

DEWAN FAROOQUE SPINNING MILLS LIMITED

QUARTERLY REPORT

SEPTEMBER 30, 2021

DEWAN FAROOQUE SPINNING MILLS LIMITED DIRECTORS' REPORT

IN THE NAME OF ALLAH; THE MOST GRACIOUS AND MERCIFUL

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

The Board of Directors of your Company is pleased to present unaudited condensed interim financial statements for the first quarter ended September 30, 2021 in compliance with the requirements of section 237 of the Companies Act, 2017 and code of corporate governance issued by Securities and Exchange Commission of Pakistan.

Operating results and performance:

Company's net revenue for first quarter was Rs. 149.530 million as compared to net revenue of Rs. 143.448 million of the corresponding period of last year. Company has suffered gross loss of Rs.42.758 million as compared to the gross loss of Rs. 9.256 million of comparable period of last year, whereas operating expenses of the company remained at Rs. 9.335 million as compared to Rs. 7.856 million of comparable period of last year. Due to working capital constraints, the company continued the production of yarn on contract basis to keep the company operational.

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 labour 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 favourable 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. However currently textile industry is also facing challenges that includes but not limited to global recession, higher cost of production, increase in energy costs, decline in cotton crop cultivation, dependence on imported cotton, costly labor, higher inflation, and continued rupee devaluation.

These condensed interim financial statements have been prepared using going concern assumption as the conditions referred in note 2 are temporary and would reverse in foreseeable future. The company's operating cash flows are positive. The company production has increased as compared to similar period of last year due to certain capital expenditures incurred in preceding financial year, which also mitigate the risks involved. The company approached its lenders for further restructuring of its liabilities, which is in process. Therefore, the preparation of condensed interim financial statements using going concern assumption is justified.

Future Outlook

It is becoming more difficult to compete in international market, due to continues increase in cotton prices i.e., local (KCA Rate Rs.15,300/-Maund) as well as international cotton markets (New York Cotton @ \$1.09/Lbs.) both are touching to a decade high price, higher cost of production, uncertainties in currency devaluation, increase in inflation and overall political & economic conditions. 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. The raw material availability at competitive prices, currency stability and most importantly the Country's ability to keep up the export orders' momentum will primarily determine the times ahead. Some further initiatives from the government are also expected to make the textile industry sustainable, especially smooth supply of Power 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, and it should create a level playing field for domestic supplies compared to imports.

DEWAN FAROOQUE SPINNING MILLS LIMITED DIRECTORS' REPORT

Conclusion

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

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

By and under Authority of the Board of Directors



Dewan Abdul Baqi Farooqui
Chief Executive Officer & Director



Haroon Iqbal
Director

Dated: October 26, 2021

دیوان قاروق سپنگ ٹریڈنگ

ڈائریکٹرز رپورٹ

شروع کرتا ہوں اللہ تعالیٰ کے نام سے جو بڑا مہربان اور نہایت رحم والا ہے
اگر تم ٹھکراؤ کرو گے تو میں تم پر (نعمتوں میں) خسرو و اضافہ کروں گا (القرآن)

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز اختتامی مالیاتی سال 30 ستمبر 2021ء کو ختم ہونے والی پہلی سرمایہ کیلئے کمپنیز ایکٹ 2017ء کے سیکشن 237 اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ کوڈ آف کارپوریٹ گورننس کی تعمیل کرتے ہوئے غیر معیادی عبوری مالیاتی حسابات پیش کرنے پر خوشی محسوس کر رہے ہیں۔

عملی نتائج اور کارکردگی:

