

DEWAN TEXTILE MILLS LIMITED

QUARTERLY REPORT

MARCH 31, 2022

DEWAN TEXTILE MILLS LIMITED

COMPANY INFORMATION

Board of directors	
Executive Director	: Mr. Ishtiaq Ahmed - Chief Executive Officer & Director
Non-Executive Director	: 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 Commit	: Mr. Aziz-ul-Haque - Chairman Syed Maqbool Ali (Member) Mr. Ishtiaq Ahmad - (Member)
Auditor	: 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 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

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 nine months ended March 31, 2022 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: (Factory Shutdown)

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

	'Rupees'
SALES - NET	323,046,585
COST OF SALES	(322,227,175)
GROSS LOSS	819,410
ADMINISTRATIVE EXPENSES	(5,539,762)
OPERATING LOSS	(4,720,352)
FINANCE COST	(210,339,944)
OTHER CHARGES	-
LOSS BEFORE TAXATION	(215,060,296)
TAXATION	7,204,083
LOSS AFTER TAXATION	(207,856,213)

Company's operational sales for the period remained nil due to closure of operations, the sales appearing in financial statements represent cotton / yarn stocks sales during the period 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, lesser market demand and working capital constraints. 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.

Pakistan's economy is recovering steadily thanks to well-coordinated fiscal and monetary responses to the pandemic. These led to a remarkable expansion in the industry and services sectors. The economic growth momentum remained intact when compared with SPLY and Pakistan's textile industry performed very well in the first three quarters of financial year 2021-22. The Country's exports significantly increased during this period and marked USD 23.70 billion, up from USD 18.71 billion during the same period of fiscal year 2020-21, showing an increase of 26.7%. In contrast to this, the increasing domestic demand, especially for raw material and capital goods, has led to significant increase in import bills by 41.34% (USD term) in this period as compared to SPLY. Double-digit growth in remittances during this period helped to finance the record-high trade deficit. Meanwhile, the Rupee depreciated by 14.3 percent against the U.S. dollar from July 2021 to end-March 2022.

This year, global demand for cotton has reached an all-time high, thanks to the economic resurgence from the pandemic that has driven cotton prices to their highest level due to many factors such as US-China trade commitments, bullish cotton trading and improvement in COVID-19 situation. Local cotton market followed the trend along with news of local crop shortage which resulted in rapid buying by spinners to replenish their yearly stock. As per the fortnightly data released by the Pakistan Cotton Ginners' Association (PCGA), Pakistan cotton production surged by 32.4% to 7.43 million bales instead of 5.62 million bales produced in the same period last year. However, Pakistan is facing issues with the cotton shortage. Cotton is crucial for Pakistan's textile sector, which accounts for the lion's share of the country's exports. Pakistan's textile companies have entered into contracts with foreign firms to import cotton as domestic stock of the commodity cannot meet the total demand of the textile spinning sector. Further, general inflation indices touched double digits by the month of March 2022 in lieu of global inflationary pressures. The government is taking all possible measures to control this inflationary

pressure. Increase in the policy rate to 12.25% by State Bank of Pakistan (SBP) is the indirect measure taken to counter inflationary pressures and ensure that growth remains sustainable.

Future Outlook

Government through various fiscal and monetary measures tried to relieve the industries in tough times and the economy is showing progressive results. According to the Asian Development Bank ADB's annual economic publication as well as IMF assessment, Pakistan's gross domestic product (GDP) growth is projected to slow to 4% in FY2022 from 5.6% in FY2021 as the government applies measures to reduce the current account deficit, raise international reserves, and cut inflation. In FY2022, industrial growth is forecast to decelerate, reflecting fiscal and monetary tightening together with a significant depreciation of the local currency, and upward adjustments to domestic oil and electricity prices. Inflation is expected to pick up in FY2022 to around 11% due to higher international energy prices, significant currency depreciation, increased cost of living, unstable political conditions and elevated global food prices from supply disruptions. As a net importer of oil and gas, Pakistan will continue experiencing strong inflationary pressures for the remainder of FY2022 from the jump in global fuel prices resulting from the Russian invasion of Ukraine.

