

ANNUAL REPORT

2023



DEWAN MUSHTAQ TEXTILE MILLS LIMITED

 YD | A YOUSUF DEWAN COMPANY

Vision Statement

To be the leader in textile industry by building the Companys' image through quality, competitive prices, customer's satisfaction and meeting social obligation.

Mission Statement

Our Mission is to be recognized as a premium quality yarn manufacturing unit.

The Unit is setup with an idea to cater to the premium market of fine count compact yarn to satisfy the valuable customers.

To assume leadership role in the technological advancement of the industry.

To benefit the customers, employees and shareholders and to fulfill our commitments to the society.

Our trademark is honesty, innovation, fairness, teamwork of our people and integrity in relationship with our customers, associates, shareholders, community and stake holders.

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

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COMPANY INFORMATION

BOARD OF DIRECTORS

Executive Director	:	Mr. Ishtiaq Ahmed - Chief Executive Officer & Director
Non-Executive Directors	:	Syed Asim Abid Ali - Chairman, Board of Directors Mr. Ghazanfar Baber Siddiqi Syed Maqbool Ali Mr. Waseem ul - Haque Ansari Mrs. Nida Jamil
Independent Director	:	Mr. Aziz-ul-Haque
Audit Committee	:	Mr. Aziz-ul-Haque (Chairman) Syed Maqbool Ali (Member) Syed Asim Abid Ali (Member)
Human Resources & Remuneration Committee	:	Mr. Aziz-ul-Haque (Chairman) Syed Maqbool Ali (Member) Mr. Ishtiaq Ahmed (Member)
Auditor	:	Feroze Sharif Tariq & Co. Chartered Accountants 4/N/4 Block-6, P.E.C.H.S., Karachi 75400, Pakistan.
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
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	:	A-30, S.I.T.E., Hyderabad, Sindh, Pakistan.
Website	:	www.yousufdewan.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 62nd Annual General Meeting of **Dewan Mushtaq Textile Mills Limited** will be held at Dewan Cement Limited Factory Site, at Deh Dhando, Dhabeji, District Malir, Karachi, Pakistan on Monday, April 14, 2025 at 12:00 noon. to transact the following businesses;

1. To confirm the minutes of the preceding Extra Ordinary General Meeting of the Company held on Monday, January 27, 2025;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2023, together with the Directors' and Auditors' Reports thereon;
3. To confirm the appointment of the Statutory Auditors of the Company for the year ended June 30, 2024, and to fix their remuneration;
4. To consider any other business with the permission of the Chair.

Karachi

March 21, 2025

By order of the Board



Muhammad Hanif German

(Company Secretary)

Notes:

- a. The share transfer books of the company will remain closed from April 07, 2025 to April 14, 2025 (both days inclusive). Transfers received in order at the share registrar office M/s. BMF Consultants Pakistan (Private) Limited, Located at Anum Estate Building, Room No.310 & 311, 3rd Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal, adjacent to Baloch Colony Bridge, Karachi, Pakistan.
- b. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend the meeting and vote for his/her behalf. proxies in order to be effective must be received at the Shares Registrar Office duly stamped and signed not less than 48 hours (Working days only) before the time of holding of the meeting.
CDC Account Holder will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by Securities and Exchange commission of Pakistan for attending the meeting and appointment of proxies.
- c. members are requested to promptly communicate the change in their addresses, if any, to the Company's share registrar.

d. Electronic Transmission of Financial Statements Etc.:

SECP through its notification No. SRO 787(1)/2014 dated September 8, 2014 has allowed companies to circulate Annual Audited Financial Statements along with Notice of Annual General Meeting through email instead of sending the same through post, to those members who desires to avail this facility. The members who desire to opt to receive aforesaid statements and notice of AGM through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website: <http://www.yousufdewan.com/Dmtml/index.html>

e. Video Conference Facility:

Pursuant to the provisions of the Companies Act, 2017, member can avail video conference facility to participate in this Annual General Meeting provided that the company receives consent from the members holding in aggregate 10% or more shareholding, residing in a city, at least seven (7) days prior to the date of meeting. Subject to the fulfillment of the above conditions, members shall be informed of the venue along with complete information necessary to access the facility. Format of request form has been placed on the Company's website.

f. Attendance through Zoom:

The members may attend the AGM online through ZOOM, by following the below guidelines:

- (i) The member shall get himself/herself registered by sending his/her request to the Company at e-mail ID dmtml.corp@yousufdewan.com as per Standard Request Form available on the Company's website (<http://www.yousufdewan.com/DMTML/index.html>) or can send his/her request to the Company Secretary at Dewan Centre, 3-A Lalazar Beach Hotel Road Karachi along with a legible copy of CNIC not later than April 12, 2025.
- (ii) Zoom link shall be sent by the Company only on email ID or Mobile/WhatsApp Number mentioned in Standard request Form.

g. Deposit of physical Shares into CDC Account:

As per section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the commission, within a period not exceeding four years from the commencement of the Act i.e May 30, 2017.

The physical Shareholders having physical shareholding are encouraged to open CDC Investor Account with CDC or CDC Sub-Account with any of the brokers to place their physical shares into Script less form.

h. E-Voting Procedure

- (a) Details of the e-voting facility will be shared through an email with those members of the Company who have their valid CNIC numbers, cell numbers, and email addresses available in the register of members of the Company within due course.



- (b) The web address, login details, will be communicated to members via email.
- (c) Identity of the members indenting to case vote through E-voting shall be authenticated through authenticated login.
- (d) E-Voting lines will start from April 07, 2025 at 10 am and shall close on April 13, 2025 at 5 p.m. Members can cast their votes any time in the period.

i) Postal Ballot

For voting through Postal Ballot members may exercise their right to vote as per provisions of the Companies (Postal Ballot) Regulations, 2018 subject to the requirement of Section 143 and 144 of the Companies Act, 2017. Further details in this regard will be communicated to the shareholders within the legal time frame as stipulated under these said Regulations, if required.

The members shall ensure that duly filed and signed ballot paper along with copy of CNIC should reach the Chairman of the meeting through post on the Company's Registered office or email at dmtml.corp@yousufdewan.com one day before the Annual General Meeting i.e. April 13, 2025 during the working hours. The signature on the ballot paper shall match with the signature on CNIC or Company records.

j) Particulars of Physical Shareholders:

According to section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provisions and Forms) Regulations, 2018, all physical Shareholders are advised to provide their mandatory information such as CNIC number, address, email address, contact mobile/telephone number, International Bank Account Number (IBAN), etc. to Company's Share Registrar at their address M/s. BMF Consultants Pakistan (Private) Limited, Located at Anum Estate Building, Room No. 310 & 311, 3rd Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal, adjacent to Baloch Colony Bridge, Karachi, email (bmfconsultantspakistan@gmail.com) immediately to avoid any non-compliance of law or any inconvenience in future.

CHAIRMAN'S REVIEW

I am pleased to present a report on the overall performance of the Board of Directors and effectiveness of the role played by the board in achieving the company's objectives. The board of directors is responsible for the management of the company, which formulates all significant policies and strategies. The board is governed by relevant laws & regulations and its obligation, rights, responsibilities and duties are as specified and prescribed therein.

The Board of Directors comprises of individuals with diversified knowledge who endeavour to contribute towards the aim of the Company with the best of their abilities.

An annual selfevaluation of the Board of Directors of the Company is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

During financial year ended June 30, 2023, four board meetings were held. The Board of Directors of the Company received agendas and supporting material in advance prior to the board and its committee meetings. All Directors are equally involved in important decisions. The Board's overall performance and effectiveness for the year under review was satisfactory.



Syed Asim Abid Ali
Chairman Board of Directors

Date: March 11, 2025
Place: Karachi.



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 are pleased to present the Annual Audited Financial Statements of the Company for the year ended June 30, 2023 together with the Auditors' Report thereon.

Overview

Financial year (FY) 2023 has presented severe economic challenges for Pakistan reflecting long standing structural weaknesses and political uncertainty. The geopolitical situation, difficult financial environment, and high inflationary pressures have all had a substantial impact on the prospects for global growth. All these factors posed significant economic risks for Pakistan's economy as well. Devastating floods and political unrest further aggravated the situation. Thus, FY2023 has been a challenging year for Pakistan's economy by facing tremendous challenges of macroeconomic imbalances, flood damages, supply shocks, and international economic slowdown which has dampened the economic growth to just 0.29 % in FY2023 (6.1% in FY22). The policy rate has historically gone up from 13.75% to 22.0% with an approximate increase of more than 8%. Import compression policy had a detrimental effect on the Country's exports which witnessed a decline of 12.7%. Similarly, the remittances also plunged by 13.74% to USD 27 billion as compared to last year. During the year, Pakistan has posted its highest ever inflation of 37.97% from a year earlier along with destructive Pak Rupee devaluation by approximately 40% against the US Dollar.

Industrial Overview

Textile, being a major sector of Pakistan's economy contributes around 60% to the country's exports and provides employment to 40% of the country's total labor force. Textile sector has recorded negative growth by 16.03% and its exports experienced a significant decline of 14.6% during the FY 2023. The spinning industry at the start of cotton year was very optimistic but in contrary to this, during FY 2023, flash floods 2022 hit hard agriculture sector's performance by severely damaging the cotton & other crops. Moreover, higher international raw material prices and overall challenging supply chain, fraught with shortage of gas, unprecedented inflation, increased political instability and overburdening of taxes and levies have resulted in the non-competitiveness of the textile industry in the international market.

Operating results and performance (Factory shutdown):

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

	"Rupees"
SALES (NET)	3,866,660
COST OF SALES	(47,612,017)
GROSS LOSS	(43,745,357)
OPERATING EXPENSES	(14,641,101)
OPERATING LOSS	(58,386,458)
FINANCE COST	(138,894)
OTHER INCOME	20,000,000
LOSS BEFORE TAXATION	(38,525,352)
TAXATION	2,714,973
LOSS AFTER TAXATION	(35,810,379)

Company's operational sales for the year remained nil due to closure of operations, the sales appearing in financial statements represent stocks sales during the year under consideration. The Company, for the time being, has suspended its manufacturing operations since July 2016 which could not be resumed due to liquidity crunch and working capital constraints.

In financial year ended 2012, Company had settled with its lenders through Compromise Agreement against which consent decrees had been passed by the Honorable High Court of Sindh, Karachi. Company's short term and long-term loans had been rescheduled in the form of long-term loans. Consequent to default in repayment of restructured liabilities as per compromise agreement, the lenders filed for execution of consent decrees. The Company filed suits in Honorable High Court of Sindh at Karachi wherein it has been strongly contested that filing of executions is unjust and against the law. Management of the Company expects favorable outcome therefrom.

The Auditors of the company have expressed adverse opinion in their report on going concern assumption, default in repayment of installments of restructured liabilities and related non-provisioning of mark-up as explained in their report.

The financial statements have been prepared on going concern assumption as the company approached its lender 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 utilization of production capacity. Therefore, the preparation of financial statements using going concern assumption is justified, as explained in note 2 to the financial statements.

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 as explained in note 7.3 to the financial statements. Moreover, the markup outstanding up to the date of restructuring is Rs.119.824 million, which the company would be liable to pay in the event of default of terms of agreement. Since the management is confident that upon finalization of restructuring this amount will remain eligible for waiver, hence no provision of the same has been made in these financial statements.

Future Outlook

For the globally competitiveness in the wake of prevalent economic crunch, we expect the government will focus on structural reforms, addressing the fundamental flaws those lead to recurring economic crises. To boost exports and foreign exchange, and to enable the exporters to compete internationally, the government should prioritize export-oriented sectors, including the textile industry. This involves facilitating the import of raw materials, parts, and accessories, decrease in current interest rate presently too exorbitant for any business to sustain and also ensuring the availability of utilities at rationalized power tariff. Further, Taxation structure is expected to create ease of doing business and with a focus on expanding the tax-base rather than over burdening existing payers.

Corporate Social Responsibilities

We are also committed to Corporate Social Responsibility (CSR) and integrating sound social practices in our day-to-day business activities. The Company is committed to make conscious effort to consider and balance the interest of all stakeholders, in particular the community in which we live and workers who are the core of our business. We measure our success not only in terms of financial criteria but also in building customer satisfaction and supporting the communities we serve.

Health, Safety and Environment

The management of the company is aware of its responsibility to provide a safe and healthy working environment to our associates and give highest priority to it. Our safety culture is founded on the premise that all injuries are preventable if due care is taken. Continual efforts for provision of safe, healthy and comfortable working conditions for the employees are made. We follow up and investigate on all incidents and injuries to address their root causes. We believe that safety and health is a journey of continuous improvement and eternal diligence. We will continue to take steps to improve the safety and health of our associates.

Human Resource

The management of the Company is committed to excellence and has a clear vision that human resources and strong leadership practices are important enablers of high productivity and sustainable competitive advantage of our Company. Therefore, management of the Company gives much importance to the optimal use of human resources by way of training proper guidance, motivation and incentive schemes for the employees.

Corporate and Financial Reporting

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

1. The financial Statements presented by the management of the Company give, subject to Auditors' Report, a fair account of the state of affairs, the results of its operations, cash flow and changes in equity.
2. Proper books of accounts have been maintained.
3. Accounting policies have been consistently applied in the preparation of financial statements, except for certain changes whose impact have been appropriately disclosed in the financial statements and accounting estimates are based on reasonable and prudent judgment.