پہلی سرمایہ کے دوران کمپنی کے خالص آمدنی مبلغ 149.530 ملین روپے رہی جس کا موازنہ گذشتہ سال کے خالص آمدنی 143.448 ملین روپے سے کیا جاسکتا ہے۔ کمپنی کو مبلغ 42.758 ملین روپے کا مجموعی خسارہ ہوا جس کا موازنہ گذشتہ سال کی اسی مدت کے مجموعی خسارے مبلغ 9.256 ملین روپے سے کیا جاسکتا ہے جبکہ کمپنی کے عملی اخراجات مبلغ 9.335 ملین روپے رہے جس کا موازنہ گذشتہ سال کے اخراجات مبلغ 7.856 ملین روپے سے کیا جاسکتا ہے۔ ورکنگ کیپٹل کی رکاوٹوں کے باعث کمپنی کے آپریشن کو جاری رکھے کیلئے کمپنی نے ٹھیکہ کی بنیاد پر دھاگے کے پیداواری عمل کو جاری رکھا۔

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 خریدوں 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، ہیکٹیوٹنگ اور دیگر خدمات سمیت متعلقہ شعبوں کی طرف سے بھی محسوس کیے جا رہے ہیں۔ تاہم فی الحال ٹیکسٹائل صنعت کو مشکلات کا سامنا ہے۔ اس کمی کی بڑی وجوہات میں عالمی کسادبازاری، پیداواری زیادہ لاگت جس میں توانائی کی قیمتوں میں اضافہ، کپاس کی فصل کی کاشت میں کمی، درآمد شدہ کپاس پر انحصار، مہنگی مزدوری، زیادہ افراط زر اور روپے کی بے قدری شامل ہو سکتی ہے۔

یہ غیر معیادی عبوری مالیاتی حسابات تشویشی مفروضے کا استعمال کرتے ہوئے تیار کئے گئے ہیں کیونکہ نوٹ 2 میں مذکور ہٹاؤ عارضی ہیں اور مستقبل میں ان کے برعکس ہو سکتی ہیں۔ کمپنی کا آپریٹنگ کیش فلو مثبت ہے۔ گذشتہ مالیاتی سال میں سرمایہ کاری اخراجات کے باعث کمپنی کی پیداوار میں اضافہ ہوا جس کا موازنہ گذشتہ اسی عرصہ سے کیا جاسکتا ہے۔ کمپنی نے اپنے قرض دہندگان سے اپنی ذمہ داریوں کی مزید تنظیم نو کیلئے رابطہ کیا ہے جو عملی مراحل میں ہے۔ لہذا تشویشی مفروضے کا استعمال کرتے ہوئے عبوری مالیاتی حسابات کی تیاری جائز ہے۔

مستقبل کا نظریہ:

تاہم اس وقت مقامی روٹی (KCA ریٹ 15,300 روپے من) کے ساتھ ساتھ انٹرنیشنل کاشن مارکیٹس (نیویارک کاشن \$1.09/Lbs) کی زیادہ قیمتوں، زیادہ پیداواری لاگت، کرنسی کی قدر میں کمی اور افراط زر میں اضافہ، معاشی اور سیاسی عدم استحکام کے باعث بین الاقوامی مارکیٹ میں مقابلہ کرنا مشکل ہوتا جا رہا ہے۔ اگرچہ حکومت نے مہنگائی پر قابو پانے کے لئے پالیسی اقدامات پر عمل درآمد کیا، تاہم اسے قابل انتظام سطح پر لانے کے لئے ابھی بہت کچھ کرنے کی ضرورت ہے۔ خام مال کی دستیابی اور قیمتیں، کرنسی کو مستحکم اور سب سے اہم یہ ہے کہ برآمداتی آرڈرز کی رفتار کو برقرار رکھنے کی ملکی صلاحیت بنیادی طور پر آنے والے وقت کا تعین کرے گی۔ اسٹیٹ بینک آف پاکستان کی طرف سے دی جانے والی عارضی اقتصادی ری فنانس سہولت کے نتیجے میں اگلے مالی سال کے آغاز سے پیداواری صلاحیتوں میں اضافہ ہوگا۔ برآمدی آرڈرز کی موجودگی بڑھتی ہوئی صلاحیتوں کو پورا کرنے اور ملک کی معاشی خوشحالی کے لیے اہم ہوں گی۔ ٹیکسٹائل انڈسٹری کو مستحکم بنانے کے لیے حکومت کی جانب سے مزید اقدامات خاص طور پر سستی قیمت 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 پریکٹس کی مراعات اور درآمد کنندگان کے لیے ٹیکس ریفرنڈ کی جلد اجراء کے ذریعے مقامی پیداوار اور درآمد کے متبادل کی بھی حوصلہ افزائی کرنی چاہیے اور