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 also pray to Almighty Allah to bestow peace, Harmony, brotherhood and unity in true Islamic spirit to whole of Muslim Ummah; Ameen: Summa Ameen

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

By and under Authority of the Board of Directors



Haroon Iqbal
Director



Syed Maqbool Ali
Director

Dated: April 25, 2022

DEWAN TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

	(Un- Audited) July-March 2022	(Audited) June 30, 2021
Notes		
	----- (Rupees) -----	
<u>EQUITY AND LIABILITIES</u>		
SHARE CAPITAL AND RESERVES		
Authorized share capital 50,000,000 (2021 :50,000,000) Ordinary shares of Rs. 10/- each	500,000,000	500,000,000
Issued, subscribed and paid-up share capital	460,646,090	460,646,090
Revenue Reserves		
General reserve	333,000,000	333,000,000
Accumulated losses	(5,585,684,506)	(5,405,352,214)
Capital reserve		
Surplus on revaluation of property, plant and equipment	677,821,944	705,345,865
	(4,114,216,472)	(3,906,360,259)
NON CURRENT LIABILITIES		
Long term financing	162,011,861	148,133,893
Deferred taxation	130,132,371	141,374,536
	292,144,232	289,508,429
CURRENT LIABILITIES		
Trade and other payables	155,130,674	183,592,245
Mark-up accrued	1,814,572,719	1,618,893,156
Short term borrowings	281,897,780	490,192,726
Liability for staff gratuity	50,528,588	50,701,788
Unclaimed dividend	254,206	254,206
Overdue portion of long term financing	2,944,482,769	2,944,682,769
	5,246,866,736	5,288,316,890
CONTINGENCIES AND COMMITMENTS	7	-
	1,424,794,496	1,671,465,060
<u>ASSETS</u>		
NON-CURRENT ASSETS		
Property, plant and equipment	1,317,122,818	1,396,885,763
Long term Investment	9	-
Long term deposits	12,012,134	12,012,134
	1,329,134,952	1,408,897,897
CURRENT ASSETS		
Stores and spares	22,390,172	22,390,172
Stock in trade	-	196,772,409
Trade debtors - Unsecured	29,680,244	5,649,823
Advances - Considered good	1,749,645	1,804,815
Short term deposits and other receivable	2,676,686	2,676,686
Taxes recoverable - Net	23,394,288	23,129,092
Cash and bank balances	15,768,509	10,144,166
	95,659,544	262,567,163
	1,424,794,496	1,671,465,060

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

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



Syed Maqbool Ali
Director



Muhammad Irfan Ali
Chief Financial Officer



Haroon Iqbal
Director

DEWAN TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS & QUARTER ENDED MARCH 31, 2022

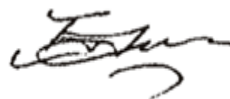
	Nine Months Ended		Quarter Ended	
	July-Mar 2022	July-Mar 2021	Jan-Mar 2022	Jan-Mar 2021
Notes	----- (Rupees) -----			
Sales - Net	323,046,585	60,597,500	97,472,056	41,692,500
Cost of sales	<u>(322,227,175)</u>	<u>(145,944,723)</u>	<u>(122,272,270)</u>	<u>(65,765,569)</u>
Gross Profit / (Loss)	819,410	(85,347,223)	(24,800,214)	(24,073,069)
Operating expenses				
Administrative & general expenses	<u>(5,539,762)</u>	<u>(4,374,385)</u>	<u>(1,628,876)</u>	<u>(1,546,181)</u>
Operating (Loss)	(4,720,352)	(89,721,608)	(26,429,090)	(25,619,250)
Finance cost	10 (210,339,944)	(185,172,965)	(81,600,528)	(61,319,949)
Other Charges	-	(39,133,875)	-	-
	<u>(210,339,944)</u>	<u>(224,306,840)</u>	<u>(81,600,528)</u>	<u>(61,319,949)</u>
(Loss) before taxation	(215,060,296)	(314,028,448)	(108,029,618)	(86,939,199)
Taxation				
- Current	(4,038,082)	(908,963)	(1,218,400)	(625,388)
- Deferred	11,242,165	12,727,989	3,747,389	4,242,663
	<u>7,204,083</u>	<u>11,819,026</u>	<u>2,528,989</u>	<u>3,617,275</u>
(Loss) for the period	<u>(207,856,213)</u>	<u>(302,209,422)</u>	<u>(105,500,629)</u>	<u>(83,321,924)</u>
(Loss) per share - basic and diluted	11 (4.51)	(6.56)	(2.29)	(1.81)

