

# **ANNUAL REPORT 2 0 2 5**

## **D.M. CORPORATION LIMITED** **(FORMERLY D.M. TEXTILE MILLS LIMITED)**

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**Westridge, Industrial Area, Rawalpindi**








Ph: (051) 5181977, 5181978  
E-mail: [dmtm@dmtextile.com.pk](mailto:dmtm@dmtextile.com.pk)  
Website: [www.dmtextile.com.pk](http://www.dmtextile.com.pk)










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## 68<sup>th</sup> ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2025

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## COMPANY'S INFORMATION

### BOARD OF DIRECTORS

|                  |   |
|------------------|---|
| CHAIRMAN:        | Mian Habib Ullah  |
| CHIEF EXECUTIVE: | Mr. Sami Ullah  |
| DIRECTORS:       | Mr. Amer Zeb<br>Mr. Abrar Alam<br>Mr. Syed Hameed-ul-Haq<br>Mr. Muhammad Suleman Khan<br>Mr. Rao Khalid Pervaiz |

### AUDIT COMMITTEE

|           |   |
|-----------|---|
| CHAIRMAN: | Mr. Amer Zeb                                |
| MEMBER:   | Mr. Abrar Alam<br>Mr. Muhammad Suleman Khan |

### HUMAN RESOURCE & REMUNERATION COMMITTEE:

|           |  |
|-----------|--|
| CHAIRMAN: | Mr. Muhammad Suleman Khan                |
| MEMBERS:  | Mr. Syed Hameed-ul-Haq<br>Mr. Sami Ullah |

### ACTING COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

Rao Khalid Pervaiz

### BANKERS:

Faysal Bank Limited  
Meezan Bank Ltd.  
Habib Metropolitan Bank  
MCB Bank Limited

### AUDITORS:

M/s Mushtaq & Co  
Chartered Accountants  
19-B, Block-G, Gulberg III , Lahore  
Tel: (042) 35858624-6

### LEGAL ADVISER:

Malik Sheheryar Qamar Afzal  
Afzal & Afzal  
208-B, Tufail Road, Opp. Fatima Jinnah University,  
Katchery Chowk, Rawalpindi.

### REGISTRAR:

Corplink (Pvt) Ltd.  
Wings Arcade, 1-K, Commercial,  
Model Town, Lahore.  
Phone: 042-35916714, 35916719

### REGISTERED OFFICE & MILLS AT:

Industrial Area Westridge, Rawalpindi  
Telephone: 051-5181977-78  
E-mail: dmtm@dmttextile.com.pk  
E-mail: dmttextilemills@yahoo.com  
Website: www.dmttextile.com.pk

## VISION STATEMENT

We envision ourselves as a leading company known for its values, good business practices and optimum quality standards in diversified products & services with sustained growth.

## MISSION STATEMENT

To provide quality products and services to our customers and to explore new era to achieve the highest level of success.



Chief Executive



Director



CHIEF FINANCIAL OFFICER

Rawalpindi Dated: October 03, 2025

## CODE OF CONDUCT

### FOR THE COMPANY'S DIRECTORS, SENIOR MANAGEMENT AND OTHER EMPLOYEES

D. M. Corporation Limited (formerly D.M. Textile Mills Ltd) has laid down the following Code of Conduct, for directors, senior management and employees of the Company. All of them are required to follow these principles in their daily work and observe in the conduct of Company's business in order to protect and safeguard the assets, interests, reputation and integrity of the company at all levels. The Company will ensure that all concerned are fully aware of these standards and principles. However, Directors, senior management and employees are also required to have necessary understanding about the Code and their duties and responsibilities. Anybody having queries in connection with how to deal with these requirements should consult the management. All concerned are required to be courteous to their colleagues and ensure due respect to everybody without gender, religion, race or ethnic discrimination and avoid workplace harassment. Any contravention of these principles is regarded as misconduct and shall attract strict disciplinary/legal action.

The code emphasizes the need for high standard of honesty and integrity which are vital for the success of any business. Directors, senior management and employees are expected not to engage in any activity which can cause conflict between their personal interest and interest of the Company and/or can cause any harm to the interests of the Company, such as:-

- i) Interest or relationship with any organization supplying goods/services to the company or purchasing its products must be disclosed to the Management.
- ii) Neither any personal business in line with company's principal line of business is allowed while serving in the company nor it is permitted to use company's facilities for the same.
- iii) While dealing with third parties which include government officials, suppliers, buyers, agents and consultants must ensure that the interest, integrity and reputation of the company is not compromised.
- iv) Directors, senior management and employees are not allowed to accept any favours or kickbacks from any organization/person dealing with company.
- v) Directors, senior management and employees are required not to disclose in any circumstances, any confidential, insider & material information relating to the company to any person unless they are authorized and/or required to do so under the law.
- vi) The Company value and appreciate the patronage of the members. Only authorized person(s) are allowed to communicate with the members and other stakeholders.

- vii) Company has strong commitment to the health and safety of its employees and preservation of the environment by preventing pollution and improving awareness. Every employee is required to take care of his health and follow the guidelines.
- viii) Any kind of gambling and betting and taking any kind of drugs is strictly forbidden.



Chief Executive



Director



CHIEF FINANCIAL OFFICER

Rawalpindi Dated: October 03, 2025

**Gender Pay Gap Statement for the Year Ended 30-06-2025.  
Under SECP Circular 10 of 2024**

|                              |   |                |
|------------------------------|---|----------------|
| <b>Mean Gender Pay Gap</b>   | : | Not Applicable |
| <b>Median Gender Pay Gap</b> | : | Not Applicable |

The Company is not operational and working with limited resources. For the year ended 30th June 2025, the Company employed **06 male employees** and **no female employees**. As such, it is not applicable as there is no female employee.

## CHAIRMAN'S REVIEW REPORT

I am pleased to present the annual financial statements along with Directors' Report & Auditors' Reports for the period ended 30-06-2025. During the financial year, the name & principal line of business of the Company has been changed. The Management is continuously trying its level best to utilize the available resources for the betterment of the Company. Management has positive intention and capability to revive the company.

I acknowledge and appreciate the contributions of the employees for betterment of the Company.



Mian Habib Ullah  
Chairman of the Board of Directors

Rawalpindi: October 03, 2025



**Independent auditor's report to the members of  
D.M. CORPORATION LIMITED  
FORMERLY D.M. TEXTILE MILLS LIMITED**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Qualified Opinion**

We have audited the annexed financial statements of **D.M. Corporation Limited** Formerly - D.M. Textile Mills Limited ('the Company'), which comprise the statement of financial position as at June 30, 2025, and the statement of profit or loss, the statement of other 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 material accounting policy information 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 except for the effects of the matters described in the Basis for Qualified Opinion section of our report, and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

***Basis for Qualified Opinion***

- a) As more fully explained in Note 14 to the financial statements, the Company advanced an amount of Rupees 51.150 million against purchase of property. The property could not be transferred in the Company's name due to the want of completion of legal formalities. Directions were given for transferring the property in the name of the Company within thirty days of the order of Securities and Exchange Commission of Pakistan (SECP) dated November 29, 2007. SECP also ordered to calculate the amount of profit which could have been earned on the amount of Rupees 51.150 million if invested with any scheduled bank, on daily product basis in the relevant period and directed that this amount be deposited proportionately, in the Company's account, by directors who are penalized under the order. The Chief Executive Officer (CEO) of the Company filed an appeal before the Lahore High Court (LHC), Rawalpindi Bench whereby stay order was granted to suspend the operation of above said order. The Board of Directors of the Company, after getting valuation of the property at forced sale value of Rupees 72.007 million from M/s NAKMS Associates (Private) Limited, resolved in its meeting held on April 23, 2014 that the right in property along with fixtures and fittings be offered to the CEO at the fixed floor price of Rupees 75 million. Whereas, as per Capital Development

Authority (CDA), the property has already been transferred in the name of CEO through a court decree. The LHC, Rawalpindi Bench in its interim order dated February 06, 2015 granted adjournment with the directions not to transfer / alienate the property / undertaking of the Company in any form or manner whatsoever. Meanwhile, the case has been transferred to the Islamabad High Court (IHC), Islamabad and on May 03, 2016, IHC, on submission of CEO, ordered to transfer the property in the name of the Company within sixty days. The CEO filed a petition before the IHC to seek relief on the grounds that the said property has already been attached in the cases titled The Bank of Punjab versus Bilal Fibers Limited and The Bank of Punjab versus Bilal Textiles (Private) Limited wherein the CEO was a guarantor. Meanwhile, the Board of Directors and the shareholders in their meetings held on October 09, 2016 and October 31, 2016 respectively resolved to reverse the transaction of sale of property to CEO, subject to completion of legal formalities and in accordance with rules / laws / procedures. The Company filed a suit before the court of Senior Civil Judge 1st Class (West), Islamabad dated October 17, 2017 against the C.E.O. while making Securities and Exchange Commission of Pakistan and Capital Development Authority parties to the case for directions to transfer the property in the name of the Company. Civil Judge 1st Class (West), Islamabad, vide order dated July 28, 2021 accepted the Company's appeal and directed to submit evidence. Subsequently, vide order dated July 13, 2023, the court of Civil Judge 1st Class (West) partially decreed the case of the Company in alternate to the extent of recovery of remaining amount from the C.E.O. The Company has filed appeal on September 28, 2023 against the said order before Islamabad High Court (IHC). On October 25, 2023 IHC, Islamabad suspended the operations of the impugned judgement and decree dated July 13, 2023 until the next date of hearing. The matter is pending adjudication. Meanwhile, IHC, Islamabad, vide its order dated November 16, 2017, reduced the penalty from Rupees 100,000 to Rupees 50,000 to be paid by each director of the Company within the period of thirty days. The Company also filed an appeal before the LHC, Lahore Bench in May 2018 for detachment of the property, so the property can be transferred in the name of the Company, which is pending adjudication. The SECP filed an appeal before the IHC, Islamabad, dated September 13, 2018 for execution of IHC decision dated November 16, 2017 to appoint statutory auditors to conduct a special audit to calculate the amount of profit which could have been earned on the amount of Rupees 51.150 million, if invested with any schedule bank on daily product basis in the relevant period, and further requested the IHC to send notice to LHC, Lahore, for release of the property. The matter is pending adjudication. The Bank of Punjab filed an appeal before the IHC, Islamabad to set-aside orders dated May 03, 2016 and November 16, 2017. The matter is pending adjudication. On May 24, 2022, the Company filed an application before Islamabad High Court, Islamabad praying that The Bank of Punjab and Bilal Fibers Limited and Bilal Textiles (Private) Limited have entered into settlement agreements, hence, the said property may please be declared as lawful property of

D.M. Textile Mills Limited. The matter is pending adjudication. We could not ensure compliance with the above stated directions, current status of litigations and satisfy ourselves as to the use of forced sale value of the property for adjustment of the advance against property.

- b) The Company has long outstanding payables in note 8 amounting to Rupees. 85.29 million against creditors, accrued expenses, others and regulatory payables. In absence of information, we cannot determine the impact of reversal of liability / penalty / surcharge on said amount.
- c) As referred in note 22.1 and 28 of these financial statements, the Company has account for profit / return in the financial statements amounting to Rs. 1.8 million on investment in D.M. Ventures. In absence of information, we cannot determine the amount of profit / return, whether any adjustment is required and unable to determine whether the Company is compliant with section 199(2).

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 opinion.