4. International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of financial statements and any departure there from, if any, has been adequately disclosed.
5. The system of internal controls, which is in place, is sound in design and has been effectively implemented and monitored.
6. There has been no material departure from the best practices of the corporate governance, except as disclosed in auditors review report.
7. The Company has constituted an Audit Committee from amongst the non-executive members of its Board.
8. The Board has prepared and circulated a Statement of Ethics and Business Practices amongst its members and the company's employees.
9. There are no doubts upon the company's Going Concern except as disclosed in note 2 to the financial statements.
10. Information regarding the outstanding taxes and levies is given in the notes to the financial statements.
11. As required under the Code of Corporate Governance, the following information has been presented in this report:
 - i) Pattern of Shareholding;
 - ii) Shares held by associated undertaking and related persons;

Board

The Board of Directors comprises of individuals with diversified knowledge who endeavor to contribute towards the aim of the Company with the best of their abilities.

The Board of Directors as of June 30, 2023, consisted of the following:

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

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

Names	No. of Meetings attended
Mr. Aziz-ul-Haq	4
Mr. Ishtiaq Ahmed	4
Mr. Ghazanfar Baber Siddiqi	4
Mr. Imran Ahmed Javed	1
Mr. Mehmood-ul-Hassan	3
Syed Maqbool Ali	4
Mr. Waseem-ul-Haque Ansari	4
Mrs. Nida Jamil	4

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

Audit Committee

Audit committee was established by the Board to assist the Directors in discharging their responsibilities for Corporate Governance, Financial Reporting and Corporate Control. The committee consists of three members. Majority of members including the chairman of the committee are non-executive directors.

During the year, four Audit Committee meetings were held and attendance was as follows.

Names	No. of Meetings attended / Eligibility to attend meeting
Mr. Aziz-Ul Haque – Chairman	4
Syed Maqbool Ali	4
Mr. Mehmood-ul-Hassan	3

Human Resource and Remuneration Committee

Human Resource and Remuneration Committee was established by the Board to assist the Directors in discharging their responsibilities with regard to devising and periodic reviews of human resource policies. It also assists Board in selection, evaluation, compensation and succession planning of key management personnel.

The committee consists of three members. During the year one Human Resource and Remuneration committee meeting was held and attendance was as follows

Names	No. of Meetings attended
Mr. Aziz-Ul Haque – Chairman	1
Mr. Ishtiaq Ahmed	1
Syed Maqbool Ali	1

Earnings per Share

Loss per share during the period under report worked out to Rs. (3.10) [2022: Rs. (5.74)]

Appointment of Auditors

The present auditors, M/s. Feroze Sharif Tariq & Co., Chartered Accountants, retire and being eligible, have offered themselves for re-appointment. The Board of Directors of your company, based on the recommendations of the Audit Committee of the board, proposes M/s. Feroze Sharif Tariq & Co., Chartered Accountants, for reappointment as auditors of the company for the ensuing year.

Pattern of Shareholding

The prescribed shareholding information, both under the Companies Act, 2017, and the Listing Regulations, vis-à-vis, Code of Corporate Governance, is attached at the end of this report.

Key operating and financial data

Key operating and financial data for preceding six years is annexed.

Subsequent Events

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

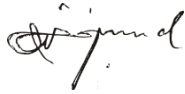
Vote of Thanks & Conclusion

On the behalf of the Board, we appreciate the valuable, loyal, and commendable services rendered to the Company by its executives, members of the staff and workers

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

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

By and under Authority of the Board of Directors



Ishtiaq Ahmed
CEO & Director



Syed Asim Abid Ali
Chairman Board of Directors

Karachi, March 11, 2025

FINANCIAL HIGHLIGHTS

	2018	2019	2020	2021	2022	2023
Sales (Net)	-	-	-	-	22	4
Gross (Loss) / Profit	(80)	(70)	(60)	(52)	(55)	(43.75)
(Loss) / Profit Before Tax	(171)	(115)	(113)	(61)	(72)	(38.53)
(Loss) / Profit After Tax	(149)	(105)	(104)	(53)	66	(35.81)
Current Assets	184	159	136	114	64	44.51
Shareholder's Equity & Surplus	319	268	164	111	274	238.61
Current Liabilities	432	404	592	585	566	590.35
(Loss) / Earning per Share	(22.78)	(11.50)	(9.00)	(4.57)	(5.74)	3.10
Breakup value per share (Rs.)	48.69	29.45	14.21	10.00	24.00	21.00
Current Ratio (Times)	0.43	0.39	0.23	0.20	0.11	0.08
Gross (Loss) / Profit (%)	-	-	-	-	-	-
Net (Loss) / Profit %	-	-	-	-	-	-

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

For the Year Ended June 30, 2023

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:
 - a) Male : 6
 - b) Female : 1
2. The composition of board is as follows:
 - a) Independent Director : Mr. Aziz-ul-Haque
 - b) Other Non-executive Directors : Syed Maqbool Ali
Mr. Mehmood-ul-Hassan
Mr. Ghazanfar Baber Siddiqi
Mr. Waseem Haque Ansari
Mrs. Nida Jamil
 - c) Executive Director : Mr. Ishtiaq Ahmed
3. Six Directors have confirmed that they are not serving as Director in more than seven listed Companies including this Company, however, one Director is serving as Director in more than seven listed Yousuf Dewan Companies.
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the board have been duly exercised and decision on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with requirements of Act and the regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Three Directors are qualified under the directors training program. During the year the board did not arrange training program. However, we will arrange the same in the next coming session.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:

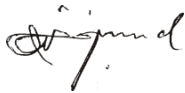
a)	Audit Committee	:	Mr. Aziz-ul-Haque Syed Maqbool Ali Mr. Abdul Basit	Chairman Member Member
b)	HR and Remuneration Committee	:	Mr. Aziz-ul-Haque Syed Maqbool Ali Mr. Ishtiaq Ahmed	Chairman Member Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

a)	Audit Committee	:	4 meetings during the financial year ended June 30, 2023
b)	HR and Remuneration Committee	:	1 annual meeting held during the financial year ended June 30, 2023
15. The board has set up an effective internal audit function. The staffs are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with: and
19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33, and 36 are below:

DEWAN MUSHTAQ TEXTILE MILLS LIMITED

S.No.	Non-Mandatory Requirement	Reg No.	Explanation
1	Director's Training: It is encouraged that by June, 2022 all the directors on their Boards have acquired the prescribed certification under and director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved it.	19	Currently, three Directors are qualified under the directors training program, The Company is encouraging and planning to arrange DTP certification for the remaining Directors.

By and under Authority of the Board of Directors



Ishtiaq Ahmed
CEO & Director

Dated: March 11, 2025
Place: Karachi



Syed Asim Abid Ali
Chairman Board of Directors

FEROZE SHARIF TARIQ & CO.

FEROZE SHARIF TARIQ & CO.
Chartered Accountants
4-N/4, BLOCK 6, P.E.C.H.S.,
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INDEPENDENT AUDITOR'S REVIEW REPORT**TO THE MEMBERS OF DEWAN MUSHTAQ TEXTILE MILLS LIMITED**

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Dewan Mushtaq Textile Mills Limited (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

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

- The composition of board has included one independent director Mr. Aziz ul Haque, whereas in our opinion he does not meet the criteria of independence due to his cross-directorship in associated Companies.
- The chairman of Audit committee and Human Resource and Remuneration Committee shall be an independent director, whereas in our view Mr. Aziz ul Haque does not comply with the criteria of independence as the reason reflects in para (a) above.
- The Company is required at least two or one third members of the Board, whichever is higher, as independent directors on its board. However, the Company includes only one independent director as disclosed in Paragraph 2 of Statement of Compliance.

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

Further, we highlight below instances of non-compliances with the requirements of the Code as reflected in the Paragraph reference where these are stated in the Statement of Compliance:

- One of the Director of the company is serving as directors in more than seven listed Companies as reflected in Paragraph 3 of statement of Compliance
- Three of the directors are qualified under the Directors' Training Program as reflect in Paragraph 9 of statement of Compliance as on June 30, 2023 as required by the Code all the directors are required to acquire Prescribed Certification.


Chartered Accountants

UDIN: CR202310161mh6xDios3

Dated: March 12, 2025

Place: Karachi

FEROZE SHARIF TARIQ & CO.

FEROZE SHARIF TARIQ & CO.
Chartered Accountants
4-N/4, BLOCK 6, P.E.C.H.S.,
KARACHI 75400

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INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF DEWAN MUSHTAQ TEXTILE MILLS LIMITED**

Report on the Audit of the Financial Statements

Adverse Opinion

We have audited the annexed financial statements of Dewan Mushtaq Textile mills Limited (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss. Statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters described in Basis for Adverse opinion section, the statement of financial position, the statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017, in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the loss and other comprehensive Income, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

- a) The financial statements of the company for the year ended June 30, 2023 as disclosed in note 2 to the financial Statements reflect loss after taxation of Rs. 35.810 (2022: Rs. 66.303) million and as of that date it has accumulated losses of Rs 697.147 (2022: Rs. 668.103) million and its current liabilities exceeded its current assets by Rs. 545.840 (2022: Rs. 502.106) million without providing the markup of Restructured liabilities and as refer in below para (b). The operations of the company were closed from July 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. 100.00 million, hence as per the terms of the restructuring as per clause 10.2 of the compromise agreement the entire restructured debt amounting to Rs. 176.359 million along with mark up of Rs. 119.824 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. Further some of the Lenders filled suit for execution of the decree as disclosed in note 13.1 to the financial Statements therefore, the banks/ financial institutions not confirmed their balances. These conditions lead us to believe that the going concern assumption used in preparation of these financial Statements is inappropriate; consequently, the assets and liabilities should have been stated at their realizable and settlement amounts respectively.

- b) The Company has not made provision of markup for the year amounting to Rs.40.065 million (up to year ended 30 June 2022: Rs.119.824 million) (refer note 24.1) on account of restructuring proposal offered to the lenders. In our opinion, since the proposal has not been accepted by the lenders so far and the lenders, instead of accepting the restructuring proposal, have preferred filing suits against the Company, therefore the provision of markup should be made in these financial statements. Had the provisions of markups been made in these financial statements, the loss before taxation would have been higher by Rs. 40.065 million and markup payable would have been higher and shareholders equity would have been lower by Rs. 159.889 million.

Matter of Emphasis

We draw attention to Note 1.1 to the Financial Statements, which explains that the Financial Statements were approved by management on March 11, 2025, later than usual. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report other than the matters described in the basis for adverse opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information in the Annual Report, but does not include the financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. As described in the basis for adverse opinion section of our report, we have concluded that the other information is materially misstated for the same reason.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Accounting and Reporting Standards as applicable in Pakistan and requirements of companies Act 2017 (XIX of 2017), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, Future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, except for the possible effects of matters discussed in basis for adverse opinion section of our reports, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) because of the significance of matters described in Basis for Adverse Opinion section, the statement of financial position, the statement of profit or loss, Statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have not been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) however, the same are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

(d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Mohammad **Ghalib**.



Chartered Accountants

UDIN: AR202310161YLBxwPgkh

Dated: March 12, 2025

Place : Karachi

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

		June 30, 2023	June 30, 2022
	Notes	----- (Rupees) -----	
<u>EQUITY AND LIABILITIES</u>			
<u>CAPITAL & RESERVES</u>			
<u>Authorized</u>			
12,000,000 (June 30, 2022 : 12,000,000) Ordinary shares of Rs.10/- each		120,000,000	120,000,000
Issued, subscribed and paid-up capital	5	115,610,280	115,610,280
Revenue reserves			
General reserve		45,000,000	45,000,000
Accumulated losses		(697,147,797)	(668,102,753)
Capital reserve			
Surplus on revaluation of property, plant and equipment	6	775,149,083	781,914,418
		238,611,566	274,421,945
<u>NON-CURRENT LIABILITIES</u>			
<u>Deferred Liabilities</u>			
Provision for staff gratuity	8	6,624,076	42,245,514
Deferred taxation	9	23,401,072	26,164,378
		30,025,148	68,409,892
<u>CURRENT LIABILITIES</u>			
Trade and other payables	10	44,587,781	82,037,653
Mark-up accrued on loans		136,900,151	136,900,151
Unclaimed dividend	11	308,319	308,319
Over due portion long term loans	7	176,355,579	176,355,579
Short term borrowings	12	232,201,499	170,701,483
		590,353,329	566,303,185
<u>CONTINGENCIES AND COMMITMENTS</u>			
	13	-	-
		858,990,043	909,135,022
<u>ASSETS</u>			
<u>NON-CURRENT ASSETS</u>			
Property, plant and equipment	14	813,659,473	844,121,015
Long term deposits		816,862	816,862
<u>CURRENT ASSETS</u>			
Stores and spares	15	6,256,282	12,512,565
Stock-in-trade	16	-	7,704,790
Trade debts - considered good	17	14,243,984	18,798,268
Advances - considered good	18	-	375,789
Short term deposits and sales tax receivables	19	8,955,592	8,955,592
Income tax refunds and advances		11,511,519	12,151,430
Cash and bank balances	20	3,546,331	3,698,711
		44,513,708	64,197,145
		858,990,043	909,135,022

