRATIVE EXPENSES	(5,397,367)
OPERATING LOSS	(119,697,586)
FINANCE COST	(248,771,252)
OTHER CHARGES	(152,421,136)
LOSS BEFORE TAXATION	(520,889,974)
TAXATION	15,818,397
LOSS AFTER TAXATION	(505,071,577)



Company's operational sales for the year remained nil due to closure of operations, the sales appearing in financial statements represent yarn stock sales during the year under consideration. The Company, for the time being, has suspended its manufacturing operations since December 2015 which could not be resumed due to adverse scenario faced by the industry and working capital constraints.

In financial year ended 2012, 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. Consequent to default in repayment of restructured liabilities as per compromise agreement, the lenders filed for execution of consent decrees. The Company filed suits in Honorable High Court of Sindh at Karachi wherein it has been strongly contested that filing of executions is unjust and against the law. Management of the Company expects favorable outcome therefrom.

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 with its lenders and non provisioning of markup.

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.1.452 billion, which the company would be liable to pay in the event of default of terms of agreement. Since the management is confident that upon finalization of restructuring this amount will remain eligible for waiver, hence no provision of the same has been made in these financial statements.

Certain lenders did not become signatory of the compromise agreement and continued to pursue their suits filed 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 suits amount in respect of these is Rs.419.065 million, out of total suits amount a bank having suit amount of Rs.193.266 million has also filed winding up petition u/s 305 of the repealed Companies Ordinance, 1984 (now 301 of the Companies Act, 2017). The Company strongly contested the cases as banks have filed wrong claims. The management of the Company expects favorable outcome.

Company has not made the provision of markup for the year amounting to Rs. 41.965 million (upto June 30, 2020: Rs. 517.005 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.

Future Outlook

In today's highly competitive global environment, the textile sector needs to upgrade its supply chain, improve productivity, and maximize value-addition to be able to survive. Pakistan has supply base for almost all man-made and natural yarns and fabrics, including cotton, rayon and others. This abundance of raw material is a big advantage for Pakistan due to its beneficial impact on cost and operational lead time. The management is optimistic about business environment & appreciate the steps taken by the Government. Government took several important policy decisions: monetary and fiscal measures, and the measures to uplift the agriculture sector paid off in terms of improved productivity of important crops. For year 2021-22, cotton production estimate of 8.46 million bales has been set by the Cotton Crop Advisory Committee of the Government on 01-Sep-21 which is around 49.8% increase if we compared to last year actual production of 5.646 million bales (PCGA) which is also a positive sign.

However, at present local as well as international cotton markets both are touching to a decade high price and it is becoming more difficult to compete in international market, due to higher cost of production, uncertainties in currency devaluation and increase in inflation. Even though the Government implemented policy measures to control the inflation, however, still a lot needs to be done to bring it to quite manageable level. Some further initiatives from the government are also expected to make the textile industry sustainable, especially smooth supply of gas at affordable tariff, continuation of long-term concessionary financing facility for boosting investments in new capacity expansion and up-gradation of technology. The government should also encourage local production and import substitution through duty cut, tax incentives on investment in manufacturing and early release of tax refunds for exporters, and it should create a level playing field for domestic supplies compared to imports.

Corporate Social Responsibilities

We are also committed to Corporate Social Responsibility (CSR) and integrating sound social practices in our day to day business activities. The Company is committed to make conscious effort to consider and balance the interest of all stakeholders, in particular the community in which we live and workers who are the core of our business. 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.

Corporate and Financial Reporting

Your Company is committed to good corporate governance. The Board acknowledges its responsibility in respect of Corporate and Financial Reporting Framework. The Directors confirm that:

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 2 to the financial statements.
10. Information regarding the outstanding taxes and Levis is given in the notes to the financial statements.
11. 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, 2021 consisted of the following:

Directors		Numbers
a)	Male	6
b)	Female	1
Composition		Numbers
a)	Independent Director	1
b)	Other Non-executive Directors	5
c)	Executive Director	1



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

Names	No. of Meetings attended
Mr.Aziz-ul-Haq	5
Mr.Ishtiaq Ahmed	5
Mr.Ghazanfar Babar Siddiqi	5
Mr.Muhammad Baqar Jafferi	3
Mr.Imran Ahmed Javed	5
Mr.Zafar Asim	4
Syed Maqbool Ali	5
Syed Asim Abid Ali	0
Mrs. Nida Jamil	1

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

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, five Audit Committee meetings were held and attendance was as follows.

Names	No. of Meetings attended / Eligibility to attended Meetings
Mr. Aziz-UI-Haque – Chairman	5/5
Syed Maqbool Ali	5/5
Mr. Imran Ahmed Javed	5/5

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. Aziz-UI-Haque – Chairman	1
Syed Maqbool Ali	1
Mr. Ishtiaq Ahmad	1

During the last financial year Company was unable to conduct 3rd Quarter Board of Directors meeting due to Covid-19 and pandemic situation, which was subsequently conducted on September 25, 2020.

Earnings per Share

Loss per share during the period under report worked out to Rs. (10.96) [2020: Rs. (13.17)]

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.

Subsequent Events

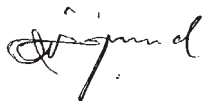
There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

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-Al-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



Ishtiaq Ahmed
CEO & Director

Date: September 24, 2021
Place: Karachi.



Haroon Iqbal
Director

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

	2016	2017	2018	2019	2020	2021
Sales (Net)	333	85	-	132	-	77
Gross (Loss) /profit	(372)	(329)	(193)	(437)	(152)	(114)
(Loss) /profit before Tax	(871)	(760)	(628)	(894)	(626)	(521)
(Loss) / profit after Tax	(853)	(738)	(602)	(874)	(607)	(505)
Current Assets	1,854	1,382	1,116	630	480	263
Shareholder's Equity	(960)	(1,332)	(1,927)	(2,795)	(3,401)	(3,906)
Current Liabilities	2,574	3,068	4,491	4,778	5,120	5,288
Current ratio (Times)	0.72	0.45	0.25	0.13	0.09	0.05
(Loss) / Earning Per Share (Rs.)	(18.51)	(16.01)	(13.07)	(18.98)	(13.17)	(10.96)
Breakup Value per Share (Rs.)	(20.84)	(28.94)	(41.84)	(60.67)	(73.84)	(84.80)
Gross (Loss) / Profit Ratio (%)	-111.61%	-385.21%	0.00%	-330%	0.00%	-148.8%
Net (Loss) / Profit Ratio (%)	-255.58%	-863.33%	0.00%	-659.89%	0.00%	-657.5%

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

For the Year Ended June 30, 2021

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 : 6
 - b) Female : 1
2. The composition of board is as follows:
 - a) Independent Director : Mr. Aziz-ul-Haque
 - b) Other Non-executive Directors : Mr. Ghazanfar Baber Siddiqi
Mr. Imran Ahmed Javed
Mr. Haroon Iqbal
Syed Maqbool Ali
Mrs. Nida Jamil
 - c) Executive Director : Mr. Ishtiaq Ahmed
3. Six Directors have confirmed that they are not serving as Director in more than seven listed Companies including this Company, however, one Director is serving as Director in more than seven 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. Four 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
Syed Maqbool Ali Member
Mr. Imran Ahmed Javed Member
 - b) HR and Remuneration Committee : Mr. Aziz-ul-Haque Chairman
Syed Maqbool Ali Member
Mr. Ishtiaq Ahmed Member



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 : 5 meetings during the financial year ended June 30, 2021
 - b) HR and Remuneration Committee : 1 annual meeting held during the financial year ended June 30, 2021
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.

Ishtiaq Ahmed
CEO & Director

Haroon Iqbal
Director

Date : September 24, 2021
Place : Karachi



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 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, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ('the Regulations') prepared by the Board of Directors ('the Board') of Dewan Textile Mills Limited ('the Company') for the year ended 30 June 2021 in accordance with the requirements of regulation 36 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. 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.

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

- a) The independent directors shall not be less than two or one third of total members of the board, whichever is higher, whereas board includes one independent director, who in our view does not meet the criteria of independence on account of his cross directorship in associated companies; accordingly, due to the foregoing reasons, requirements of chairman of audit and HR Remuneration Committee to be an independent director has also not been complied with.

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 requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2021.

Further, we highlight that one of the director of the Company is serving as director in more than seven listed companies as disclosed in the paragraph 3 of the Statement of Compliance.

Furthermore, we highlight that only four of the directors are qualified under the directors training program as disclosed in note 9 of the Statement of Compliance.

