

QUARTERLY REPORT  
SEPTEMBER 30, 2023



DEWAN TEXTILE MILLS LIMITED



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## DEWAN TEXTILE MILLS LIMITED

### COMPANY INFORMATION

#### BOARD OF DIRECTORS

<b>Executive Director</b>	: Mr. Ishtiaq Ahmed - Chief Executive Officer & Director
<b>Non-Executive Directors</b>	: Syed Maqbool Ali - Chairman, Board of Directors Mr. Abdul Basit Mr. Ghazanfar Baber Siddiqi Mr. Mehmood-ul-Hassan Asghar Mrs. Nida Jamil
<b>Independent Director</b>	: Mr. Aziz-ul-Haque
<b>Audit Committee</b>	: Mr. Aziz-ul-Haque - (Chairman) Syed Maqbool Ali (Member) Mr. Mehmood-ul-Hassan Asghar (Member)
<b>Human Resources &amp; Remuneration Committee</b>	: Mr. Aziz-ul-Haque - Chairman Syed Maqbool Ali (Member) Mr. Ishtiaq Ahmad - (Member)
<b>Auditor</b>	: Faruq Ali & Co. C-88, Ground Floor, KDA Scheme No. 1, Main Karsaz Road, Opp. Martime Museum Karachi.
<b>Company Secretary</b>	: Mr. Muhammad Hanif German
<b>Chief Financial Officer</b>	: Mr. Muhammad Irfan Ali
<b>Tax Advisor</b>	: Sharif & Co. Advocates
<b>Legal Advisor</b>	Abbas & Atif Law Associates
<b>Bankers</b>	: 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
<b>Registered Office</b>	: Dewan Centre, 3-A Lalazar Beach Hotel Road, Karachi
<b>Shares Registrar &amp; Transfer Agent</b>	: 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.
<b>Factory Office</b>	: H/20 & H/26, S.I.T.E., Kotri, District Jamshoro, Sindh, Pakistan
<b>Website</b>	: <a href="http://www.yousufdewan.com">www.yousufdewan.com</a>

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

Dear Shareholder(s),

Assalam-o-Alykum!

The Board of Directors of your Company is pleased to present unaudited condensed interim financial statements for the first quarter ended September 30, 2023 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.

**Economic & Industrial Overview**

Pakistan has been facing a host of challenges those have seriously impacted its development, growth, economic progress and political stability. Inconsistent policies, cross subsidization, resource misallocation, underperforming agriculture due to lack Govt. patronage, unemployment and rising energy prices are pressing concerns for Pakistan's Industry. The textile sector, is responsible for around 60 percent of exports and employs 40 percent of the labor force. It also supports numerous other sectors such as cotton and retail through domestic linkages. Since February 2023, over 50 percent of production capacity has been sitting idle and more than 15 million workers, around 19 percent of the labor force, have become unemployed. Continued exchange rate volatility, delays in sales tax refunds, and power tariffs are now forcing manufacturers towards permanent closure, and the country towards a premature deindustrialization. Long-term stability of Pakistan depends upon resolving fundamental economic issues. In this context, it is important to recognize the criticality of facilitating the export industries which result in net inflow of dollars and foster economic stability. Pakistan imported around \$2 billion worth of cotton for textile manufacturing. There has also been considerable progress in improving backward linkages. Owing to the efforts of the Punjab Government and APTMA there has been large-scale mobilization to improve the acreage and yield of Pakistan's cotton crop and reduce the need for cotton imports.

**Operating results (Factory Shutdown):**

Company's net revenue for first quarter remained nil due to closure of operations. The Company, for the time being, has suspended its manufacturing operations since December 2015 which could not be resumed due to adverse scenario faced by the industry and working capital constraints.

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 has approached its lenders for restructuring of its liabilities and is confident that the Company's restructuring proposals without markup will be accepted by the financial institutions / banks which will enable the company to resume its operations hence no provision of the same has been made in these financial statements.

**Future Outlook**

The GSP+ scheme has been extended for Pakistan for four additional years. Pakistan's textile industry is the largest beneficiary of the GSP+. More than 80% of total exports to the EU from Pakistan are textiles. A sustained increase in exports is the only way to achieve this and requires the provision of internationally competitive energy tariffs and restoration of liquidity in export sectors. There's an urgent need to eliminate gas price anomalies as not only will it be instrumental in promoting exports, it

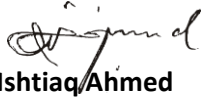
will also be sending right price signals for conservation and optimal utilization of both indigenous and imported fuels. Some further initiatives from the government are also expected for sustainable textile industry, especially continuation of long-term concessionary financing facility for boosting investments in new capacity expansion and up-gradation of technology. The government is expected to encourage the textile sector by inducing enhanced production, import substitution, duty cuts, tax incentives and early release of refunds etc.