### ***Material Uncertainty relating to Going Concern***

We draw attention of the members to Note 2.5 in the financial statements; The Company incurred a gross loss of Rs. 1.50 million (2024: Nil) and reported negative cash flows from operating activities of Rs. 6.31 million (2024: Rs. 17.51 million) during the year ended 30 June 2025. Although the Company has reported a net profit of Rs. 45.30 million (2024: Rs. 14.94 million), this includes a fair value gain of Rs. 25.51 million and liabilities written back of Rs. 30.33 million. Excluding these non-recurring items, the Company would have incurred a net loss of Rs. 10.55 million, which indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the enclosed financial statements have been prepared on going concern basis for the reasons and mitigating factors mentioned in the aforesaid note. Our opinion is not modified in respect of this matter.

### ***Key Audit Matter(s)***

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 the matters described below to be the key audit matters to be communicated in our report:

| Sr. No. | Key audit matter   | How the matter was addressed in our audit   |
|---------|--|---|
| 1       | <p><b>Revenue Recognition</b></p> <p>Refer to note 3.15 &amp; 24 to the financial statements.</p> <p>During the year, the Company changed its principal line of business and, accordingly, rental income has been classified as revenue for the first time. In the prior year, such income was presented under “Other Income,” and therefore, the comparative financial statements disclosed no revenue.</p> <p>Revenue is now primarily derived from rental income, which is recognized in accordance with the terms of the rental arrangements. This change in the revenue stream and its classification was considered a key audit matter due to its significance to the financial statements, its impact on comparability with prior year figures, and the judgment involved in determining the appropriate presentation and disclosure in line with the applicable financial reporting framework.</p> | <p>Our key audit procedures in this area amongst others included the following;</p> <ul style="list-style-type: none"> <li>Assessed the design, implementation and operating effectiveness of key internal controls involved in revenue recognition;</li> <li>Obtaining an understanding of the Company's change in business model and evaluating the appropriateness of classifying rental income as revenue under the applicable financial reporting framework;</li> <li>Evaluated the appropriateness of the Company's revenue recognition accounting policy and its compliance with IFRS 15: 'Revenue from Contracts with Customers'.</li> <li>Inspecting rental agreements to verify the basis of recognition and timing of income;</li> <li>Performing substantive testing on a sample of rental income transactions to confirm occurrence, measurement, and consistency with contractual terms;</li> </ul> |

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

Management is responsible for the other information. The other information comprises the information included in annual report but does not include the financial statements and our auditor's report 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***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 the accounting and reporting standards as applicable in Pakistan and the 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.

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 provided 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 with 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, we further report that except for the matters referred in Basis for Qualified Opinion section of our report, 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) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and 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 **Nouman Arshad, ACA**.

**MUSHTAQ & CO.**

Chartered Accountants

Lahore.

Date: 03-October-2025

UDIN: AR202510724m3aFsK1Wk



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

**Name of company:** D.M. Corporation Limited (formerly D.M. Textile Mills Ltd)  
**Year ending:** 30 June 2025

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

1. The total number of directors are 07 as per the following:

|        |    |
|--------|----|
| Male   | 07 |
| Female | -  |

2. The composition of the Board is as follows:

|      |                         |    |
|------|-------------------------|----|
| i)   | Independent Directors   | 02 |
| ii)  | Non-Executive Directors | 03 |
| iii) | Executive Directors     | 02 |

Determination of number of independent Directors comes to 2.33 (rounded to 2) which is based on Seven Directors. The fraction contrived in one-third number is not rounded up as the two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent director is not warranted;

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
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. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the 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 the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The Board could not arrange Directors' Training program for its 4 directors due to financial constraints;
10. The Board has not been able to appoint chief financial officer and company secretary. The Company advertised the posts time and again but no one applied;
11. Due to non-appointment of chief financial officer, chief executive officer and two directors have endorsed the financial statements before approval of the Board;



12. The Board has formed committees comprising of members given below: -

**a) Audit Committee**

| <b>Names</b>              | <b>Designation held</b>         |
|---------------------------|---------------------------------|
| Mr. Amer Zeb              | Chairman (Independent Director) |
| Mr. Muhammad Suleman Khan | Member (Independent Director)   |
| Mr. Abrar Alam            | Member (Non-Executive Director) |

**b) HR and Remuneration Committee**

| <b>Names</b>              | <b>Designation held</b>         |
|---------------------------|---------------------------------|
| Mr. Muhammad Suleman Khan | Chairman (Independent Director) |
| Mr. Syed Hameed UI Haq    | Member (Non-Executive Director) |
| Mr. Sami Ullah            | Member (Executive Director)     |

13. The terms of reference of the aforesaid committees have been framed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

| <b>MEETINGS</b>                           | <b>FREQUENCY</b>  |
|---|---|
| Audit Committee                           | Five meetings were held during the financial year ended 30 June 2025. |
| Human Resource and Remuneration Committee | One meeting was held during the financial year ended 30 June 2025.    |

15. The Board has set up an effective internal audit function who 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 Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;
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 requirements of regulations 3, 6, 8, 27, 32, 33 and 36 of the Regulations have been complied with except Regulation 7, which will be complied with in due course.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

| Sr. No. | Requirement   | Explanation of Non-Compliance  | Regulation Number |
|---------|---|--|-------------------|
| 1       | <b>Directors' Training</b><br>It is encouraged that by June 30, 2023 all the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it. | Due to closure of Mills and financial restraints, the Board could not arrange directors' training program for its four directors;  | 19                |
| 2       | <b>Nomination Committee</b><br>The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.   | Currently, the Board has not constituted a separate nomination committee. The Board will constitute nomination committee after revival of the business of the Company.                         | 29                |
| 3       | <b>Risk Management Committee</b><br>The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.             | Currently, the Board has not constituted a risk management committee as the Mills is closed. The Board will constitute risk management committee after revival of the business of the Company. | 30                |
| 4       | <b>Disclosure of significant policies on website</b><br>The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.  | These policies are in place and provided to the relevant employees and directors. These will be placed on website in due course.   | 35                |
| 5       | <b>Representation of Minority shareholders</b><br>The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.   | The management will welcome minority shareholders to come forward and contest the election. No consent was received in the last election.  | 5                 |
| 6       | <b>Responsibilities of the Board and its members</b><br>The Board is responsible for adoption of corporate governance practices by the Company.   | Non-mandatory provisions of the Regulations are being partially complied. The Board is working on full adoption of Corporate Governance practices by the Company.                              | (10)1             |

CHIEF EXECUTIVE OFFICER

Rawalpindi.  
03 October 2025

CHAIRMAN

## INDEPENDENT AUDITOR'S REVIEW REPORT

**To the members of D.M. Corporation Limited Formerly D.M. 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 D.M. Corporation Limited- Formerly D.M. Textile Mills Limited (the Company) for the year ended June 30, 2025 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, except for the below 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, 2025.

Following instances of non-compliance with the requirements of the Code were observed which are stated as under:

| Requirement   | Regulation | Non-Compliances   |
|---|------------|---|
| Independent Director  | 06         | There is no independent director appointed. The criteria as required u/s 166 of Companies Act, 2017 and Regulation is not complied. |
| Appointment of Female director  | 7          | No Female director appointed.   |
| Appointment of Chief Financial Officer                                | 20&22      | No Chief Financial Officer is appointed by the company.   |
| Appointment of Company Secretary                                      | 20&22      | No Company Secretary is appointed by the company.   |
| Requirement to attain Director's Training Program (DTP) Certification | 19         | Four directors have not completed DTP out of seven directors  |
| Nomination Committee  | 29(1)      | Currently, the board has not constituted a separate Nomination Committee. The function is being performed by the board.             |
| Risk Management Committee (RMC).                                      | 30(1)      | The board intends to constitute Risk Management Committee. Currently the board is performing these duties.                          |
| Disclosure of significant policies on website.                        | 35         | Company has not posted significant policies on its website. However, the Company is planning to post in future.                     |

Lahore:  
Date: 03 October, 2025  
CR202510724cBdylezaW

**MUSHTAQ & CO.**  
Chartered Accountants  
**Engagement Partner:**  
Nouman Arshad, ACA

**D.M. Corporation Ltd (formerly D.M. Textile Mills Ltd)**  
**DIRECTORS' REPORT**

Dear Shareholders,

The Directors welcome the members to the 68<sup>th</sup> Annual General Meeting of the Company and present annual audited financial statements for the year ended June 30, 2025 along with Auditors' Report thereon.

The composition of the Board of Directors is as follows:

**No. of Directors**

|                 |    |
|-----------------|----|
| Male            | 07 |
| Female          | -  |
| Total Directors | 07 |

**Name of Directors**

|                         |  |
|-------------------------|--|
| Independent Directors   | Mr. Amer Zeb<br>Mr. Muhammad Suleman Khan                        |
| Non-Executive Directors | Mr. Mian Habib Ullah<br>Mr. Abrar Alam<br>Mr. Syed Hameed-ud-Haq |
| Executive Directors     | Mr. Sami Ullah<br>Rao Khalid Pervaiz                             |

**Committees of the Board**

**Audit Committee**

|   |          |
|---|----------|
| Mr. Amer Zeb<br>(Independent Director)              | Chairman |
| Mr. Muhammad Suleman Khan<br>(Independent Director) | Member   |
| Mr. Abrar Alam<br>Non-Executive Director            | Member   |

**Human Resource & Remuneration Committee**

|   |          |
|---|----------|
| Mr. Muhammad Suleman Khan<br>(Independent Director) | Chairman |
| Mr. Syed Hameed UI Haq<br>(Non-Executive Director)  | Member   |
| Mr. Sami Ullah<br>Executive Director                | Member   |

### **Performance of the Company**

During the financial year, the Company adopted new name “D.M. Corporation Ltd” and amended its principal line of business from Textile to Real Estate. Accordingly, the PSX has shifted its name from non-compliant segment to Normal Counter of the Exchange effective from 04 July 2025. During the year Company had net profit of Rs.45,299,924/= Million as compared to previous year net profit of Rs. 14.853Million.

Comparative financial results are given below:

| <b>Year Ended on</b>                       | <b>Rupees</b>     |                   |
|--|-------------------|-------------------|
|  | <b>30-06-2025</b> | <b>30-06-2024</b> |
| Revenue                                    | 32,481,104        | -                 |
| Cost of Revenue                            | (33,983,788)      | -                 |
| Gross Loss                                 | (1,502,684)       | -                 |
| Administration & General Expenses          | (8,386,255)       | (45,633,379)      |
| Other Expenses                             | (477,000)         | (361,237)         |
| Other Income                               | 59,052,392        | 64,054,726        |
| (Loss) / Profit from operations            | 48,686,453        | 18,060,110        |
| Finance Cost                               | (21,680)          | (60,771)          |
| Profit / (Loss) Before Levies & Income Tax | 48,664,773        | 17,999,339        |
| Levies                                     | (8,273,011)       | (3,059,888)       |
| Profit / (Loss) Before Taxation            | 40,391,762        | 14,939,451        |
| Taxation                                   |                   |                   |
| -Current Tax                               | 3,047,801         | -                 |
| -Deferred Tax                              | 1,860,361         | (85,893)          |
| Profit for the Year                        | 45,299,924        | 14,853,558        |
| Earning/(Loss) per share Basic and diluted | 14.84             | 4.87              |

### **Debt Servicing**

Company has paid off entire liabilities of the financial institutions. Further, management is negotiating with other debt providers/suppliers so as to further reduce the liabilities of the Company.

### **Dividend**

Having accumulated losses, the Directors have not recommended dividend. Profit declared in the Profit & Loss Statement is due to remission of the property tax & surplus on revaluation of assets.