Chartered Accountants

Date : September 24, 2021
 Place : Karachi

**YD**

A YOUSUF DEWAN COMPANY

**FARUQ ALI & CO**
CHARTERED ACCOUNTANTSC-88, Ground Floor, KDA Scheme No. 1, Telephone : (021) 34301966
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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 2021, and the statement of profit or loss and Statement of 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 2021 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 2021 have been prepared on going concern assumption despite of the fact that the Company incurred loss after taxation of Rs.505.072 million and as of that date it has negative revenue reserves of Rs.5,072.352 million which resulted in negative equity of Rs.3,906.360 million and its current liabilities exceeded its current assets by Rs.5,025.750 million and total assets by Rs.3,616.852 million (excluding the effect of non-provided markup as disclosed in note 25.1). The Company defaulted in repayment of installments of restructured liabilities, hence as per terms of restructuring, the entire restructured liabilities of Rs. 2,945.483 million along with markup of Rs.1,463.615 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.41.965 million (up to year ended 30 June 2021: Rs.558.970 million) (refer note 25.1) 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 before taxation would have been higher by Rs. 41.965 million and markup payable would have been higher and shareholders' equity would have been lower by Rs. 558.970 million.



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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.

We have determined that there are no key audit matters to communicate in our report other than the matters described in the basis for adverse opinion section.

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.

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. As described in the basis for adverse opinion section of our report, we have concluded that the other information is materially misstated for the same reason.

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.

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

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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.

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.



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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 Fasih uz Zaman.

Date : September 24, 2021
Place : Karachi

Chartered Accountants
Fasih uz Zaman

**YD**

A YOUSUF DEWAN COMPANY

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2021

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

	Notes	2021 ------(Rupees)-----	2020
Authorised share capital		500,000,000	500,000,000
50,000,000 (2020: 50,000,000) Ordinary shares of Rs. 10/- each			
Issued, subscribed and paid-up share capital	5	460,646,090	460,646,090
Revenue reserves			
General reserve		333,000,000	333,000,000
Accumulated losses		(5,405,352,214)	(4,941,829,473)
Capital reserves			
Surplus on revaluation of property, plant and equipment	6	705,345,865	746,894,701
		(3,906,360,259)	(3,401,288,682)

NON-CURRENT LIABILITIES

Long term financing	7	148,133,893	131,461,304
Deferred taxation	8	141,374,536	158,345,188
		289,508,429	289,806,492

CURRENT LIABILITIES

Trade and other payables	9	183,592,245	181,456,407
Mark-up accrued		1,618,893,156	1,389,200,387
Short term borrowings	10	490,192,726	552,562,806
Liability for staff gratuity	11	50,701,788	50,770,926
Unclaimed dividend		254,206	254,206
Overdue portion of long term financing	7	2,944,682,769	2,945,482,769
		5,288,316,890	5,119,727,501

CONTINGENCIES AND COMMITMENTS

	12	--	--
		1,671,465,060	2,008,245,311

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment	13	1,396,885,763	1,516,369,727
Long term investment	14	--	--
Long term deposits	15	12,012,134	12,012,134
		1,408,897,897	1,528,381,861

CURRENT ASSETS

Stores and spares	16	22,390,172	30,677,433
Stock in trade	17	196,772,409	256,310,135
Trade debtors - Unsecured	18	5,649,823	158,872,828
Advances - Considered good	19	1,804,815	1,685,365
Short term deposits and other receivable	20	2,676,686	4,120,116
Taxes recoverable - Net		23,129,092	23,129,092
Cash and bank balances	21	10,144,166	5,068,481
		262,567,163	479,863,450
		1,671,465,060	2,008,245,311

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

Ishtiaq Ahmed
CEO & Director

Muhammad Irfan Ali
Chief Financial Officer

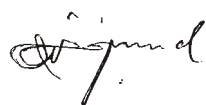
Haroon Iqbal
Director

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2021

		2021	2020
	Notes	------(Rupees)-----	
Sales - Net	22	76,817,000	--
Cost of sales	23	(191,117,219)	(152,473,011)
Gross (loss)		(114,300,219)	(152,473,011)
Operating expenses			
Administrative and general expenses	24	(5,397,367)	(5,622,147)
Operating (loss)		(119,697,586)	(158,095,158)
Finance cost	25	(248,771,252)	(394,269,651)
Other charges	26	(152,421,136)	(73,689,788)
		(401,192,388)	(467,959,439)
(Loss) before taxation		(520,889,974)	(626,054,597)
Taxation			
- Current	27	(1,152,255)	--
- Deferred		16,970,652	19,277,069
		15,818,397	19,277,069
(Loss) for the year		(505,071,577)	(606,777,528)
(Loss) per share - Basic and diluted	28	(10.96)	(13.17)

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



Ishtiaq Ahmed
CEO & Director



Muhammad Irfan Ali
Chief Financial Officer



Haroon Iqbal
Director



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2021

	Notes	2021 ------(Rupees)-----	2020
(Loss) for the year		(505,071,577)	(606,777,528)
Other comprehensive income:			
Effect of change in tax rates on balance of revaluation on property, plant and equipment	6	--	--
Total comprehensive (loss) for the year		(505,071,577)	(606,777,528)

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

Ishtiaq Ahmed
CEO & Director

Muhammad Irfan Ali
Chief Financial Officer

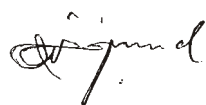
Haroon Iqbal
Director

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	Notes	2021 ------(Rupees)-----	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) before taxation		(520,889,974)	(626,054,597)
<i>Adjustment for non-cash and other items:</i>			
Depreciation / amortisation expense	13.1	119,483,964	135,356,602
Provision for doubtful debts	18.1	142,988,545	66,608,914
Provision for slow moving stores	16.1	8,287,261	7,080,874
Unwinding of discount	25	16,672,589	14,796,074
Finance cost		232,098,663	379,473,577
Cash outflows before working capital changes		(1,358,952)	(22,738,556)
<i>Working capital changes</i>			
(Increase) / decrease in current assets			
Stock in trade		59,537,726	--
Trade debtors		10,234,460	53,175,340
Advances		(119,450)	674,994
Short term deposit and other receivable		1,443,430	--
		71,096,166	53,850,334
Increase / (decrease) in current liabilities			
Trade and other payables		2,135,838	1,565,702
Short term borrowings		(62,370,080)	(33,447,760)
		(60,234,242)	(31,882,058)
Cash generated / (used in) operations		9,502,972	(770,280)
<i>Payments for:</i>			
Income tax (paid) / refund - Net		(1,152,255)	20,952,220
Gratuity paid		(69,138)	(37,200)
Finance cost paid		(2,405,894)	(21,026,611)
Net cash generated from / (used in) operating activities		5,875,685	(881,871)
CASH FLOWS FROM INVESTING ACTIVITIES		--	--
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing paid		(800,000)	(1,249,103)
Net increase / (decrease) in cash and cash equivalents		5,075,685	(2,130,974)
Cash and cash equivalents at the beginning of the year		5,068,481	7,199,455
Cash and cash equivalents at the end of the year		10,144,166	5,068,481

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



Ishtiaq Ahmed
CEO & Director



Muhammad Irfan Ali
Chief Financial Officer



Haroon Iqbal
Director



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2021

Issued, subscribed and paid-up share capital	Revenue Reserves			Capital Reserves	Total equity
	General Reserve	Accumulated Losses	Total revenue reserves	Surplus on revaluation of property, plant and equipment	
----- (Rupees) -----					
460,646,090	333,000,000	(4,382,247,527)	(4,049,247,527)	794,090,283	(2,794,511,154)
--	--	(606,777,528)	(606,777,528)	--	(606,777,528)
--	--	--	--	--	--
--	--	(606,777,528)	(606,777,528)	--	(606,777,528)
--	--	47,195,582	47,195,582	(47,195,582)	--
460,646,090	333,000,000	(4,941,829,473)	(4,608,829,473)	746,894,701	(3,401,288,682)
--	--	(505,071,577)	(505,071,577)	--	(505,071,577)
--	--	--	--	--	--
--	--	(505,071,577)	(505,071,577)	--	(505,071,577)
--	--	41,548,836	41,548,836	(41,548,836)	--
460,646,090	333,000,000	(5,405,352,214)	(5,072,352,214)	705,345,865	(3,906,360,259)

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

Ishtiaq Ahmed
CEO & Director

Muhammad Irfan Ali
Chief Financial Officer

Haroon Iqbal
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

1 STATUS AND NATURE OF BUSINESS

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

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

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

2 GOING CONCERN ASSUMPTION

The financial statements of the Company for the year ended 30 June 2021 reflect that the Company has sustained a net loss after taxation of Rs.505.072 million (2020: Rs.606.778 million) and as of that date the Company's negative revenue reserves of Rs.5,072.352 million (2020: Rs.4,608.829 million) have resulted in negative equity of Rs.3,906.360 million (2020: Rs.3,401.289 million) and its current liabilities exceeded its current assets by Rs.5,025.750 million (2020: Rs.4,639.864 million) and total assets by Rs.3,616.852 million (2020: Rs.3,111.482 million). Further the Company's short term borrowing facilities have expired and not been renewed and the Company has been unable to ensure scheduled payments of liabilities due to the liquidity problems. Following course, majority of the lenders had gone into litigation for repayment of liabilities through attachment and sale of Company's hypothecated / mortgaged properties and one lender had also filed winding up petitions under section 301 of the Companies Act, 2017 as more fully explained in note 12.1 and note 12.2 to the financial statement. The Company has suspended its manufacturing operations since December 2015. These conditions indicate the existence of material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern, therefore, the Company may not be able to realize its assets and discharge its liabilities during the normal course of business.