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

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



Syed Maqbool Ali
Director



Muhammad Irfan Ali
Chief Financial Officer



Haroon Iqbal
Director

DEWAN TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS & QUARTER ENDED MARCH 31, 2022

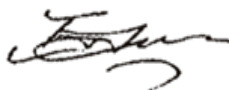
	Nine Months Ended		Quarter Ended	
	July-Mar 2022	July-Mar 2021	Jan-Mar 2022	Jan-Mar 2021
	----- (Rupees) -----			
(Loss) for the period	(207,856,213)	(302,209,422)	(105,500,629)	(83,321,924)
Other comprehensive income:				
Effect of change in tax rates on balance				
of revaluation on property, plant and equipment	-	--	-	--
Total comprehensive (loss) for the period	<u>(207,856,213)</u>	<u>(302,209,422)</u>	<u>(105,500,629)</u>	<u>(83,321,924)</u>

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

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



Syed Maqbool Ali
Director



Muhammad Irfan Ali
Chief Financial Officer



Haroon Iqbal
Director

DEWAN TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2022

Notes	July-Mar 2022	July-Mar 2021
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before taxation	(215,060,296)	(314,028,448)
Adjustment for non-cash and other items:		
Depreciation / amortisation expense	79,762,945	89,612,971
Provision for doubtful debts	-	37,988,545
Unwinding of discount	13,877,968	12,315,992
Finance Cost	196,461,976	172,856,973
	290,102,889	312,774,481
Cash outflows before working capital changes	75,042,593	(1,253,967)
Working capital charges		
<i>(Increase) / decrease in current assets</i>		
Stock In Trade	196,772,409	48,422,601
Trade debtors	(24,030,421)	11,759,868
Advances	55,170	70,950
	172,797,158	60,253,419
Increase / (decrease) in current liabilities		
Trade and other payable	(28,461,571)	1,462,871
Short term borrowings	(208,294,946)	(55,371,204)
	(236,756,517)	(53,908,333)
Cash generated/ (used in) operation	11,083,234	5,091,119
Payments for:		
Income taxes (paid) / refund - Net	(4,303,278)	(611,153)
Gratuity Paid	(173,200)	(33,138)
Finance cost paid	(782,413)	(2,049,304)
	(5,258,891)	(2,693,595)
Net cash generated from/ (used in) operation activities	5,824,343	2,397,524
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash outflow from investing activities	-	-
CASH FLOWS FROM FINANCEING ACTIVITIES		
Long term financing paid	(200,000)	(500,000)
Net increase/(decrease) in cash and cash equivalents	5,624,343	1,897,524
Cash and cash equivalents at the beginning of the period	10,144,166	5,068,481
Cash and cash equivalents at the end of period	15,768,509	6,966,005

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

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



Syed Maqbool Ali
Director



Muhammad Irfan Ali
Chief Financial Officer



Haroon Iqbal
Director

DEWAN TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS & QUARTER ENDED MARCH 31, 2022

	Revenue reserves			Capital reserves	Total equity	
	General reserve	Accumulated losses	Total revenue reserves	Surplus on revaluation of property, plant and equipment		
	----- (Rupees) -----					
Balance as at 1st July 2020	460,646,090	333,000,000	(4,941,829,473)	(4,608,829,473)	746,894,701	(3,401,288,682)
Total comprehensive (loss) for the period						
(Loss) for the period			(302,209,422)	(302,209,422)		(302,209,422)
Incremental depreciation transferred			(302,209,422)	(302,209,422)	--	(302,209,422)
from surplus on revaluation of property, plant and equipment - Net of tax	--	--	31,161,627	31,161,627	(31,161,627)	-
Balance as at 31st March 2021	460,646,090	333,000,000	(5,212,877,268)	(4,879,877,268)	715,733,074	(3,703,498,104)
Balance as at 1st July 2021	460,646,090	333,000,000	(5,405,352,214)	(5,072,352,214)	705,345,865	(3,906,360,259)
Total comprehensive (loss) for the period						
(Loss) for the period	--	--	(207,856,213)	(207,856,213)	--	(207,856,213)
Other comprehensive income	--	--	-	--	--	-
Incremental depreciation transferred	--	--	(207,856,213)	(207,856,213)	--	(207,856,213)
from surplus on revaluation of property, plant and equipment - Net of tax	--	--	27,523,921	27,523,921	(27,523,921)	-
Balance as at 31st Msarch 2022	460,646,090	333,000,000	(5,585,684,506)	(5,252,684,506)	677,821,944	(4,114,216,472)