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



Ishtiaq Ahmed
CEO & Director



Muhammad Irfan Ali
Chief Financial Officer

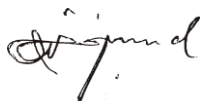


Syed Asim Abid Ali
Chairman Board of Directors

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30, JUNE 2023

		June 30, 2023	June 30, 2022
	Notes	----- (Rupees) -----	
Sales - Net	21	3,866,660	22,236,500
Cost of sales	22	<u>(47,612,017)</u>	<u>(76,857,523)</u>
Gross (Loss)		(43,745,357)	(54,621,023)
Operating expenses			
Administrative and general expenses	23	<u>(14,641,101)</u>	<u>(12,950,771)</u>
Reversal of provision against doubtful debts		<u>20,000,000</u>	<u>14,936,500</u>
		<u>5,358,899</u>	<u>1,985,729</u>
Operating (loss)		(38,386,458)	(52,635,294)
Finance cost	24	<u>(138,894)</u>	<u>(19,769,921)</u>
(Loss) before taxation		(38,525,352)	(72,405,215)
Taxation			
- Current	25	<u>(48,333)</u>	<u>(277,956)</u>
- Deferred		<u>2,763,306</u>	<u>6,379,991</u>
		<u>2,714,973</u>	<u>6,102,035</u>
(Loss) after taxation		<u>(35,810,379)</u>	<u>(66,303,180)</u>
(Loss) per share - basic and diluted	26	<u>(3.10)</u>	<u>(5.74)</u>

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



Ishtiaq Ahmed
CEO & Director



Muhammad Irfan Ali
Chief Financial Officer

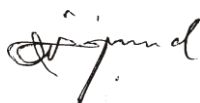


Syed Asim Abid Ali
Chairman Board of Directors

**STATEMENT OF COMPREHENSIVE
INCOME FOR THE YEAR ENDED 30, JUNE 2023**

	June 30, 2023	June 30, 2022
Notes	(Rupees)	
(Loss) for the year	(35,810,379)	(66,303,180)
Other comprehensive income:		
Item that will not be reclassified to profit or loss		
Other comprehensive income:		
Transfer from surplus on revaluation of fixed assets in respect of		
Revaluation during the year		186,974,546
Related deferred tax	-	42,310,412
		229,284,958
Total comprehensive income / (loss) for the year	(35,810,379)	162,981,778

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



Ishtiaq Ahmed
CEO & Director



Muhammad Irfan Ali
Chief Financial Officer



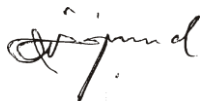
Syed Asim Abid Ali
Chairman Board of Directors

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30, JUNE 2023

	June 30, 2023	June 30, 2022
Notes	----- (Rupees) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(38,525,352)	(72,405,215)
Adjustment for non-cash and other items:		
Depreciation	30,546,560	39,877,895
Provision for slow moving stores & spares	6,256,283	2,502,513
Provision for short term deposit & other receivable	-	2,985,198
Advances - deposits a/c written off	375,789	1,381,700
Reversal of provision for doubtful debts	(20,000,000)	(14,936,500)
Finance cost	138,894	19,769,921
	<u>17,317,526</u>	<u>51,580,727</u>
	(21,207,826)	(20,824,488)
Working Capital Changes		
<i>(Increase) / decrease in current assets</i>		
Stock-in-trade	7,704,790	29,933,776
Trade debts	24,554,284	22,868,737
Advances - Considered good	-	2,079,258
Other Receivables - Unsecured, Considered good	639,911	4,995,000
<i>Increase/(decrease) in current liabilities</i>		
Trade creditors, and other payables	(37,449,872)	(3,199,977)
Short term borrowings	61,500,016	(34,640,003)
	<u>56,949,129</u>	<u>22,036,791</u>
Payments for :		
Taxes	(48,333)	(941,501)
Gratuity	(35,621,438)	(149,600)
	<u>(35,669,771)</u>	<u>(1,091,101)</u>
Net cash inflow / (outflow) from operating activities	<u>71,532</u>	<u>121,202</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital Expenditure	(85,018)	-
Net cash inflow / (outflow) from investing activities	<u>(85,018)</u>	
CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost paid	(138,894)	(274,218)
Net cash inflow / (outflow) from financing activities	<u>(138,894)</u>	<u>(274,218)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(152,380)</u>	<u>(153,016)</u>
Cash and cash equivalents at the beginning of the year	3,698,711	3,851,727
Cash and cash equivalents at the end of the year	<u>3,546,331</u>	<u>3,698,711</u>

20

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



Ishtiaq Ahmed
CEO & Director



Muhammad Irfan Ali
Chief Financial Officer

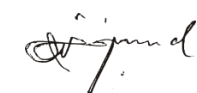


Syed Asim Abid Ali
Chairman Board of Directors

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30, JUNE 2023**

	Issued, subscribed and paid-up capital	Revenue Reserves		Capital Reserves	Total
		General Reserve	Accumulated Losses	Revaluation Surplus on property, plant & equipment	
----- (Rupees) -----					
Balance as at 1st July 2021	115,610,280	45,000,000	(617,419,551)	568,249,438	111,440,167
Total comprehensive Income / (loss) for the year					-
(Loss) for the year	-	-	(66,303,180)	-	(66,303,180)
Other comprehensive income for the year	-	-	-	229,284,958	229,284,958
	-	-	(66,303,180)	229,284,958	162,981,778
Transfer to accumulated loss in respect of incremental depreciation - net of tax	-	-	15,619,978	(15,619,978)	-
Balance as at June 30, 2022	115,610,280	45,000,000	(668,102,753)	781,914,418	274,421,945
Balance as at July 01, 2022	115,610,280	45,000,000	(668,102,753)	781,914,418	274,421,945
Total comprehensive Income / (loss) for the year					
(Loss) for the year	-	-	(35,810,379)	-	(35,810,379)
Other comprehensive income for the year	-	-	-	-	-
	-	-	(35,810,379)	-	(35,810,379)
Transfer to accumulated loss in respect of incremental depreciation - net of tax	-	-	6,765,335	(6,765,335)	-
Balance as at June 30, 2023	115,610,280	45,000,000	(697,147,797)	775,149,083	238,611,566

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



Ishtiaq Ahmed
CEO & Director



Muhammad Irfan Ali
Chief Financial Officer



Syed Asim Abid Ali
Chairman Board of Directors

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30, JUNE 2023

1. CORPORATE INFORMATION

Dewan Mushtaq Textile Mills Limited (the Company) was incorporated in Pakistan, as a public limited company on November 04, 1970, under the Companies Act, 1913 (Now the Companies Act, 2017) and its shares are listed on Pakistan Stock Exchange Limited. The principal activity of the Company is trading, manufacturing and sale of yarn. The Operations of the the company are suspended since July 2016.

The geographical Location and address of the company's business units, including mill/plant are 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 A-30, S.I.T.E., Hyderabad, Sindh, Pakistan.

1.1 The preparation and presentation of these Financial Statements has suffered delay due to the time taken for resolving the issues faced by the Management in respect of retrieving accounting data from the old and fire-stricken IT servers. However, the said data has been duly verified and reconciled before preparation of these Financial Statements.

1.2 Summary of significant events and transactions in the current reporting period

All significant transactions and events that have affected the Company's statement of financial position and performance during the year have been adequately disclosed either in the notes to these financial statements or in the Directors' report.

2 GOING CONCERN ASSUMPTION

The financial statements of the company for the year ended June 30, 2023 reflect that company has sustained a net loss after taxation of Rs.35.810 million (2022: Rs.66.303 million) and as of that date company has negative reserves of Rs. 652.148 (2022: 623.103 million) have resulted in equity of Rs.238.612 (2022: 274.422) million. Further the company's short term borrowing facilities having limit to the extent of Rs.100 million have expired and not been renewed. Company defaulted in repayment of its restructured liabilities due to liquidity crunch and working Capital Constraints as a result the Company, for the time being, has suspended its manufacturing operations since July 2016. Accordingly, as per the terms of the agreement / Consent decree the entire restructured liabilities along with markup eligible for waiver become immediately repayable as disclosed in note 7 and 12.1 to the Financial Statements. These conditions indicate the existence of material uncertainty which may cast significant doubt about the company's ability to continue as a going concern, therefore the company may not be able to realize its assets and discharge its liabilities during the normal course of business.

The financial have statements 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 run the operations smoothly with optimum utilization of production capacity. As the conditions mentioned in the foregoing paragraph are temporary and would reverse therefore the preparation of financial statements using going concern assumption is justified.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan with the exception of departure of IFRS as mentioned in note 24.1 to the financial statements, for which the management concludes that provisioning of mark-up would conflict with the objectives of the financial statements. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Basis of measurement

These financial statements have been prepared under historical cost convention except for the following items, which are measured on an alternative basis on each reporting date:

Item	Measurement basis
Land	Revaluation model
Building	Revaluation model
Plant and Machinery	Revaluation model

The method used to measure fair values are disclosed in respective policy notes.

3.3 Standards, amendments, interpretation and improvements applicable to the financial statements

Adoption of amendments to approved accounting standards effective during the year

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not detailed in these financial statements.

Amendments to approved accounting standards

IFRS 3 Reference to the Conceptual Framework (Amendments)

IAS 16 Reference to the Conceptual Framework (Amendments)

IAS 37 Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

The adoption of the above amendments to the accounting standards did not have any material effect on the Company's financial statements.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities

IAS 41 Agriculture – Taxation in fair value measurements

IFRS 16 Leases – Lease incentives

The adoption of the above amendments to the approved accounting standards did not have any material effect on the Company's financial statements.

Standards and amendments to IFRSs that are not yet effective

The following amendments to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective amendment or improvements:

Amendment or improvement		IASB effective date (annual periods beginning on or after)
IFRS 17	Insurance Contracts (Amendments)	January 01, 2023
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies (Amendments)	January 01, 2023
IAS 8	Definition of Accounting Estimates (Amendments)	January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 01, 2023
IAS 12	International Tax Reform – Pillar Two Model Rules (Amendments)	January 01, 2023
IAS 1	Classification of Liabilities as Current or Non-current	January 01, 2024
IFRS 16	Lease Liability in a Sale and Leaseback (Amendments)	January 01, 2024
IAS 7 / IFRS 7	Disclosures: Supplier Finance Arrangements (Amendments)	January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not yet finalised



Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's financial statements in the period of initial application.

Amendment or improvement

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

3.4 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates. The financial statements are presented in Pakistani rupees, which is the Company's functional and presentational currency.

3.5 Use of estimates and judgements

The preparation of the financial statements in conformity with approved accounting standards as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities and income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

3.5.1 Operating fixed assets, revaluation and depreciation

The Company reviews appropriateness of the rate of depreciation, useful lives and residual values used in the calculation of depreciation. The estimates of revalued amounts of revalued assets are based on valuations carried out by a professional valuer. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

3.5.2 Trade debts

The Company reviews its doubtful debts at each reporting dates to access whether provision should be recorded in the profit and loss account. In particular, judgment by management is required in the estimates of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

3.5.3 Income tax

In making the estimates for income tax currently payable by the Company, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past.

3.5.4 Stock in trade

The Company reviews the net realizable value (NRV) of stock in trade to assess any diminution in the respective carrying values. Any change in the estimates in future years might affect the carrying amounts of stock in trade and corresponding effect in profit and loss account of those future years. Net realisable value is determined with respect to estimated selling price less estimated expenditures to make the sales.

3.5.5 Stores and spares

The Company reviews the net realizable value (NRV) and impairment of stores and spare parts to assess any diminution in the respective carrying values and wherever required provision for NRV / impairment is made. The calculation of provision involves the use of estimates with regards to future estimated use and past consumption along with stores and spares holding period.

3.5.6 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the out come of the future events cannot be predicted with certainty. The company, based on the availability of the latest information, estimates at the value of contingent assets and liabilities which may differ on the occurrence/non occurrence of the uncertain future events.

4 SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Property, plant and equipment

Owned

Item of property, plant and equipment is recognized as asset when it is probable that future economic benefits associated with the asset will flow to the company and its cost to the company can be measured reliably.

An item of property, plant and equipment, which qualifies for recognition as an asset, is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent to initial recognition items of property, plant and equipment are carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using the fair value at the balance sheet date.

Land (free hold and lease hold), Building and Plant and Machinery are recognized at revalued amounts based on valuation by external independent valuer. Long term leases of land in which the Company obtains control of the land are accounted for as property, plant and equipment and presented as 'leasehold land' and building. Revaluation surplus on property, plant and equipment is credited to shareholders' equity and presented as a separate line item in statement of financial position. Increases in the carrying amounts arising on revaluation of land are recognized, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in profit or loss, the increase is first recognized in profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

Any revaluation increase arising on the revaluation of assets is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of assets is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revalued assets to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Depreciation is charged so as to write off the cost or revaluation of assets, other than leasehold land and capital work-in-process, over their estimated useful lives, using the reducing balance method, on the basis of rates specified in note 14 to the financial statements. The depreciation for assets acquired or disposed of during the year is charged from the month of acquisition or up to the month of disposal of such assets respectively.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in income.

