

**DEWANKHALIDTEXTILEMILLSLIMITED**

**HALF YEARLY REPORT**  
**DECEMBER 31, 2021**

**DEWAN KHALID TEXTILE MILLS LIMITED**  
**COMPANY INFORMATION**

**BOARD OF DIRECTORS**

Executive Director : Mr. Ishtiaq Ahmed - Chief Executive Officer & Director

Non-Executive Directors : Mr. Haroon Iqbal - Chairman, Board of Directors  
Mr. Ghazanfar Baber Siddiqi  
Mr. Imran Ahmed Javed  
Syed Maqbool Ali  
Mrs. Nida Jamil

Independent Director : Mr. Aziz-ul-Haque

Audit Committee : Mr. Aziz-ul-Haque (Chairman)  
Syed Maqbool Ali (Member)  
: Mr. Haroon Iqbal (Member)

Human Resources & Remuneration Committ : Mr. Aziz-ul-Haque (Chairman)  
Mr. Haroon Iqbal (Member)  
Mr. Ishtiaq Ahmed (Member)

Auditor : Feroze Sharif Tariq & Company  
Chartered Accountants  
4/N/4 Block-6, P.E.C.H.S., 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  
: Bank Islami Pakistan Limited  
: MCB Bank Limited  
: Silk Bank Limited  
: Bank Al Falah Limited  
: Askari Commercial 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 : G/11, S.I.T.E., Kotri, Sindh, Pakistan.

Website : [www.yousufdewan.com](http://www.yousufdewan.com)

# DEWAN KHALID TEXTILE 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 half year ended December 31, 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 (Factory Shutdown):

Company's operational sales for the period remained nil due to closure of operations, the sales amounting to Rs.54.214 million appearing in financial statements represent stocks sales during the period under consideration. The Company, for the time being, has suspended its manufacturing operations since August 2016 which could not be resumed due to adverse scenario faced by the industry and working capital constraints.

The auditors of the Company have expressed adverse conclusion in their review report on going concern assumption due to closure of operations, default in repayment of installments of restructured liabilities and related non-provisioning of mark-up as explained in their review report. The condensed interim financial statements have been prepared using going concern assumption as the company has approached its lenders for further restructuring of its liabilities, which is in process. Management is hopeful that such revision will be finalized soon which will enable the company to resume its operations.

### Future Outlook

Although economic recovery is underway, the economy is also confronting inflation as well as external sector pressure. Further, it is expected that overall Country's exports will benefit from the current domestic and foreign economic aggression. However, despite the signs of economic resilience and recovery, sustainability of the current growth requires that the trade deficit remains manageable. There may be some pressure on current account due to high imports of Raw Cotton because of continuous increase in international cotton price mainly because of rising demand & disruption in US cotton supplies, import of plant and machinery, increasing trend in international Oil prices and rupee devaluation. Further, the challenges of rising debt, high inflation, increased cost of living, unstable political conditions and geopolitical tensions may obscure the outlook. In this regard, Government needs to closely monitor the imports, which seems to be the challenge having an impact on the foreign exchange reserves and accordingly on the exchange rates.

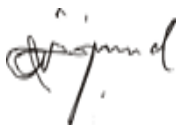
However, the performance of any organization mainly depends on consistency in government policies and provision of basic utilities including supply of gas, any hinderance of which have impact on the organization's performance. Accordingly, the Company expects that the upcoming government policies will be favourable for the businesses for their long-term growth.