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

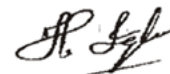
Note : Chief Executive of the company is presently not available in Pakistan, therefore these financial statements have been signed by two directors duly authorized in this behalf.



Syed Maqbool Ali
Director



Muhammad Irfan Ali
Chief Financial Officer



Haroon Iqbal
Director

DEWAN TEXTILE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN - AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2022

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

These condensed interim financial statements of the Company for the nine months ended 31st March 2022 reflects that the Company has sustained a net loss after taxation of Rs. 207.856 million (2021: Rs.505.072 million) and as of that date the Company's negative reserves of Rs. 5,252.685 million (2021: Rs.5,072.352 million) have resulted in negative equity of Rs. 4,114.216 million (2021: Rs.3,906,360 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.

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 streamline the funding requirements of the Company which will ultimately help the management to resume the operations with optimum utilisation of production capacity. As the conditions mentioned in the foregoing paragraph are temporary and would reverse therefore, the preparation of condensed interim financial statement using going concern assumption is justified.

3 BASIS OF PREPARATION

- 3.1** These condensed interim financial statements of the Company 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 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 Judgments 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) July-Mar' 2022	(Audited) Jun 30, 2021
	----- (Rupees) -----	
6 REVENUE RESERVES		
General reserves	333,000,000	333,000,000
Accumulated losses	(5,585,684,506)	(5,405,352,214)
	<u>(5,252,684,506)</u>	<u>(5,072,352,214)</u>

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

	July-Mar 2022	30 June 2021
	----- (Rupees) -----	
8 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets		
Capital work in progress - At cost	8.1 1,306,817,429	1,386,580,374
	<u>10,305,389</u>	10,305,389
	<u>1,317,122,818</u>	<u>1,396,885,763</u>
8.1 Operating fixed assets		
Opening net book value (NBV)	1,386,580,374	1,506,064,338
Disposal (NBV) during the period / year	-	-
Depreciation charged for the period / year	-	-
Closing net book value (NBV)	<u>(79,762,945)</u>	<u>(119,483,964)</u>
	<u>1,306,817,429</u>	<u>1,386,580,374</u>

9 LONG TERM INVESTMENT

Investment in associate

Dewan Salman Fibre Limited

- 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 28.47% in investee company.

9.2 Investment in Dewan Salman Fibre Limited - at equity method

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

10 FINANCE COST AND MARK-UP ACCRUED

In addition to the non-provisioning of mark-up eligible for waiver as disclosed in note 25.1 of the annual financial statement for the year ended 30 June 2021, Company has not made the provision of mark-up for the period amounting to Rs.40.768 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 period would have been higher by 40.768 million and accrued mark-up would have been higher and shareholders' equity would have been lower by 599.738 million. The said non-provisioning is departure from the requirements of IAS 23 - 'Borrowing Costs'.

	(Un-Audited) Jul-Mar 2022	(Un-Audited) Jul-Mar 2021
	----- (Rupees) -----	
11 (LOSS) PER SHARE - Basic and diluted		
(Loss) after taxation	<u>(207,856,213)</u>	<u>(302,209,422)</u>
Weighted average number of shares	<u>46,064,609</u>	<u>46,064,609</u>
(Loss) per share - Basic and diluted (Rupees)	<u>(4.51)</u>	<u>(6.56)</u>

12 TRANSACTIONS WITH RELATED PARTIES

Related parties include associated group companies, director, executives. Key management personnel and staff retirement funds. Details of transactions with related parties during the period other than those which have been disclosed elsewhere in these condensed interim financial statements are given below.

	Jul-Mar 2022	Jul-Mar 2021
	----- (Rupees) -----	
Staff retirement benefits	<u>59,370</u>	<u>70,034</u>

13 CORRESPONDING FIGURES

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

14 DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial statements was authorized for issue on 25th April, 2022 by the Board of Directors of the Company.