اسے درآمدات کے مقابلے میں گھریلو رسد کے لیے برابری کا میدان بنانا چاہئے۔

نتیجہ:

اللہ تعالیٰ کے فضل و کرم سے کمپنی کی انتظامیہ آئندہ ششماہی میں بہتر نتائج کیلئے اپنی پوری کوششیں جاری رکھے گی۔ نتیجے کے حوالے سے ہم اللہ تعالیٰ رحمن و رحیم سے دعا کرتے ہیں وہ اپنے حبیب حضرت محمد ﷺ کے طفیل اپنی رحمت، ہدایات اور فضل و کرم ہم پر اسی طرح قائم رکھے جو کہ نہ صرف ہم پر بلکہ ہماری کمپنی اور ہمارے ملک پر بھی اپنی رحمت نازل کرے، ہم اللہ تعالیٰ سے یہ بھی دعا کرتے ہیں کہ تمام مسلم ائمہ کے مابین صحیح اسلامی جذبہ، اخوت اور بھائی چارگی پیدا کرے۔ آمین ثمرہ آمین۔

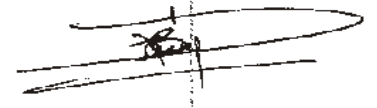
میرا پروردگار یقیناً ہماری دعاؤں کو سنتا ہے۔ (قرآن کریم)

بورڈ آف ڈائریکٹرز کی جانب سے



ہارون اقبال

ڈائریکٹر



دیوان عبدالہادی فاروقی

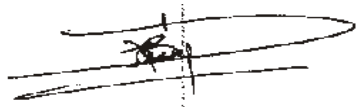
چیف ایگزیکٹو آفیسر اینڈ ڈائریکٹر

مورخہ: 26 اکتوبر 2021ء

DEWAN FAROOQUE SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30TH SEPTEMBER 2021

	Un-Audited Sep 30, 2021	Audited June 30, 2021
Notes	------(Rupees)-----	
<u>EQUITY AND LIABILITIES</u>		
SHARE CAPITAL AND RESERVES		
Authorized share capital 100,000,000 (2021: 100,000,000) Ordinary shares of Rs.10/- each	1,000,000,000	1,000,000,000
Issued, Subscribed and Paid-up Capital	977,507,260	977,507,260
Revenue Reserve - Accumulated loss	(1,382,118,414)	(1,345,216,585)
Capital Reserve - Revaluation surplus on property, plant and equipment	2,351,381,165	2,370,386,530
	1,946,770,011	2,002,677,205
NON-CURRENT LIABILITIES		
Deferred Taxation	309,397,183	317,159,938
Deferred Liability for staff gratuity	17,509,451	15,641,205
CURRENT LIABILITIES		
Trade and other payables	90,623,269	114,568,403
Accrued mark-up	282,444,797	273,069,999
Short term borrowings	412,864,355	412,864,355
Overdue portion of long term liabilities	463,896,977	463,896,977
Provision for taxation	2,186,870	10,572,616
	1,252,016,268	1,274,972,350
CONTINGENCIES AND COMMITMENTS	6	-
	3,525,692,913	3,610,450,698
<u>ASSETS</u>		
NON-CURRENT ASSETS		
Property, plant and equipment	3,283,090,452	3,319,315,029
Long term deposits	38,226,745	38,226,745
CURRENT ASSETS		
Stores & Spares	21,342,060	22,309,317
Stock-in-trade	-	361,003
Trade Debts- Unsecured, Considered Good	83,187,277	83,624,514
Loans and advances- Unsecured, Considered Good	22,245,829	18,154,240
Trade deposits and other receivables- Considered Good	32,280,055	53,043,602
Taxes recoverable	21,689,672	31,366,691
Cash and bank balances	23,630,823	44,049,557
	204,375,716	252,908,924
	3,525,692,913	3,610,450,698