Intangible assets

Computer software acquired by the Company are stated at cost less accumulated amortisation. Cost represents the expense incurred to acquire the software license and bring them to use. The cost of computer software is amortised over the estimated useful life.

Cost associated with maintaining computer software is charged to the profit and loss account.

4.2 Capital work-in-progress

All expenditure connected with specific assets incurred during development, installation and construction period are carried as capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.

4.3 Lease

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

4.3.1 Right of use asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right of use asset is subsequently depreciated using the diminishing balance method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. In addition, right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

4.3.2 Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the following:

fixed payments (including in-substance fixed payments), less any lease incentives receivable;
variable lease payment that are based on an index or a rate;
amounts expected to be payable by the lessee under residual value guarantees;
the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments.

4.3.3 Short term leases and low-value assets

The Company has elected not to recognize right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and the leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4.4 Stores and spares

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

4.5 Stock in trade

These are valued at lower of average cost and net realizable values, the cost is determined as follows:

Raw material	- Average cost
Packing material	- Average cost
Work in process	- Cost of direct materials plus conversion cost valued on the basis of equivalent production
Waste	- Selling price
Finished goods	- Average cost or net realisable value which ever is the less

Cost of finished goods comprise of prime cost and appropriate portion of production overheads.

Net realisable value signifies the estimated selling price in the ordinary course of business less cost necessary to be incurred in order to make the sale.

Goods-in-transit are valued at purchase price, freight value and other charges incurred thereon upto the reporting date.

Stock-in-trade is regularly reviewed by the management and obsolete items, if any, are brought down to their NRV. NRV signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

4.6 Investment in associates

Associates are entities over which the Company exercises significant influence. Investment in associates is accounted for using equity basis of accounting, under which the investment in associate is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of profit or loss of the associate after the date of acquisition. The Company's share of profit or loss of the associate is recognized in the Company's profit and loss account. Distributions received from associate reduce the carrying amount of the investment. Adjustments to the carrying amount are also made for changes in the Company's proportionate interest in the associate arising from changes in the associates' other comprehensive income that have not been recognized in the associate's profit or loss. The Company's share of those changes is recognized in other comprehensive income of the Company. The carrying amount of the investment is tested for impairment, by comparing its recoverable amount (higher of value in use and the fair value less costs to sell) with its carrying amount and loss, if any, is recognized in profit or loss. If the Company's share of losses of an associate equals or exceeds its interest in the associate, the Company discontinues recognizing its share of further losses. If the associate subsequently reports profits, the investor or joint venture resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

4.7 Staff retirement benefits***Defined Benefit Plan***

The Company operates an unfunded gratuity scheme for its non-management staff. Provisions are made, based on actuarial recommendations. Actuarial valuation is carried out using the 'Projected Unit Credit' method, as required by International Accounting Standard 19 "Employee Benefits". However, at present company has no employees who are eligible for gratuity, hence no provision for the same has been made.

During the year and subsequent to the year company paid gratuity to most of the employees, therefore the provision of gratuity made in the financial statement on actual liability basis which is last drawn on gross salary multiplied by no. of years served till

Defined Contribution Plan

Effective from July 01, 2010, the company has, in place of gratuity scheme, established a recognized provident fund for its permanent management staff for which equal contributions are being made in respect thereof by company and employees in accordance with the terms of the fund.

4.8 Taxation***Current***

Provision for current taxation is based on current rates of tax after taking into account available tax credits and rebates available, if any.

Deferred

Deferred tax is recognised on all timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4.9 Provision

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

4.10 Financial instruments**4.10.1 Initial measurement of financial asset**

The Company classifies its financial assets into following three categories:

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

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

Subsequent measurement

Debt Investments at FVOCI

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

Equity Investments at FVOCI

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

Financial assets at FVTPL

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

Financial assets measured at amortised cost

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

4.10.2 Non-derivative financial assets

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

4.10.2.1 Trade debts, advances and other receivables

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

4.10.2.2 Cash and cash equivalents

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

4.10.3 Financial liabilities

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

4.10.3.1 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction costs.

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

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

4.10.3.2 Trade and other payables

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

4.10.4 Derivative financial instruments - other than hedging

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

4.10.5 Derivative financial instruments - cash flow hedges

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

4.10.6 Offsetting of financial assets and financial liabilities

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

4.11 Impairment

4.11.1 Financial assets

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

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

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

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

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

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

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

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

4.11.2 Non-financial assets

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

4.12 Foreign currency translation

Transactions in foreign currencies are translated in PKR (functional and presentation currency) at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into PKR at the rates of exchange approximating those prevalent at the date of statement of financial position. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss.

4.13 Transactions with related parties

All dealings with associated companies are carried out at arm's length using the Comparable Uncontrolled Price method except interest free loan given by the Sponsors of the Company

4.14 Revenue recognition

Sale of goods

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

4.15 Trade debts and other receivables

Trade debts and other receivables are stated initially at fair value and subsequently measured at amortized cost using the effective interest rate method less an allowance for expected credit losses (ECL), if any. Allowance for expected credit losses is based on lifetime ECLs that result from all possible default events over the expected life of the trade debts and other receivables. Bad debts, if any, are written off when considered irrecoverable.

4.16 Cash and cash equivalents

For the purpose of unconsolidated statement of cash flow, cash and cash equivalents comprise of cash in hand, bank balances and short term investments with a maturity of three months or less from the date of acquisition. The cash and cash equivalents are readily convertible to known amount of cash and are therefore subject to insignificant risk of changes in value.

4.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.18 Dividends and appropriation to reserve

Dividend and appropriation to reserve are recognised in the unconsolidated financial statements in the period in which these are approved.

4.19 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.20 Contingent Liability

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4.21 Operating segments

For management purposes, the activities of the Company are organised into one reportable operating segment. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organisational and management structure, and internal financial reporting systems. Accordingly, the figures reported in these unconsolidated financial statements are related to the Company's only reportable segment.

5 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	June 30, 2023	June 30, 2022
	(Rupees)	
8,817,000 (2022: 8,817,000) Ordinary Shares of Rs. 10/- each fully paid in cash	88,170,000	88,170,000
2,744,028 (2022: 2,744,028) Ordinary Shares of Rs. 10/- each issued as fully paid bonus shares	27,440,280	27,440,280
11,561,028	115,610,280	115,610,280

5.1 Dewan motors (private) limited, an associated company held 231,099 ordinary shares of Rs.10 each.

5.2 All ordinary shares rank equally with regard to the Company's residual assets. Holders of the shares are entitled to dividends from time to time and are entitled to one vote per share at the general meetings of the Company.

5.3 As of the reporting date 231,099 (2022: 231,099) and 1500 (2022: 2000) ordinary shares of Rs. 10 each were held by associated companies and directors of the Company respectively.

6 SURPLUS ON REVALUATION OF PROPERTY PLANT AND EQUIPMENT

	June 30, 2023	June 30, 2022
	(Rupees)	
Opening balance	808,078,794	643,104,217
Surplus arising on revaluation during the year - net	-	186,974,546
Transferred to accumulated losses in respect of incremental depreciation for the year	(9,528,641)	(21,999,969)
	798,550,153	808,078,794
Less: related deferred tax liability on:		
Opening balance	26,164,376	74,854,779
- Revaluation / (Impairment) adjustment in related deferred tax during the year	-	(42,310,412)
- Incremental depreciation charged during the year	(2,763,306)	(6,379,991)
	23,401,070	26,164,376
	775,149,083	781,914,418

This represents net surplus over the book value resulting from the revaluation of land, Building, Plant and Machinery carried out on April 08, 2022 by independent professional valuer M/s Anderson Consulting (Private) Ltd, the basis of market value or depreciated replacement values as applicable. Basis of revaluation are as follows:

Leasehold Land

Valuation of land is based on assessment of present market values from the information of current matured transactions in recent past, pertaining to immediate neighborhood and surrounding areas.

Building

Valuation of building has been determined by assessment of type of construction, current condition of construction and by

applying current construction rates for current replacement value and taking into account depreciation involving the year of construction, physical condition, usage and maintenance.

Plant and Machinery

Plant and machinery valuation has been determined after making enquiries from agents, local dealers, fabricators, suppliers and manufacturers of comparable plants. Current prices of used and reconditioned plants in the local markets have also been considered. Based on above market values have been determined and depreciation has been applied as per their condition, usage, and maintenance.

The revaluation surplus on property, plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with section 241 of the companies Act, 2017.

The latest revaluation resulted in increase in surplus by Rs.186.975 million, forced sale value of revalued assets is Rs.595.150 million.

7 LONG TERM LOANS

7.1 Syndicated Long term Loan

Opening balance	176,355,579	176,355,579
Less :		
Over due portion of syndicated Long term loan	(176,355,579)	(176,355,579)
	-	-

7.2 The Compromise Agreement dated December 23, 2011 had been executed between the banks and the company against which consent decrees had been granted by the Honorable High Court of Sindh, Karachi. As per the terms, Company's short term and long term loans had been rescheduled in the form of long term loans of Rs. 526.081 million which is to be repaid in six and half years from the date of restructuring with progressive mark up ranging from 4% to 14% (or KIBOR whichever is lower) over the period on outstanding principal. This loan is secured by way of mortgage charge over immovable properties and hypothecation of movable assets of the company. Moreover banks / financial institutions have also provided further working capital facility against pledge of stocks to the Company as fully explained in note 12 to these financial statements. However, in case of default by the company the entire outstanding mark up as disclosed in the agreement will remain outstanding liability of the company and all amounts in respect of its liabilities shall become payable with immediate effect as disclosed in clause 10.2 of the Compromise Agreement of the company.

7.3 The company has approached its lenders for further restructuring of its liabilities, which is in advanced stage as the term sheet has been finalized and circulated by the agent to syndicate of banks for their internal approvals. Management is hopeful that such revision will be finalized soon.

8 PROVISION FOR STAFF GRATUITY

	June 30, 2023	June 30, 2022
	(Rupees)	
Opening balance	42,245,514	42,395,114
Payments during the year	(35,621,438)	(149,600)
	6,624,076	42,245,514

8.1 Since the Company not in operations from July 2016 and all the employees resigned from the services, therefore the liability for Gratuity has been booked on actual basis in the financial statements.

9 DEFERRED TAXATION

	June 30, 2023	June 30, 2022
	(Rupees)	
Credit balance arising due to:		
- accelerated tax depreciation	6,116,475	(5,168,362)
- revaluation on property plant & equipment	23,401,072	26,164,378
Debit balance arising due to	-	-
- staff gratuity	(1,920,982)	(12,251,199)
- carried over losses and provisions	(201,459,046)	(193,909,757)
	(173,862,481)	(185,164,940)
	(197,263,553)	(211,329,318)
	23,401,072	26,164,378

Deferred tax asset not recognized

9.1 Movement of deferred tax liabilities

Balance as at beginning of the year	26,164,377	74,854,780
Accelerated tax depreciation effect of impairment on revaluation of assets	-	(42,310,412)
Tax charge recognized in other comprehensive income	(2,763,306)	(6,379,991)
Balance as at end of the year	<u>23,401,071</u>	<u>26,164,377</u>

10 TRADE AND OTHER PAYABLES

Trade creditors	24,739,474	24,742,489
Accrued expenses	19,826,677	56,252,514
Employees provident fund	10.1 21,630	21,630
Sales tax payable	-	1,021,020
	<u>44,587,781</u>	<u>82,037,653</u>

10.1 Investments of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

11 UN CLAIMED DIVIDEND

As per the provision of Section 242 of the Companies Act, 2017 and directives of the Securities and Exchange Commission of Pakistan vide circular no. 18 dated 01 August, 2017, cash dividend will only paid through electronic mode directly in the bank accounts of shareholders, accordingly this unpaid dividend pertains to those shareholders who did not provided their valid bank accounts details.

12 SHORT TERM BORROWINGS

Short term finance from banks	12.1	-	10,999,984
Short term sponsor loan	12.2	<u>232,201,499</u>	<u>159,701,499</u>
		<u>232,201,499</u>	<u>170,701,483</u>

12.1 As part of restructuring banks / financial institutions have approved further working capital to the Company amounting to the limit of Rs. 100 million by providing syndicated cash finance against pledge of stocks in proportion to their loan amounts. The tenure of working capital facility is one year on rollover basis and this facility is secured by way of pledge of stocks of the company. The markup rate for this facility is one month KIBOR which is payable on quarterly basis. This financing arrangement has expired and not been renewed by the banks.

12.2 Short Term Sponsor Loan

Balance at the beginning	12.2.1	159,701,499	159,701,499
Received during the year from sponsor	12.2.1	<u>72,500,000</u>	-
		<u>232,201,499</u>	<u>159,701,499</u>

12.2.1 This represents unsecured interest free loan payable to sponsor against liabilities of a bank assumed by the sponsor and is payable on demand. The interest free and unsecured loan has been provided by sponsor considering financial crunch being faced by the company.