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.

3 BASIS OF PREPARATION

3.1 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 25.1 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.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except certain items of property, plant and equipment which are carried at revalued amounts.



3.3 Changes in accounting standards, interpretations and pronouncements

3.3.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year

The following amendments to accounting standards are effective for the year ended 30 June 2021. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date (annual periods Beginning on or after)
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions	1 June 2020
Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS	1 January 2020
Amendments to IFRS 3 'Business Combinations' - Definition of a business	1 January 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material	1 January 2020
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform	1 January 2020

Certain annual improvements have also been made to a number of IFRSs.

3.3.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following amendments to accounting standards are only effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	1 January 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	1 January 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	1 January 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	1 January 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	1 January 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	1 June 2023

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

3.4 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 and have been rounded off to the nearest rupee.

3.5 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:

3.5.1 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.

3.5.2 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.

3.5.3 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.

3.5.4 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.

3.5.5 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.

4 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these unconsolidated financial statements are set out below.

4.1 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.

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 13 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.

4.2 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.

4.3 Stores and spares

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

4.4 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.

4.5 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 venture resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

4.6 Staff retirement benefits

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.

4.7 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.

4.8 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.

4.9 Financial instruments

4.9.1 Initial measurement of financial asset

The Company classifies its financial assets into following three categories:

- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVTPL); and
- Measured at amortised cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

**Subsequent measurement****Debt Investments at FVOCI**

These assets are subsequently measured at fair value. Interest / mark-up income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss account. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss account.

Equity Investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the statement of profit or loss account.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / mark-up or dividend income, are recognised in the statement of profit or loss account.

Financial assets measured at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / mark-up income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss account.

4.9.2 Non-derivative financial assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, advances, other receivables and cash and cash equivalent. The Company derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

4.9.2.1 Trade debts, advances and other receivables

These are classified at amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

4.9.2.2 Cash and cash equivalents

For the purpose of presentation in statement of cash flow, cash and cash equivalents includes cash in hand, balances with banks and investments with maturities of less than three months or less from acquisition date that are subject to insignificant risk of changes in fair value and short term borrowings availed by the Company, which are repayable on demand and form an integral part of the Company's cash management.

4.9.3 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings and trade and other payables. The Company derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

4.9.3.1 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortised cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognised in the statement of profit or loss account over the period of the borrowings using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the relevant asset.

4.9.3.2 Trade and other payables

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

4.9.4 Derivative financial instruments - other than hedging

Derivatives that do not qualify for hedge accounting are recognised in the statement of financial position at estimated fair value with corresponding effect to statement of profit or loss account. Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.

4.9.5 Derivative financial instruments - cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in fair value of the derivative is recognised in other comprehensive income and accumulated in hedging reserve. Any ineffective portion of changes in fair value of derivative is recognised immediately in the statement of profit or loss account. The amount accumulated in equity is removed therefrom and included in the initial carrying amount of non-financial asset upon recognition of non-financial asset.

The fair value of forward exchange contracts is estimated using appropriate valuation techniques. These are carried as assets when the fair value is positive and liabilities when the fair value is negative.

4.9.6 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has currently legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Company or the counter parties.

4.10 Impairment

4.10.1 Financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.



When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the Gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due. The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

4.10.2 Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets and inventories are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

4.11 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.

4.12 Transactions with related parties

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

4.13 Revenue recognition

Sale of goods

Revenue from sale of goods is recognized upon passing of title to the customers, which generally coincides with physical delivery.

DEWAN TEXTILE MILLS LIMITED

5 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2021 ---- (Number of shares) ----	2020		2021 ----- (Rupees) -----	2020
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
46,064,609	46,064,609		460,646,090	460,646,090

5.1 Dewan Motors (Private) Limited, an associated company held, 1306,887 (2020: 1,306,887) ordinary shares of Rs. 10/- each.

6 SURPLUS ON REVALUATION OF PROPERTY PLANT AND EQUIPMENT

Balance as at 1 July	905,239,889	971,712,540
Transferred to accumulated losses in respect of incremental depreciation for the year	(58,519,488)	(66,472,651)
	846,720,401	905,239,889
<i>Deferred tax liability</i>		
Opening balance	158,345,188	177,622,257
Incremental depreciation	(16,970,652)	(19,277,069)
	141,374,536	158,345,188
Balance as at 30 June	705,345,865	746,894,701

6.1 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.

7 LONG TERM FINANCING

Banks and financial institutions - Secured

Restructured long term financing	7.1	2,925,634,170	2,925,634,170
Restructured lease liability	7.2	19,848,599	21,097,702
Payments during the year		(800,000)	(1,249,103)
		19,048,599	19,848,599
		2,944,682,769	2,945,482,769

Sponsor - Unsecured

Sponsor loan	7.3	269,114,373	269,114,373
Unwinding of interest		75,771,081	59,098,492
Present value adjustment		(196,751,561)	(196,751,561)
		148,133,893	131,461,304
		3,092,816,662	3,076,944,073
Overdue portion - Shown under current liabilities		(2,944,682,769)	(2,945,482,769)
		148,133,893	131,461,304



- 7.1** 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 Company has defaulted in payment of restructured liabilities as more fully explained in note 12.1 and 12.2 to the financial statement. The Company has approached the lenders for further restructuring of liabilities as more fully explained in note 2 which is expected to be finalised soon.

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.

- 7.2** 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. The 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.

- 7.3** 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 Financial Reporting Standard 9, Financial Instruments, and has been discounted using the effective interest rate of 12% per annum.

	2021	2020
	----- (Rupees) -----	-----
8 DEFERRED TAXATION		
<i>Credit balance arising due to:</i>		
- Accelerated tax depreciation	64,889,581	77,063,824
- Revaluation - Net of related depreciation	141,374,536	158,345,188
- Finance lease transactions	4,766,757	5,678,185
- Long term financing	35,084,339	39,919,390
<i>Debit balance arising due to:</i>		
- Staff gratuity	(14,703,519)	(14,723,569)
- Provision for doubtful debts	(188,559,408)	(147,092,730)
- Provision for obsolete stock	(14,625,061)	(14,625,061)
- Provision for slow-moving stores and spares	(9,668,230)	(7,264,924)
- Carried over losses	(1,146,265,337)	(699,379,617)
	(1,127,706,342)	(602,079,314)
Deferred tax asset not recognised	1,269,080,878	760,424,502
	<u>141,374,536</u>	<u>158,345,188</u>
8.1 Movement of deferred tax liabilities		
Balance as at beginning of the year	158,345,188	177,622,257
Tax charge recognised in statement of profit or loss	(16,970,652)	(19,277,069)
Balance as at end of the year	<u>141,374,536</u>	<u>158,345,188</u>

DEWAN TEXTILE MILLS LIMITED

		2021	2020
	Note	----- (Rupees) -----	
9 TRADE AND OTHER PAYABLES			
Creditors for goods and services	9.1	117,770,216	117,770,216
Accrued expenses		43,164,853	43,017,524
Workers' Welfare Fund		15,536,001	15,536,001
Workers' Profit Participation Fund	9.2	5,449,344	5,117,274
Sales tax payable		1,663,365	--
Provident fund payable		8,466	15,392
		<u>183,592,245</u>	<u>181,456,407</u>

9.1 This includes amount of Rs.97.484 million (2020: Rs.97.484 million) being amount payable to the banks in respect of outstanding letter of credits.

9.2 Workers' Profit Participation Fund

Balance as at 1 July	5,117,274	4,808,116
Interest provided for the year	332,070	309,158
Balance as at 30 June	<u>5,449,344</u>	<u>5,117,274</u>

10 SHORT TERM BORROWINGS

Banks and financial institutions - Secured

Short term running finances	10.1	183,818,932	183,818,932
Short term loans	10.2	306,373,794	368,743,874
		<u>490,192,726</u>	<u>552,562,806</u>

10.1 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.

10.2 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.