Directors have granted specific approval for the following transactions / adjustments mentioned in the financial statements.

Donations

Rupees  
108,600

Related party transactions as disclosed in financial statements.

Directors have also granted approval for following transactions in the financial statements.

- Approval of expenditures including Capital expenditure.
- Advances as disclosed in financial statements.

Pattern of Shareholding and Additional information as required under CCG is annexed to the Annual Report.

Except as disclosed in the Patron of Shareholding, during the year under review, there has been no trading in shares by Directors, Chief Executive, Chief Financial Officer / Company Secretary, their spouses and minor children.

During the year, four Board Meetings, five Audit Committee meetings and one HR and Remuneration committee meetings were held. The attendance of the Directors is as follow:

| Name of Director          | Number of Meetings Attended |                 |                             |
|---------------------------|-----------------------------|-----------------|-----------------------------|
|                           | Board Meeting               | Audit Committee | HR & Remuneration Committee |
| Mian Habib Ullah          | 4                           | -               | -                           |
| Mr. Sami Ullah            | 4                           | -               | 1                           |
| Mr. Amer Zeb              | 3                           | 4               | -                           |
| Mr. Abrar Alam            | 3                           | 4               | -                           |
| Mr. Syed Hameed Ul Haq    | 4                           | -               | 1                           |
| Mr. Muhammad Suleman Khan | 4                           | 5               | 1                           |
| Mr. Rao Khalid Pervaiz    | 4                           | -               | -                           |

Leave of absence was granted to the Directors who could not attend meeting(s) due to their pre-occupation.

Messrs. Corplink (Private) Limited, Wings Arcade, 1-K Commercial Model Town, Lahore are share registrar of the Company under section 195 of the companies Act, 2017.

### **Future Prospects & Plans**

The management is consistently trying to utilize the existing resources for the new principal line of business. Further, the management has positive intention and capability to revive the Company.

### **Auditors**

The retiring Auditors M/s. Mushtaq & Company Chartered Accounts being eligible have offered themselves for re-appointment. As recommended by the Audit Committee, the Board propose that the appointment of M/s Mushtaq & Co, Chartered Accountants, as external auditor for the next financial year may be approved.

**REMARKS ON AUDITORS' REPORT & MODIFIED REVIEW REPORT:**

1. Due to consistent income, settlements reached/to be reached with the debt providers and process for the revival of company, the Management has prepared the accounts on going concern basis and has no doubts on the Company's ability to continue as a going concern.
2. On auditors observation with regard to transfer of property in the name of the Company, it is clarified that as stated by the Auditors, the property could not be transferred in the name of the Company due to the want of completion of legal formalities. CEO filed an appeal before the Lahore High Court Rawalpindi Bench against the above mentioned SECP Order. The Honourable Court in its Order dated 26-10-2009 suspended the operation of the SECP Order. Keeping in view the financial position of the company and the legal formalities, the Board of Directors considered this issue a number of times and had finally decided to offer the first right of refusal to the CEO at fixed floor price of Rs.75 Million. As a result the company gained Rs.20.148 Million; and this long outstanding issue was resolved with approval of the members of the company. Later the case was transferred to Islamabad High Court Islamabad (IHC). The CEO, in the case proceedings before the Islamabad High Court, Islamabad on 03 May 2016 submitted to transfer the property in the name of the Company within sixty days. The CEO moved an application before the IHC for placement of additional documents on the grounds that in the given circumstances he has surrendered subject property rights in favour of D.M. Textile Mills Ltd and same fact is approved by the Board of Directors and Members of the Company, but the property has been attached by the Lahore High Court Lahore in two different cases titled Bank of Punjab versus Bilal Fibres Limited and Bank of Punjab versus Bilal Textiles (Private) Limited. On 30-11-2016, IHC allowed the Application for placement of additional documents on record for the reasons stated therein. To complete the legal formalities, as per advise of our legal consultant(s), the Company filed a civil suit before the Senior Civil Judge Islamabad (West) for specific performance of Agreement to Sell and Surrender Deed and Permanent Injunction. Subsequent vide order dated 13 July 2023, the court of Civil Judge 1st Class (West) partially decreed the case of the Company in alternate to the extent of recovery of remaining amount from the C.E.O. The Company has filed an appeal on 28 September 2023 against the said order before Islamabad High Court (IHC). On 25 October 2023 IHC, Islamabad, suspended the operation of the impugned judgment and decree dated 13 July 2023 until the next date of hearing. Mater is pending adjudication.



It is further explained that Islamabad High Court vide its Order dated 16 November 2017, decided the court case "D.M. Textile Mills Ltd Vs. Securities & Exchange Commission of Pakistan". As per opinion of our legal advisor, main operative points of the decision are as under:- (1) Penalty on 6 Directors has been reduced from Rs.100,000/= each to Rs.50,000/= each {has been paid by the concerned Directors} (2) Directors shall make efforts to release the property from both court cases at Lahore High Court Lahore Bench titled Bilal Fibres Ltd Vs Bank of Punjab and Bilal Textiles (Pvt) Ltd Vs Bank of Punjab (3) After releasing the property, in terms of his statement before the Islamabad High Court, CEO will transfer the property into the name of the Company. In compliance of the Islamabad High Court Order, Objection Application has been filed before the Lahore High Court where Property is attached. Company has filed reply in Bank of Punjab application (CM Ind.89/2019) as well. Company has also filed an application CM-593/2022 (In CM-89/2019) before Islamabad High Court and has requested the court to declare the Suit Property/House 8, Street 71, F-8/3 Islamabad as its lawful property as Bilal Fibres Ltd ad Bilal Textiles (Pvt) Ltd have settled their contentious issues and liabilities are settled with Bank of Punjab. Matter is pending adjudication.

3. Regarding auditor's observation about long outstanding payables amounting to Rs.85.29 Million, the management has the view that these payables also include the amounts under litigation and other payables which cannot be reversed until and unless decided by the competent forums.
4. As for as auditors' observation in para (c), the members of the Company in their last annual general meeting have granted approval to place the company's surplus funds in solar panel business, as a short term investment, after determination of net profit, after completion of investment period.
5. Regarding auditors observation on material misstatement, the Board of Directors is of the considered view that as explained above, there is no material misstatement.

Regarding non-appointment of whole time Company Secretary & Chief Financial Officer and their qualification criteria; it is clarified that the Company is making efforts to fill the posts and also advertised in the Newspaper time and again. However, professionals are not willing to join the Company due to various reasons. The posts will be filled as soon as qualified persons are available.

7. As for as non-compliance with regulation 7 is concerned, the Company will try to comply with the same from next elections of the board.

### **ESG Obligations**

The company is aware of its environmental, social and governance responsibilities. Being non-operational, it is unable to comply with the ESG obligations

### **Director's Remuneration Policy**

The Company pays remuneration to two of its Executive Directors as disclosed in Notes of the financial statements.

### **Board Evaluation**

The Board has developed a mechanism for evaluation of performance of the Board of Directors.

### **Acknowledgement**

The Directors wish to place on record their acknowledgement for the cooperation extended by the financial institutions. Appreciation is also due to the employees of the company for their hard work and devoted efforts for the betterment of the company.

*For and behalf of the Board of Directors*



Chief Executive  
Rawalpindi: October 03, 2025



Director

ڈی۔ ایم کارپوریشن لمیٹڈ (سابقہ ڈی۔ ایم ٹیکسٹائل ملز لمیٹڈ)  
ڈائریکٹرز رپورٹ

معزز ممبران،

ہم آپ کو کمپنی کے اڑسٹھویں سالانہ اجلاس عام میں خوش آمدید کہتے ہیں۔ 30 جون 2025 کو ختم ہونے والے سال کے مالیاتی گوشوارے (آڈٹ شدہ) بمعہ آڈیٹرز رپورٹس پیش خدمت ہیں۔

ڈائریکٹرز کی تعداد

|   |       |
|---|-------|
| 7 | مرد:  |
| 0 | خاتون |
| 7 | کل    |

غیر جانبدار ڈائریکٹرز : جناب امیر زیب  
جناب محمد سلیمان خان

نان۔ ایگزیکٹو ڈائریکٹرز : جناب میاں حبیب اللہ  
جناب ابرار عالم  
جناب سید حمید الحق

ایگزیکٹو ڈائریکٹرز : جناب سمیع اللہ  
جناب راؤ خالد پرویز

بورڈ کی کمیٹیاں

آڈٹ کمیٹی

جناب امیر زیب : چیئرمین (غیر جانبدار ڈائریکٹر)

جناب محمد سلیمان خان : ممبر (غیر جانبدار ڈائریکٹر)

جناب ابرار عالم : ممبر (نان۔ ایگزیکٹو ڈائریکٹر)

ہیومن ریسورس اینڈ ریمزیشن کمیٹی

جناب محمد سلیمان خان چیئرمین (غیر جانبدار ڈائریکٹر)

جناب سید حمید الحق ممبر (نان-ایگزیکٹو ڈائریکٹر)

جناب سمیع اللہ ممبر (ایگزیکٹو ڈائریکٹر)

کمپنی نے مالی سال کے دوران اپنا نام ڈی۔ ایم کارپوریشن اپنا لیا ہے اور پرنسپل کاروبار ٹیکسٹائل سے ریل اسٹیٹ کر لیا ہے۔ پاکستان سٹاک ایکسچینج نے مورخہ 04 جولائی 2025 سے کمپنی کا نام ڈیفالٹر کاؤنٹر سے نارمل کاؤنٹر پر منتقل کر دیا ہے۔ کمپنی کو خالص منافع = 45,299,924/ ملین روپے ہوا ہے جبکہ گذشتہ سال بعد از ٹیکس 14.853 ملین روپے کا منافع ہوا تھا۔

مالی نتائج کا موازنہ مندرجہ ذیل ہے۔

| روپے         |              | تفصیل                                 |
|--------------|--------------|---------------------------------------|
| 2024 جون 30  | 2025 جون 30  |                                       |
| -            | 32,481,104   | ریونیو                                |
| -            | (33,983,788) | کاسٹ آف ریونیو                        |
| -            | (1,502,684)  | گراس نقصان                            |
| (45,633,379) | (8,386,255)  | انتظامی اور جنرل اخراجات              |
| (361,237)    | (477,000)    | دیگر اخراجات                          |
| 64,054,726   | 59,052,392   | دیگر آمدن                             |
| 18,060,110   | 48,686,453   | اپریشنز کا منافع / خسارہ              |
| (60,771)     | (21,680)     | مالی اخراجات                          |
| 17,999,339   | 48,664,773   | منافع / خسارہ قبل از ٹیکس             |
| (3,059,888)  | (8,273,011)  | لیویز                                 |
| 14,939,451   | 40,391,762   | منافع / (خسارہ) قبل از ٹیکس           |
|              |              | ٹیکسیشن                               |
| -            | 3,047,801    | کرنٹ ٹیکس                             |
| (85,893)     | 1,860,361    | ڈیفرڈ ٹیکس                            |
| 14,853,558   | 45,299,924   | منافع / (خسارہ)                       |
| 4.87         | 14.84        | منافع (خسارہ) فی شیئر Basic & Diluted |

کمپنی نے مالیاتی اداروں کے تمام واجبات ادا کر دیئے ہیں۔ مزید، انتظامیہ دوسرے قرض داروں / سپلائرز سے گفت و شنید کر رہی ہے تاکہ کمپنی کے مالی بوجھ کو مزید کم کیا جاسکے۔