13 CONTINGENCIES AND COMMITMENTS

13.1 In respect of liabilities towards banks / financial institutions disclosed in note 7 to the financial statements, during the year ended 2012, certain lenders have entered into a compromise agreement with the Company for outstanding debt sought by lenders in the suits filed by them and it was agreed that the Company would settle all the liabilities at principle amount of Rs.276.082 million and markup thereon of Rs.119.824 million (eligible for waiver if the Company repays the entire outstanding principal as per term of agreement), consequent to which consent decrees were granted by the Honourable High Court of Sindh, Karachi. Consequent to default in repayment of restructured liabilities as per compromise agreement, the lenders filed for execution of consent decrees. The Company filed suits in Honourable High Court of Sindh at Karachi wherein it has been strongly contested that filing of executions is unjust and against the law. Management of the Company expects favorable outcome therefrom.

13.2 The Government of Pakistan has promulgated the Gas Infrastructure Development Cess Ordinance, 2014 (GIDC) against which the Company filed suit in the Honourable Sindh High Court challenging its legality and applicability on the Company and the Honourable Sindh High Court had issued stay against the recovery of GIDC. The Honourable Sindh High Court decided the case in favour of the Company and directed to refund / adjust in bills the amounts already collected, against which the Sui Southern Gas Company Limited (SSGC) has filed appeal in Honourable Sindh High Court, which was also rejected. The Government enacted GIDC Act, 2015 which had also been challenged by the Company through writ petition before the Honourable Sindh High Court, which granted the stay against collection of GIDC arrears. The SCP has decided the case in favour of government on 13 August 2020, with directions to recover the arrears under GIDC Act 2015 from the Companies who have passed their burden to the consumers. SSGC has not charged GIDC on its bills and also the Company has not passed on the same to the consumers.

There is no need for any provision in these financial statements.

13.3 There are no commitments as of balance sheet date which need to be disclosed in the financial statements.

		June 30, 2023	June 30, 2022
14 PROPERTY PLANT AND EQUIPMENT			
Operating Assets	14.1	813,659,473	844,121,015
		813,659,473	844,121,015

14.1 Operating Assets

June 30, 2023										
Particulars	Cost / Revaluation			Rate %	Depreciation / Amortization			Written Down		
	As at July 01, 2022	Additions / (Deletions)	Surplus / Impairment in Revaluation		As at July 01, 2022	Adjust / Transfer	For the year	As at June '2023	Value as at June '2023	
OWNED										

June 30, 2022										
Particulars	Cost / Revaluation			Rate	Depreciation / Amortization			Written Down		
	As at	Additions /	Surplus /		As at	Adjust /	For the	As at	Value as at	
	July	(Deletions)	Impairment in		June'2022	Transfer	year	June'2022	June'2022	
	01, 2021		Revaluation			01, 2021			-	
OWNED			RUPEES					RUPEES		
Lease Hold Land	385,714,284	--	332,872,518	718,586,802	--	38,265,304	--	8,239,439	46,504,743	672,082,059
Factory Building	256,387,030	--	(36,131,533)	220,255,497	10%	164,043,810	--	8,412,701	172,456,511	47,798,986
Non Factory Building	29,345,858	--	(7,374,125)	21,971,733	5%	11,658,529	--	800,524	12,459,053	9,512,680
Labour Quarters	53,380,583	--	3,304,529	56,685,112	25%	49,349,482	--	1,195,635	50,545,117	6,139,995
Plant and Machinery	956,865,915	--	(105,696,843)	851,169,072	10%	723,154,894	--	20,967,585	744,122,479	107,046,593
Factory and Office Equipmts	1,718,825	--		1,718,825	10%	1,634,903	--	8,392	1,643,295	75,530
Vehicles	27,117,401	--		27,117,401	20%	26,300,001	--	163,480	26,463,481	653,920
Furniture and Fixture	7,872,354	--		7,872,354	10%	6,970,963	--	90,139	7,061,102	811,252
June 30, 2022	1,718,402,250	--	186,974,546	1,905,376,796		1,021,377,886	--	39,877,895	1,061,255,781	844,121,015

	June 30, 2023	June 30, 2022
14.2 Allocation of Depreciation		
Cost of sales	30,334,651	39,624,276
Administrative and general expenses	211,909	253,619
	30,546,560	39,877,895

14.3 Had there been no revaluation the carrying amounts of revalued assets would have been as follows.

	2023	2022
Lease hold land	730,000	730,000
Factory building on lease hold land	13,745,009	15,272,233

Non - factory building	1,034,958	1,045,171
Labour quarters	164	218
Plant & machinery	57,562,776	63,958,640
	<u>73,072,907</u>	<u>81,006,262</u>

- 14.4** Immovable property (i.e. leasehold land and factory building, non-factory building and labour quarters thereon) is located in the Area of Hyderabad, Sindh having total area of 15 Acres.

	Note	June 30, 2023	June 30, 2022
15 STORES AND SPARES		(Rupees)	
Stores and spares		15,046,851	15,046,851
Packing material		<u>1,636,569</u>	<u>1,636,569</u>
		<u>16,683,420</u>	<u>16,683,420</u>
Provision for slow moving stores & spares	15.1	<u>(10,427,138)</u>	<u>(4,170,855)</u>
		<u>6,256,282</u>	<u>12,512,565</u>
15.1 Provision for slow moving stores & spares			
Opening balance		(4,170,855)	(1,668,342)
Provision during the year		<u>(6,256,283)</u>	<u>(2,502,513)</u>
		<u>(10,427,138)</u>	<u>(4,170,855)</u>
16 STOCK-IN-TRADE			
Raw materials		-	9,685,767
Finished goods		-	-
Waste		-	-
		<u>-</u>	<u>9,685,767</u>
Provision for raw material obsolete stock	16.1	<u>-</u>	<u>(1,980,977)</u>
		<u>-</u>	<u>7,704,790</u>
16.1 Provision for stock in trade			
Opening balance		1,980,977	1,980,977
Provision written off		<u>(1,980,977)</u>	<u>-</u>
		<u>-</u>	<u>1,980,977</u>
16.2 Stocks valuing Rs. Nil (2022: Rs 7.704 million) was pledged with the banks against the restructured finance facilities obtained by the Company.			
17 TRADE DEBTS - CONSIDERED GOOD		June 30, 2023	June 30, 2022
- considered good		14,243,984	18,798,268
- considered doubtful		<u>44,731,933</u>	<u>64,731,933</u>
		<u>58,975,917</u>	<u>83,530,201</u>
Provision for doubtful debts	17.1	<u>(44,731,933)</u>	<u>(64,731,933)</u>
		<u>14,243,984</u>	<u>18,798,268</u>
17.1 Provision for doubtful debts			
Opening balance		64,731,933	79,668,433
Provision during the year		-	-
Less: Reversal of provision		<u>(20,000,000)</u>	<u>(14,936,500)</u>
		<u>44,731,933</u>	<u>64,731,933</u>
17.2 The Company every year substantially recovering from receivable consider good and considered doubtful therefore the chance of the credit loss negligible therefore the management of the company feels no further provision / impairment required in the receivable amounts.			
18 ADVANCES - CONSIDERED GOOD			
Advances for expenses/suppliers		375,789	375,789
Loans and advances to employees		<u>-</u>	<u>-</u>
		<u>375,789</u>	<u>375,789</u>
Provision during the year		<u>(375,789)</u>	<u>-</u>
		<u>-</u>	<u>375,789</u>

19 SHORT TERM DEPOSITS AND SALES TAX RECEIVABLE

Sales tax receivable	11,940,790	11,940,790
Less: Provision for sales tax	(2,985,198)	(2,985,198)
	8,955,592	8,955,592

20 CASH AND BANK BALANCES

Cash in hand	21,520	45,666
Cash at banks - Current accounts	3,524,811	3,653,045
	3,546,331	3,698,711

2023 2022

(Rupees)

21 SALES - NET

Local sales	4,523,992	26,016,705
Less sales tax	(657,332)	(3,780,205)
	3,866,660	22,236,500

22 COST OF SALES

Raw material consumed/sales	7,704,790	18,019,013
Salaries, wages and other benefits	7,550,614	5,867,369
Fuel, power & water consumed	737,545	180,000
Insurance	-	446,821
Rent, rates and taxes	917,358	781,971
Repair & maintenance	367,059	23,320
Depreciation	30,334,651	39,624,276
	47,612,017	64,942,770
Work-in-process - opening	-	-
Work-in-process - closing	-	-
Cost of goods manufactured	47,612,017	64,942,770

Finished goods - opening	-	11,914,753
Finished goods - closing	-	-
	47,612,017	76,857,523

23 ADMINISTRATIVE AND GENERAL EXPENSES

Salaries, allowances and other benefits	23.1	2,752,295	3,390,483
Traveling, conveyance and entertainment		663,291	33,020
Printing and stationery		269,731	122,879
Postage, telephone and telex		68,785	59,310
Vehicles expenses		1,486,973	889,354
Legal and professional charges		1,758,840	588,470
Fees and subscription		296,605	183,345
Depreciation and amortization	14.2	211,909	253,619
Auditors remuneration	23.2	500,000	500,000
Repairs and maintenance		600	33,000
Provision for slow moving stores & spares	15.1	6,256,283	2,502,513
Provision for short term deposits & other receivables		-	2,985,198
Advances - long term deposits & other a/c written off	18	375,789	1,381,700
Others		-	27,880
		14,641,101	12,950,771

23.1 Salaries, allowances and other benefits include Rs. 0.130 million (2022: Rs. 0.161 million) relating to staff retirement benefits.

23.2 Represents audit fee (Annual, half year and review of Code and Corporate Governance) for the year.

24 FINANCE COST

Mark up on syndicated long term loan	24.1	-	16,581,360
Mark-up on short term borrowings		-	2,914,343
Bank charges		138,894	274,218
		138,894	19,769,921

24.1 The company has not provided the markp on long term and short term borrowings for the period amounting to Rs. 40.065 on (Up to June 30, 2022: Rs.119.824) 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.40.065million and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs. 159.889 million. The said non provisioning is departure from the requirement of IAS 23- 'Borrowing Costs'.

25 TAXATION

25.1 Current

The Income tax assessment of the Company deemed to have been finalized up to and including tax year 2022.

25.2 Relationship between income tax expense and accounting profit

Numerical reconciliation between the average tax rate and the applicable tax rate has not been given as the Company is subject to the provisions of minimum tax under Section 113 of the Income Tax Ordinance, 2001.

26 LOSS PER SHARE - BASIC AND DILUTED

(Loss) after taxation	Rupees	(35,810,379)	(66,303,180)
Weighted average number of ordinary shares	Nos	11,561,028	11,561,028
(Loss) per share - basic and diluted	Rupees	(3.10)	(5.74)

27 REMUNERATION OF CHIEF EXECUTIVE DIRECTORS AND EXECUTIVES

27.1 Chief executive & director of company did not change any fee as other remuneration.

27.2 No employee of the company falls under the definition of "executive" as per the companies Act, 2017. Hence no disclosure is given in the financial statement.

28 RELATED PARTY TRANSACTIONS

Related parties includes associated group companies, directors, executives, key management personals and staff retirement funds. The statement regarding remuneration of chief executive, directors, executive and key management personal is disclosed in note 27 to the financial statements. During the year aggregate transactions made by the company with the related parties were provident fund contribution of Rs. 0.259 million (2022: Rs.0.322 million) .

29 NUMBER OF EMPLOYEES

	June 30, 2023	June 30, 2022
Total number of employees at the end of year	13	21
Average number of employees	14	23

30 PLANT CAPACITY AND PRODUCTION

Attainable capacity converted to 20 count (Kgs)	12,077,988	12,077,988
Number of spindles installed	25,776	25,776

The company's operations are suspended on account of working capital constraints.

31 CASH AND CASH EQUIVALENTS

	June 30, 2023	June 30, 2022
Cash and bank balances	3,546,331	3,698,711
	3,546,331	3,698,711

32 FINANCIAL INSTRUMENTS

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is

also responsible for developing and monitoring the Company's risk management policies.

32.1 Credit risk

Credit risk is the risk that one party to the financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss. The Company believes that it is not exposed to major concentration of credit risk. However, to reduce exposure to credit risk, if any, the management monitors the credit exposure towards the customers and makes provisions against those balances considered doubtful of recovery.

The maximum exposure to credit risk at the reporting date is:

	June 30, 2023	June 30, 2022
	(Rupees)	
Trade debts - considered good	14,243,984	18,798,268
Loans and advances - unsecured, considered good	-	375,789
Cash and bank balances	3,546,331	3,698,711
	17,790,315	22,872,768

In respect of trade debts and other receivables the management, based on past experience, believes that no further impairment

32.2 Liquidity Risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements. During the year, the Company faced liquidity problems due to adverse conditions of overall textile industry, hence it was unable to make scheduled repayments of restructured long term financing. The management has actively taken measures to rectify the default by approaching its lenders for further restructuring of the liabilities. The further restructuring is in advanced stage and expected to be finalized soon.

The following are the contractual maturities of the financial liabilities, including estimated interest payments:

	2023				
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One year onward
	Rupees				
Financial liabilities					
Long term loans	176,355,579	352,865,599	352,865,599	--	--
Trade and other payables	44,587,781	44,587,781	44,587,781	--	--
Short term borrowings	232,201,499	232,201,499	232,201,499	--	--
Mark-up accrued on loans	136,900,151	136,900,151	136,900,151	--	--
	590,045,010	766,555,030	766,555,030	-	-

	2022				
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One year onward
	Rupees				
Financial liabilities					
Long term loans	176,355,579	312,305,475	312,305,475	--	--
Trade and other payables	82,122,656	82,122,656	82,122,656	--	--
Short term borrowings	170,701,483	171,651,738	259,052,392	--	--
Mark-up accrued on loans	136,900,151	136,900,151	136,900,151	--	--
	566,079,869	702,980,020	702,980,020	-	-

32.3 Market risk

Market risk is the risk that the value of a financial instrument will fluctuate resulting in as a result of changes in market prices or the market prices due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

32.4 Currency risk

Foreign currency risk arises mainly due to conversion of foreign currency assets and liabilities into local currency. The Company is not materially exposed to foreign currency risk on foreign currency assets and liabilities.