10.3 Certain banks have filed recovery suits as more fully explained in note 12.1 and 12.2 to the financial statements.

11 LIABILITY FOR STAFF GRATUITY

Balance as at 1 July	50,770,926	50,808,126
Payments during the year	(69,138)	(37,200)
Balance as at 30 June	<u>50,701,788</u>	<u>50,770,926</u>

12 CONTINGENCIES AND COMMITMENTS

Contingencies

12.1 In respect of liabilities towards banks / financial institutions disclosed in note 7 and 10 to the financial statements, during the year ended 2012, certain lenders have entered into a compromise agreement with the Company for outstanding debt sought by lenders in the suits filed by them and it was agreed that the Company would settle all the liabilities at principle amount of Rs.3,590.431 million and mark-up thereon of Rs.1,452.610 million (eligible for waiver if the Company repays the entire outstanding principal as per term of agreement), consequent to which consent decrees were granted by the Honorable High Court of Sindh, Karachi. Consequent to default in repayment of restructured liabilities as per compromise agreement, the lenders filed for execution of consent decrees. The Company filed suits against the said executions in the Honorable High Court of Sindh, at Karachi wherein it has been strongly contested that filing of executions is unjust and against the law. Management of the Company expects favourable outcome therefrom.



12.2 Out of the lenders as disclosed in note 9.1 and note 10 to the financial statements, some lenders did not become signatory of the compromise agreement and continued to pursue their suits filed 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 in respect of these is Rs.419.065 million, out of total suits amount a bank having suit amount of Rs.193.266 million has also filed winding up petition u/s 305 of the repealed Companies Ordinance, 1984 (now 301 of the Companies Act, 2017). The Company strongly contested the cases as banks have filed wrong claims. The management of the Company expects favourable outcome.

12.3 The Government of Pakistan has promulgated the Gas Infrastructure Development Cess Ordinance, 2014 (GIDC) against which the Company filed suit in the Honourable Sindh High Court challenging its legality and applicability on the Company and the Honourable Sindh High Court had issued stay against the recovery of GIDC. The Honourable Sindh High Court decided the case in favour of the Company and directed to refund / adjust in bills the amounts already collected, against which the Sui Southern Gas Company Limited (SSGC) has filed appeal in Honourable Sindh High Court, which was also rejected. The Government enacted GIDC Act, 2015 which had also been challenged by the Company through writ petition before the Honourable Sindh High Court, which granted the stay against collection of GIDC arrears. The SCP has decided the case in favour of government on 13 August 2020, with directions to recover the arrears under GIDC Act 2015 from the Companies who have passed their burden to the consumers. SSGC has not charged GIDC on its bills and also the Company has not passed on the same to the consumers. There is no need for any provision in these financial statements.

12.4 As of reporting date no guarantees were outstanding.

13 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

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

Note	2021 ----- (Rupees) -----	2020
13.1	1,386,580,374	1,506,064,338
	10,305,389	10,305,389
	1,396,885,763	1,516,369,727

13.1 Operating fixed assets

The following is a statement of operating fixed assets:

2021								Rate %
PARTICULARS	COST / REVALUATION			DEPRECIATION			Written down	
	As at 1 July 2020	Additions during the year	As at 30 June 2021	As at 1 July 2020	Charge for the year	As at 30 June 2021	value as at 30 June 2021	
	(Rupees)							
Tangible assets:								
<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	542,169,454	33,975,709	576,145,163	305,781,377	10
Non - factory building	84,556,644	--	84,556,644	46,539,812	3,801,683	50,341,495	34,215,149	10
Labour quarters	194,265,675	--	194,265,675	164,863,999	7,350,419	172,214,418	22,051,257	25
Plant, machinery and equipment	2,783,547,445	--	2,783,547,445	2,092,748,335	69,079,911	2,161,828,246	621,719,199	10
Electric installation	20,782,880	--	20,782,880	18,472,010	346,631	18,818,641	1,964,239	15
Vehicles	61,656,753	--	61,656,753	59,192,832	492,784	59,685,616	1,971,137	20
Furniture and fixture	10,160,706	--	10,160,706	8,381,265	177,944	8,559,209	1,601,497	10
Office equipment	14,910,678	--	14,910,678	12,803,825	316,028	13,119,853	1,790,825	15
	4,411,807,321	--	4,411,807,321	2,945,171,532	115,541,109	3,060,712,641	1,351,094,680	
<i>Leased assets:</i>								
Plant and machinery	128,705,731	--	128,705,731	89,277,182	3,942,855	93,220,037	35,485,694	10
	128,705,731	--	128,705,731	89,277,182	3,942,855	93,220,037	35,485,694	
TOTAL	4,540,513,052	--	4,540,513,052	3,034,448,714	119,483,964	3,153,932,678	1,386,580,374	

2020								
PARTICULARS	COST / REVALUATION			DEPRECIATION			Written down	Rate %
	As at 1 July 2019	Additions during the year	As at 30 June 2020	As at 1 July 2019	Charge for the year	As at 30 June 2020	value as at 30 June 2020	
	(Rupees)							
Tangible assets:								
Owned assets:								
Lease hold land	360,000,000	--	360,000,000	--	--	--	360,000,000	--
Factory building on lease hold land	881,926,540	--	881,926,540	504,418,667	37,750,787	542,169,454	339,757,086	10
Non - factory building	84,556,644	--	84,556,644	42,315,719	4,224,093	46,539,812	38,016,832	10
Labour quarters	194,265,675	--	194,265,675	155,063,440	9,800,559	164,863,999	29,401,676	25
Plant, machinery and equipment	2,783,547,445	--	2,783,547,445	2,015,992,878	76,755,457	2,092,748,335	690,799,110	10
Electric installation	20,782,880	--	20,782,880	18,064,209	407,801	18,472,010	2,310,870	15
Vehicles	61,656,753	--	61,656,753	58,576,852	615,980	59,192,832	2,463,921	20
Furniture and fixture	10,160,706	--	10,160,706	8,183,549	197,716	8,381,265	1,779,441	10
Office equipment	14,910,678	--	14,910,678	12,432,027	371,798	12,803,825	2,106,853	15
	4,411,807,321	--	4,411,807,321	2,815,047,341	130,124,191	2,945,171,532	1,466,635,789	
Leased assets:								
Plant and machinery	128,705,731	--	128,705,731	84,896,232	4,380,950	89,277,182	39,428,549	10
	128,705,731	--	128,705,731	84,896,232	4,380,950	89,277,182	39,428,549	
Intangible assets:								
Software	3,632,900	--	3,632,900	2,781,439	851,461	3,632,900	--	25
TOTAL	4,544,145,952	--	4,544,145,952	2,902,725,012	135,356,602	3,038,081,614	1,506,064,338	

DEWAN TEXTILE MILLS LIMITED

	Notes	2021 ----- (Rupees) -----	2020 -----
13.2 The depreciation charge for the year has been allocated as follows:			
Cost of sales	23	118,990,586	134,763,855
Administrative and general expenses	24	493,378	592,747
		119,483,964	135,356,602

13.3 The Company commissioned independent valuation of leasehold land, factory building on leasehold land, non-factory building, labour quarters and plant, machinery and equipment during the year ended 30 June 2012. Subsequently, the Company has carried out revaluation of leasehold land, factory building on leasehold land, non-factory building, labour quarters and plant, machinery and equipment as of 21 December 2016 by M/s. K.G.Traders (Private) Limited (an independent valuer who is located in Karachi) on the basis of market value or depreciated replacement values as applicable. The revaluation resulted in increase in surplus amounting to Rs.461.551 million which was incorporated in the books of the Company as at 30 June 2017.

13.4 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.

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

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

Leasehold land	778,000	778,000
Factory building on leasehold land	121,512,312	135,013,680
Non-factory building	24,490,485	27,211,650
Labour quarters	2,462,768	3,283,690
Plant, machinery and equipment	347,803,016	386,447,795
	497,046,581	552,734,815

14 LONG TERM INVESTMENT

Investment in associate

14.1 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.

14.2 Investment in Dewan Salman Fibre Limited - At equity method

Number of shares held	104,288,773	104,288,773
Cost of investment (Rupees)	210,000,000	210,000,000
Fair value of investment (Rupees)	91,774,120	91,774,120
Ownership interest	28.47%	28.47%

14.3 Summarised financial information of associated company

Total assets	7,473,552,000	8,143,557,000
Total liabilities	20,632,292,000	20,903,039,000
Net assets	(13,158,740,000)	(12,759,482,000)
Company's share of net assets	(3,746,293,278)	(3,632,624,525)
Revenue	--	--
Loss for the year	(400,851,000)	(927,876,000)



14.4 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 19 February 2018.

15 LONG TERM DEPOSITS

Security deposits		12,012,134	12,012,134
-------------------	--	-------------------	------------

16 STORES AND SPARES

Stores and spares		45,675,669	45,675,669
Packing material		10,053,227	10,053,227
		55,728,896	55,728,896

Provision for slow-moving stores and spares	16.1	(33,338,724)	(25,051,463)
		22,390,172	30,677,433

16.1 Provision for slow-moving stores and spares

Balance as at 1 July		25,051,463	17,970,589
Provision made during the year	26	8,287,261	7,080,874
Balance as at 30 June		33,338,724	25,051,463

17 STOCK IN TRADE

Raw material		183,124,978	183,124,978
Work-in-process		2,211,117	2,211,117
Finished goods		61,867,558	121,405,284

	17.1	247,203,653	306,741,379
Provision for obsolete stock		(50,431,244)	(50,431,244)
		196,772,409	256,310,135

17.1 Entire stock of raw material and finished goods is pledged with the banks against the financing facilities obtained by the Company.