جمع خسارے کی وجہ سے ڈائریکٹرز نے ڈیویڈنڈ تجویز نہیں کیا ہے۔ دکھایا گیا منافع پراپرٹی ٹیکس کی ریمیشن اور اثاثہ جات کی ریویلوایشن پراسسز کی وجہ سے ہے۔

ڈائریکٹرز نے مندرجہ ذیل ٹرانزیکشن / ایڈجسٹمنٹ جو کہ مالی گوشواروں میں دیئے گئے ہیں کی خصوصی منظوری دی ہے۔

|         |         |
|---------|---------|
| روپے    | ڈونیشنز |
| 108,600 |         |

متعلقہ پارٹی ٹرانزیکشنز جو گوشواروں میں دکھائی گئی ہیں

ڈائریکٹرز نے مالی گوشواروں میں دی گئی مندرجہ ذیل ٹرانزیکشنز کی منظوری بھی دی:

الف۔ خرچے بمعہ کیپیٹل خرچے

ب۔ ایڈوانسز جن کی تفصیل Notes میں دی گئی ہے۔

کوڈ آف کارپوریٹ گورننس کے تحت کمپنی کے حصص یافتگان کی تفصیل اس رپورٹ کے ساتھ منسلک ہے۔ ماسوائے جو پیٹرن آف شیئر ہولڈنگ میں ظاہر کیا گیا ہے، کمپنی کے ڈائریکٹرز، چیف ایگزیکٹو، چیف فنانشل آفیسر، کمپنی سیکریٹری، ان کی بیویوں / بچوں نے شیئرز کا تجارتی لین دین نہیں کیا ہے

اس سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس ہوئے جن میں ڈائریکٹرز کی حاضری درج ذیل رہی۔

| ڈائریکٹرز کے نام     | اجلاس میں شرکت کی تعداد |
|----------------------|-------------------------|
| جناب میاں حبیب اللہ  | 4                       |
| جناب سمیع اللہ       | 4                       |
| جناب امیر زیب        | 3                       |
| جناب ابرار عالم      | 3                       |
| جناب راؤ خالد پرویز  | 4                       |
| جناب سید حمید الحق   | 4                       |
| جناب محمد سلیمان خان | 4                       |

جوڈائریکٹرز صاحبان بورڈ کی میٹنگ میں شریک نہ ہو سکے، قواعد کے مطابق ان کی چھٹی منظور کی گئی۔

اس سال کے دوران آڈٹ کمیٹی کے پانچ اجلاس ہوئے جن میں ڈائریکٹرز کی حاضری درج ذیل رہی۔

| ڈائریکٹرز کے نام     | اجلاس میں شرکت کی تعداد |
|----------------------|-------------------------|
| جناب امیر زیب        | 4                       |
| جناب ابرار عالم      | 4                       |
| جناب محمد سلیمان خان | 5                       |

جوڈائریکٹرز صاحبان آڈٹ کمیٹی کی میٹنگ میں شریک نہ ہو سکے، قواعد کے مطابق ان کی چھٹی منظور کی گئی۔

اس سال کے دوران ہیومن ریسورس اینڈ ریمنیشن کمیٹی کا ایک اجلاس ہوا جن میں ڈائریکٹرز کی حاضری درج ذیل رہی۔

| ڈائریکٹرز کے نام     | اجلاس میں شرکت کی تعداد |
|----------------------|-------------------------|
| جناب محمد سلیمان خان | 1                       |
| جناب سمیع اللہ       | 1                       |
| جناب سید حمید الحق   | 1                       |

جو ڈائریکٹر صاحبان ہیومن ریسورس اینڈ ریمیزیشن کمیٹی کی میٹنگ میں شریک نہ ہو سکے، قواعد کے مطابق ان کی چھٹی منظور کی گئی۔

کمپنیز ایکٹ کی شق 195 کے تحت میسرز کارپلنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 1-K کمرشل ماڈل ٹاؤن، لاہور، کمپنی کے شیئر رجسٹر ہیں

انتظامیہ نئے پرنسپل لائین آف بزنس کے لئے موجود وسائل کو بروئے کار لانے کے لئے متواتر کوشاں ہے۔ مزید یہ کہ انتظامیہ کمپنی کی بحالی کے لئے مثبت ارادہ اور صلاحیت رکھتی ہے۔

ریٹائر ہونے والے آڈیٹرز میسرز مشتاق اینڈ کمپنی تعیناتی کے اہل ہیں اور انہوں نے اپنے آپ کو دوبارہ تعیناتی کے لئے پیش کیا ہے۔ آڈٹ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز ان کی دوبارہ تعیناتی تجویز کرتا ہے۔

آڈیٹرز رپورٹ اور جائزہ پورٹ برائے ممبران پر بورڈ آف ڈائریکٹرز کا بیان:

مستقل آمدن، قرض داروں کے ساتھ طے شدہ معاملات اور دیگر قرض داروں کے ساتھ جو معاملات طے کئے جا رہے ہیں اور کمپنی کی revival کے لئے جاری پراسس کی وجہ سے انتظامیہ نے یہ حسابات قائم رہنے کی بنیاد پر تیار کئے ہیں۔ انتظامیہ کو کمپنی کے جاری نہ رہنے کے بارے میں کوئی شک نہیں ہے۔

بورڈ آف ڈائریکٹرز کا ماننا ہے کہ اوپر دی گئی وضاحتوں کے بنا پر کوئی material misstatement نہیں ہے۔

جیسا کہ آڈیٹرز نے پراپرٹی کمپنی کے نام منتقلی کے بارے میں اپنی آبرویشن میں بیان کیا، قانونی معاملات کی وجہ سے جائیداد کمپنی کے نام ٹرانسفر نہ ہو سکی۔ چیف ایگزیکٹو نے لاہور ہائی کورٹ راولپنڈی بینچ میں رٹ دائر کی جہاں سے SECP کے حکم پر عمل درآمد کا stay order جاری ہوا۔ کمپنی کی مالی حالت اور قانونی ضرورتوں کو مد نظر رکھتے ہوئے بورڈ آف ڈائریکٹرز نے کئی دفع اس معاملے پر غور کیا اور آخر میں فیصلہ کیا کہ چیف ایگزیکٹو کو ریوئل کا پہلا حق مبلغ 75 ملین جو کہ فکس فلور پر اس تھی آفر کیا جائے۔ اس کے نتیجے میں کمپنی کو مبلغ 20.148 ملین کا منافع ہوا اور یہ دیر سے اٹکا ہو معاملہ ممبرز کی منظوری سے حل ہوا۔ بعد ازاں کیس اسلام آباد ہائی کورٹ منتقل ہو گیا۔ چیف ایگزیکٹو کے بیان پر اسلام آباد ہائی کورٹ نے 60 دن کے اندر جائیداد کمپنی کے نام ٹرانسفر کرنے کا حکم دیا۔ چیف ایگزیکٹو نے اسلام آباد ہائی کورٹ میں ریلیف کی درخواست دائر کی اور مزید کاغذات پیش کرنے کی اجازت مانگی اور استدعا کی کہ موجودہ حالات میں وہ جائیداد میں حقوق سرنڈر کر چکے جس کی منظوری کمپنی کے بورڈ آف

ڈائریکٹرز اور ممبران دے چکے ہیں لیکن جائیداد پہلے ہی بحکم لاہور ہائی کورٹ لاہور دو مقدمات میں Attach ہو چکی ہے جو کہ بینک آف پنجاب بنام بلال فائبرز لمیٹڈ اور بینک آف پنجاب بنام بلال ٹیکسٹائل (پرائیویٹ) لمیٹڈ ہیں جہاں چیف ایگزیکٹو ضامن تھا۔ معزز اسلام آباد ہائی کورٹ نے مورخہ 30 نومبر 2016 کو پیش کردہ وجوہات کی بنا پر اضافی کاغذات پیش کرنے کی درخواست کو منظور کیا۔ قانونی تقاضے پورے کرنے کے لئے، اپنے قانونی معاون کے مشورے سے، کمپنی نے سینئر سول جج اسلام آباد (مغربی) کو معاہدے اور سرنڈر ڈیڈ کی سپسیفک پرفارمنس اینڈ پرمائنٹ انجکشن کے لئے دعوہ دائر کیا تھا۔ مورخہ 13 جولائی 2023 کو سینئر سول جج اسلام آباد (مغربی) نے اپنے حکم کے ذریعے دعوہ کو پارشل ڈکری کر دیا ہے کہ CEO سے بقایا رقم واپس لے لی جائے۔ کمپنی اس حکم کے خلاف اپیل دائر کر چکی ہے اور 25 اکتوبر 2023 کو اسلام آباد ہائی کورٹ نے سول جج کا حکم اور ڈگری آئندہ پیشی تک معطل کر دی ہیں اور معاملہ ابھی بھی معزز عدالت کے سامنے پینڈنگ ہے۔ مزید وضاحت کی جاتی ہے کہ اسلام آباد ہائی کورٹ نے اپنے حکم مورخہ 16 نومبر 2017 کو مقدمہ "ڈی ایم ٹیکسٹائل ملز لمیٹڈ بنام سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان" کا فیصلہ کیا۔ ہمارے قانونی مشیر کی رائے کے مطابق فیصلے کے اہم operative نکات مندرجہ ذیل ہیں۔ (1) ڈائریکٹرز پر جرمانہ 100,000 روپے سے کم کر کے 50,000 روپے کر دیا گیا ہے۔ جو کہ متعلقہ ڈائریکٹرز نے ادا کر دیا ہے (2) ڈائریکٹرز لاہور ہائی کورٹ کے سامنے دونوں کیسوں "بینک آف پنجاب بنام بلال فائبرز لمیٹڈ" اور بلال ٹیکسٹائلز (پرائیویٹ) لمیٹڈ بنام بینک آف پنجاب" سے پراپرٹی کو واپس کرانے کی کوشش کریں (3) پراپرٹی واپس کرانے کے بعد، اپنے بیان کے مطابق، سی ای او جائیداد کمپنی کے نام ٹرانسفر کرے۔ اسلام آباد ہائی کورٹ کے حکم کی تعمیل میں، لاہور ہائی کورٹ لاہور بینچ میں Objection Appliation دائر کر دی گئی ہے جو کہ ابھی عدالت میں پینڈنگ ہے۔ کمپنی نے بینک آف پنجاب کی درخواست کا جواب جمع کروا دیا ہے۔ معاملہ ابھی عدالت میں پینڈنگ ہے۔ کمپنی نے اسلام آباد ہائی کورٹ میں ایک اور درخواست (CM-593/2022 in CM-89/2019) بھی دائر کی ہے کہ بلال فائبرز لمیٹڈ اور بلال ٹیکسٹائل (پرائیویٹ) لمیٹڈ کی بینک آف پنجاب سے Settlements ہو گئی ہیں لہذا سوٹ پراپرٹی مکان نمبر 8، گلی 71، سیکٹر F-8/3، اسلام آباد کو کمپنی کے جائیداد ڈکلیئر کیا جائے۔ معاملہ ابھی عدالت میں پینڈنگ ہے۔

طویل عرصے سے قابل ادارتوں میں 85.29 ملین کے بارے میں آڈیٹر کے مشاہدے کے بارے میں انتظامیہ کا خیال ہے کہ ان رقوم میں قانونی چارہ جوئی والی رقوم اور دیگر قابل ادارتوں شامل ہیں جو کہ اس وقت تک reverse نہیں کی جاسکتی جب تک متعلقہ فورم ان کا فیصلہ نہ کر دے۔