### Conclusion

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

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

By and under Authority of the Board of Directors



**Ishtiaq Ahmed**  
Chief Executive Officer



**Haroon Iqbal**  
Chairman Board of Directors

Dated: February 24, 2022

**INDEPENDENT AUDITORS' REVIEW REPORT**  
**TO THE MEMBERS OF DEWAN KHALID TEXTILE MILLS LIMITED**  
**REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

**Introduction**

We have reviewed the accompanying Condensed interim Statement of financial Position of Dewan Khalid Textile Mills Limited ("the company") as at December 31, 2021 and the related Condensed interim statement of profit or loss, Condensed interim statement of comprehensive income, Condensed interim Statement of cash flow, Condensed interim statement of changes in equity and the notes to the Condensed interim financial statements for the six months period then ended (hereinafter referred to as the "interim financial statements"). Management is responsible for the preparation and Presentation of these Condensed interim financial statement in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

**Scope of Review**

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

**Basis of Adverse Conclusion**

- a) The Condensed interim financial statements of the company for the Six months ended December 31, 2021 as disclosed in note 2 to the Condensed interim financial Statements reflect loss after taxation of Rs. 10.668 (December 31, 2020:Rs. 25.975) million and as of that date it has accumulated losses of Rs. 651.514 (June 30, 2021: Rs. 654.144) million which resulted in net capital and reserves deficiency of Rs. 187.561 (June 30, 2021: Rs. 176.893) million and its current liabilities exceeded its current assets by Rs. 615.620 (June 30, 2021 Rs. 624.146) million without providing markups of Restructured and other liabilities and as refer in below para (b). The operations of the company were closed from August 2016 due to working capital constraints. Furthermore, the company defaulted in repayments of installments of restructured liabilities and short term finance facilities have expired and not been renewed by banks amounting to Rs. 403.90 million, hence as per the terms of the restructuring under clause 10.2 of the compromise agreement the entire restructured debt amounting to Rs. 104.008 million along with mark up of Rs. 85.516 million (eligible for waiver outstanding as of date of restructuring) have immediately become payable therefore provision for markup should be made in these financial statements. Moreover, certain lenders are in litigation with the company, the aggregate suit amount is Rs.275.008 million (the company have also not provide markup on the same Loan). Further, one of the lender have also filed winding up petition also some of the financial Institutions filed suit for execution of consent decree. These conditions lead us to believe that the going concern assumption used in preparation of these Condensed interim financial Statements is inappropriate; consequently the assets and liabilities should have been stated at their realizable and settlement amounts respectively.
- b) In addition to above, since the proposal, has not been accepted so far and the lenders, instead of the accepting the restructuring Proposal, have preferred to filed suit against the company, therefore the provision of mark up should be made in the Condensed interim financial statements as fully disclosed in note 10 and preceding Para of the report to Condensed interim Financial Statements. Had the provisions for the mark up, as discussed in preceding paragraph (a) , been made in these financial statements, the loss after taxation would have been higher by Rs. 583.111 (June 30, 2021: Rs. 565.413) million and markup payable would have been higher and shareholders' equity would have been lower by Rs. 583.111 June 30, 2021: Rs. 565.413) million.

**Adverse Conclusion**

Our review indicates that, because of the significance of the matter discussed in paragraph (a) coupled with financial impact of matter discussed in paragraph (b) above, these accompanying interim financial Statements as of and for the six months period ended December 31, 2021 is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial Reporting.

**Other matter**

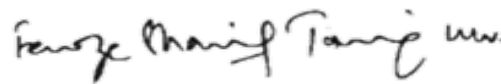
The figures of the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income and the notes forming part thereof for the quarters ended December 31, 2021 and December 31, 2020 have not been reviewed and we do not express a conclusion on them, we are required to review only the cumulative figures for the Six month ended December 31, 2021.

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

Dated: February 24, 2022

Place: Karachi

UDIN Number: AR202110129uS9lzdil3

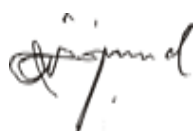


CHARTERED ACCOUNTANTS  
(Mohammad Tariq)

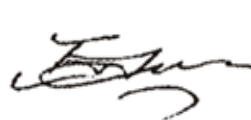
**DEWAN KHALID TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST DECEMBER 2021**