32.5 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in

market interest rates, majority of the interest rate exposure arises from short and long term borrowings from bank and term deposits and deposits in profit and loss sharing accounts with banks. At the balance sheet date the interest rate profile of the company's interest-bearing financial instruments are:

	<u>Carrying amounts</u>	
	June 2023	June 2022
<i>Fixed rate instruments</i>		
Financial liabilities	-	-
<i>Variable rate instruments</i>		
Financial liabilities	221,998,876	221,998,876
	<u>221,998,876</u>	<u>221,998,876</u>

32.6 Risk management policies

Risk management is carried out by the management under policies approved by board of directors. The board provides principles for overall risk management, as well as policies covering specific areas like foreign exchange risk, interest rate risk and investing excessive liquidity.

32.7 Capital risk management

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure the Company may adjust the amount of dividends paid to shareholders, issue new shares and take other measures commensuration to the circumstances.

Consistent with others in the industry, the company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectation of the shareholder. Debt is calculated as total borrowings ('long term loan' and short term borrowings' as shown in the balance sheet). Total capital comprises shareholders' equity as shown in the balance sheet under 'share capital and reserves'.

	June 30, 2023	June 30, 2022
	(Rupees)	
Total borrowings	408,557,078	347,057,062
Less cash and bank balances	(3,546,331)	(3,698,711)
Net debt	<u>405,010,747</u>	<u>343,358,351</u>
Total equity	238,611,566	274,421,945
Total Capital	<u>643,622,313</u>	<u>617,780,296</u>
Gearing ratio	<u>62.9%</u>	<u>55.6%</u>

32.8 Fair value of financial instruments

Fair value is an amount for which an assets could be exchanged, or a liability settled, between knowledgeable willing parties in arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

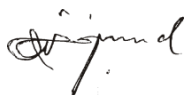
As at the reporting date the fair value of all financial assets and liabilities are estimated to approximate their carrying values.

33 APPROVAL OF FINANCIAL STATEMENTS

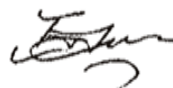
These financial statements were approved by the Board of Directors and authorized for issue on March 11, 2025.

34 GENERAL

- Comparative figures have been rearranged and reclassified wherever necessary for the purpose of better presentation and
- Figures have been rounded off to nearest rupee.



Ishtiaq Ahmed
CEO & Director



Muhammad Irfan Ali
Chief Financial Officer



Syed Asim Abid Ali
Chairman Board of Directors

DEWAN MUSHTAQ TEXTILE MILLS LIMITED
PATTERN OF SHAREHOLDING UNDER REGULATION
37(X)(I) OF THE CODE OF CORPORATE GOVERNANCE
AS AT JUNE 30, 2023

Categories	Number of Shareholders	Number of Shares held	Percentage of Shareholding
Directors, CEO, their Spouses & Minor Children			
Mr. Ishtiaq Ahmed	1	500	0.00%
Mr. Syed Maqbool Ali	1	500	0.00%
Mr. Aziz ul Haque	1	500	0.00%
Mr. Mehmood-ul-Hassan Asghar (Nominee Director DMPL)	-	-	0.00%
Mr. Waseem-ul-Haque Ansari (Nominee Director DMPL)	-	-	0.00%
Mr. Ghazanfar Baber Siddiqui (Nominee Director DMPL)	-	-	0.00%
Mrs. Nida Jamil (Nominee Director DMPL)	-	-	0.00%
Associated Companies			
Dewan Motors (Pvt.) Limited	1	231,099	2.00%
NIT and ICP	6	205,879	1.78%
Executives	-	-	0.00%
Banks, Development Financial Institutions, Non-Banking Finance Companies	-	-	0.00%
Insurance Companies	1	185	0.00%
Modarabas and Mutual Funds	1	121	0.00%
General Public	-	-	
a. Local	615	11,089,274	95.92%
b. Foreign	-	-	0.00%
Others (Joint Stock Companies, Brokrage Houses, Employees Funds & Trustees)	8	32,970	0.29%
TOTAL	635	11,561,028	100.00%

SHAREHOLDERS HOLDING FIVE PERCENT OT MORE VOTING RIGHTS

NAME OF SHAREHOLDER	Number of Shareholders	Number of Shares held	Percentage of Shareholding
Dewan Muhammad Yousuf Farooqui	2	8,659,498	74.90%

DETAILS OF TRADING IN THE SHARES OF THE COMPANY BY DIRECTORS, CEO, CFO, COMPANY SECRETARY, THEIR SPOUSES AND MINOR CHILDREN

During the year under review, none of the CEO, CFO, Directors, Company Secretary, their spouses and minor children have traded in the shares of the Company.

PATTERN OF SHAREHOLDING
AS AT 30TH JUNE 2023

Number of Shareholders	Shareholding Slab		Total Shares Held	Percebtage
	From	To		
309	1	100	6,172	0.05%
194	101	500	49,817	0.43%
42	501	1,000	33,497	0.29%
43	1,001	5,000	108,155	0.94%
14	5,001	10,000	110,794	0.96%
7	10,001	15,000	85,407	0.74%
1	15,001	20,000	20,000	0.17%
2	20,001	25,000	44,502	0.38%
2	25,001	30,000	54,008	0.47%
1	30,001	35,000	31,000	0.27%
1	35,001	45,000	43,500	0.38%
2	45,001	50,000	94,147	0.81%
3	50,001	55,000	161,901	1.40%
1	55,001	70,000	69,707	0.60%
3	70,001	90,000	245,842	2.13%
1	90,001	150,000	144,974	1.25%
2	150,001	200,000	382,424	3.31%
1	200,001	225,000	224,217	1.94%
2	225,001	235,000	465,494	4.03%
1	235,001	250,000	236,973	2.05%
1	250,001	300,000	288,999	2.50%
1	300,001	800,000	725,553	6.28%
1	800,001	3,000,000	7,933,945	68.63%
635	TOTAL		11,561,028	100.00%

بعد از واقعات:

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

اکہمبارتکرا اور نتیجہ:

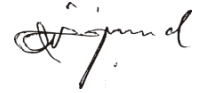
بورڈ کی جانب سے میں تمام ایگزیکٹو، اسٹاف ممبران اور ورکرز کا کمپنی کیلئے ان کی بہترین خدمات پر شکریہ ادا کرتا ہوں۔

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

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



سید عاصم عابد علی
چیئر مین بورڈ آف ڈائریکٹرز



اشتیاق احمد
چیف ایگزیکٹو اور ڈائریکٹر

کراچی مورخہ: 11 مارچ 2025

1	جناب عمران احمد چاویہ
3	جناب محمود الحسن اصغر
4	سید مقبول علی
4	جناب وسیم الحق انصاری
4	محترمہ مداحہ جلیل

وہ ڈائریکٹر جو میٹنگ میں شرکت نہیں کر سکیں ان ڈائریکٹرز کو غیر حاضری پر چھٹی عنایت کر دی گئی تھی۔

آڈٹ کمیٹی

بورڈ نے اپنے ڈائریکٹرز کو کارپوریٹ گورننس، مالیاتی رپورٹنگ اور کارپوریٹ کنٹرول کیلئے ان کی ذمہ داریوں کی تکمیل میں تعاون کیلئے آڈٹ کمیٹی تشکیل دی تھی۔ یہ کمیٹی تین ممبران پر مشتمل ہے، ممبران کی اکثریت بشمول کمیٹی کے چیئرمین اور غیر ایگزیکٹو ڈائریکٹر پر مشتمل ہے۔

سال کے دوران آڈٹ کمیٹی کی چار میٹنگوں کا انعقاد کیا گیا تھا جس میں درج ذیل نے شرکت کی تھی:

نام:	میٹنگ میں شرکت کنندہ کی تعداد
جناب عزیز الحق - چیئرمین	4
سید مقبول علی	4
جناب محمود الحسن اصغر	4

ہیومن ریسورس اور اجرتی کمیٹی

ہیومن ریسورس اور اجرتی کمیٹی کی تشکیل بورڈ نے کی تھی تاکہ ہیومن ریسورس کی پالیسیوں پر میعاد کی جائزے سے متعلق ان کی ذمہ داریوں میں تعاون فراہم کر سکیں۔ اس کے علاوہ انتخاب، تھینڈ، معاوضہ اور انتظامیہ کی اہم کامیابی کی منصوبہ بندی بورڈ کے ساتھ تعاون کر سکے۔

یہ کمیٹی تین ممبران پر مشتمل ہے، دوران سال ہیومن ریسورس اور اجرتی کمیٹی کی ایک میٹنگ منعقد کی گئی تھی جس میں درج ذیل نے شرکت کی:

نام:	میٹنگ میں شرکت کنندہ کی تعداد
جناب عزیز الحق - چیئرمین	1
جناب اشتیاق احمد	1
سید مقبول علی	1

آمدنی فی شیئر:

زیر جائزہ مدت کے دوران مبلغ (3.10) (2022) مبلغ (5.74) فی شیئر خسارہ پایا گیا۔

آڈیٹر کی تقرری

موجودہ آڈیٹر میسرز فیروز شریف طارق اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس ریٹائر ہو رہے ہیں انہوں نے دوبارہ تقرری کیلئے اپنی خدمات پیش کی ہیں۔ آپ کی کمپنی کے بورڈ آف ڈائریکٹرز نے بورڈ کی آڈٹ کمیٹی کی سفارشات کی بنیاد پر مجوز میسرز فیروز شریف طارق اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس کو کمپنی کی آڈیٹرز کے طور پر دوبارہ تقرری کی تجویز کی ہے۔

شیئر ہولڈنگ کا پٹرن:

کمپنی ایکٹ 2017ء کے تحت لسٹنگ ریگولیشن، کوڈ آف کارپوریٹ گورننس کے تحت مقررہ شیئر ہولڈنگ کی معلومات مرتب کی گئی ہیں جو کہ اس رپورٹ کے ساتھ منسلک ہیں۔

اہم آپرینگ مالیاتی تفصیل:

چھ سالہ اہم آپرینگ اور مالیاتی تفصیل منسلک ہے۔

انسانی ذرائع (ہیومن ریسورس)

کمپنی کی انتظامیہ اس بات پر واضح یقین رکھتی ہے کہ بہترین پیداواری صلاحیت کیلئے انسانی ذرائع اور مستحکم قیادت بے حد اہم ہے۔ لہذا کمپنی کی انتظامیہ انسانی ذرائع کے استعمال کو بے حد اہمیت دیتی ہے، اس سلسلے میں ملازمین کیلئے مناسب تربیت، ہدایات اور مراعاتی اسکیمیں فراہم کرتے ہیں۔

کوڈ آف کارپوریٹ گورننس پر عملدرآمد:

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

- ۱۔ کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے حالات، اس کے کاروباری نتائج، نقد رقم کی ترسیل اور ایکویٹی میں تبدیلی کی شفاف عکاسی کرتے ہیں۔
- ۲۔ کھاتے مناسب طریقہ سے مرتب کئے جاتے ہیں۔
- ۳۔ اکاؤنٹنگ پالیسیوں کے تسلسل کو مالیاتی گوشوارے کی تیاری میں لاگو کیا گیا ہے۔ محاسبی کے اندازے ماہرانہ و مختلط فیصلوں پر مبنی ہوتے ہیں۔
- ۴۔ مالیاتی گوشوارے کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیارات جیسے پاکستان میں نافذ العمل ہیں، اور باقاعدہ طور پر اس کا لحاظ رکھا جاتا ہے۔
- ۵۔ اندرونی کنٹرول کے نظام منظم ہیں اور اس کی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- ۶۔ کارپوریٹ گورننس پر عملدرآمد کے حوالے سے کوئی بھی انحراف نہیں کیا گیا سوائے ان کے جن کا ذکر آڈیٹرز کی جائزہ رپورٹ میں ہے۔
- ۷۔ کمپنی نے اپنے بورڈ کے غیر ایگزیکٹو ممبران میں سے ایک آڈٹ کمیٹی تشکیل دی ہے۔
- ۸۔ بورڈ نے اپنے ممبران اور کمپنی کے ملازمین میں سے اسٹیمینٹ برائے اصول اور کاروباری عمل کیلئے مرتب کر کے جاری کیا ہے۔
- ۹۔ آنے والے سالوں میں کمپنی کے کاروباری تسلسل پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں ماسوائے وہ جس کا انکشاف مالیاتی حسابات کے نوٹ نمبر 2 میں کیا گیا ہے۔
- ۱۰۔ فیکسز، ڈیویڈز اور دیگر چارجز سے متعلق معلومات مالیاتی گوشواروں میں دی گئی ہیں۔
- ۱۱۔ کوڈ آف کارپوریٹ گورننس کے حوالے سے مندرجہ ذیل معلومات منسلک ہیں:
 - (۱) شیئر ہولڈنگ کا پیٹرن
 - (۲) متعلقین اور دیگر افراد کے شیئرز