جہاں آڈٹ رپورٹ کے پیرا (C) میں آڈیٹر کا مشاہدہ ہے تو وضاحت کی جاتی ہے کہ کمپنی کے ممبران نے اپنی گزشتہ سالانہ میٹنگ میں کمپنی کے اضافی فنڈز کو سولر پینل کے کاروبار میں مختصر مدت کے لئے، لگانے کی منظوری دی ہے۔ منافع کا تعین مدت پوری ہونے پر کیا جانا ہے۔

کل وقتی کمپنی سیکرٹری، چیف فنانشل آفیسر کا تقرر نہ کرنے اور ان کے کوالیفیکیشن کرائیٹر یا کے بارے میں وضاحت پیش کی جاتی ہے کہ کمپنی اس ضرورت کو پورا کرنے کی کوشش کر رہی ہے اور اخبار میں اشتہار بھی دیا ہے تاہم متعلقہ پیشہ ور جو کہ اس معیار پر پورا اترتے ہیں مختلف وجوہات کی وجہ سے نہیں آ رہے۔ جوینی کوئی کوالیفائیڈ پرسن دستیاب ہوا یہ پوسٹس پوری کر دی جائیں گی۔

جہاں تک ضابطہ 7 کی عدم تعمیل کا تعلق ہے، بورڈ کے اگلے الیکشن سے اس کی تعمیل کرنے کی کوشش کی جائے گی۔

کمپنی اپنی ESG ذمہ داریوں سے آگاہ ہے اور دستیاب وسائل کے مطابق کوشش کرتی ہے۔

کمپنی اپنے دوائیزیکٹوڈائریکٹرز کو اجرت دیتی ہے جیسا کہ مالی گوشواروں میں ظاہر کیا گیا ہے۔ بورڈ نے اپنے تخمینہ اور کارکردگی کے جائزے کا میکنزم بنایا ہوا ہے۔

ڈائریکٹرز مالیاتی اداروں کے تعاون کے مشکور ہیں۔ کمپنی کے ملازمین داد کے مستحق ہیں کہ انھوں نے کمپنی کی بہتری کے لئے لگن اور محنت سے کام کیا۔



ڈائریکٹر



چیف ایگزیکٹو

راولپنڈی: 03 اکتوبر 2025

**D.M. CORPORATION LIMITED (FORMERLY D.M. TEXTILE MILLS LTD)  
NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of the Company will be held at Blue Lagoon, Masood Akhtar Kiyani Road, Rawalpindi, **on October 28, 2025 at 9:00am** to transact the following business:

1. To receive, consider and adopt the audited Annual Financial Statements of the company for the year ended June 30, 2025 together with Chairman's review, directors', and auditors' reports thereon.

The Financial Statements have been uploaded on the website of the Company which can be downloaded from the following weblink enabled QR code. The members who desire for receiving the same through email, are requested to send their updated email address to the Company at [dmttextilemills@yahoo.com](mailto:dmttextilemills@yahoo.com), [dmtm@dmttextile.com.pk](mailto:dmtm@dmttextile.com.pk) In case a member desired a physical copy, he may approach the Company.

<https://dmttextile.com.pk/financial.html>



2. To appoint auditors for the year 2025-26 and fix their remuneration. Retiring auditors M/s. Mushtaq & Co. being eligible have offered themselves for re-appointment. Board of Directors, on the recommendation of Audit Committee, has proposed their re-appointment.
3. To transact any other business with the permission of the Chairman.

Rawalpindi  
Date: 07 October, 2025

By the order of the Board

A handwritten signature in black ink, appearing to be 'S. H. Qureshi', written over a horizontal line.

Company Secretary (Acting)

**NOTES:**

1. The members' register will remain closed from **21 October 2025 to 28 October 2025** (both days inclusive). Transfers received at Share Registrar Office, Corplink (Pvt) Ltd, Wings Arcade, 1-K, Commercial, Model Town, Lahore by the close of business on **20 October 2025** will be entertained.
2. A member eligible to attend and vote at this meeting may appoint another person as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the registered office not later than 48 hours before the time for holding the meeting.
3. CDC account holders will further have to follow the guidelines as laid down in circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan:
  - a. For attending the meeting
    - i). In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his original computerized national identity card (CNIC) or original passport at the time of attending the meeting.
    - ii). In case of corporate entity, the board of directors' resolution/power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting
  - b. For appointing proxies
    - i). In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account holder registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirement.
    - ii). The Proxy Form can be downloaded from Company's website [www.dmtextile.com.pk](http://www.dmtextile.com.pk)
    - iii). The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
    - iv). Copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
    - v). The prox shall produce his original CNIC or original passport at the time of the meeting.
4. Shareholders are requested to immediately notify the change in address, if any.


## D.M. CORPORATION LIMITED

### STATEMENT OF FINANCIAL POSITION

|   | NOTE | 2025<br>Rupees | 2024<br>Rupees |
|---|------|----------------|----------------|
| <b>EQUITY AND LIABILITIES</b>   |      |                |                |
| <b>SHARE CAPITAL AND RESERVES</b>   |      |                |                |
| <b>Authorized share capital</b>   |      |                |                |
| 5,000,000 (2024: 5,000,000)   |      |                |                |
| ordinary shares of Rupees 10 each   |      | 50,000,000     | 50,000,000     |
| <b>Issued, subscribed and paid-up share capital</b>   |      |                |                |
|   | 4    | 30,524,290     | 30,524,290     |
| <b>Reserves</b>   |      |                |                |
| Capital reserves - surplus on revaluation of property, and equipment and investment properties - net of deferred income tax | 5    | 267,120,098    | 517,748,170    |
| Revenue reserve - unappropriated profit   |      | 415,572,590    | 114,557,988    |
| <b>Total reserves</b>   |      | 682,692,688    | 632,306,158    |
| <b>Total equity</b>   |      | 713,216,978    | 662,830,448    |
| <b>LIABILITIES</b>  |      |                |                |
| <b>NON-CURRENT LIABILITIES</b>  |      |                |                |
| Employees' retirement benefit - gratuity  | 6    | 5,410,860      | 5,131,993      |
| Deferred income tax liability   | 7    | -              | -              |
|   |      | 5,410,860      | 5,131,993      |
| <b>CURRENT LIABILITIES</b>  |      |                |                |
| Trade and other payables  | 8    | 85,288,477     | 114,632,205    |
| Due to related parties  | 9    | 3,459,177      | 1,100,000      |
| Unclaimed dividend  |      | 144,947        | 144,947        |
| Taxation - net  | 10   | 2,988,502      | 2,479,133      |
|   |      | 91,881,103     | 118,356,285    |
| <b>Total liabilities</b>  |      | 97,291,963     | 123,488,278    |
| <b>CONTINGENCIES AND COMMITMENTS</b>  |      |                |                |
|   | 11   |                |                |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |      | 810,508,941    | 786,318,726    |



CHIEF EXECUTIVE OFFICER



DIRECTOR

**(FORMELY D.M. TEXTILE MILLS LIMITED)**  
**AS AT 30 JUNE 2025**

|                                 | NOTE | 2025<br>Rupees     | 2024<br>Rupees     |
|---------------------------------|------|--------------------|--------------------|
| <b>ASSETS</b>                   |      |                    |                    |
| <b>NON-CURRENT ASSETS</b>       |      |                    |                    |
| Property and Equipments         | 12   | 26,046,526         | 291,173,261        |
| Investment properties           | 13   | 389,436,250        | 363,921,975        |
| Advance against property        | 14   | -                  | -                  |
| Long term investment            | 15   | 8,171,915          | 7,526,915          |
| Long term deposits              | 16   | 7,035,251          | 9,155,034          |
|                                 |      | 430,689,942        | 671,777,185        |
| <b>CURRENT ASSETS</b>           |      |                    |                    |
| Inventory                       | 17   | 269,394,477        | -                  |
| Advances                        | 18   | 16,000             | 194,600            |
| Due from related party          | 19   | 17,619,962         | 17,619,962         |
| Short term deposit              | 20   | 2,119,783          | -                  |
| Other receivables               | 21   | -                  | 20,000             |
| Short term investments          | 22   | 90,643,564         | 94,467,876         |
| Tax refunds due from government | 10   | -                  | -                  |
| Cash and bank balances          | 23   | 25,213             | 2,239,103          |
|                                 |      | 379,818,999        | 114,541,541        |
| <b>TOTAL ASSETS</b>             |      | <b>810,508,941</b> | <b>786,318,726</b> |



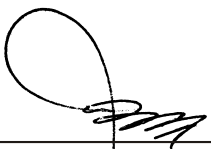
**CHIEF FINANCIAL OFFICER**

**D.M. CORPORATION LIMITED (FORMELY D.M. TEXTILE MILLS LIMITED)**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

|   | NOTE | 2025<br>Rupees | 2024<br>Rupees |
|---|------|----------------|----------------|
| Revenue                                       | 24   | 32,481,104     | -              |
| Cost of Revenue                               | 25   | (33,983,788)   | -              |
| <b>Gross Profit</b>                           |      | (1,502,684)    | -              |
| Administrative & General Expenses             | 26   | (8,386,255)    | (45,633,379)   |
| Other Expenses                                | 27   | (477,000)      | (361,237)      |
|   |      | (10,365,939)   | (45,994,616)   |
| Other Income                                  | 28   | 59,052,392     | 64,054,726     |
| <b>PROFIT FROM OPERATIONS</b>                 |      | 48,686,453     | 18,060,110     |
| Finance Cost                                  |      | (21,680)       | (60,771)       |
| <b>PROFIT BEFORE LEVIES AND TAXATION</b>      |      | 48,664,773     | 17,999,339     |
| Levies  | 29   | (8,273,011)    | (3,059,888)    |
| <b>PROFIT BEFORE TAXATION</b>                 |      | 40,391,762     | 14,939,451     |
| <b>TAXATION</b>                               |      |                |                |
| -Current Tax                                  | 30   | 3,047,801      | -              |
| -Deferred Tax                                 | 30   | 1,860,361      | (85,893)       |
|   |      | 4,908,162      | (85,893)       |
| <b>PROFIT FOR THE YEAR</b>                    |      | 45,299,924     | 14,853,558     |
| <b>EARNINGS PER SHARE - BASIC AND DILUTED</b> | 31   | 14.84          | 4.87           |

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

  
 CHIEF EXECUTIVE OFFICER

  
 DIRECTOR


  
 CHIEF FINANCIAL OFFICER

**D.M. CORPORATION LIMITED (FORMELY D.M. TEXTILE MILLS LIMITED)**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2025**

|  | 2025<br>Rupees    | 2024<br>Rupees    |
|--|-------------------|-------------------|
| <b>PROFIT AFTER TAXATION</b>   | <b>45,299,924</b> | <b>14,853,558</b> |
| <b>OTHER COMPREHENSIVE INCOME</b>                                    |                   |                   |
| <b>Items that will not be reclassified to profit or loss</b>         |                   |                   |
| Remeasurement of defined benefit plan                                | 460,943           | (296,184)         |
| Related deferred income tax  | (133,673)         | 85,893            |
|  | <b>327,270</b>    | <b>(210,291)</b>  |
| Surplus on revaluation of property, plant and equipment              | 6,486,024         | -                 |
| Related deferred tax   | (1,726,688)       | -                 |
|  | <b>4,759,336</b>  | <b>-</b>          |
| <b>Items that may be reclassified subsequently to profit or loss</b> | <b>-</b>          | <b>-</b>          |
| Other comprehensive income (loss) / for the year - net of tax        | <b>5,086,606</b>  | <b>(210,291)</b>  |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>                       | <b>50,386,530</b> | <b>14,643,267</b> |