**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



**Ishtiaq Ahmed**  
**Chief Executive Officer &**  
**Director**



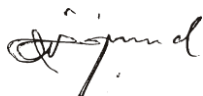
**Syed Maqbool Ali**  
**Chairman Board of Directors**

Dated: October 25, 2023


**DEWAN TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2023**

	Notes	(Un-Audited) Sep 30, 2023	(Audited) June 30, 2023
<b>(Rupees)</b>			
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 50,000,000 (2023 :50,000,000) Ordinary shares of Rs. 10/- each		<u>500,000,000</u>	<u>500,000,000</u>
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		(6,198,457,519)	(6,176,908,526)
Capital reserve			
Surplus on revaluation of property, plant and equipment	6	<u>2,763,261,618</u> <u>(2,641,549,811)</u>	<u>2,779,222,794</u> <u>(2,604,039,642)</u>
<b>NON CURRENT LIABILITIES</b>			
Long term financing	7	207,461,722	201,360,300
Deferred taxation	8	<u>234,262,660</u>	<u>240,782,014</u>
		<u>441,724,382</u>	<u>442,142,314</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<u>148,544,655</u>	148,814,459
Mark-up accrued		2,276,503,741	2,276,503,741
Short term borrowings		293,897,780	293,897,780
Liability for staff gratuity		1,984,351	1,984,351
Unclaimed dividend		254,206	254,206
Overdue portion of long term financing		<u>2,925,634,170</u>	<u>2,925,634,170</u>
		<u>5,646,818,903</u>	<u>5,647,088,707</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9	-	-
		<u>3,446,993,474</u>	<u>3,485,191,379</u>
<b><u>ASSETS</u></b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	3,431,651,123	3,465,363,570
Long term investment	11	-	-
Long term deposits		<u>8,721,608</u>	<u>8,721,608</u>
		<u>3,440,372,731</u>	<u>3,474,085,178</u>
<b>CURRENT ASSETS</b>			
Trade debts - unsecured		<u>2,916,533</u>	7,084,978
Advances and receivables		554,485	556,248
Taxes recoverable - net		159,227	151,160
Cash and bank balances		<u>2,990,498</u>	<u>3,313,815</u>
		<u>6,620,743</u>	<u>11,106,201</u>
		<u>3,446,993,474</u>	<u>3,485,191,379</u>

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



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irfan Ali**  
Chief Financial Officer



**Syed Maqbool Ali**  
Chairman Board of Directors

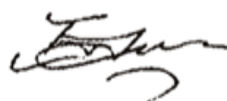
**DEWAN TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

	Notes	July-Sept, 2023	July-Sept, 2022
		----- (Rupees) -----	
Sales - Net		-	-
Cost of sales		<u>(35,979,629)</u>	<u>(50,212,063)</u>
Gross profit / (loss)		<u>(35,979,629)</u>	<u>(50,212,063)</u>
<b>Operating expenses</b>			
Administrative & general expenses		<u>(1,946,768)</u>	<u>(9,335,422)</u>
<b>Operating (loss)</b>		<u>(37,926,397)</u>	<u>(59,547,485)</u>
Finance cost	12	<u>(6,103,124)</u>	<u>(101,075,948)</u>
<b>(Loss) before taxation</b>		<u>(44,029,521)</u>	<u>(160,623,433)</u>
Taxation			
- Current		<u>-</u>	<u>-</u>
- Deferred		<u>6,519,353</u>	<u>7,428,838</u>
		<u>6,519,353</u>	<u>7,428,838</u>
<b>(Loss) for the period</b>		<u><u>(37,510,168)</u></u>	<u><u>(153,194,595)</u></u>
<b>(Loss) per share - Basic and diluted</b>	13	<u><u>(0.81)</u></u>	<u><u>(3.33)</u></u>

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



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irfan Ali**  
Chief Financial Officer