18 TRADE DEBTS - Unsecured

Considered good		5,649,823	158,872,828
Considered doubtful		650,204,856	507,216,311
		655,854,679	666,089,139

Provision for doubtful debts	18.1	(650,204,856)	(507,216,311)
		5,649,823	158,872,828

18.1 Provision for doubtful debts

Balance as at 1 July		507,216,311	440,607,397
Provision made during the year	26	142,988,545	66,608,914
Balance as at 30 June		650,204,856	507,216,311

19 ADVANCES - Considered good

Employees - Interest free		1,295,167	1,175,717
Others		509,648	509,648
		1,804,815	1,685,365

20 SHORT TERM DEPOSITS AND OTHER RECEIVABLE

Short term deposits and margin		1,749,732	1,749,732
Sales tax receivable		13,737,571	15,181,001
		15,487,303	16,930,733
Provision against sales tax receivable		(12,810,617)	(12,810,617)
		2,676,686	4,120,116

DEWAN TEXTILE MILLS LIMITED

	Notes	2021 ----- (Rupees) -----	2020 -----
21 CASH AND BANK BALANCES			
Cash in hand		50,314	46,611
Cash at banks - Current accounts		10,093,852	5,021,870
		<u>10,144,166</u>	<u>5,068,481</u>
22 SALES - Net			
Local sales - Yarn		89,875,890	--
Sales tax		(13,058,890)	--
		<u>76,817,000</u>	<u>--</u>
23 COST OF SALES			
Salaries, wages and others benefits		10,450,981	15,793,931
Insurance		1,177,308	1,251,852
Rent, rates and taxes		528,544	461,568
Repairs and maintenance		307,910	10,608
Vehicle running and maintenance		124,164	159,366
Fuel and power		--	31,831
Depreciation	13.2	118,990,586	134,763,855
Total manufacturing cost		<u>131,579,493</u>	<u>152,473,011</u>
Work in process - Opening		2,211,117	2,211,117
Work in process - Closing		(2,211,117)	(2,211,117)
		<u>--</u>	<u>--</u>
Cost of goods manufactured		<u>131,579,493</u>	<u>152,473,011</u>
Finished goods - Opening		121,405,284	121,405,284
Finished goods - Closing		(61,867,558)	(121,405,284)
		<u>191,117,219</u>	<u>152,473,011</u>
24 ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries, allowances and others benefits	24.1	1,235,259	1,027,924
Fee and subscription		1,107,025	923,507
Auditor's remuneration	24.2	835,000	835,000
Vehicle expenses		776,247	780,045
Depreciation	13.2	493,378	592,747
Communication		230,668	378,036
Printing and stationery		201,802	211,069
Legal and professional		457,360	781,000
Entertainment		43,428	24,730
Traveling and conveyance		17,200	67,589
Repairs and maintenance		--	500
		<u>5,397,367</u>	<u>5,622,147</u>
24.1 Salaries, allowances and others benefit includes amount of Rs.0.048 (2020: Rs.0.0462 million) in respect of staff retirement benefits.			
24.2 Auditor's remuneration			
Audit of annual financial statements		550,000	550,000
Review of half-yearly financial statements		200,000	200,000
Review report on code of corporate governance		50,000	50,000
Out of pocket expenses		35,000	35,000
		<u>835,000</u>	<u>835,000</u>



24.3 The investments by the provident fund in collective investment schemes, listed equity and debts securities have been made in accordance with the conditions specified in section 218 of the Companies Act, 2017 and rules specified thereunder.

	Notes	2021 ----- (Rupees) -----	2020 -----
25 FINANCE COST			
Mark-up on long term financing		214,600,757	347,461,781
Mark-up on short term borrowings		15,564,091	30,139,463
Interest on Workers' Profit Participation Fund		332,070	309,158
Unwinding of discount		16,672,589	14,796,074
Bank charges		1,601,745	1,563,175
		248,771,252	394,269,651

25.1 In addition to the non-provisioning of mark-up eligible for waiver as disclosed in note 12.2, Company has not made the provision of mark-up for the year amounting to Rs.41.965 million (up to 30 June 2021: Rs.558.970 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.41.965 million and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs.558.970 million. The said non-provisioning is departure from the requirements of IAS 23 - 'Borrowing Costs'.

26 OTHER CHARGES			
Provision for doubtful debts	18.1	142,988,545	66,608,914
Provision for slow-moving stores and spares	16.1	8,287,261	7,080,874
Advances written off		1,145,330	--
		152,421,136	73,689,788

27 TAXATION

27.1 Current

The Income tax assessment of the Company deemed to have been finalised up to and including tax year 2020.

27.2 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.

28 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	(505,071,577)	(606,777,528)
	----- (Number of shares) -----	
Weighted average number of shares	46,064,609	46,064,609
	----- (Rupees) -----	
Loss per share - Basic and diluted	(10.96)	(13.17)

29 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

29.2 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.

30 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 29 to the financial statements. Material transactions and balances with related parties consisted of payment of contribution to Staff provident fund of the Company amounting to Rs.95,432 (2020: Rs.92,352).

31 NUMBER OF EMPLOYEES

Notes 2021 2020
----- (Numbers) -----

Number of employees as at 30 June

47

55

Average number of employees during the year

47

56

32 PLANT CAPACITY AND PRODUCTION

Attainable capacity converted to 20 count (Kgs)

19,510,682

19,510,682

Number of spindles installed

65,544

65,544

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

33 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

33.1 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.



33.2 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 2021 and 30 June 2020 was as follows:

	2021		2020	
	Financial assets	Maximum exposure	Financial assets	Maximum exposure
	----- (Rupees) -----		----- (Rupees) -----	
Trade debts	5,649,823	5,649,823	158,872,828	158,872,828
Deposits	3,554,547	3,554,547	3,435,097	3,435,097
Advances and other receivables	1,804,815	1,804,815	1,685,365	1,685,365
Bank balances (excluding cash in hand)	10,093,852	10,093,852	5,021,870	5,021,870
	21,103,037	21,103,037	169,015,160	169,015,160

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 the sufficient provision against doubtful debts has already been made in these financial statement.

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.

Cash and cash equivalents

The cash and cash equivalents are held with banks with short term ratings from A1 to A+ and long term ratings from A+ to AAA.

None of the financial assets of the Company are secured.

33.3 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.

DEWAN TEXTILE MILLS LIMITED

2021

Non-derivative financial liabilities

	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to eight years
	----- (Rupees) -----				
Long term financing - Secured	3,092,816,662	4,727,588,246	4,458,473,873	--	269,114,373
Trade and other payables	183,592,245	183,592,245	183,592,245	--	--
Liability for staff gratuity	50,701,788	50,701,788	50,701,788	--	--
Unclaimed dividend	254,206	254,206	254,206	--	--
Mark-up accrued	1,618,893,156	1,618,893,156	1,618,893,156	--	--
Short term borrowings	490,192,726	595,294,778	595,294,778	--	--
	5,436,450,783	7,176,324,419	6,907,210,046	--	269,114,373

2020

Non-derivative financial liabilities

	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to eight years
	----- (Rupees) -----				
Long term financing - Secured	3,076,944,073	4,494,076,614	4,224,962,241	--	269,114,373
Trade and other payables	181,456,407	181,456,407	181,456,407	--	--
Liability for staff gratuity	50,770,926	50,770,926	50,770,926	--	--
Unclaimed dividend	254,206	254,206	254,206	--	--
Mark-up accrued	1,389,200,387	1,389,200,387	1,389,200,387	--	--
Short term borrowings	552,562,806	662,283,728	662,283,728	--	--
	5,251,188,805	6,778,042,268	6,508,927,895	--	269,114,373

33.4 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.

33.4.1 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.

33.4.2 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:

Variable rate instruments at carrying amounts:

Financial liabilities

	2021	2020
	----- (Rupees) -----	
Long term financing	2,944,682,769	2,945,482,769
Short term borrowings	490,192,726	552,562,806

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	34,348,755	34,980,456

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

**33.5 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.

33.6 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.

34 IMPACT OF COVID 19 ON FINANCIAL STATEMENTS

The revenue of the Company was not impacted by COVID-19 due to the closure of the company's plant operations since December 2015 and remained closed during the year. The management has assessed the accounting implications arising out of these developments on these financial statements, including but not limited to the following areas:

- The impairment of tangible and intangible assets under IAS 36, "Impairment of non-financial assets"
- The net realizable value of Inventory under IAS 2, "Inventories"

Based on the assessment, there is no significant accounting implication arising out of the effects of COVID-19 in these financial statements.