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

  
 \_\_\_\_\_  
 CHIEF EXECUTIVE OFFICER

  
 \_\_\_\_\_  
 DIRECTOR

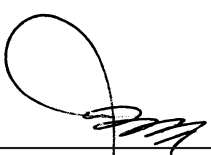
  
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 CHIEF FINANCIAL OFFICER

**D.M. CORPORATION LIMITED (FORMELY D.M. TEXTILE MILLS LIMITED)**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2025**

|  | SHARE CAPITAL | CAPITAL RESERVE   |  | REVENUE RESERVE       | TOTAL EQUITY |
|--|---------------|---|--|-----------------------|--------------|
|  |               | SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENT - NET OF DEFERRED INCOME TAX | FAIR VALUE RESERVE OF INVESTMENT PROPERTIES - NET OF DEFERRED INCOME TAX | UNAPPROPRIATED PROFIT |              |
|  |               | ----- (Rupees) -----  |  |                       |              |
| Balance as at 30 June 2023   | 30,524,290    | 268,612,032   | 308,408,697  | 40,642,162            | 648,187,181  |
| Incremental depreciation transferred from surplus on revaluation of property and equipment to accumulated loss - net of deferred income tax (Note 4) | -             | (597,860)   | -  | 597,860               | -            |
| Fair value reserve transferred on disposal of investment property  | -             | -   | (58,674,699)   | 58,674,699            | -            |
| Profit for the year  | -             | -   | -  | 14,853,558            | 14,853,558   |
| Other comprehensive loss for the year  | -             | -   | -  | (210,291)             | (210,291)    |
| Total comprehensive income for the year  | -             | -   | -  | 14,643,267            | 14,643,267   |
| Balance as at 30 June 2024   | 30,524,290    | 268,014,172   | 249,733,998  | 114,557,988           | 662,830,448  |
| Incremental depreciation transferred from surplus on revaluation of property and equipment to accumulated loss - net of deferred income tax (Note 4) | -             | (1,027,433)   | -  | 1,027,433             | -            |
| Surplus transferred to retained earnings   | -             | (254,359,975)   | -  | 254,359,975           | -            |
| Revaluation Surplus During the year-net of deferred tax  | -             | 4,759,336   | -  | -                     | 4,759,336    |
| Profit for the year  | -             | -   | -  | 45,299,924            | 45,299,924   |
| Other comprehensive income for the year  | -             | -   | -  | 327,270               | 327,270      |
| Total comprehensive income/(Loss) for the year   | -             | -   | -  | 45,627,194            | 45,627,194   |
| Balance as at 30 June 2025   | 30,524,290    | 17,386,100  | 249,733,998  | 415,572,590           | 713,216,978  |

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

  
 CHIEF EXECUTIVE OFFICER

  
 DIRECTOR

  
 CHIEF FINANCIAL OFFICER




## D.M. CORPORATION LIMITED (FORMELY D.M. TEXTILE MILLS LIMITED)

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2025

|   | NOTE | 2025<br>Rupees | 2024<br>Rupees |
|---|------|----------------|----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                   |      |                |                |
| <b>Cash used in operations</b>                                | 32   | (3,696,888)    | (9,876,505)    |
| Finance cost paid   |      | (21,680)       | (60,771)       |
| Income tax paid   |      | (4,715,841)    | (7,569,244)    |
| Net increase in long term deposits                            |      | 2,119,783      | -              |
| <b>Net cash used in operating activities</b>                  |      | (6,314,626)    | (17,506,520)   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                   |      |                |                |
| Proceeds from disposal of Investment Property                 |      | -              | 112,350,000    |
| Short Term Investments-net                                    |      | 3,824,312      | (92,950,670)   |
| Dividend Income   |      | 276,424        | 83,341         |
| <b>Net cash from investing activities</b>                     |      | 4,100,736      | 19,482,671     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |      |                |                |
| <b>Net cash from financing activities</b>                     |      | -              | -              |
| <b>Net decrease /(increase) in cash and cash equivalents</b>  |      | (2,213,890)    | 1,976,151      |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b> |      | 2,239,103      | 262,952        |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>       |      | 25,213         | 2,239,103      |

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


  
CHIEF EXECUTIVE OFFICER


  
DIRECTOR


  
CHIEF FINANCIAL OFFICER

**D.M. CORPORATION LIMITED (FORMELY D.M. TEXTILE MILLS LIMITED)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025****1 THE COMPANY AND ITS OPERATIONS**

D. M. Corporation Limited (formerly D.M. Textile Mills Limited) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited (PSX). The registered office and head office is situated at Westridge Industrial Area, Rawalpindi.

The Company was engaged in manufacturing of yarn and cloth, processing of cloth and trade of textile products. The Board of Directors and shareholders of the Company in their meetings held on 03rd October 2024 and 28th October 2024 respectively resolved to change the principal line of business of the Company to undertake all types of real estate development including investment, development, marketing, construction, purchase, sale & lease of real estate assets and ancillary activities. The Board of Directors and shareholders of the Company in their meetings held on 28th February 2025 and 26th March 2025 respectively further resolved to adopt new name i.e. "D. M. Corporation Limited".

During the year ended June 30 2025, certificate of incorporation on change of name has been issued by the Securities & Exchange Commission of Pakistan (SECP) to give effect to the change of name and certified true copy of altered memorandum of association of the Company has been issued by SECP.

PSX vide Notice No. PSX/N-1222 dated 02 November 2020 placed the Company on defaulters' segment with effect from 03 November 2020 due to non-compliance with PSX Regulations. After rectification of the non-compliances, PSX vide Notice No. PSX/N-710 dated July 03, 2025 has shifted the name of the Company to the Normal Counter of the Exchange effective from July 04, 2025.

**1.1 Functional and presentation currency**

These financial statements are presented in Pak Rupees, which is the company's functional and presentation currency and figures are rounded off to the nearest rupee.

**1.2 Geographical location and addresses of all business units are as follows:**

| Godowns and Office | Address                                |
|--------------------|--|
| Godowns            | Westridge, Industrial Area, Rawalpindi |
| Head office        | Westridge, Industrial Area, Rawalpindi |

**2 BASIS OF PREPARATION****2.1 Statement of Compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) 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 IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2 Basis of measurement**

These financial statements have been prepared on the historical cost convention except for certain financial instruments at fair value and employees retirement benefits at present value. In these financial statements, except for cash flow statement, all transactions have been accounted for on accrual basis.

**2.3 Functional and presentation currency**

These financial statements are presented in Pakistan Rupees/Rs./PKR. which is also the company's functional currency. All financial information presented in Pakistan Rupees has been rounded to the nearest Rupee.

**2.4 Critical accounting estimates and judgments**

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Computation of deferred Tax and estimation of Income Tax provisions
- Measurement of defined benefit obligation
- Estimation of provisions and contingent liabilities
- Useful lives, residual values and depreciation method of property and Equipment
- Impairment of non-financial assets
- Impairment of financial assets
- Revaluation of Property and equipments

## 2.5 Going concern assumption

The Company incurred a gross loss of Rs. 1.50 million (2024: Nil) and reported negative cash flows from operating activities of Rs. 6.31 million (2024: Rs. 17.51 million) during the year ended 30 June 2025. Although the Company has reported a net profit of Rs. 45.30 million (2024: Rs. 14.94 million), this includes a fair value gain of Rs. 25.51 million and liabilities written back of Rs. 30.33 million. Excluding these non-recurring items, the Company would have incurred a net loss of Rs. 10.55 million.

During the year, the Company also changed its principal line of business from textile to real estate. The shift to a new business model exposes the Company to uncertainties relating to project execution and market demand in the real estate sector, which differ significantly from the textile sector in which the Company previously operated.

Considering to consistent income and process for the revival of company, management believes that the Company will continue as going concern and accordingly the management has prepared the accounts on going concern basis and has no doubts on the company's ability to continue as a going concern.

## 2.6 New And Amended Standards And Interpretations

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company:

|  |  | Effective date (annual reporting periods beginning on or after) |
|--|--|---|
| IAS 21   | The Effects of Changes in Foreign Exchange Rates (Amendments)      | January 1, 2025   |
| IFRS 7   | Financial Instruments: Disclosures (Amendments)                    | January 1, 2026   |
| IFRS 9   | Financial Instruments: Classification and Measurement (Amendments) | January 1, 2026   |
| IFRS 17  | Insurance Contracts  | January 1, 2026   |
| Annual improvements to IFRS 7, IFRS 9, IFRS 10 (Consolidated Financial Statements) and IAS 7 (Statement of Cash Flows) |  | January 1, 2026   |

The management anticipates that adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally by the Securities and Exchange Commission of Pakistan (SECP) as at 30 June 2025;

|          |  |
|----------|--|
| IFRS 1   | First-time Adoption of International Financial Reporting Standards |
| IFRIC 12 | Service concession arrangements                                    |
| IFRS 18  | Presentation and Disclosures in Financial Statements               |
| IFRS 19  | Subsidiaries without Public Accountability: Disclosures            |

## MATERIAL ACCOUNTING POLICY INFORMATION

### 3.1 Employees retirement benefit - Gratuity

The Company operates unfunded unapproved gratuity scheme for all of its permanent employees who have completed the minimum qualifying period of service as defined in the scheme. The Company's obligation in respect of the defined benefit plan is calculated by estimating the present value of future benefit that employees have earned in return of this service in the current and prior periods; that benefit is discounted to determine its present value. The defined obligation is calculated annually by an independent actuary using the projected unit credit method. The latest valuation was carried out as at 30 June 2025 details of which are disclosed in Note 5 to the financial statements.

The interest is calculated by applying discount rate to the net balance of defined benefit obligation and fair value of plan assets (if any). The cost is included in employee benefit expense in the statement for profit or loss.

Past service cost is recognized immediately in the statement for profit or loss.

Remeasurement gains or losses are recognized in other comprehensive income.

### 3.2 Taxation

#### Current

Provision for current taxation is based on taxability of certain income streams of the company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credit and tax rebates available, if any. The charge for current tax includes any adjustment to past years liabilities.

#### Deferred

Deferred tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes after considering enacted tax rate. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax asset is recognized for all deductible temporary differences and carried forward unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized. Deferred tax assets and liabilities are measured at enacted tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

#### Levy

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21/IAS 37.

### 3.3 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

### 3.4 Property, equipment and depreciation

#### Operating fixed assets

Operating fixed assets except freehold land are stated at revalued amount less accumulated depreciation and accumulated impairment losses (if any). Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition. Freehold land is stated at revalued amount less any identified impairment loss.

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 repair and maintenance costs are charged to the statement of profit or loss during the period in which they are incurred.

Increases in the carrying amounts arising on revaluation of operating fixed assets 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 the statement of profit or loss, the increase is first recognized in the statement of 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 the statement of profit or loss.

#### Depreciation

Depreciation on operating fixed assets is charged to statement of profit or loss applying the reducing balance method so as to write off the cost / depreciable amount of the asset over their estimated useful lives at the rates given in Note 11. The depreciation on additions is charged from the date the asset is available for use and on deletion up to the date when asset is de-recognized. The residual values and useful lives of assets are reviewed by the management, at each financial year end and adjusted if impact on depreciation is significant.

#### De-recognition

An item of operating fixed assets is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognized.

### 3.5 Investment properties

Land and buildings held for capital appreciation or to earn rental income are classified as investment properties. Investment properties are carried at fair value which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The valuation of the properties is carried out with sufficient regularity.