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


Dewan Abdul Baqi Farooqui
Chief Executive Officer & Director


Muhammad Irfan Ali
Chief Financial Officer

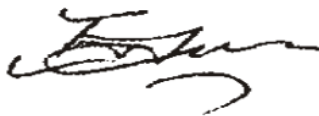

Haroon Iqbal
Director

DEWAN FAROOQUE SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER 2021

	July-Sept, 2021	July-Sept, 2020
Notes	------(Rupees)-----	
Sales / Revenue - Net	149,529,588	143,447,500
Cost of sales / revenue	<u>(192,287,173)</u>	<u>(152,703,864)</u>
Gross (loss)	(42,757,585)	(9,256,364)
Operating expenses		
Administrative expenses	<u>(7,028,786)</u>	<u>(5,569,735)</u>
Selling and distribution expenses	<u>(2,306,578)</u>	<u>(2,286,007)</u>
	<u>(9,335,364)</u>	<u>(7,855,742)</u>
Operating (loss)	(52,092,949)	(17,112,106)
Other charges		
Finance cost	9 <u>(9,390,130)</u>	<u>(8,997,349)</u>
	(9,390,130)	(8,997,349)
(Loss) before taxation	(61,483,079)	(26,109,455)
Taxation		
Current	<u>(2,186,870)</u>	<u>(2,151,713)</u>
Deferred	<u>7,762,755</u>	<u>4,250,121</u>
	<u>5,575,885</u>	<u>2,098,408</u>
(Loss) after taxation	<u>(55,907,194)</u>	<u>(24,011,047)</u>
(Loss) per share - Basic and diluted (Rupees)	10 <u><u>(0.57)</u></u>	<u><u>(0.25)</u></u>

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


Dewan Abdul Baqi Farooqui
Chief Executive Officer & Director


Muhammad Irfan Ali
Chief Financial Officer


Haroon Iqbal
Director

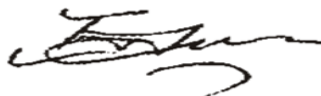
DEWAN FAROOQUE SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER 2021

	July-Sept. 2021	July-Sept. 2020
	------(Rupees)-----	
(Loss) after taxation	(55,907,194)	(24,011,047)
Items that will not be subsequently reclassified to profit or loss:		
Remeasurement of defined benefit liability	-	-
Deferred tax on remeasurement of defined benefit liability	-	-
	-	-
Total comprehensive income /(loss) for the period	(55,907,194)	(24,011,047)

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



Dewan Abdul Baqi Farooqui
Chief Executive Officer & Director



Muhammad Irfan Ali
Chief Financial Officer



Haroon Iqbal
Director

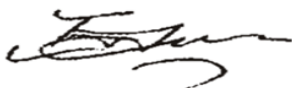
DEWAN FAROOQUE SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER 2021

Note	July-Sept. 2021	July-Sept. 2020
	------(Rupees)-----	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(61,483,079)	(26,109,455)
Adjustments for non cash and other items:		
Depreciation	39,838,452	28,557,462
Financial charges	9,390,130	8,997,349
Provision for gratuity	2,142,312	1,733,006
Cash flow before working capital changes	<u>(10,112,185)</u>	<u>13,178,362</u>
Working Capital changes		
<i>(Increase)/ Decrease in current assets:</i>		
Stores & spares	967,257	(618,776)
Stock in trade	361,003	-
Trade debts	437,237	(267,723)
Loans & advances	(4,091,589)	(110,148)
Trade deposits & other receivables	20,763,547	(2,770,198)
<i>Increase/ (Decrease) in current liabilities:</i>		
Trade and other payables	(23,945,134)	(23,594,033)
Cash generated from / (used in) operations	(15,619,864)	(14,182,516)
Taxes paid - net of refund	(895,597)	21,999,307
Gratuity paid	(274,066)	(565,372)
Financial charges paid	(15,332)	(123,354)
	<u>(16,804,859)</u>	<u>7,128,065</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(3,613,875)	(1,667,364)
Long term deposits	-	-
Net cash outflow from investing activities	(3,613,875)	(1,667,364)
CASH FLOW FROM FINANCING ACTIVITIES		
Syndicated Long Term Loan	-	-
Short Term Loan	-	-
Net cash Inflow/(out flow) from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	(20,418,734)	5,460,701
Cash and Cash equivalents at the beginning of the period	44,049,557	2,412,274
Cash and Cash equivalents at the end of the period	8 <u><u>23,630,823</u></u>	<u><u>7,872,975</u></u>