بورڈ:

بورڈ آف ڈائریکٹرز مشن و عزم کے حامل افراد اور ماہرین پر مشتمل ہے جو کمپنی کی بہترین مہارت کے تحت کمپنی کے مقاصد پر عملدرآمد کرتے ہیں۔
30 جون 2023 تک بورڈ آف ڈائریکٹرز درج ذیل پر مشتمل تھے:

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

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

نام:	میٹنگ میں شرکت کنندہ کی تعداد
جناب عزیز الحق	4
جناب اشتیاق احمد	4
جناب غضنفر بابر صدیقی	4

کام نہیں ہو سکا۔

سال 2011-12 میں کمپنی نے اپنے قرض خواہوں کے ساتھ مصالحتی معاہدہ کے ذریعہ تصفیہ کر لیا تھا جس کے تحت محترم ہائی کورٹ آف سندھ کراچی نے ڈکری پاس کی تھی، کمپنی کے مختصر مدتی اور طویل مدتی قرضوں کو طویل مدتی قرضہ جات کی شکل میں دوبارہ مرتب کیا گیا۔ مصالحتی معاہدہ کے مطابق قرض دہندگان نے قرضہ جات کی دوبارہ تنظیم نو کی دوبارہ ادائیگی میں کوتاہی کیلئے ایگزیکوشن ڈکری دائر کی۔ کمپنی نے محترم ہائی کورٹ آف سندھ کراچی میں مقدمہ دائر کیا جس میں اس کا سخت مقابلہ کیا گیا کہ ایگزیکوشن دائر کرنا غیر منصفانہ اور قانون کے منافی ہے۔ کمپنی کی انتظامیہ کو آنے والے دنوں میں اچھے نتائج کی توقع ہے۔

کمپنی کے آڈیٹرز نے اپنی رپورٹ میں قرضہ جات کی اقساط کی واپسی میں کٹا ہونے والے ماہر اندازے کا اظہار کیا ہے اور اس کے علاوہ اپنی رپورٹ میں مارک اپ ریکارڈ نہ کرنے پر بھی تحفظات کا اظہار کیا ہے۔

مالیاتی حسابات جاری کردہ امور کے تحت مرتب کئے گئے ہیں کیونکہ کمپنی نے اپنے قرضہ جات کے حوالے سے دوبارہ ترتیب کیلئے رابطہ قائم کیا ہے جو کہ زیر غور ہے۔ انتظامیہ کو امید ہے کہ یہ نظر ثانی جلد موثر ہوگی اور کمپنی کی فنڈنگ کی ضروریات کو پورا کرے گی اس کے علاوہ انتظامیہ کو آپریشن کے حوالے سے بھی مدد فراہم کرے گی تاکہ پیداواری گنجائش کو بہتر طریقہ سے استعمال کیا جاسکے۔ جیسا کہ رپورٹ میں حالات کا ذکر کیا گیا ہے اس کی وضاحت مالیاتی حسابات کے نوٹ 2 میں کی گئی ہے۔

کمپنی نے اپنے قرضہ جات کو دوبارہ مرتب کرنے کے لئے اپنے قرض خواہوں سے رابطہ کیا ہے جو کہ زیر غور ہے۔ انتظامیہ پر امید ہے کہ مالیاتی حسابات کے نوٹ 7.3 میں مکمل طور پر وضاحت کردہ طریقہ کار کے تحت جلد از جلد اسے مکمل کر دیا جائے گا اس کے علاوہ دوبارہ ترتیب کردہ تاریخ تک مبلغ 119.824 ملین روپے واجب الادا مارک اپ پر لازم ہوئے اور کمپنی معاہدہ کی شرائط میں کوتاہی کی صورت میں یہ ادائیگی کرنے کی ذمہ دار ہوگی۔ چونکہ دوبارہ ترتیب کا عمل زیر غور ہے لہذا انتظامیہ کو یقین ہے کہ یہ رقم واجب الادا نہیں ہوگی۔ اسی لئے ان مالیاتی حسابات میں مذکور مارک اپ کو ریکارڈ نہیں کیا گیا ہے۔

مستقبل کا نظریہ:

عالمی سطح پر مسابقتی ہونے اور اس معاشی بحران پر قابو پانے کے لیے، ہم توقع کرتے ہیں کہ نئی حکومت اسٹرکچرل اصلاحات پر توجہ دے گی، ان بنیادی خامیوں کو دور کرے گی جو بار بار آنے والے معاشی بحرانوں کا باعث بنتی ہیں۔ برآمدات اور زر مبادلہ کو فروغ دینے اور برآمد کنندگان کو بین الاقوامی سطح پر مقابلہ کرنے کے قابل بنانے کے لیے حکومت کو ٹیکسٹائل انڈسٹری سمیت برآمدات پر معنی شعبوں کو ترجیح دینی چاہیے اس میں خام مال، پرزہ جات اور لوازمات کی درآمد میں سہولت فراہم کرنا موجودہ شرح سود میں کمی جو کسی بھی کاروبار کو برقرار رکھنے کے لیے بہت زیادہ ہے اور معقول نرخ پر یوٹیلیٹی کی دستیابی کو یقینی بنانا بھی شامل ہے۔ مزید یہ کہ ٹیکس کے اسٹرکچر سے کاروبار کرنے میں آسانی پیدا کرنے اور موجودہ ٹیکس دہندگان پر زیادہ دھوکا جھڑانے کی بجائے ٹیکس کی بنیاد کو بڑھانے پر توجہ دینے کی توقع ہے۔ آئندہ سال نہ صرف کمپنی بلکہ پاکستان کی معیشت کے لیے بھی ایک چیلنجنگ سال ہے۔

کارپوریٹ معاشرتی ذمہ داریاں:

ہم کارپوریٹ معاشرتی ذمہ داریوں (CSR) کے حوالے سے اس بات کا بھی عہد کرتے ہیں کہ ہم اپنی معمول کے مطابق کاروباری سرگرمیوں کے عمل کو مضبوط کرنا چاہتے ہیں۔ کمپنی تمام اسٹیک ہولڈرز، خاص طور پر جس معاشرے میں ہم رہتے ہیں اور ایسے ورکرز جو ہمارے کاروبار کا محور ہیں، کے مفادات پر غور و توازن پیدا کرنے کیلئے شعوری طور پر کوشش کرنے کیلئے پرعزم ہیں۔ ہم نے اپنی کامیابی کو نہ صرف مالیاتی سرگرمیوں کیلئے وقف کیا ہے بلکہ ہم اپنے صارفین کا اطمینان بھی چاہتے ہیں اور ان تمام برادریوں کو بھی سپورٹ کرنا چاہتے ہیں جن کی ہم خدمت کرتے ہیں۔

صحت، حفاظت اور ماحول:

کمپنی کی انتظامیہ اپنی ذمہ داری سے آگاہ ہے جس کے تحت ہمارے متعلقین کو محفوظ اور صحت مند ماحول فراہم کرنا ہے۔ ہماری حفاظتی ثقافت کا مقصد یہ ہے کہ ہر طرح کے مسائل سے محفوظ رہا جائے۔ ملازمین کیلئے محفوظ، صحت مند اور پرسکون کام کے حالات پیدا کرنے کیلئے مستقل جدوجہد کرتے ہیں۔ ہم تمام تر حادثات وغیرہ کی صورت میں مکمل تفتیش کرتے ہیں اور اس کا سبب معلوم کرتے ہیں۔ ہمیں یقین ہے کہ تحفظ اور صحت مند ماحول بہتری کیلئے مستقل صلاح کا راستہ ہے۔ ہم اپنے اور اپنے متعلقین کیلئے مستقل بنیاد پر تحفظ اور صحت مند ماحول کی اصلاح کیلئے اقدامات کرتے رہتے ہیں۔

دیوان مشتاق ٹیکسٹائلز لمیٹڈ

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

محترم شیئر ہولڈرز،

السلام علیکم،

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز اختتامی مالیاتی سال 30 جون 2023ء کے لئے سالانہ آڈٹ شدہ مالیاتی حسابات بمع آڈیٹر ز رپورٹ پیش کر رہے ہیں۔

معاشی جائزہ:

مالی سال 2023ء میں ساختی کمزوریوں اور سیاسی بے یقینی صورتحال کے باعث پاکستان شدید اقتصادی چیلنجز کا شکار رہا۔ جغرافیائی سیاسی صورتحال، مشکل مالیاتی ماحول، اور بڑھتے ہوئے افراط زر کے دباؤ نے عالمی ترقی کے امکانات پر کافی اثر ڈالا۔ ان تمام عوامل نے بھی پاکستان کی معیشت کے لیے اہم اقتصادی خطرات پیدا کیے۔ اس طرح، مالی سال 2023 پاکستان کی معیشت کے لیے معاشی عدم توازن، سیلاب سے ہونے والے نقصانات، سپلائی میں کمی، اور بین الاقوامی اقتصادی سست روی کے زبردست چیلنجز کا سامنا کرتے ہوئے ایک مصائبی سال رہا ہے جس کے باعث مالی سال 2023 میں اقتصادی ترقی میں صرف 0.29 فیصد (مالی سال 2022 میں 6.1 فیصد) رہی۔ پالیسی شرح 13.75 فیصد سے بڑھ کر 22.0 ہو گئی جس میں تقریباً 8 فیصد سے زیادہ اضافہ ہوا۔ درآمدات کنٹرول پالیسی نے ملک کی برآمدات پر نقصان دہ حصہ ڈالا، جس میں 12.7 فیصد کمی ہوئی۔ اسی طرح ہز سلیٹ ز بھی SPLY کے مقابلے میں 13.74 فیصد کم ہو کر 27 بلین امریکی ڈالر پر رہ گئی کیونکہ عالمی اقتصادی ترقی تا ریخی معیارات کے لحاظ سے کم رہی اور بلند افراط زر کے ساتھ مالیاتی خطرات میں اضافہ ہوا۔ رواں سال، پاکستان نے گذشتہ سال کے مقابلے میں اب تک کی سب سے زیادہ افراط زر 37.97 فیصد پوسٹ کی ہے اور امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں 40 فیصد کی تباہ کن کمی رہی۔

صنعتی جائزہ:

پاکستان میں ٹیکسٹائل کی صنعت کا معیشت پر گہرا اثر ہے اور ملکی برآمدات میں تقریباً 60 فیصد حصہ ڈال رہا ہے۔ یہ کل مینوفیکچرنگ سیکٹر کا 46 فیصد پر مشتمل ہے اور دوسرا سب سے بڑا روزگار پیدا کرنے والا سیکٹر ہونے کی وجہ سے کل لیبر فورس کا 40 فیصد روزگار فراہم کرتا ہے۔ مالی سال 2022-23 کے دوران، ٹیکسٹائل سیکٹر کی شرح نمو منفی 16.03 فی صد اور برآمدات میں 14.06 فیصد کمی کی ریکارڈ ہوئی ہے۔ کپاس کے سال کے آغاز میں اسپننگ انڈسٹری بہت پر امید تھی مگر اس کے برعکس مالی سال 2022-23 کے دوران، 2022 کے سیلاب سے زرعی شعبے کی کارکردگی کو شدید نقصان پہنچا جس نے کپاس اور دیگر فصلوں کو بھی شدید نقصان پہنچایا۔ مزید برآں، بین الاقوامی سطح پر خام مال کی زائد قیمتوں اور مجموعی طور پر چیلنجنگ سپلائی چین، گیس کی قلت، افراط زر، بڑھتا ہوا سیاسی عدم استحکام اور غیر یقینی میکسز اور محصولات نے صنعت کے لیے اپنے آپریشنز پر طویل مدتی نظریہ رکھنا مشکل بنا دیا ہے۔

مالیاتی نتائج و کارکردگی:

زیر جائزہ سال کے دوران مالیاتی نتائج درج ذیل ہیں:

(روپے)	
3,866,660	فروخت (صافی)
(47,612,017)	فروخت کی لاگت
(43,745,357)	کل خسارہ
(14,641,101)	آپریٹنگ اخراجات
(58,386,458)	آپریٹنگ خسارہ
(138,894)	مالیاتی لاگت
20,000,000	اضافی آمدنی
(38,525,352)	قبل از ٹیکس خسارہ
2,714,973	ٹیکسیشن
(35,810,379)	بعد از ٹیکس خسارہ

دوران سال کمپنی کی خالص فروخت آپریشن بند ہونے کے باعث صفر رہی۔ مالیاتی حسابات میں ظاہر ہونے والی فروخت زیر جائزہ سال کے دوران اسٹاک کی فروخت کی نمائندگی کرتی ہے۔ کمپنی نے اس وقت جولائی 2016ء سے اپنی مینوفیکچرنگ آپریشنز معطل کر دیئے ہیں جن پر صنعت کو درپیش منفی صورتحال اور ورکنگ کیپیٹل کی رکاوٹوں کے باعث دوبارہ

(ایف) زوم اپیلی کیشن کے ذریعے اجلاس میں شرکت

اراکین درج ذیل ہدایات پر عمل درآمد کر کے زوم کے ذریعے سالانہ اجلاس عام میں آن لائن شرکت کر سکتے ہیں۔