Gain or loss arising from a change in the fair value of investment properties is recognized in the statement of profit or loss for the year in which it arises.

### 3.6 Financial assets and liabilities

#### Financial assets

The Company classifies its financial assets at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

#### Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognized directly in profit or loss.

#### Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Fair value through profit or loss

Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value and subsequent to initial recognition changes in fair value of these financial assets are normally recognized in profit or loss. Dividends from such investments continue to be recognized in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

**Derecognition**

Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

**Financial Liabilities**

Financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed on profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

**Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in profit or loss.

**3.7 Impairment****Financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognize lifetime expected credit losses for trade debts, due from customers and contract assets. The Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**Non-financial assets**

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized as an expense in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**3.8 Offsetting of financial**

Financial assets and financial liabilities are set off and only the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amount and the company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

**3.9 Inventory**

Inventories are valued at the lower of cost and net realizable value, with cost determined on a specific identification basis and comprising purchase price, registration and transfer charges, construction and development expenditures, borrowing costs (where applicable), and other directly attributable expenses; inventories include land held for sale, buildings/units under development, and completed properties intended for sale in the ordinary course of business, while net realizable value represents the estimated selling price in the ordinary course of business less costs necessary to make the sale.

**3.10 Trade and other receivables**

Trade debts are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses. Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

**3.11 Borrowings**

Financing and borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

**3.12 Borrowing cost**

Interest, mark-up and other charges on long-term finances are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such long-term finances. All other interest, mark-up and other charges are recognized in statement of profit or loss.

**3.13 Trade and other payables**

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost and subsequently measured at amortized cost using the effective interest method.

**3.14 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

### 3.15 Revenue recognition

Rental income from investment property is recognised in profit or loss as it accrues in accordance with the terms of the lease agreement. Lease incentives granted to tenants, if any, are recognised as an adjustment to rental income over the lease term. Rental income is presented separately from gains or losses on the disposal of properties. Such gains or losses are recognised in profit or loss when control of the asset is transferred to the buyer in accordance with IFRS 15 Revenue from Contracts with Customers.

#### Dividend

Dividend on equity investments is recognized when right to receive the dividend is established.

#### Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

## 4 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

| 2025<br>(Number of shares) | 2024<br>(Number of shares) | NOTE  | 2025<br>Rupees    | 2024<br>Rupees    |
|----------------------------|----------------------------|---|-------------------|-------------------|
| 2,952,429                  | 2,952,429                  | Ordinary shares of Rupees 10 each fully paid in cash                | 29,524,290        | 29,524,290        |
| 100,000                    | 100,000                    | Ordinary shares of Rupees 10 each issued as fully paid bonus shares | 1,000,000         | 1,000,000         |
| <u>3,052,429</u>           | <u>3,052,429</u>           |   | <u>30,524,290</u> | <u>30,524,290</u> |

- 4.1 The shareholders are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry "one vote" per share without restriction.

## 5 CAPITAL RESERVE - SURPLUS ON REVALUATION OF PROPERTY, AND EQUIPMENT AND INVESTMENT PROPERTIES - NET OF DEFERRED INCOME TAX

### - Property and equipment

|  |     |                      |                  |
|--|-----|----------------------|------------------|
| Balance as at 01 July  |     | 268,014,172          | 268,612,032      |
| Surplus on revaluation of property, and equipment  |     | 6,486,024            | -                |
| Related deferred income tax liability  | 7.1 | (1,726,688)          | -                |
| Transferred to unappropriated profit / (accumulated loss)  |     | (254,359,975)        | -                |
| Transferred to unappropriated profit / (accumulated loss) in respect of incremental depreciation charged during the year |     | (1,447,089)          | (842,056)        |
| Related deferred income tax liability  | 7.1 | 419,656              | 244,196          |
|  |     | <u>(250,628,072)</u> | <u>(597,860)</u> |
| Balance as at 30 June  |     | 17,386,100           | 268,014,172      |

### - Investment properties

|   |   |                    |                    |
|---|---|--------------------|--------------------|
| Fair Value Reserve                      |   | 249,733,998        | 313,858,182        |
| Fair value reserve realized on disposal |   | -                  | (58,674,699)       |
| Related deferred income tax liability   | 7 | -                  | (5,449,485)        |
|   |   | <u>249,733,998</u> | <u>249,733,998</u> |
|   |   | <u>267,120,098</u> | <u>517,748,170</u> |

## 6 EMPLOYEES' RETIREMENT BENEFIT - GRATUITY

The latest actuarial valuation was carried out as at 30 June 2025, using the projected unit credit method. The amounts recognized in financial statements are determined as follows:

### 6.1 Liability recognized in the statement of financial position

|   |     |                  |                  |
|---|-----|------------------|------------------|
| Present value of unfunded defined benefit obligation      | 6.2 | 13,769,967       | 13,275,100       |
| Benefits due but not paid shown under current liabilities | 8   | (8,359,107)      | (8,143,107)      |
|   | 6.3 | <u>5,410,860</u> | <u>5,131,993</u> |

### 6.2 Movement in liability recognized in the statement of financial position

|  |  |                   |                   |
|--|--|-------------------|-------------------|
| At the beginning of the year   |  | 13,275,100        | 12,081,970        |
| Charge for the year  |  | 955,810           | 896,946           |
| Remeasurements (gain)/ Loss recognized in other comprehensive income |  | (460,943)         | 296,184           |
| Benefit paid during the year   |  | -                 | -                 |
|  |  | <u>13,769,967</u> | <u>13,275,100</u> |

### 6.3 Movement in present value of defined benefit obligation

|                                      |  |                  |                  |
|--------------------------------------|--|------------------|------------------|
| At the beginning of the year         |  | 5,131,993        | 4,479,863        |
| Benefits due but not paid            |  | 8,143,107        | 7,602,107        |
| Service cost                         |  | 214,771          | 212,925          |
| Interest cost for the year           |  | 741,039          | 684,021          |
| Benefit paid during the year         |  | -                | -                |
| Charge to other comprehensive income |  | (460,943)        | 296,184          |
| Benefits due but not paid            |  | (8,359,107)      | (8,143,107)      |
| At the end of the year               |  | <u>5,410,860</u> | <u>5,131,993</u> |

|      | NOTE   | 2025<br>Rupees   | 2024<br>Rupees   |                    |                  |                  |
|------|--|------------------|------------------|--------------------|------------------|------------------|
| 6.4  | <b>Amounts recognized in statement of profit or loss</b>   |                  |                  |                    |                  |                  |
|      | Current service cost   | 214,771          | 212,925          |                    |                  |                  |
|      | Interest cost for the year   | 741,039          | 684,021          |                    |                  |                  |
|      |  | <u>955,810</u>   | <u>896,946</u>   |                    |                  |                  |
| 6.5  | <b>Amount recognized in statement of comprehensive income</b>  |                  |                  |                    |                  |                  |
|      | Actuarial loss / (gain) due to experience adjustments  | (460,943)        | 296,184          |                    |                  |                  |
| 6.6  | <b>Allocation of charge for the year</b>   |                  |                  |                    |                  |                  |
|      | Cost of Revenue  | #REF!            | 896,946          |                    |                  |                  |
| 6.7  | <b>Principal actuarial assumptions used</b>  |                  |                  |                    |                  |                  |
|      | Discount rate  | 11.75%           | 14.75%           |                    |                  |                  |
|      | Expected rate of increase in salary  | 11.75%           | 13.75%           |                    |                  |                  |
|      | Average expected remaining working life of employees   | 8 Years          | 8 Years          |                    |                  |                  |
|      | Average duration of liability  | 8 Years          | 8 Years          |                    |                  |                  |
|      | Mortality rate   | SLIC (2001-05)   | SLIC (2001-05)   |                    |                  |                  |
| 6.8  | <b>Sensitivity analysis</b>  |                  |                  |                    |                  |                  |
|      | The sensitivity analysis is prepared using same computation model and assumptions as used to determine defined benefit obligation based on projected unit credit method. The calculation of the defined benefit obligation is sensitive to assumption set out above. The principal actuarial assumptions used to estimate the defined benefit obligations at the reporting date had fluctuated by +1 bps with our other variables held constant, the present value of the defined benefit obligations as at 30 June 2025 would have been as follows. |                  |                  |                    |                  |                  |
|      | Discount rate + 1 %  | 4,987,896        | 4,739,368        |                    |                  |                  |
|      | Discount rate - 1 %  | 5,859,114        | 5,557,268        |                    |                  |                  |
|      | Salary increase rate + 1 %   | 5,868,907        | 5,557,145        |                    |                  |                  |
|      | Salary increase rate - 1 %   | 4,987,401        | 4,739,309        |                    |                  |                  |
| 6.9  | <b>Amounts for the current and previous four years:</b>  |                  |                  |                    |                  |                  |
|      |  | 2025             | 2024             | 2023               | 2022             | 2021             |
|      |  |                  |                  | ----- Rupees ----- |                  |                  |
|      | Present value of defined benefit obligation  | 13,769,967       | 13,275,100       | 12,081,970         | 11,189,609       | 10,911,469       |
|      | Benefits due but not paid shown under current liabilities  | (8,359,107)      | (8,143,107)      | (7,602,107)        | (7,602,107)      | (6,912,307)      |
|      |  | <u>5,410,860</u> | <u>5,131,993</u> | <u>4,479,863</u>   | <u>3,587,502</u> | <u>3,999,162</u> |
|      | Remeasurement loss / (gain) on obligation  | (460,943)        | 296,184          | (171,117)          | (166,670)        | (206,708)        |
| 6.10 | The expected gratuity expense for next financial year is:  |                  |                  |                    |                  | <b>Rupees</b>    |
|      | Current service cost   |                  |                  |                    |                  | 224,053          |
|      | Interest cost for the year   |                  |                  |                    |                  | 635,776          |
|      |  |                  |                  |                    |                  | <u>859,829</u>   |
| 6.11 | Expected benefit payments for the next 5 years and beyond  |                  |                  |                    |                  |                  |
|      | FY 2026  |                  |                  |                    |                  | 950,484          |
|      | FY 2027  |                  |                  |                    |                  | 1,321,097        |
|      | FY 2028  |                  |                  |                    |                  | 1,588,825        |
|      | FY 2029  |                  |                  |                    |                  | 1,872,726        |
|      | FY 2030 onwards  |                  |                  |                    |                  | 17,918,305       |
| 6.12 | <b>Risks associated with the gratuity scheme</b>   |                  |                  |                    |                  |                  |
|      | The gratuity scheme is an unfunded scheme. There is no minimum funding requirement for a gratuity scheme. The gratuity benefit liability reflected in the Company accounts provides a reasonable security of the accrued rights because it is likely that the accrued gratuity benefits could be considered as high priority debt in case of insolvency of the sponsor.  |                  |                  |                    |                  |                  |
|      | <b>Interest rate risk:</b>   |                  |                  |                    |                  |                  |
|      | The present value of the defined benefit liability is calculated using a discount rate. A decrease in discount rate will increase the liability and vice versa.  |                  |                  |                    |                  |                  |
|      | <b>Salary risk</b>   |                  |                  |                    |                  |                  |
|      | The present value of the defined benefit liability is calculated by reference to the future salaries of participants. As such, an increase in the salary of the participants will increase the liability and vice versa.   |                  |                  |                    |                  |                  |
|      | <b>Withdrawal rate risk</b>  |                  |                  |                    |                  |                  |
|      | The present value of the defined benefit liability is calculated by reference to the best estimate of the withdrawal rate of participants. As such, an increase in the withdrawal rate may increase / decrease the liability and vice versa depending on the age-service distribution of the exiting employees.  |                  |                  |                    |                  |                  |
|      | <b>Mortality rate risk</b>   |                  |                  |                    |                  |                  |
|      | The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of participants during employment. An improvement in the mortality rates of the participants may increase / decrease the liability and vice versa depending on the age-service distribution of the exiting employees.  |                  |                  |                    |                  |                  |