		(Un- Audited) July-Dec 2021	(Audited) June 30, 2021
	Notes	----- (Rupees) -----	
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>SHARE CAPITAL &amp; RESERVES</b>			
Authorized share capital 15,000,000 (June 30, 2021: 15,000,000) ordinary shares of Rs. 10/- each		<b>150,000,000</b>	150,000,000
Issued, subscribed and paid-up capital		<b>96,107,590</b>	96,107,590
Revenue reserves	6	<b>(651,513,809)</b>	(654,144,410)
Revaluation surplus on property plant and equipment (Capital reserve)		<b>367,845,259</b>	381,143,840
		<b>(187,560,960)</b>	(176,892,980)
<b>NON CURRENT LIABILITIES</b>			
Provision for staff gratuity		<b>17,295,063</b>	17,295,063
Deferred taxation		<b>96,068,224</b>	101,500,039
		<b>113,363,287</b>	118,795,102
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<b>152,268,282</b>	151,501,210
Mark-up accrued on loans		<b>104,335,763</b>	99,425,547
Short term borrowings		<b>324,433,141</b>	355,583,140
Unclaimed dividend		<b>334,741</b>	334,741
Over due portion of syndicated long term loan		<b>104,007,672</b>	104,007,672
		<b>685,379,599</b>	710,852,310
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	-	--
		<b>611,181,926</b>	<b>652,754,432</b>
<b><u>ASSETS</u></b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipments	8	<b>541,421,961</b>	566,048,352
<b>CURRENT ASSETS</b>			
Stores and spares		<b>14,071,348</b>	14,071,348
Stock-in-Trade		<b>16,908,835</b>	49,078,145
Trade debtors - Unsecured		<b>6,670,859</b>	2,116,861
Advances - Considered good		<b>71,143</b>	70,000
Short term deposit & other receivable		<b>8,138,716</b>	10,185,522
Taxes recoverable - Net		<b>10,035,033</b>	10,188,945
Cash and bank balances		<b>13,864,031</b>	995,259
		<b>69,759,965</b>	86,706,080
		<b>611,181,926</b>	<b>652,754,432</b>

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



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irfan Ali**  
Chief Financial Officer

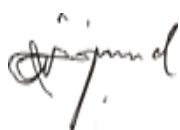


**Haroon Iqbal**  
Chairman Board of Directors

**DEWAN KHALID TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

	Half Year Ended		Quarter Ended	
	July-Dec 2021	July-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
	----- (Rupees) -----		----- (Rupees) -----	
Sales - net	54,214,476	--	43,679,643	--
Cost of sales	(60,315,831)	(29,980,181)	(40,339,227)	(15,048,719)
Gross (loss)	(6,101,355)	(29,980,181)	3,340,416	(15,048,719)
<b>Operating Expenses</b>				
Administrative and general expenses	(4,251,140)	(4,456,745)	(2,263,244)	(2,327,576)
Reversal of provision against doubtful debts	-	7,465,000	-	3,600,000
	(4,251,140)	3,008,255	(2,263,244)	1,272,424
<b>Operating (loss)</b>	(10,352,495)	(26,971,926)	1,077,172	(13,776,295)
Finance cost	10 (5,069,619)	(5,170,374)	(2,403,090)	(2,574,772)
<b>(Loss) before taxation</b>	(15,422,114)	(32,142,300)	(1,325,918)	(16,351,067)
Taxation				
- Current	(677,681)	-	(545,996)	-
- Deferred	5,431,815	6,167,503	2,715,908	3,083,751
	4,754,134	6,167,503	2,169,912	3,083,751
<b>(Loss) after taxation</b>	(10,667,980)	(25,974,797)	843,994	(13,267,316)
(Loss) per share - basic and diluted	12 (1.11)	(2.70)	0.09	(1.38)