15 GENERAL

Figures have been rounded off to the nearest rupee.

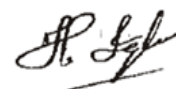
Note : Chief Executive of the company is presently not available in Pakistan, therefore these financial statements have been signed by two directors duly authorized in this behalf.



Syed Maqbool Ali
Director



Muhammad Irfan Ali
Chief Financial Officer



Haroon Iqbal
Director

ڈائریکٹرز رپورٹ

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

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز 31 مارچ 2022ء کو ختم ہونے والی نو ماہ کی مدت 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 میعاد عبوری مالیاتی حسابات پیش کرنے پر خوشی محسوس کر رہے ہیں۔

عملی نتائج (فیٹری ہند):

(روپے)	زیر جائزہ سال کے دوران مالیاتی نتائج درج ذیل ہیں:
323,046,585	فروخت (صافی)
(322,227,175)	فروخت کی لاگت
819,410	خام خسارہ
(5,539,762)	آپریٹنگ اخراجات
(4,720,352)	آپریٹنگ خسارہ
(210,339,944)	مالیاتی لاگت
---	دیگر اخراجات
(215,060,296)	قبل از ٹیکس خسارہ
7,204,083	محصولات
(207,856,213)	بعد از ٹیکس خسارہ

اس سال بھی کمپنی کی صافی پیداواری فروخت پیداوار معطل ہونے کی وجہ سے صفر رہی۔ مالیاتی حسابات میں نظر آنے والی فروخت دراصل یارن اسٹاک کی فروخت ہے۔ کمپنی نے وقتی طور پر دسمبر 2015ء سے اپنی پیداوار کے عمل کو معطل کر دیا ہے جو کہ صنعت میں نا مساعد مشکلات، مارکیٹ میں طلب کی کمی اور کام چلانے کے لیے سرمایہ میں کمی کی وجہ سے 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 آپریٹنگ دوبارہ شروع کر سکے گی۔

وبائی امراض کے بعد پاکستان کی معیشت مربوط مالی اور مالیاتی ردعمل کی بدولت بہتر طور پر بتدریج بحال ہو رہی ہے۔ ان کی وجہ سے صنعت اور خدمات کے شعبوں میں قابل ذکر توسیع ہوئی۔ SPLY کے مقابلے میں معاشی ترقی کی رفتار برقرار رہی اور مالیاتی سال 2021-22 کی دوران جائزہ مدت میں پاکستان ٹیکسٹائل انڈسٹری نے بہترین کارکردگی کا مظاہرہ کیا۔ دوران مدت ملک کی برآمدات میں نمایاں اضافہ ہوا اور 23.70 بلین امریکی ڈالر تک پہنچ گئی، جو کہ مالی سال 2020-21 کی اسی مدت کے دوران 18.71 بلین امریکی ڈالر سے زیادہ ہے، جس میں 26.7 فیصد کا اضافہ ہوا۔ اس کے

برعکس، بڑھتی ہوئی ملکی طلب خاص طور پر خام مال اور کیپٹل گڈز SPLY کے مقابلے میں اس مدت کے دوران درآمداتی بلز میں %41.34 (USD ٹرم) کا نمایاں اضافہ ہوا ہے۔ دوران مدت ترسیلات زر میں ڈبل فیگر کی ریکارڈ شرح نمو نے تجارتی خسارہ کو کم کرنے میں مدد کی۔ دریں اثنا، جولائی 2021 سے مارچ 2022 کے آخر تک امریکی ڈالر کے مقابلے میں روپے کی قدر میں 14.3 فیصد کمی واقع ہوئی۔