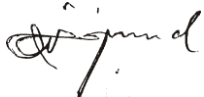


**Syed Maqbool Ali**  
Chairman Board of Directors

**DEWAN TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

	July-Sept, 2023	July-Sept, 2022
	----- (Rupees) -----	-----
<b>(Loss) for the period</b>	<b>(37,510,168)</b>	<b>(153,194,595)</b>
<i>Other comprehensive income :</i>		
<i>Item that will not be reclassified to profit or (loss)</i>	-	-
<b>Total comprehensive (loss) for the period</b>	<b><u><u>(37,510,168)</u></u></b>	<b><u><u>(153,194,595)</u></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**



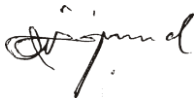
**Syed Maqbool Ali**  
**Chairman Board of Directors**



**DEWAN TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

	Notes	July-Sept, 2023	July-Sept, 2022
		----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss) before taxation		(44,029,521)	(160,623,433)
Adjustment for non-cash and other items:			
Depreciation		33,712,447	38,131,246
Unwinding of discount		6,101,420	5,057,874
Finance cost		1,704	96,018,074
		39,815,571	139,207,194
Cash outflows before working capital changes		(4,213,950)	(21,416,239)
<b>Working capital charges</b>			
<i>(Increase) / decrease in current assets</i>			
Trade debts		4,168,445	5,489,403
Advances and receivables		1,763	1,199,997
		4,170,208	6,689,400
<i>Increase / (decrease) in current liabilities</i>			
Trade and other payable		(269,804)	497,246
Short term borrowings		-	12,000,000
		(269,804)	12,497,246
<b>Cash generated/ (used in) operations</b>		(313,546)	(2,229,593)
<b>Payments for:</b>			
Taxes paid net of refund		(8,067)	(8,067)
Finance cost		(1,704)	(1,278)
		(9,771)	(9,345)
<b>Net cash inflow / (outflow) from operating activities</b>		(323,317)	(2,238,938)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		-	--
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		-	--
Net increase / (decrease) in cash and cash equivalents		(323,317)	(2,238,938)
Cash and cash equivalents at the beginning of the period		3,313,815	6,863,473
<b>Cash and cash equivalents at the end of the period</b>		2,990,498	4,624,535

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



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irfan Ali**  
Chief Financial Officer

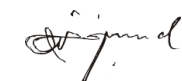


**Syed Maqbool Ali**  
Chairman Board of Directors

**DEWAN TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

	Issued, subscribed and paid-up share capital	Revenue reserves			Capital reserves	Total equity
		General reserve	Accumulated losses	Total revenue reserves	Surplus on revaluation of property, plant and equipment	
(Rupees)						
<b>Balance as at 1st July 2022</b>	<b>460,646,090</b>	<b>333,000,000</b>	<b>(5,706,187,727)</b>	<b>(5,373,187,727)</b>	<b>2,851,974,176</b>	<b>(2,060,567,461)</b>
<b>Total comprehensive (loss) for the period</b>						
(Loss) for the period			(153,194,595)	(153,194,595)		(153,194,595)
Other comprehensive income					-	-
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax			(153,194,595)	(153,194,595)	-	(153,194,595)
<b>Balance as at 30 September, 2022</b>	<b>460,646,090</b>	<b>333,000,000</b>	<b>(5,841,194,476)</b>	<b>(5,508,194,476)</b>	<b>2,833,786,330</b>	<b>(2,213,762,056)</b>
<b>Balance as at 1st July 2023</b>	<b>460,646,090</b>	<b>333,000,000</b>	<b>(6,176,908,527)</b>	<b>(5,843,908,527)</b>	<b>2,779,222,794</b>	<b>(2,604,039,643)</b>
<b>Total comprehensive (loss) for the period</b>						
(Loss) for the period			(37,510,168)	(37,510,168)	-	(37,510,168)
Other comprehensive income					-	-
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax			(37,510,168)	(37,510,168)	-	(37,510,168)
<b>Balance as at 30 September, 2023</b>	<b>460,646,090</b>	<b>333,000,000</b>	<b>(6,198,457,519)</b>	<b>(5,865,457,519)</b>	<b>2,763,261,618</b>	<b>(2,641,549,811)</b>

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



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irtan Ali**  
Chief Financial Officer



**Syed Maqbool Ali**  
Chairman Board of Directors

**DEWAN TEXTILE MILLS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

**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 for the first quarter ended September 30, 2023 reflect that the Company has sustained a net loss after taxation of Rs.37.510 million (June 2023: Rs.543.472 million) and as of that date the Company's negative reserves of Rs.5,865.458 million (June 2023: Rs.5,843.909 million) have resulted in negative equity of Rs.2,641.550 million (June 2023: Rs.2,604.040 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. 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 and is confident that the Company's restructuring proposals without markup will be accepted by the financial institutions / banks. 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 2023.