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



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



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

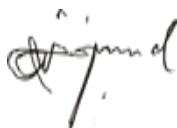


**Haroon Iqbal**  
**Chairman Board of Directors**

**DEWAN KHALID TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

	Half Year Ended		Quarter Ended	
	July-Dec 2021	July-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
	----- (Rupees) -----		----- (Rupees) -----	
<b>(Loss) for the period</b>	<b>(10,667,980)</b>	<b>(25,974,797)</b>	<b>843,994</b>	<b>(13,267,316)</b>
<b>Other comprehensive income:</b>				
Effect of change in tax rates on balance	-	--	-	--
of revaluation on property, plant and equipment				
<b>Total comprehensive (loss) for the period</b>	<b><u>(10,667,980)</u></b>	<b><u>(25,974,797)</u></b>	<b><u>843,994</u></b>	<b><u>(13,267,316)</u></b>

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



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irfan Ali**  
Chief Financial Officer

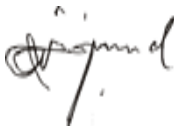


**Haroon Iqbal**  
Chairman Board of Directors

**DEWAN KHALID TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

	Note	July-Dec 2021	July-Dec 2020
		----- (Rupees) -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
(Loss) before Taxation		(15,422,114)	(32,142,300)
<i>Adjustment for Non-Cash and Other Items:</i>			
Depreciation		24,626,391	27,709,838
(Reversal) of provision for doubtful debts		-	(7,465,000)
Finance Cost		5,069,619	5,170,374
		<u>29,696,010</u>	<u>25,415,212</u>
		14,273,896	(6,727,088)
<i>Working Capital Charges</i>			
(Increase) / Decrease in Current Assets			
Stock-in-Trade		32,169,310	--
Trade debts		(4,553,998)	7,536,967
Advances		(1,143)	90,000
Short term deposits and other receivables		2,046,806	--
Increase / (Decrease) in Current Liabilities			
Trade and other payables		767,072	(351,585)
Short term borrowings		(31,149,999)	--
		(721,952)	7,275,382
Taxes paid		(523,769)	--
<b>Net Cash Inflow / (Outflow) from operating activities</b>		<u>13,028,175</u>	<u>548,294</u>
<b>Net Cash Inflow / (Outflow) from investing activities</b>		-	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		-	
Finance cost paid		(159,403)	(589,608)
<b>Net Cash Inflow / (Outflow) from Financing Activities</b>		<u>(159,403)</u>	<u>(589,608)</u>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>		<u>12,868,772</u>	<u>(41,314)</u>
Cash and cash equivalents at the beginning of the period		995,259	933,703
<b>Cash and cash equivalents at the end of the period</b>	11	<u>13,864,031</u>	<u>892,389</u>

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



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irfan Ali**  
Chief Financial Officer



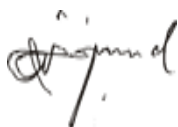
**Haroon Iqbal**  
Chairman Board of Directors



**DEWAN KHALID TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

Issued, subscribed and paid-up capital	Revenue Reserves		Capital Reserves	Total
	General Reserve	Accumulated Losses	Revaluation Surplus on property, plant & equipment	
(Rupees)				
96,107,590	135,000,000	(773,468,575)	411,343,336	(131,017,649)
-	-	(25,974,797)	-	(25,974,797)
-	-	-	-	-
-	-	(25,974,797)	-	(25,974,797)
				-
-	-	15,099,748	(15,099,748)	-
96,107,590	135,000,000	(784,343,624)	396,243,588	(156,992,446)
96,107,590	135,000,000	(789,144,410)	381,143,840	(176,892,980)
-	-	(10,667,980)	-	(10,667,980)
-	-	-	-	-
-	-	(10,667,980)	-	(10,667,980)
				-
-	-	13,298,581	(13,298,581)	-
96,107,590	135,000,000	(786,513,809)	367,845,259	(187,560,960)

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



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irfan Ali**  
Chief Financial Officer



**Haroon Iqbal**  
Chairman Board of Directors

**DEWAN KHALID TEXTILE MILLS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

**1 CORPORATE INFORMATION**

**Dewan Khalid Textile Mills Limited** (the Company) was incorporated in Pakistan, as a public limited company on April 03, 1978, under the Companies Act, 1913 (Now the Companies Acts, 2017) and its shares are listed in Pakistan Stock Exchange Limited. The registered office of the company is located at 3-A, Lalazar, Beach Hotel Road, Karachi, Pakistan; while its manufacturing facilities are located at G-11, S.I.T.E., Kotri, Sindh, Pakistan. The Principal activity of the Company is trading, manufacturing and sale of yarn, however operations are suspended since August, 2016.