35 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified for the purpose of comparison and better presentation, However, there were no significant restatements or reclassifications.

36 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 24, 2021 by the Board of Directors of the Company.

Ishtiaq Ahmed
CEO & Director

Muhammad Irfan Ali
Chief Financial Officer

Haroon Iqbal
Director

PATTERN OF SHAREHOLDING THE CODE OF CORPORATE GOVERNANCE AS ON 30TH JUNE 2021

Pattern of Shareholding under Regulation 37(xx)(i) of the Code of Corporate Governance as at June 30, 2021

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	1,938	0.00%
6.	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Modarbas & Mutual Funds	-	-	0.00%
7.	Individuals	310	44,751,784	97.15%
	TOTAL	322	46,064,609	100.00%

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. Haroon Iqbal	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 Maqbool Ali	1	500	0.00%
3.6	Mr. Imran Ahmed Javed	1	500	0.00%
3.7	Mrs. Nida Jamil	1	500	0.00%
		7	4,000	0.01%

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.


YD
A YOUSUF DEWAN COMPANY
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	2	1
---	---	---	---	---	---	---	---

4.	Number of Shareholders	Shareholdings			Total Shares held
	133	1	-	100 Shares	2,120
	53	101	-	500 Shares	19,412
	29	501	-	1,000 Shares	25,222
	61	1,001	-	5,000 Shares	146,175
	10	5,001	-	10,000 Shares	78,000
	4	10,001	-	15,000 Shares	47,094
	5	15,001	-	25,000 Shares	101,506
	3	25,001	-	35,000 Shares	91,816
	1	35,001	-	45,000 Shares	42,500
	3	45,001	-	50,000 Shares	149,106
	4	50,001	-	70,000 Shares	259,124
	1	70,001	-	80,000 Shares	78,503
	2	80,001	-	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
	2	900,001	-	1,000,000 Shares	1,883,521
	2	1,000,001	-	1,500,000 Shares	2,367,887
	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
	322	TOTAL			46,064,609

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	44,751,784	97.15%
	b. Foreign	-	0.00%
5.9	Others (Joint Stock Companies, Brokrage Houses, Employees Funds & Trustees)	1,938	0.00%

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 2017ء کے تحت لسٹنگ ریگولیشن، 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۔

بعد از واقعات:


مالیاتی سال کے اختتام اور اس رپورٹ کی تاریخ کے مابین کمپنی کی مالی حیثیت کو متاثر کرنے والی کوئی مادی تبدیلیاں نہیں کی گئیں۔

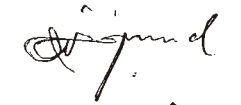
اظہار تشکر اور نتیجہ:

بورڈ کی جانب سے میں تمام ایگزیکٹو، اسٹاف ممبران اور ورکرز کا کمپنی کیلئے ان کی بہترین خدمات پر شکریہ ادا کرتا ہوں۔

نتیجہ کے حوالے سے میں اللہ تعالیٰ رحمن و رحیم سے دعا کرتا ہوں 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 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 ثناء آمین۔

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


ہارون اقبال
ڈائریکٹر


اشتیاق احمد
چیف ایگزیکٹو آفیسر اور ڈائریکٹر

کراچی:

تاریخ: 24 ستمبر 2021ء

**YD****A YOUSUF DEWAN COMPANY**

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

نام:	میٹنگ میں شرکت کنندہ کی تعداد
جناب عزیز الحق	5
جناب اشتیاق احمد	5
جناب غنفر بابر صدیقی	5
جناب محمد باقر جعفری	3
جناب عمران احمد جاوید	5
جناب ظفر عاصم	4
سید مقبول علی	5
سید عاصم عابد علی	0
محترمہ ندا جمیل	1

وہ ڈائریکٹرز جو میٹنگ میں شرکت نہیں کر سکے ان ڈائریکٹرز کو غیر حاضری پر چھٹی عینیت کردی 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 پانچ 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	5/5
سید مقبول علی	5/5
جناب عمران احمد جاوید	5/5

ہیومن ریسورس اور اجرتی کمیٹی:

ہیومن ریسورس اور اجرتی کمیٹی کی تشکیل بورڈ نے کی تھی تاکہ ہیومن ریسورس کی پالیسیوں پر میعادى 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 عزیز الحق۔ چیئرمین	1
سید مقبول علی	1
جناب اشتیاق احمد	1

آمدنی فی شیئر:

زیر جائزہ مدت کے دوران مبلغ (10.96) (2020: مبلغ (13.17)) فی شیئر خسارہ پایا گیا۔

صحت، حفاظت اور ماحول:

کمپنی کی انتظامیہ اپنی ذمہ داری سے آگاہ ہے جس کے تحت 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 کام کے 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۔

انسانی ذرائع (ہیومن ریسورس):

کمپنی کی انتظامیہ اس بات پر واضح یقین رکھتی ہے کہ بہترین پیداواری صلاحیت کیلئے انسانی ذرائع اور محکم 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 مراعاتی اسکیمیں فراہم کرتے ہیں۔

کوڈ آف کارپوریٹ گورننس پر عملدرآمد:

آپ کی کمپنی بہتر کارپوریٹ گورننس کیلئے پرعزم ہے۔ بورڈ کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک کے سلسلے میں اپنی ذمہ داری بخوبی سمجھتا ہے اور ڈائریکٹرز اس بات کی تصدیق کرتے ہیں:

- ۱۔ کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے حالات، اس کے کاروباری نتائج، نقد رقم کی ترسیل اور ایکٹیوٹی میں تبدیلی کی شفاف عکاسی کرتے ہیں۔
- ۲۔ کھاتے مناسب طریقہ سے مرتب کئے جاتے ہیں۔
- ۳۔ اکاؤنٹنگ پالیسیوں کے تسلسل کو مالیاتی گوشوارے کی تیاری میں لاگو کیا گیا ہے۔ محاسبی کے اندازے ماہرانہ اور چھ ماہ فیصلوں پر مبنی ہوتے ہیں۔
- ۴۔ مالیاتی گوشوارے کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیارات جیسے پاکستان میں نافذ العمل ہیں، اور باقاعدہ طور پر اس کا لحاظ رکھا جاتا 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 اسٹیمینٹ 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 2 میں کیا گیا ہے۔
- ۱۰۔ ٹیکسز، ڈیوٹیز اور دیگر چارجز سے متعلق معلومات مالیاتی گوشواروں میں دی گئی ہیں۔
- ۱۱۔ کوڈ آف کارپوریٹ گورننس کے حوالے سے مندرجہ ذیل معلومات منسلک ہیں:

(۱) شیئر ہولڈنگ کا پیٹرن

(۲) متعلقین اور دیگر افراد کے شیئرز

بورڈ:

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

30 جون 2021 تک بورڈ آف ڈائریکٹرز درج ذیل پر مشتمل تھے:

ڈائریکٹرز	ممبرز
☆ مرد	6
☆ عورت	1
تفصیل	ممبرز
☆ آزاد ڈائریکٹر	1
☆ دیگر غیر ایگزیکٹو ڈائریکٹرز	5
☆ ایگزیکٹو ڈائریکٹرز	1

**YD****A YOUSUF DEWAN COMPANY**

دوران سال کمپنی کی خالص فروخت آپریشن بند ہونے کے باعث صفر رہی۔ مالیاتی حسابات میں ظاہر ہونے والی فروخت زیر جائزہ سال کے دوران یارن اسٹاک کی فروخت کی نمائندگی کرتی ہے۔ اس وقت کمپنی نے دسمبر 2015ء سے اپنی مینوفیکچرنگ آپریشنز معطل کر دیئے ہیں جن پر صنعت کو درپیش مبنی صورتحال اور ورکنگ کیچیلر کی رکاوٹوں کے باعث دوبارہ کام نہیں ہو سکا۔

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۔ تاہم کچھ بینکوں نے جن کا مبلغ 419.065 ملین روپے کا کس ہے، نے تنظیم نو کی تجویز کو قبول نہیں کیا۔ مصالحتی معاہدہ کے مطابق قرض دہندگان نے قرضہ جات کی دوبارہ تنظیم نو کی دوبارہ ادائیگی میں کوتاہی کیلئے ایگزیکوشن ڈکری دائر کی۔ کمپنی نے محترم ہائی کورٹ آف سندھ کراچی میں مقدمہ دائر کیا جس میں اس کا سخت مقابلہ کیا گیا کہ ایگزیکوشن دائر کرنا غیر منصفانہ اور قانون کے منافی ہے۔ کمپنی کی انتظامیہ کو آنے والے دنوں میں اچھے نتائج کی توقع ہے۔