**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 2023.

**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, 2023 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, 2023.
- 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, 2023.

	(Un-audited) July-Sept 2023	(Audited) 30 June 2023
	----- (Rupees) -----	
<b>6 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>		
Surplus on Revaluation	2,997,524,278	3,020,004,807
Related deferred tax liability	<u>(234,262,660)</u>	<u>(240,782,013)</u>
	<u><u>2,763,261,618</u></u>	<u><u>2,779,222,794</u></u>
<b>7 LONG TERM FINANCING</b>		
Banks and financial institutions - Secured	2,925,634,170	2,925,634,170
Loan from sponsor	7.1 --	18,985,659
Sponsor - Unsecured	<u>207,461,722</u>	<u>182,374,641</u>
	3,133,095,892	3,126,994,470
Overdue portion - Shown under current liabilities	<u>(2,925,634,170)</u>	<u>(2,925,634,170)</u>
	<u><u>207,461,722</u></u>	<u><u>201,360,300</u></u>

- 7.1** Principal terms and conditions of outstanding loans have remained the same as disclosed in note 7 to the financial statements of the Company for the year ended June 30, 2023 except a restructured lease liability has been acknowledged by a sponsor through an agreement between the Company and the sponsor. The sponsor has successfully settled the loan of the vendor on behalf of the Company.

## 8 DEFERRED TAXATION

### *Credit balance arising due to:*

- Accelerated tax depreciation	41,038,843	43,199,495
- Revaluation - Net of related depreciation	234,262,661	240,782,014
- Finance lease transactions	-	-
- Long term financing	23,385,110	19,648,681

### *Debit balance arising due to:*

- Staff gratuity	(575,462)	(575,462)
- Provision for doubtful debts	(178,413,352)	(182,397,248)
- Provision for obsolete stock	-	-
- Provision for slow-moving stores and spares	(15,428,405)	(15,428,405)
- Carried over losses	<u>(1,214,409,721)</u>	<u>(1,329,767,775)</u>
	<u><u>(1,110,140,326)</u></u>	<u><u>(1,224,538,700)</u></u>

Deferred tax asset not recognised	<u>1,344,402,986</u>	<u>1,465,320,714</u>
	<u>234,262,661</u>	<u>240,782,014</u>

## 9 CONTINGENCIES AND COMMITMENTS

There are no significant change in the status of contingencies and commitments as reported in note 12 to the annual audited financial statements of the Company for the year ended 30 June 2023.

	(Un-audited) July-Sept 2023	(Audited) 30 June 2023
	----- (Rupees) -----	

## 10 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	10.1 <u>3,431,651,123</u>	<u>3,465,363,570</u>
	<u>3,431,651,123</u>	<u>3,465,363,570</u>

### 10.1 Operating fixed assets

Opening balance	3,465,363,570	3,617,888,547
Depreciation charged for the period / year	<u>(33,712,447)</u>	<u>(152,524,977)</u>
Closing balance	<u>3,431,651,123</u>	<u>3,465,363,570</u>

10.2 There is no addition / deletion in property, plant and equipment during the period under consideration.

## 11 INVESTMENT IN AN ASSOCIATE COMPANY

### Investment in associate

Dewan Salman Fibre Limited	<u>---</u>	<u>---</u>
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11.1 Associate is an entity over which the Company has significant influence but no control. Company's investee company is considered to be its associate by virtue of common directorship and its ownership interest of 28.47% in investee company.

### 11.2 Investment in Dewan Salman Fibre Limited - At equity method

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

11.3 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 19 February 2018.

## 12 FINANCE COST AND MARK-UP ACCRUED

In addition to the non-provisioning of mark-up eligible for waiver as disclosed in note 24.1 of the annual financial statement for the year ended 30 June 2023, Company has not made the provision of mark-up for the period amounting to Rs. 119.300 million (up to 30 June 2023: Rs.722.006 million) in respect of bank borrowings. The management has approached its lenders for restructuring of its debts and is confident that the Company's restructuring proposals without markup will be accepted by the financial institutions / banks. Had the provision been made the loss for the period would have been higher by 119.300 million and accrued mark-up would have been higher and shareholders' equity would have been lower by 841.306 million. The said non-provisioning is departure from the requirements of IAS 23 - 'Borrowing Costs'.