**2 GOING CONCERN ASSUMPTION**

These condensed interim financial statements of the company for the half year ended 31st December 2021 reflect that company has sustained a net loss after taxation of Rs.10.668 million (2021: Rs.45.875 million) and as of that date company has negative reserves of Rs.651.514 million which have resulted in negative equity of Rs.187.561 million. Further the company's short term borrowing facilities have expired and not been renewed. Company defaulted in repayment of its restructured liabilities due to liquidity crunch faced by the Company and adverse factors being faced by the overall textile industry in the country and working capital constraints faced by the company as a result the Company, for the time being, has suspended its manufacturing operations since August 2016. Accordingly, the entire restructured liabilities along with markup eligible for waiver have become immediately repayable. These conditions indicate the existence of material uncertainty which may cast significant doubt about the company's ability to continue as a going concern, therefore the company may not be able to realize its assets and discharge its liabilities during the normal course of business.

These condensed interim financial statements have been prepared on going concern assumption as the Company approached its lenders for further restructuring of its liabilities which is in process. Company is hopeful that such restructuring will be effective soon and will further streamline the funding requirements 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 the condensed interim financial statements using going concern

**3 BASIS OF PREPARATION**

- 3.1** These condensed interim financial statements of the Company for the half year ended 31 December 2021 have been prepared in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as 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 the provisions of and directives issued under the Companies Act, 2017 differ with 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.
- 3.3** The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 December 2021 and 2020 and the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half years ended 31 December 2021 and 2020.

**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 statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. revision to accounting estimates are recognized prospectively commencing from the period of revision.
- 5.2** Judgements and estimates made by management in the preparation of these condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended June 30, 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

(Un-Audited)	(Audited)
July-Dec	June 30,
2021	2021
----- (Rupees) -----	

## 6 RESERVES

### Revenue reserves

General reserves  
Accumulated losses

<b>135,000,000</b>	135,000,000
<b>(786,513,809)</b>	(789,144,410)
<b><u>(651,513,809)</u></b>	<b><u>(654,144,410)</u></b>

## 7 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.

Notes	July-Dec 2021	June 30, 2021
	(Rupees )	
8.1	<b>541,421,961</b>	566,048,352
	<b><u>541,421,961</u></b>	<b><u>566,048,352</u></b>
<b>8.1 Operating Fixed Assets</b>		
Opening written down value	<b>566,048,352</b>	621,468,028
Additions during the period / year	--	--
Depreciation during the period / year	<b>(24,626,391)</b>	(55,419,676)
<b>Closing written down value</b>	<b><u>541,421,961</u></b>	<b><u>566,048,352</u></b>

## 8 PROPERTY, PLANT & EQUIPMENTS

Operating Fixed Assets

## 9 LONG TERM INVESTMENT

### Investment in associate

Dewan Salman Fibre Limited

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- 9.1** 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, member of yousuf dewan companies and its ownership interest of 8.81% in investee company.

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

Number of shares held	32,279,849
Cost of investment (Rupees)	<u>40,000,000</u>
Fair value of investment (Rupees)	<u>28,406,267</u>
Ownership interest	<u>8.81%</u>

- 9.3** Investment in associated company was made in accordance with the requirement of then effective Companies Ordinance, 1984. As the Company's share of losses exceed its interest in the associate, the Company has discontinued recognising its share of further losses. Market value is based on last available quoted price as of February 19, 2018.