کمپنی کے آڈیٹرز نے اپنی رپورٹ میں قرضہ جات کی اقساط کی واپسی میں کوتاہی پر اپنی مابہر انہ رائے کا اظہار کیا ہے اور مارک اپ ریکارڈ نہ کرنے پر بھی تحفظات کا اظہار کیا ہے۔ مالیاتی حسابات 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 ذریعہ فور ہے۔ انتظامیہ کو امید ہے کہ جلد ہی اس نظر ثانی کو حتمی شکل دے دی جائیگی۔ مزید یہ کہ تنظیم نو کی تاریخ تک کا بقایا مارک اپ 1.452 ملین روپے ہے جو معاہدہ کی شرائط میں طے شدہ حالت میں کمپنی ادا کرے گی۔ چونکہ انتظامیہ کو یقین ہے کہ تنظیم نو کو حتمی شکل دینے پر یہ رقم چھوٹ کے اہل رہے گی۔ لہذا ان مالیاتی حسابات میں کوئی پروویژن فراہم نہیں کیا گیا ہے۔

کچھ قرض دہندگان نے مصالحتی معاہدے پر دستخط نہیں کئے اور کمپنی کی غیر منقولہ / رہن جائیدادوں کی منسلکیت اور فروخت کے ذریعہ اپنی ذمہ داریوں کے حصول کیلئے محترم عدالت عالیہ سندھ کراچی میں دائر مقدمات کی پیروی کرتے رہے۔ اس سلسلے میں سوٹ کی مجموعی رقم مبلغ 419.065 ملین روپے ہے جو کہ نوٹس سوٹ جس میں سے ایک سوٹ بینک جس کی رقم مبلغ 193.266 ملین ہے جس کے ٹیکسز آرڈیننس 1984ء (کمپنیز ایکٹ 2017 کے 301) 305 کی درخواستوں کو دائر نہ کیا گیا ہے۔ کمپنی نے بینکوں کے غلط دعوے دائر کرنے پر مقدمات کا سخت مقابلہ کیا۔ آنے والے دنوں میں کمپنی کی انتظامیہ کو بہتر نتائج کی توقع ہے۔

کمپنی نے کچھ بینکوں سے قرض لینے کے سلسلے میں جنہوں نے ابھی تک تنظیم نو کی تجویز کو قبول نہیں کیا ہے کیلئے مبلغ 41.965 ملین روپے (30 جون 2020 تک: مبلغ 517.005 ملین روپے) کا مارک اپ پروویژن نہیں بنایا ہے۔ کمپنی کی انتظامیہ کو امید ہے کہ یہ بینک مستقبل قریب میں تنظیم نو کی تجویز کو قبول کریں گے۔ اس کے مطابق مذکورہ مالیاتی بیانات کوئی مارک اپ فراہم نہیں کیا گیا ہے۔

مستقبل کا نظریہ:

آج کے انتہائی مسابقتی عالمی ماحول میں، ٹیکنالوجی کی ترقی اور اپنی سپلائی چین کو اپ گریڈ کرنے، پیداواری صلاحیت کو بہتر بنانے اور زیادہ سے زیادہ ویلیو ایڈیشن کی ضرورت ہے تاکہ وہ زندہ رہ سکے۔ پاکستان کے پاس تقریباً تمام مصنوعی ساختہ اور قدرتی کپاس اور کپڑوں کے لیے سپلائی چین بشمول کاشن، ریون اور دیگر موجود ہے۔ خام مال کی یہ کثرت لاگت اور آپریشنل لیڈ ٹائم پراس کے فائدہ مند اثرات کی وجہ سے پاکستان کے لیے ایک بڑا فائدہ ہے۔ انتظامیہ کاروباری ماحول کے بارے میں پرامید ہے اور حکومت کے اقدامات کی تعریف کرتی ہے۔ حکومت نے مالیاتی اور مالی اقدامات وغیرہ جیسے کئی اہم پالیسی فیصلے کیے اور زراعت کے شعبے کو بہتر بنانے کے اقدامات نے اہم فصلوں کی بہتر پیداوار کے لحاظ سے ادائیگی کی۔ حکومت کی کاشن کرپ ایڈوائزری کمیٹی نے یکم ستمبر 2021 کو سال 2021-22 کیلئے کپاس کی پیداوار کا تخمینہ 8.46 ملین گانٹھیں مقرر کیا ہے جو کہ گزشتہ سال کے مقابلے میں تقریباً 49.8 فیصد ہے، اگر ہم گزشتہ سال کی 5.646 ملین گانٹھوں (PCGA) کا موازنہ کریں جو کہ ایک مثبت علامت ہے۔ تاہم، فی الحال مقامی اور بین الاقوامی مارکیٹ میں کپاس کی پیداوار کی زیادہ قیمت، کرنسی کی قدر میں غیر یقینی صورتحال اور مہنگائی میں اضافے کی وجہ سے مقابلہ کرنا مشکل ہے۔ اگرچہ حکومت نے افراط زر پر قابو پانے کے لیے پالیسی اقدامات نافذ کیے ہیں، تاہم اس کو کافی حد تک انتظامی سطح پر لانے کے لیے ابھی بہت کچھ کرنے کی ضرورت ہے۔ ٹیکنالوجی انڈسٹری کو مستحکم بنانے کے لیے حکومت کی جانب سے مزید اقدامات خاص طور پر سستی پریکٹس کی مستقل فراہمی، نئی صلاحیت میں توسیع اور ٹیکنالوجی کی اپ گریڈیشن میں سرمایہ کاری میں اضافہ کیلئے طویل مدتی رعایتی فنانسنگ سہولت کا تسلسل کی توقع ہے۔ حکومت کو ڈیوٹی کٹ، مینوفیکچرنگ میں سرمایہ کاری پر ٹیکس کی مراعات اور برآمد کنندگان کے لیے ٹیکس ریفینڈ کی جلد اجراء کے ذریعے مقامی پیداوار اور درآمد کے متبادل کی بھی حوصلہ افزائی کرنی چاہیے اور اسے درآمدات کے مقابلے میں مقامی رسد کے لیے برابری کا میدان بنانا چاہیے۔

کارپوریٹ معاشرتی ذمہ داریاں:

ہم کارپوریٹ معاشرتی ذمہ داریوں (CSR) 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۔ کمپنی تمام اسٹیک ہولڈرز، خاص طور پر جس معاشرے میں ہم رہتے ہیں اور ایسے درکرز جو ہمارے کاروبار کا محور ہیں، کے مفادات پر غور اور توازن پیدا کرنے کیلئے شعوری طور پر کوشش کرنے کیلئے پرعزم ہیں۔ 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 برادر یوں کو بھی سپورٹ کرنا چاہتے ہیں جن کی ہم خدمت کرتے ہیں۔

ڈائریکٹر رپورٹ

محترم شیئر ہولڈرز،

السلام علیکم،

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز اختتامی مالیاتی سال 30 جون 2021ء کے لئے سالانہ آڈٹ شدہ مالیاتی حسابات بمع آڈیٹر رپورٹ پیش کر رہے ہیں۔

جائزہ:

پاکستان کی معیشت، دنیا بھر کی طرح Covid-19 کے باعث معیشت کو سہارا دینے اور جان و مال کی حفاظت کیلئے فوری اقدامات کے ذریعے معاشی نتائج سے نمٹنے کیلئے جدوجہد کر رہی ہے۔ اس کے علاوہ، اس وبا پر قابو پانے کے اقدامات کے طور پر، حکومت نے اقدامات کا ایک جامع طریقہ نافذ کیا ہے جس میں آبادی کے کٹر ور طبقات کی حفاظت کے لیے سماجی حفاظتی امور کی توسیع کے ساتھ ساتھ مالیاتی پالیسی کی حمایت اور ہدف شدہ مالی اقدامات شامل ہیں۔ ان اقدامات نے اس وبا کے شدید اثرات کو کم کرنے میں معیشت کی مدد کی۔ مناسب مالی اور مالیاتی پالیسیوں کے ساتھ حکومت کے دانشمندانہ فیصلوں نے معیشت کو Covid-19 سے پہلے کی زندگی دوبارہ حاصل کرنے میں مدد دی۔ پیداواری شعبوں نے وسیع بنیادوں پر ترقی ظاہر کی کیونکہ ایل ایس ایم کے بڑے شعبوں یعنی ٹیکسٹائل، فوڈ پروسسنگ اور تہذیبی، غیر دھاتی معدنی مصنوعات اور آٹوموبائل نے نمایاں بہتری دکھائی۔ حکومت کی طرف سے صنعتی سپورٹ پیکیج، برآمدی صنعتوں پر مبنی صنعتوں کے لیے بجلی اور گیس کی سبسڈی اور ٹیکس چھوٹ کی صورت میں صنعتی شعبے میں بڑے پیمانے پر قابل ذکر تبدیلی آئی۔ پالیسی کی شرح 7.00 فیصد میں کوئی تبدیلی نہیں کی گئی جس نے کاروباری امور کو بہتر بنایا اور اس طرح معاشی سرگرمیوں کی حوصلہ افزائی کی جو روزگار کو بحال کرنے کے قابل بناتی ہے۔ اس کے نتیجے میں الحمد للہ معیشت مسلسل مستحکم اور جامع ترقی کی طرف گامزن ہے۔ مالیاتی سال 2021 میں معیشت کی شرح نمو 3.94 فیصد رہی جو کہ گزشتہ سال 0.47 فیصد تھی۔ ترسیلات زر میں نمایاں اضافہ ہوا کیونکہ غیر زرعی درآمد پر عائد پابندیوں کی وجہ سے مزید زرعی محصولات کا انتخاب کیا گیا۔ اس کے ساتھ، اقتصادی سرگرمیوں کی بروقت بحالی نے برآمدی شعبے کو دیگر بھرتی ہوئی معیشتوں کے مقابلے میں نسبتاً بہتر کارکردگی دکھانے میں مدد دی۔ یہ دونوں بیرونی شعبے میں بہتری کا باعث بنے۔