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Dewan Abdul Baqi Farooqui
Chief Executive Officer & Director



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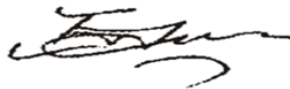
DEWAN FAROOQUE SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER 2021

	Issued, subscribed and Paid-up Capital	Revenue reserve	Capital Reserve	Total
		Accumulated loss	Revaluation surplus on property, plant & equipment	
(Rupees)				
Balance as at July 01, 2020	977,507,260	(1,274,237,669)	1,036,652,377	739,921,968
Total comprehensive loss for the period				
(Loss) for the period	--	(24,011,047)	--	(24,011,047)
Other comprehensive income	--	--	--	--
	--	(24,011,047)	--	(24,011,047)
Transfer to accumulated loss in respect of incremental depreciation - net of tax	--	10,405,469	(10,405,469)	--
Balance as at September 30, 2020	977,507,260	(1,287,843,247)	1,026,246,908	715,910,921
Balance as at July 01, 2021	977,507,260	(1,345,216,585)	2,370,386,530	2,002,677,205
Total comprehensive income/(loss) for the period				
(Loss) for the period	--	(55,907,194)	--	(55,907,194)
Other comprehensive income	--	--	--	--
	--	(55,907,194)	--	(55,907,194)
Transfer to accumulated loss in respect of incremental depreciation - net of tax	--	19,005,365	(19,005,365)	--
Balance as at September 30, 2021	977,507,260	(1,382,118,414)	2,351,381,165	1,946,770,011


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



Dewan Abdul Baqi Farooqui
Chief Executive Officer & Director



Muhammad Irfan Ali
Chief Financial Officer



Haroon Iqbal
Director

DEWAN FAROOQUE SPINNING MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER 2021

1 THE COMPANY AND ITS OPERATIONS

Dewan Farooque Spinning Mills Limited is incorporated in Pakistan on December 22, 2003 as public limited company, under the Companies Ordinance, 1984. The shares of the company are listed on the Pakistan Stock Exchange Limited. The registered office of the company is located at Dewan Centre, 3-A, Lalazar Beach Hotel, Road, Karachi, Pakistan; while its manufacturing facilities are located at 54 km Multan Road, near the Phool Nagar By-pass, District Kasur, near the city of Lahore in Pakistan. The principal activity of the company is manufacturing and sale of fine quality yarn. Company also manufactures yarn on contract basis. The company has installed capacity of 28,800 spindles.

2 GOING CONCERN ASSUMPTION

The condensed interim financial statements for the first quarter ended September 30, 2021 reflect that company sustained net loss after taxation of Rs. 55.907 million (2021: Rs. 112.601 million) and as of that date it has negative reserves of Rs. 1,382.118 million and its current liabilities exceeded its current assets by Rs. 1,047.641 million (2021: 1,022.063 million). Furthermore, the short term facilities of the company have expired and not been renewed by banks and it had defaulted in repayment of restructured liabilities. Following course, the company is facing litigations with its lenders. These conditions indicate the existence of material uncertainty, which may cast significant doubt about Company's ability to continue as going concern.

These condensed interim financial statements have been prepared using going concern assumption as these conditions are temporary and would reverse in foreseeable future. The company's operating cash flows are positive and sponsors provide support as and when required to meet working capital requirements. The company production have increased as compared to last year due to certain capital expenditures, which also mitigate the risks involved. Therefore the preparation of these condensed interim financial statements using going concern assumption is justified.