The Company vide its Board Resolution dated April 26, 2021 has approved to sell the investment of shares 32,279,849 in associate namely Dewan Salman Fibre Limited at a Price of Rs. 1/ per share. The share selling price has approved by the Board of Directors because of suspension of trading of shares of DSFL at Pakistan Stock Exchange. The approved share selling price is higher than the last traded price of February 19, 2018 at Rs. 0.88 per share. The management is of the opinion that if the suspension will be lifted the starting trading price would have been lesser than the last traded price. The company had sold its shares at agreed Price i.e. Rs. 1 per share to its sponsor vide agreement dated June 17, 2021.

#### 10 FINANCE COST

The company has not provided the markup on long term and short term borrowings from certain banks for the period amounting to Rs. 17.607 on (Up to June 30, 2021: Rs. 479.987 million) in respect of borrowings of certain banks who have not yet accepted the restructuring proposal. The Management of the company is quite hopeful that these banks will also accept restructuring proposal in near future. Had the provision been made the loss for the period would have been higher by Rs.17.607 million and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs. 497.594 million. The said non provisioning is departure from the requirement of IAS 23- 'Borrowing Costs'.

	(Un-Audited) July-Dec 2021	(Un-Audited) July-Dec 2020
	(Rupees )	
11 CASH AND CASH EQUIVALENTS		
Cash and Bank Balances	13,864,031	892,389
	<u>13,864,031</u>	<u>892,389</u>

#### 12 RELATED PARTY TRANSACTIONS

	July-Dec 2021	July-Dec 2020
	(Rupees)	
Provident Fund contributions	148,836	187,524

#### 13 (LOSS) PER SHARE -BASIC AND DILUTED

	July-Dec 2021	July-Dec 2020
Net (Loss) for the period	(10,667,980)	(25,974,797)
Number of ordinary shares	9,610,759	9,610,759
(Loss) Per Share - Basic and diluted (Rs.)	(1.11)	(2.70)

#### 14 CORRESPONDING FIGURES

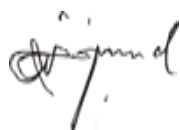
In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", Statement of Financial Position has been compared with the Statement of financial position of annual financial statements, whereas statement of profit or loss, statement of comprehensive income,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

#### 15 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on 24th February, 2022 by the Board of Directors of the company.

#### 16 GENERAL

Figures have been rounded off to the nearest rupee.



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irfan Ali**  
Chief Financial Officer



**Haroon Iqbal**  
Chairman Board of Directors

## ڈائریکٹر ز رپورٹ

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

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز 31 دسمبر 2021ء کو ختم ہونے والی ششماہی کے لئے کمپنیز ایکٹ 2017ء کے سیکشن 237 اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ کوڈ آف کارپوریٹ گورننس کی تعمیل کرتے ہوئے غیر میعاد عبوری مالیاتی حسابات پیش کرنے پر خوشی محسوس کر رہے ہیں۔

## عملی نتائج (فیٹری بند):

دوران مدت آپریشن بند ہونے کے باعث کمپنی کی صفر خالص فروخت رہی۔ مالیاتی حسابات میں نظر آنے والی 54.214 ملین روپے کی فروخت دراصل اسٹاک کی فروخت ہے۔ فی الحال کمپنی اگست 2016ء سے اپنی پیداواری سرگرمیاں معطل کر چکی ہے جو کہ صنعت کو درپیش مسائل، مارکیٹ کی کم طلب اور کاروباری سرمایہ میں کمی کے باعث آپریشن جاری نہیں کیا جاسکا۔

کمپنی کے آڈیٹرز نے آپریشن کی بندش، قرضہ جات کی قسطوں کی ادائیگی اور مارک اپ سے متعلق غیر عدم فراہمی اور مشکوک قرضوں کے لئے فراہمی جو کہ ان کی جائزہ رپورٹ میں بیان کیا گیا ہے، کے باعث مستقبل کی تشویش سے متعلق اپنی جائزہ رپورٹ میں منفی نتیجہ کا اظہار کیا ہے۔ مجموعی عبوری مالی بیانات تشویش کا اظہار کرتے ہوئے تیار کیئے گئے ہیں کیونکہ کمپنی نے اپنے قرض دہندگان سے اپنی ذمہ داریوں کی مزید تنظیم نو کے لئے رابطہ کیا ہے جو کہ جاری ہے۔ انتظامیہ کو امید ہے کہ جلد ہی اس طرح کی نظر ثانی کو حتمی شکل دے دی جائے گی جس سے کمپنی اپنے آپریشنز دوبارہ شروع کر سکے گی۔