پاکستان میں ٹیکسٹائل کی صنعت کا معیشت پر گہرا اثر ہے اور ملکی برآمدات میں تقریباً 60 فیصد حصہ ڈال رہا ہے۔ یہ کل مینوفیکچرنگ سیکٹر کا 46 فیصد پر مشتمل ہے اور دوسرا سب سے بڑا روزگار پیدا کرنے والا سیکٹر ہونے کی وجہ سے کل لیبر فورس کا 40 فیصد روزگار فراہم کرتا ہے۔ Covid-19 ٹیکسٹائل انڈسٹری کے لیے ایک نعمت ثابت ہوا کیونکہ عالمی خریداروں نے علاقائی حریفوں کے آرڈرز روک کر پاکستان کا رخ کیا، جس کے نتیجے میں دستیاب پیداواری صلاحیت کا 100 فیصد استعمال کیا گیا۔ پاکستان کی ٹیکسٹائل صنعت کے حالات کافی سازگار ہیں اور یہ پوری صلاحیت کے ساتھ کام کر رہی ہے۔ ٹیکسٹائل صنعت میں ترقی کے مثبت اثرات کیمیکلز، لاجسٹکس، پیکیجنگ اور دیگر خدمات سمیت متعلقہ شعبوں کی طرف سے بھی محسوس کیے جا رہے ہیں۔ اس سے پاکستانی برآمد کنندگان کو ایک موقع ملا ہے کہ وہ مسابقتی قیمتوں کا حوالہ دیں اور بہتر معیار کی مصنوعات پیش کریں تاکہ نئے خریداران کے مستقل صارف بن سکیں۔ تاہم، اس کے برعکس، مالی سال 2021 میں پاکستان میں کپاس کی پیداوار 5.646 ملین گانٹھ ریکارڈ کی گئی جو تین دہائیوں میں سب سے کم ہے۔ کپاس کی فصل بنیادی طور پر بوائی کے علاقے میں کمی، بھاری مون سون بارشوں اور کیڑوں کے حملوں کی وجہ سے متاثر ہوئی۔ اس پیداواری کمی نے نازک سطح پر کپاس کی قیمتوں کو 11 سال کی بلند ترین سطح ملین 12,800 روپے من پر پہنچا دیا جس کے نتیجے میں کپاس کی درآمدات میں گزشتہ سال کے مقابلے میں مالی سال 2021 کے دوران 80 فیصد سے زیادہ اضافہ ہوا۔ اہم صنعتی ان پٹ میں شدید کمی نے اس فائدہ کو متاثر کیا جو برآمدات میں اضافے سے حاصل کیا جاسکتا تھا اور توقع ہے کہ مزید برآمدات کو بھی متاثر کرے گا۔ مزید یہ کہ بین الاقوامی مارکیٹ میں زیادہ قیمتوں کے نتیجے میں دھماکے کی قیمتوں میں مسلسل اتار چڑھاؤ رہا۔

مالیاتی نتائج اور کارکردگی:

زیر جائزہ سال کے دوران مالیاتی نتائج درج ذیل ہیں:

(روپے)	فروخت (صافی)
76,817,000	فروخت کی لاگت
(191,117,219)	کل خسارہ
(114,300,219)	انتظامی اخراجات
(5,397,367)	آپریٹنگ خسارہ
(119,697,586)	مالیاتی لاگت
(248,771,252)	دیگر چارجز
(152,421,136)	قبل از ٹیکس خسارہ
(520,889,974)	ٹیکسیشن
15,818,397	بعد از ٹیکس خسارہ
(505,071,577)	

**YD****A YOUSUF DEWAN COMPANY**

(5) تاحال سی این آئی سی فراہم نہ کرنے والے شیئرز ہولڈرز کو نوٹس

سکیورٹیز اینڈ ایکسچینج آف پاکستان کے ایس آر او 831(1)/2012 مورخہ 5 جولائی 2012ء میں درج ذیل ہدایات کے مطابق شیئرز ہولڈرز کو ڈیویڈنڈ وائٹس 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) شیئرز 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 الیکٹرونک طور پر 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 نہیں 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 ہدایت 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 الیکٹرونک منتقلی

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 دی ہے جو اس سہولت سے استفادہ حاصل کرنے کے متعلق 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 ریکورڈسٹ فارم پر اپنی خواہش تحریری طور پر فراہم کریں۔

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 باڈیوں (52) سالانہ اجلاس عام بدھ 27 اکتوبر 2021 کو صبح 9:30 بجے دیوان سینٹ لمیٹڈ فیکٹری سائٹ واقع دیہہ ڈھنڈو-دھابجی ضلع ملیر کراچی پاکستان میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد کیا جائے گا۔ اجلاس کا آغاز تلاوت کلام پاک سے ہوگا۔

عمومی امور

- (1) کمپنی کے گزشتہ غیر معمولی اجلاس عام منعقدہ پیر 26 مارچ 2020ء کی کارروائی کی توثیق۔
- (2) 30 جون 2021ء کو مکمل ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ مالی گوشواروں مع آڈیٹرز اور ڈائریکٹرز کی رپورٹ کی وصولی، غور و خوض اور منظوری۔
- (3) 30 جون 2022ء کو مکمل ہونے والے سال کیلئے 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 24 ستمبر 2021ء

نوٹ:

- (1) کمپنی کی منتقلی حصص کی کتب 20 اکتوبر 2021ء تا 27 اکتوبر 2021ء (دونوں دن شامل) بند رہیں گی۔
- (2) ممبران سے پتہ میں کسی قسم کی تبدیلی سے فوری طور پر ہمارے شیئرز رجسٹر اٹرانسفر ایجنٹ بی ایم ایف لنسٹنٹس پاکستان (پرائیویٹ) لمیٹڈ واقع انعم اسٹیٹ بلڈنگ کرہ نمبر 310 اور 311 تھرڈ فلور 49 دارالامان سوسائٹی مین شاہراہ فیصل متصل بلوچ کالونی پل، کراچی پاکستان کو مطلع کرنے کی درخواست کی جاتی ہے۔
- (3) اجلاس ہذا میں شرکت اور رائے دہی کا اہل ممبر اپنی جانب سے شرکت اور رائے دہی کیلئے دوسرے ممبر کو اپنا پروکسی مقرر کر سکتا ہے۔ تاہم پروکسی کی تقرری کی دستاویز اجلاس کے انعقاد سے کم از کم اڑھتالیس 48 گھنٹے قبل کمپنی کو مندرجہ بالا پتہ پر مل جانی چاہیے۔
- (4) سی ڈی سی اکاؤنٹ ہولڈرز کو مزید براں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکل نمبر 1 مورخہ 20 جنوری 2000ء میں درج مندرجہ ذیل ہدایت 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 ڈھوں 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 انٹیلیٹی 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 ڈھوں 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 انٹیلیٹی 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۔

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DEWAN TEXTILE MILLS LIMITED
52nd 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 52nd Annual General Meeting of the Company to be held on **Wednesday, October 27, 2021, at 9:30 a.m.** And any adjournment thereof.
Signed this _____ day of _____ 2021.

Affix
Revenue
Stamp
Rs. 5/-

Signature _____

Witness: _____

Signature

Name: _____

Address: _____

Witness: _____

Signature

Name: _____

Address: _____

پراکسی فارم ۵۲ 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 ۵۲ واں سالانہ اجلاس عام جو کہ بروز بدھ، ۲۷ اکتوبر ۲۰۲۱ کو صبح ۹:۳۰ بجے، ہے میری / ہماری جانب سے ووٹ دے۔

بطور گواہ میں / ہم نے بروز _____ بتاریخ _____ ۲۰۲۱ کو میرے / ہمارے ہاتھ سے مہر لگائی۔

Affix
Revenue
Stamp
Rs. 5/-

دستخط _____

گواہ: _____

نام: _____

مکمل پتہ: _____

گواہ: _____

نام: _____

مکمل پتہ: _____