(i) اراکین 12 اپریل، 2025 سے قبل کمپنی کی ویب سائٹ

<http://www.yousufdewan.com/Dmtml/index.html> پر دستیاب معیاری درخواست فارم کے مطابق اپنی

درخواست ای میل dmtml.corp@yousufdewan.com پر یا دیوان سینٹر، 3-A، لالہ زار بیچ ہول روڈ کراچی میں کمپنی سیکرٹری

کے نام پر اپنی درخواست ارسال کر کے خود رجسٹر کر سکتے ہیں۔

(ii) کمپنی کی طرف سے معیاری درخواست فارم پر درج ای میل آئی ڈی یا موبائل/وائس ایپ نمبر پر زوم کالک بھیجا جائے گا۔

(جی) سی ڈی سی اکاؤنٹ میں فیزیکل شیئرز کی منتقلی

کمپنیز ایکٹ 2017 کی دفعہ 72 کے تحت تمام ہرسلڈ کمپنی کیلئے ضروری ہے کہ وہ کمیشن کی طرف سے جاری کردہ نوٹیفیکیشن کی تاریخ اور کمپنیز ایکٹ

2017 کے آغاز یعنی 30 مئی 2017 سے چار سال کے اندر فیزیکل سرٹیفیکٹس کو بک انٹری فارم میں منتقل کریں۔

فیزیکل حصص رکھنے والے حصص یافتگان اپنے فیزیکل سرٹیفیکٹس کو سکرپٹ لیس فارم میں منتقل کرنے کیلئے کسی بھی سی ڈی سی یا سی ڈی سی ذیلی اکاؤنٹ کے ساتھ سی ڈی سی انویسٹر اکاؤنٹ کھول سکتے ہیں۔

(ایچ) ای ووٹنگ کا طریقہ کار

(اے) ای ووٹنگ کی تفصیلات کمپنی کے ان اراکین کو ای میل کے ذریعے ارسال کی جائیں گی جن کے مستند شناختی کارڈ نمبرز، فون نمبرز اور ای میل

ایڈریسز کمپنی کے اراکین کے رجسٹرڈ میں دستیاب ہوں گے۔

(بی) اراکین کو ای میل کے ذریعے ویب ایڈریس، لاگ ان کی تفصیلات ارسال کی جائیں گی۔

(سی) ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے اراکین کی شناخت تصدیقی لاگ ان کے ذریعے کی جائے گی۔

(ڈی) ای ووٹنگ انٹرنیٹ کا آغاز 07 اپریل، 2025 سے صبح دس بجے شروع ہوگی اور 13 اپریل، 2025 کی شام پانچ بجے بند ہوں گی۔ اراکین اس

مدت کے دوران اپنا ووٹ ڈال سکتے ہیں۔

(آئی) پوسٹل بیلٹ

بذریعہ بیلٹ ووٹنگ کیلئے اراکین کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 کی دفعات کے مطابق اپنا حق رائے دہی استعمال کر سکتے ہیں جو کمپنیز

ایکٹ 2017 کے سیکشن 143 اور 144 کے تقاضوں سے مشروط ہے۔ مذکورہ ریگولیشنز کے تحت متعین قانونی ٹائم فریم کے اندر اگر ضرورت محسوس ہوئی

تو مزید تفصیلات اراکین کو ارسال کی جائیں گی۔

اراکین اس بات کو یقینی بنائیں گے کہ باضابطہ طور پر دستخط شدہ بیلٹ پیپر معہ شناختی کارڈ کی نقل چیئر مین کو کمپنی کے رجسٹرڈ پتہ

یا dmtml.corp@yousufdewan.com پر ای میل کے ذریعے سالانہ اجلاس عام کے انعقاد کے دن سے ایک دن قبل یعنی 13 اپریل،

2025 کے کاروبار ایام کے دوران ارسال کیے جائیں گے۔ بیلٹ پیپر پر دستخط شناختی کارڈ یا کمپنی کے ریکارڈز پر موجود دستخط جیسے ہونے چاہئے۔

(جے) فیزیکل حصص یافتگان کے کوائف

کمپنیز ایکٹ 2017 کے سیکشن 119 اور کمپنیز (جنرل پروویژنز اینڈ فامرز) ریگولیشنز 2018 کے ضابطہ 19 کے مطابق تمام فیزیکل حصص یافتگان کو

مشورہ دیا جاتا ہے کہ وہ مستقبل میں کسی بھی قانون کی عدم تعمیل یا کسی بھی پریشانی سے بچنے کیلئے اپنی لازمی معلومات جیسا کہ شناختی کارڈ نمبرز، پتہ، ای میل

ایڈریسز، رابطہ نمبر، انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN) وغیرہ کمپنی کے شیئرز رجسٹر اراکون کے پتے میسرز بی ایم ایف کنسلٹنٹس پاکستان (پرائیویٹ)

لمیٹڈ واقع انعام اسٹیٹ بلڈنگ، کمرہ نمبر 310 اور 311، چوتھی منزل، 49، دارالامان سوسائٹی، مرکزی شاہراہ فیصل، نزد بلوچ کالونی پل، کراچی ای میل

(bmfcconsultantspakistan@gmail.com) پر فوری طور پر ارسال کریں۔

دیوان مشتاق ٹیکسٹائل ملز لمیٹڈ

نوٹس برائے سالانہ اجلاس عام

- بذریعہ نوٹس ہذا کو مطلع کیا جاتا ہے کہ دیوان مشتاق ٹیکسٹائل ملز لمیٹڈ کا 62 واں سالانہ اجلاس عام بروز پیر 14 اپریل، 2025 دوپہر 12:00 بجے دیوان سینٹ فیکٹری سائٹ، دیہہ ڈھنڈو، دھانیجی، ضلع ملیر، کراچی میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔
1. پیر 27 جنوری، 2025 کو منعقدہ کمپنی کے غیر معمولی اجلاس عام کی کارروائی کی توثیق۔
 2. 30 جون، 2023ء کو مکمل ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ مالی گوشواروں مع ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری۔
 3. 30 جون، 2024ء کو مکمل ہونے والے سال کیلئے کمپنی کے قانونی آڈیٹرز کی تقرری اور ان کے مشاہرہ کا تعین۔
 4. چیئرمین کی اجازت سے دیگر امور کی انجام دہی۔



محمد حنیف جرمین
(کمپنی سیکرٹری)

کراچی

21 مارچ، 2025

نوٹس:

- (الف) کمپنی کی حصص منتقلی کی کتب 07 اپریل، 2025 سے 14 اپریل، 2025 تک (بشمول دونوں دن) بند رہیں گی۔ شیئر رجسٹرار کے دفتر واقع میسرز بی ایم ایف کنسلٹنٹ پاکستان (پرائیویٹ) لمیٹڈ، واقع انیم اسٹیٹ بلڈنگ، کمرہ نمبر 310 اور 311، تیسری منزل، 49 دارالامان سوسائٹی، مرکزی شاہراہ فیصل، نزد بلوچ کالونی پل، کراچی پاکستان میں موصول ہونیوالی منٹھلیاں اجلاس میں شرکت اور رائے دی کیلئے بروقت سمجھی جائیں گی۔
- (بی) اجلاس ہذا میں شرکت اور رائے دی کا اہل ممبر اپنی جانب سے شرکت اور رائے دی کیلئے دوسرے ممبر کو اپنا پراسر مقرر کر سکتا ہے۔ مکمل پراسر فارم اجلاس کے انعقاد کے وقت سے 48 گھنٹے قبل کمپنی کے شیئر رجسٹرار آفس میں جمع کرانا ہوگا۔
- سی ڈی سی حصص یافتگان کو اجلاس میں شرکت اور پراسر کیلئے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے مورخہ 26 جنوری، 2000 کو جاری کردہ سرکلر 1 میں دی گئیں مندرجہ ذیل ہدایات پر عمل درآمد کرنا ہوگا۔
- (سی) اراکین سے درخواست ہے کہ پتہ میں کسی قسم کی تبدیلی سے فوری طور پر کمپنی کے شیئر رجسٹرار کو مطلع کریں۔
- (ڈی) مالی گوشواروں کی الیکٹرانک ترسیل

ایس ای سی پی نے اپنے نوٹیفکیشن نمبر SRO 787(1)/2014 بتاریخ 8 ستمبر، 2014 کے ذریعے کمپنیوں کو اجازت دی ہے کہ سالانہ اجلاس عام کے نوٹس کے ہمراہ سالانہ آڈٹ شدہ مالی گوشوارے ڈاک کی بجائے ای میل کے ذریعے ان اراکین کو ارسال کیے جائیں۔ ای میل کے ذریعے مذکورہ بالا گوشوارے اور ای جی ایم کے نوٹس وصول کرنے کے خواہشمند اراکین سے درخواست ہے کہ وہ کمپنی کی ویب سائٹ <http://www.yousufdewan.com/Dmtml/index.html> پر دستیاب معیاری درخواست فارم پر اپنی تحریری رضامندی فراہم کریں

(ای) ویڈیو کانفرنس کی سہولت

کمپنیز ایکٹ 2017 کی دفعات کی تعمیل میں اراکین سالانہ اجلاس عام میں ویڈیو کانفرنس کی سہولت کے ذریعے شرکت کر سکتے ہیں بشرطیکہ 10 فیصد یا زائد حصص رکھنے اور شہر میں رہنے والے اراکین اجلاس کی تاریخ سے کم سے کم 7 روز قبل اپنی رضامندی فراہم کریں گے۔ مذکورہ بالا شرائط کی تعمیل کی صورت میں تمام ضروری معلومات اور جگہ کے بارے میں آگاہ کیا جائے گا، درخواست کا فارم کمپنی کی ویب سائٹ پر دستیاب ہے۔








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



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DEWAN MUSHTAQ TEXTILE MILLS LIMITED

62TH ANNUAL GENERAL MEETING

FORM OF PROXY

This form of Proxy duly completed must be deposited at our Shares Registrar Transfer Agent **BMF Consultants Pakistan (Private) Ltd.** Anum Estate Building, Room No. 310 & 311, 3rd Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal, Adjacent Baloch Colony Bridge, Karachi-75350, Pakistan. Not later than 48 hours before the time of holding the meeting A Proxy should also be a member of the Company.

I/we _____

of _____ being a member (s) of

DEWAN MUSHTAQ TEXTILE MILLS LIMITED and holder of _____

Ordinary Shares as per Registered Folio No./CDC Participant's ID and Account No. _____

hereby appoint _____

of _____

or failing him _____

Of _____

who is also member of **DEWAN MUSHTAQ TEXTILE MILLS LIMITED** vide Registered Folio

No./CDC Participant's ID and Account No. _____ as my/our proxy to vote for me/us and

on my/our behalf at the 62th Annual General Meeting of the Company to be held on **Monday, 14th**

April, 2025 at 12:00 a.m. and any adjournment thereof.

Signed this _____ day of _____ 2025.

Affix
Revenue
Stamp
Rs. 5/-

Signature _____

Witness: _____

Signature

Name: _____

Address: _____

Witness: _____

Signature

Name: _____

Address: _____

پراکسی فارم
۶۲ واں سالانہ اجلاس عام

اہم اعلان

یہ پراکسی فارم مکمل پر کر کے ہمارے رجسٹرار شیئر ٹرانسفر ایجنٹ، بی ایم ایف کنسلٹنٹ (پرائیوٹ) لمیٹڈ، انکم اسٹیٹ بلڈنگ،
روم نمبر 310 اور 311، تیسری منزل، 49، دارالمان سوسائٹی، شاہراہ فیصل، ملحقہ بلوچ کالونی پل، کراچی۔ 75350،
پاکستان۔ کے آفس میں، میٹنگ کے انعقاد سے اڑتالیس گھنٹے پہلے یہ فارم ضرور جمع کروادیں، کسی بھی پراکسی کا کمپنی کا ممبر ہونا
ضروری ہے۔

میں / ہم _____ کا (مکمل پتہ)

_____ بحیثیت ممبر

دیوان مشتاق ٹیکسٹائل ملز لمیٹڈ کے _____ حصص کے مالک، رجسٹرڈ فو لیو نمبر /

سی ڈی سی آئی ڈی اور کھاتہ نمبر _____ میں

بطور پراکسی تقرر کرتا / کرتی ہوں _____ کا (مکمل پتہ)

جو بذات خود بھی _____

_____ دیوان مشتاق ٹیکسٹائل ملز لمیٹڈ

_____ سی ڈی سی آئی ڈی اور کھاتہ نمبر

جو کہ میری / ہماری غیر موجودگی کی صورت میں کمپنی کے ۶۲ واں سالانہ اجلاس عام جو کہ بروز پیر 14 اپریل، 2025
دوپہر 12:00 بجے، ہے میری / ہماری جانب سے ووٹ دے۔

بطور گواہ میں / ہم نے بروز _____ بتاریخ _____ 2025 کو میرے / ہمارے ہاتھ سے مہر لگائی۔

Affix
Revenue
Stamp
Rs. 5/-

دستخط _____

گواہ: _____

نام: _____

مکمل پتہ: _____

گواہ: _____

نام: _____

مکمل پتہ: _____