3 BASIS OF PREPARATION

3.1 These condensed interim financial statements of the Company for the 1st Quarter ended 30 September 2021 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2021.

4 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

4.1 The accounting policies and methods of computation adopted and applied in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2021.

4.2 Application of new and revised International Financial Reporting Standards

4.2.1 Standards, amendments to standards and interpretations becoming effective during the period

There are certain new standards, amendments to existing standards and new interpretations on approved accounting standards that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2021 but are considered not to be relevant or not to have any material effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

4.2.2 Standards, amendments to standards and interpretations becoming effective in future periods

There are certain new standards, amendments to standards and interpretations that will become effective in future accounting periods but are considered not to be relevant or not to have any material effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

5 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

5.1 The preparation of these condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events, revision to accounting estimates are recognized prospectively commencing from the period of revision.

5.2 Judgements and estimates made by management in the preparation of these condensed interim financial informations are the same as those that were applied to the financial statements as at and for the year ended June 30, 2021.

5.3 The Company's financial risk management objectives and policies are consistent with those objectives and policies which were disclosed in the financial statements of the Company for the year ended June 30, 2021

	Sept. 30, 2021	Jun 30, 2021
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6 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the contingencies and commitments since the last audited financial statements for the year ended June 30, 2021.

	Sept. 30, 2021	Jun 30, 2021
	Rupees	
Operating fixed assets	7.1 3,283,090,452	3,316,315,029
Capital work in progress	-	3,000,000
	<u>3,283,090,452</u>	<u>3,319,315,029</u>

7 PROPERTY, PLANT AND EQUIPMENT

7.1 Operating fixed assets			
Opening written down value		3,316,315,029	1,876,890,143
Additions during the period / year	7.2 6,613,875		18,293,839
Surplus on revaluation		-	1,536,836,784
Depreciation during the period / year		<u>(39,838,452)</u>	<u>(115,705,737)</u>
Closing written down value		<u>3,283,090,452</u>	<u>3,316,315,029</u>

7.2 Additions during the period / year

Land		-	2,693,410
Plant & Machinery		6,478,875	10,774,924
Vehicles		-	4,430,505
Computer Equipment		<u>135,000</u>	<u>395,000</u>
		<u>6,613,875</u>	<u>18,293,839</u>

	Sept. 30, 2021	Sept. 30, 2020
	Rupees	
8 CASH AND CASH EQUIVALENTS		
Cash and Bank Balances	<u>23,630,823</u>	<u>7,872,975</u>
	<u>23,630,823</u>	<u>7,872,975</u>

9 FINANCE COST

The Company has not made the provision of markup for the year amounting to Rs.1.664 million (up to June 30, 2021: Rs.75.741 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.1.664 million and accrued markup would have been higher and shareholders' equity would have been lower by Rs.77.405 million.

	<u>Sept. 30,</u> <u>2021</u>	<u>Sept. 30,</u> <u>2020</u>
	Rupees	
10 BASIC EARNINGS PER SHARE		
Loss after taxation	(55,907,194)	(24,011,047)
Weighted average number of ordinary shares	97,750,726	97,750,726
Basic Loss per share	(0.57)	(0.25)

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

11 RELATED PARTY TRANSACTIONS

Provident Fund	394,518	348,798
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12 CORRESPONDING FIGURES

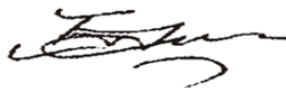
In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", statement of financial position has been compared with the balances of annual financial statements, whereas statement of profit or loss, statement of comprehensive income, statement of cash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

13 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information has been authorized for issue on October 26, 2021 by the Board of Directors of the company.



Dewan Abdul Baqi Farooqui
CHIEF EXECUTIVE OFFICER



Muhammad Irfan Ali
CHIEF FINANCIAL OFFICE



Haroon Iqbal
DIRECTOR