	(Un-audited) July-Sept 2023 ----- (Rupees) -----	(Un-audited) July-Sept 2022
<b>13 (LOSS) PER SHARE - Basic and diluted</b>		
(Loss) after taxation	<u><u>(37,510,168)</u></u>	<u><u>(153,194,595)</u></u>
	----- (Number of shares) -----	
Weighted average number of shares	<u><u>46,064,609</u></u>	<u><u>46,064,609</u></u>
	----- (Rupees) -----	
(Loss) per share - Basic and diluted	<u><u>(0.81)</u></u>	<u><u>(3.33)</u></u>

#### 14 TRANSACTIONS WITH RELATED PARTIES

Related parties include associated group companies, directors, executives, key management personnel and staff retirement funds. Material transactions and balances with related parties incurred during the period consisted of following heads:

##### 14.1 Staff Provident fund

Staff provident fund

<u><u>17,790</u></u>	<u><u>16,182</u></u>
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#### 15 CORRESPONDING FIGURES

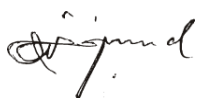
In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", condensed interim statement of financial position has been compared with the balances of annual financial statements, whereas condensed interim statement of profit or loss, statement of cash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

#### 16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 25th October, 2023 by the Board of Directors of the Company.

#### 17 GENERAL

Figures have been rounded off to the nearest rupee.



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irfan Ali**  
Chief Financial Officer



**Syed Maqbool Ali**  
Chairman Board of Directors

## دیوان ٹیکسٹائل ملز لیجز

### ڈائریکٹر رپورٹ

محترم ممبر ہولڈرز،

السلام علیکم،

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز محمد سر مای 30 ستمبر 2023ء کیلئے کیلنڈر ایکٹ 2017ء کے سیکشن 237 اور سیکورٹیز اینڈ ایچینج 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۔

### صنعت کپاس معزز:

پاکستان کو بہت سے چیلنجز کا سامنا ہے جس نے اس کی ترقی، شرح نمو، اقتصادی ترقی اور سیاسی استحکام کو نمایاں طور پر متاثر کیا ہے۔ ان چیلنجز میں متنوع دبا لیمیاں، کمراس سبسڈی، وسائل کی غلط تقسیم، حکومتی تعاون کی کمی کی وجہ سے کم کارکردگی کا مظاہرہ کرنا، بے روزگاری کی بلند شرح، اور توانائی کی بڑھتی قیمتیں شامل ہیں۔ یہ مسائل پاکستان کے صنعتی شعبے کے لیے خاص طور پر تشویش کا باعث ہیں۔ ٹیکسٹائل کا شعبہ، جو کہ ملک کی تقریباً 60 فیصد برآمدات کا حصہ ہے اور 40 فیصد افرادی قوت کو ملازمت دیتا ہے۔ ٹیکسٹائل کا شعبہ اپنے ڈومیسٹک رابطوں کے ذریعے مختلف دیگر صنعتوں جیسے کپاس کی پیداوار اور خورد و فروش کو بھی خاطر خواہ مدد فراہم کرتا ہے۔ فروری 2023ء کے بعد سے، پیداواری صلاحیت کا ایک اہم حصہ، 50 فیصد سے زیادہ، غیر استعمال شدہ رہ گیا ہے جس کے نتیجے میں 15 بلین سے نیا وہ دور کر، جو کہ کل لیبر فورس کے تقریباً 19 فیصد کے برابر رہی، بے روزگار رہ چکے ہیں۔ شرح مبادلہ میں جاری اتار چڑھاؤ، سٹریٹجک ریفرنڈم زوسول کرنے میں تاخیر، اور کئی کے ٹیرف مینوفیکچررز کو مستقل بندش پر غور کرنے پر مجبور کر رہے ہیں۔ پاکستان کا طویل مدتی استحکام بنیادی معاشی مسائل کے حل پر منحصر ہے۔ اس سلسلے میں، برآمدی صنعتوں کی حمایت کی اہمیت کو تسلیم کرنا بہت ضروری ہے کیونکہ یہ غیر ملکی کرنسی کی خالص آمد میں حصہ ڈالتی ہیں اور اقتصادی استحکام کو فروغ دیتی ہیں۔ پاکستان نے ٹیکسٹائل مینوفیکچرنگ کے لیے تقریباً 2 بلین ڈالر ماییت کی کپاس درآمد کی ہے۔ تاہم، کپاس کی صنعت میں پیمانہ ورواہ کو بڑھانے میں نمایاں پیش رفت ہوئی ہے۔ پنجاب حکومت اور اپنا (آل پاکستان ٹیکسٹائل ملز ایسوسی ایشن) کی مشترکہ کوششوں کی بدولت پاکستان کی کپاس کی فصل کے رقبے اور پیداوار کو بڑھانے کے لیے ایک وسیع پیمانے پر اقدام کیا گیا ہے، جس کا مقصد کپاس کی درآمدات پر ملک کا انحصار کم کرنا ہے۔