اس سال، عالمی سطح پر کپاس کی مانگ اب تک کی بلند ترین سطح پر پہنچ گئی ہے، کورونا وباء سے معاشی بحالی کی بدولت بہت سے عوامل جیسے کہ امریکہ اور چین کے تجارتی معاہدوں، تیزی سے کپاس کی تجارت اور کورونا صورتحال میں بہتری کی وجہ سے کپاس کی قیمتیں بلند ترین سطح پر پہنچ گئیں۔ مقامی کاٹن مارکیٹ نے مقامی فصل کی کمی کی خبروں کے ساتھ رجحان کی بیرونی کی جس کے نتیجے میں اسپنرز نے اپنے سالانہ اسٹاک کو بھرنے کے لیے تیزی سے خریداری کی۔ پاکستان کاٹن جز زایوسٹی ایشن (PCGA) کے جاری کردہ پندرہ روزہ اعداد و شمار کے مطابق، پاکستان میں کپاس کی پیداوار گزشتہ سال کی اسی مدت کی پیداوار 5.62 ملین گانٹھوں کے بجائے 32.4 فیصد اضافے سے 7.43 ملین گانٹھوں تک پہنچ گئی۔ تاہم پاکستان کو کپاس کی قلت کے مسائل کا سامنا ہے۔ پاکستان کے ٹیکسٹائل سیکٹر کے لیے کپاس انتہائی اہم ہے، جس کا ملک کی برآمدات میں بڑا حصہ ہے۔ پاکستان کی ٹیکسٹائل کمپنیوں نے کاٹن کی درآمدات کے لیے غیر ملکی کمپنیوں کے ساتھ معاہدے کیے کیونکہ اجناس کا مقامی اسٹاک ٹیکسٹائل اسپننگ سیکٹر کی کل طلب کو پورا نہیں کر سکتا۔ مزید برآں، عالمی افراط زر کے دباؤ کے مقابلے میں مارچ 2022 تک عام افراط زر کے اشاریے دوہرے ہندسوں کو چھو گئے۔ حکومت مہنگائی کے اس دباؤ کو کنٹرول کرنے کے لیے ہر ممکن اقدامات کر رہی ہے۔ اسٹیٹ بینک آف پاکستان (SBP) کی جانب سے پالیسی ریٹ میں %12.25 تک اضافہ افراط زر کے دباؤ کا مقابلہ کرنے اور ترقی کے پائیدار رہنے کو یقینی بنانے کے لیے اٹھایا جانے والا بالواسطہ اقدام ہے۔

مستقبل کا نظریہ:


حکومت نے مختلف مالیاتی اقدامات کے ذریعے مشکل وقت میں صنعتوں کو ریلیف دینے کی کوشش کی اور معیشت ترقی پذیر نتائج دکھا رہی ہے۔ ایشیائی ترقیاتی بینک ADB کی سالانہ اقتصادی اشاعت کے ساتھ ساتھ IMF کی تشخیص کے مطابق، پاکستان کی مجموعی ملکی پیداوار (GDP) کی شرح نمو مالی سال 2022 میں 5.6 فیصد سے کم ہو کر میں 4 فیصد رہنے کا امکان ہے کیونکہ حکومت کرنٹ اکاؤنٹ خسارہ کو کم کرنے کے لیے بین الاقوامی ذخائر میں اضافہ اور افراط زر کو کم کرنے کے اقدامات کا اطلاق کرتی ہے۔ مالی سال 2022 میں، صنعتی نمو میں کمی کی پیش گوئی کی گئی ہے، جو کہ ملکی کرنسی کی نمایاں گراؤ، اور ملکی تیل اور بجلی کی قیمتوں میں اضافہ کی طرف ایڈجسٹمنٹ کے ساتھ مالیاتی سختی کی عکاسی کرتی ہے۔ بجلی کی بلند بین الاقوامی قیمتوں، کرنسی کی قدر میں گراؤ، اشیائے صرف کی قیمتوں میں اضافہ، غیر مستحکم سیاسی حالات اور ترسیلات میں رکاوٹوں سے خوراک کی عالمی قیمتوں میں اضافے کی وجہ سے مالی سال 2022 میں افراط زر تقریباً 11 فیصد تک اضافہ کی توقع ہے۔ تیل اور گیس کے خالص درآمد کنندہ کے طور پر، یوکرین پر روسی حملے کے نتیجے میں فیول کی عالمی قیمتوں میں اضافے سے پاکستان مالی سال 2022 کے بقیہ عرصے میں سخت افراط زر کے دباؤ کا سامنا کرنا رہے گا۔


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


سید مقبول علی
ڈائریکٹر


ہارون اقبال
ڈائریکٹر

مورخہ: 25 اپریل 2022ء