## مستقبل کا نظریہ:

اگرچہ اقتصادی بحالی جاری ہے، معیشت کو افراط زر کے ساتھ ساتھ بیرونی شعبے کے دباؤ کا بھی سامنا ہے۔ مزید توقع ہے کہ موجودہ ملکی اور غیر ملکی اقتصادی جارحیت سے مجموعی طور پر ملکی برآمدات کو فائدہ حاصل ہوگا۔ تاہم، اقتصادی لچک اور بحالی کے آثار کے باوجود، موجودہ موجودہ ترقی کی پائیداری کا تقاضا ہے کہ تجارتی خسارہ قابل انتظام رہے۔ خام کپاس کی زیادہ درآمدات کی وجہ سے کرنٹ اکاؤنٹ پر کچھ دباؤ ہو سکتا ہے کیونکہ بین الاقوامی کپاس کی قیمت میں مسلسل اضافے کی بنیادی وجہ امریکی کپاس کی بڑھتی ہوئی طلب اور رسد میں رکاوٹ، پلانٹ اور مشینری کی درآمد، بین الاقوامی تیل کی قیمتوں میں بڑھتے ہوئے رجحان اور روپے کی قدر میں کمی ہے۔ مزید یہ کہ قرضہ جات، بلند افراط زر، زندگی کی بڑھتی ہوئی قیمت، غیر مستحکم سیاسی حالات اور جغرافیائی سیاسی تناؤ کے چیلنجز اس نقطہ نظر کو غیر واضح کر سکتے ہیں۔ اس سلسلے میں حکومت کو درآمدات پر کڑی نظر رکھنے کی ضرورت ہے، جو کہ غیر ملکی زرمبادلہ کے ذخائر اور اس کے مطابق شرح مبادلہ پر اثر انداز ہو سکتے ہیں۔

تاہم، کسی بھی تنظیم کی کارکردگی بنیادی طور پر حکومتی پالیسیوں میں مستقل مزاجی اور گیس کی فراہمی سمیت بنیادی سہولیات کی فراہمی پر منحصر ہوتی ہے، جس میں کسی بھی قسم کی رکاوٹ تنظیم کی کارکردگی پر اثر انداز ہوتی ہے۔ اسی مناسبت سے، کمپنی امید کرتی ہے کہ آنے والی حکومتی پالیسیاں کاروبار کی طویل مدتی

ترقی کے لیے سازگار ہوں۔

نتیجہ:

نتیجہ کے حوالے سے ہم اللہ تعالیٰ رحمن و رحیم سے دعا کرتے ہیں وہ اپنے حبیب حضرت محمد ﷺ کے طفیل اپنی رحمت، ہدایات اور فضل و کرم ہم پر اسی طرح قائم رکھے جو کہ نہ صرف ہم پر بلکہ ہماری کمپنی اور ہمارے ملک پر بھی اپنی رحمت نازل کرے، ہم اللہ تعالیٰ سے یہ بھی دعا کرتے ہیں کہ تمام مسلم ائمہ کے مابین صحیح اسلامی جذبہ، اخوت اور بھائی چارگی پیدا کرے۔ آمین ثناء آمین۔

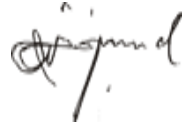
میرا پروردگار یقیناً ہماری دعاؤں کو سنتا ہے۔ (قرآن کریم)

بورڈ آف ڈائریکٹرز کی جانب سے



ہارون اقبال

چیئرمین بورڈ آف ڈائریکٹرز



اشتیاق احمد

چیف ایگزیکٹو آفیسر

مورخہ: 24 فروری 2022ء