### مالیاتی نتائج اور کارکردگی: (پیداوار معطل)

پیداوار معطل ہونے کی وجہ سے پہلی سہ ماہی کے دوران کمپنی کے خالص فروخت صفر رہی۔ کمپنی نے وقتی طور پر دسمبر 2015ء سے اپنی پیداوار کے عمل کو معطل کر دیا ہے جو کہ صنعت میں نا مساعد مشکلات اور کام چلانے کے لیے سرمایہ میں کمی کی وجہ سے ہے۔ یہ غیر میعاد عبوری مالیاتی حسابات جاری تشویش کے مفروضے کو استعمال کرتے ہوئے تیار کیے گئے ہیں کیونکہ نوٹ 2 میں بتائی گئی شرائط عارضی ہیں اور مستقبل قریب میں اس کے برعکس ہوں گی۔ کمپنی نے اپنی ذمہ داریوں کی مزید تنظیم نو کے لیے اپنے قرض و ہنگام سے رابطہ کیا ہے اور کمپنی کو یقین ہے کہ بغیر مارک اپ کمپنی کی تنظیم نو کی تباہی کو مالیاتی اداروں/بینکوں کے ذریعے قبول کیا جائے گا جس سے کمپنی کو اپنی پیداوار بحال کرنے میں مدد ملے گی، نتیجتاً ان مالیاتی بیانات میں اس تنظیم نو سے متعلق سوڈی مارک اپ کے اخراجات کے لئے کوئی انتظام نہیں کیا گیا ہے۔

### مستقبل پر ایک نظر:

پاکستان کے لیے GSP+ پروگرام کو مزید چار سال کے لیے بڑھا دیا گیا ہے۔ پاکستان کی ٹیکسٹائل انڈسٹری GSP+ پروگرام کا بنیادی فائدہ اٹھانے والی ہے جس میں پاکستان سے یورپی یونین (EU) کو کل برآمدات کا 80 فیصد سے زیادہ ٹیکسٹائل مصنوعات پر مشتمل ہے۔ برآمدات میں مسلسل اضافہ ہی اسے حاصل کرنے کا واحد راستہ ہے اور اس کے لیے بین الاقوامی سطح پر مسابقتی توانائی نیرف کی فراہمی اور برآمدی شعبوں میں لیکویٹی بنی کی بحالی کی ضرورت ہے۔ گیس کی قیمتوں میں بے ضابطگیوں کو ختم کرنے کی فوری ضرورت ہے کیونکہ یہ نہ صرف برآمدات کو فروغ دینے میں مددگار ثابت ہوگا بلکہ یہ مقامی اور درآمدی دونوں ایندھن کے تحفظ اور نیا وہ سے نیا وہ استعمال کے لیے قیمتوں کے صحیح اشارے بھی دے گا۔ ہم توقع کرتے ہیں کہ حکومت ٹیکسٹائل انڈسٹری کی پائیدار ترقی میں مدد کے لیے اضافی اقدامات متعارف کرائے گی۔ اس میں پیداواری صلاحیت کو بڑھانے اور اس شعبے میں ٹیکنالوجی کو اپ گریڈ کرنے میں سرمایہ کاری کی حوصلہ افزائی کے لیے طویل مدتی، کم سوڈی مالیاتی اختیارات کا تسلسل شامل ہو سکتا ہے۔ حکومت کی جانب سے ٹیکسٹائل کے شعبے کو پیداوار میں اضافے، درآمدات کی ضرورت کو کم کرنے، بینکوں میں کٹوتیوں کی پیشکش، ٹیکس مراعات کی پیشکش اور ریٹائرمنٹ کے اجراء کو تیز کرنے سمیت دیگر اقدامات کے ذریعے فروغ دینے کا امکان ہے۔

### اعجاز شکر اور نتیجہ:

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

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



سید مقبول علی  
چیرمین بورڈ آف ڈائریکٹرز

اشتیاق احمد  
چیف ایگزیکٹو آفیسر  
کراچی؛

مورخہ: 25 اکتوبر 2023ء