|   | NOTE | 2025<br>Rupees      | 2024<br>Rupees      |
|---|------|---------------------|---------------------|
| <b>7 DEFERRED INCOME TAX LIABILITY</b>  |      |                     |                     |
| This comprises of following:  |      |                     |                     |
| <b>Deferred income tax liability on taxable temporary differences in respect of:</b>  |      |                     |                     |
| Accelerated tax depreciation  |      | 2,012,736           | 25,621              |
| Surplus on revaluation of property and equipment  | 5    | 1,880,947           | 2,601,374           |
| Investment properties   |      | 10,161,049          | 8,705,231           |
|   |      | <b>14,054,732</b>   | <b>11,332,226</b>   |
| <b>Deferred income tax asset on deductible temporary differences in respect of:</b>   |      |                     |                     |
| Provision for gratuity  |      | (1,569,149)         | (3,849,779)         |
| Provision against doubtful advances   |      | (87,032)            | (40,168)            |
| Provision against doubtful deposits:  |      |                     |                     |
| - Long term deposits  |      | (4,434,970)         | (4,434,970)         |
| - Short term deposit  |      | (580,000)           | (580,000)           |
| Provision against sales tax refundable  |      | (1,127,350)         | (1,127,350)         |
| Provision against doubtful receivables  |      | (5,800)             | -                   |
| Provision against doubtful export rebate and claims   |      | (39,053)            | (39,053)            |
| Unused tax losses   |      | (24,244,247)        | (34,000,735)        |
|   |      | <b>(32,087,601)</b> | <b>(44,072,055)</b> |
| Unrecognized Deferred tax Asset   |      | <b>(18,032,869)</b> | <b>(32,739,829)</b> |
| 7.1 As at 30 June 2025, the Company has aggregated deferred income tax asset amounting to Rs. 18.033 million (2024: Rs. 32.740 million) has not been recognized due to uncertainty in availability of sufficient future taxable profits.      |      |                     |                     |
| <b>8 TRADE AND OTHER PAYABLES</b>   |      |                     |                     |
| Creditors   |      | 50,371,327          | 52,672,851          |
| Contract liabilities - unsecured  | 8.1  | 3,845,024           | 3,023,024           |
| Property taxes payable  | 8.3  | -                   | 30,332,103          |
| Other Payables  |      | 1,027,143           | 1,040,153           |
| Duties and taxes  |      | 2,263,646           | 2,263,646           |
| Accrued liabilities   | 8.2  | 6,192,307           | 3,240,153           |
| Workers' welfare fund   |      | 1,016,817           | 1,016,817           |
| Withholding income tax payable  |      | 5,811,406           | 5,893,351           |
| Employees' retirement benefit due but not paid  | 6.1  | 8,359,107           | 8,143,107           |
| Security deposits   |      | 6,401,700           | 7,007,000           |
|   |      | <b>85,288,477</b>   | <b>114,632,205</b>  |
| 8.1 <b>Contract liabilities - unsecured</b>   |      |                     |                     |
| Unearned Revenue  |      | 2,102,000           | 1,280,000           |
| Advance from customers  |      | 1,743,024           | 1,743,024           |
|   |      | <b>3,845,024</b>    | <b>3,023,024</b>    |
| 8.1.1 Revenue for an amount of Rupees 1.280 million (2024: Rupees 4.464 million) has been recognized in current year in respect of advances from customer at the beginning of period.   |      |                     |                     |
| 8.2 It includes payable to directors amounting to Rupees 0.071 million (2024: Rupees 0.072 million).  |      |                     |                     |
| 8.3 During the year, the Company settled the property tax case of Rs. 30.332 million with the Rawalpindi Cantonment Board, pursuant to which no payment was required. Accordingly, the related provision was reversed through profit or loss. |      |                     |                     |
| <b>9 DUE TO RELATED PARTIES</b>   |      |                     |                     |
| This represents interest free and unsecured loan obtained by the Company from following related parties to meet day to day expenses and is payable on demand. Reconciliation of balances is as follows:                                       |      |                     |                     |
| <b>Mian Habib Ullah, Director</b>   |      |                     |                     |
| Balance as at 01 July   |      | -                   | -                   |
| Received during the year  |      | 580,000             | -                   |
| Paid during the year  |      | (340,000)           | -                   |
| Balance as at 30 June   |      | 240,000             | -                   |
| <b>Sami Ullah, Chief Executive Officer</b>  |      |                     |                     |
| Balance as at 01 July   |      | -                   | 6,321,308           |
| Received during the year  |      | 3,121,970           | 2,429,387           |
| Paid during the year  |      | (1,202,793)         | (8,750,695)         |
| Balance as at 30 June   |      | 1,919,177           | -                   |
| <b>Sam Corporation (Private) Limited, associated company</b>  |      |                     |                     |
| Balance as at 01 July   |      | 1,100,000           | 700,000             |
| Received during the year  |      | 200,000             | 400,000             |
| Balance as at 30 June   |      | 1,300,000           | 1,100,000           |
| <b>DM Ventures, associate</b>   |      |                     |                     |
| Balance as at 01 July   |      | -                   | 9,248,135           |
| Received during the year  |      | -                   | 700,000             |
| Paid during the year  |      | -                   | (9,948,135)         |
| Balance as at 30 June   |      | -                   | -                   |
|   |      | <b>3,459,177</b>    | <b>1,100,000</b>    |



|   |             | 2025<br>Rupees | 2024<br>Rupees |
|---|-------------|----------------|----------------|
| <b>10 TAXATION - NET</b>  | <b>NOTE</b> |                |                |
| Balance as at 01 July   |             | 2,479,133      | 6,988,489      |
| (Reversal) / provision for the year   | 29          | 5,225,210      | 3,059,888      |
| Tax deducted at source / paid during the year   |             | (4,715,841)    | (7,569,244)    |
| Balance as at 30 June   |             | 2,988,502      | 2,479,133      |
| <b>11 CONTINGENCIES AND COMMITMENTS</b>   |             |                |                |
| <b>11.1 Contingencies</b>   |             |                |                |
| <p>(a) For tax year 2014, assessment order dated 26 April 2016 was passed under section 122(1) read with section 122(9) of the Income Tax Ordinance, 2001 by the Deputy Commissioner Inland Revenue, whereby the demand of tax amounting to Rupees 3.8 million was created. The Company filed an appeal before Commissioner Inland Revenue (Appeals) (CIR(A)) and the case was decided against the Company through order dated 19 October 2016. However, the Company filed appeal against the decision of CIR(A) before the Appellate Tribunal Inland Revenue (ATIR) who annulled the order of CIR(A) through judgment dated 3 October 2017. Being aggrieved, the department filed a writ petition against the judgment of ATIR before the Honorable Islamabad High Court, Islamabad. On 19 January 2021, the Honorable Islamabad High Court, Islamabad remanded back the case to ATIR. No provision has been made in these financial statements as the Company is hoping a favorable outcome.</p>  |             |                |                |
| <p>(b) Assessment Order 03/2014 dated 31-12-2014 was passed by the Assistant Commissioner Inland Revenue under provisions of the Sales Tax Act 1990, SOR-283(1)/2011 &amp; Sales Tax Special Procedure (Withholding) Rules, 2007 whereby the demand of tax amount to Rupees 1.335 million was created. The Company filed an appeal before Commissioner Inland Revenue whereby tax demand was reduced to Rupees 1.092 million vide Order in Appeal No. 214/ dated 29-05-2015. The Company filed Appeal STA-320/IB/2015 before the Appellate Tribunal Inland Revenue Islamabad who vide its Order dated 23-09-2019 annulled the Order in Original. Aggrieved by the decision, the Department filed Sales Tax Reference 01/2020 before Islamabad High Court (IHC). The Islamabad High Court remanded the case back to the Appellate Tribunal Inland Revenue (ATIR) for reconsideration. The ATIR, Islamabad, finalized the matter in favor of the Department, holding that sales tax was recoverable from the Company. The Company thereafter filed an appeal before the Islamabad High Court, where the matter is currently pending adjudication.</p> |             |                |                |
| <p>(c) Assessment Order 02/2015 dated 08-01-2015 was passed by Assistant Commissioner Inland Revenue Islamabad whereby tax demand of Rs.63,107/- was created for violations of different provisions of Sales Tax Act. The Company filed Appeal No. 213/2015 before the Commissioner Appeals-1 Islamabad whereby tax demand was vacated vide Order dated 08-01-2015 except penalty u/s 33(5). Aggrieved by the decision of CIR(A), the department filed Appeal No. STA-357/IB/15 before the Appellate Tribunal Inland Revenue Islamabad. Through its Order dated 29-07-2024, Appellate Tribunal remand back the case to Accessing Officer U/S 112(2) of Sales tax Act 1990 for verification of input tax and adjustment of input tax if paid. The matter is pending adjudication before the Accessing Officer.</p>   |             |                |                |
| <p>(d) Guarantee of Rupees 7.142 million (2024: Rupees 7.142 million) has been given by the banks of the Company to Islamabad Electric Supply Company against sanction of load.</p>   |             |                |                |
| <b>11.2 Commitments</b>   |             | Nil            | Nil            |

## 12 PROPERTY AND EQUIPMENTS

| Particulars                       | Cost / Revaluation Amount |                           |              |                   |                     | Accumulated Depreciation |                     |                     |                     | Revalued Amount /<br>Written Down Value<br>As At June 30, 2025 | RATE<br>% |
|-----------------------------------|---------------------------|---------------------------|--------------|-------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|--|-----------|
|                                   | As at July 01, 2024       | Additions/<br>revaluation | Adjustment   | Transfer/Disposal | As at June 30, 2025 | As at July 01, 2024      | Charge for the year | Adjustment/Disposal | As at June 30, 2025 |  |           |
| 2025                              |                           |                           |              |                   |                     |                          |                     |                     |                     |  |           |
| Freehold land                     | 273,220,000               | 531,928                   | -            | (262,581,434)     | 11,170,494          | -                        | -                   | -                   | -                   | 11,170,494   | -         |
| Non factory building              | 40,451,606                | 226,735                   | (32,390,266) | (6,813,043)       | 1,475,032           | 32,181,277               | 208,989             | (32,390,266)        | -                   | 1,475,032  | 5%        |
| Electric installations            | 25,672,753                | (295,400)                 | (23,777,353) | -                 | 1,600,000           | 23,566,753               | 210,600             | (23,777,353)        | -                   | 1,600,000  | 10%       |
| Furniture, fixtures and equipment | 2,667,015                 | 42,161                    | (2,568,176)  | -                 | 151,000             | 2,546,083                | 12,093              | (2,568,176)         | -                   | 151,000  | 10%       |
| Vehicles                          | 20,598,367                | 5,685,200                 | (14,633,567) | -                 | 11,650,000          | 13,142,367               | 1,491,200           | (14,633,567)        | -                   | 11,650,000   | 20%       |
|                                   | 362,609,741               | 6,190,624                 | (73,359,362) | (269,394,477)     | 26,046,526          | 71,436,480               | 1,922,882           | (73,359,362)        | -                   | 26,046,526   |           |
| 2024                              |                           |                           |              |                   |                     |                          |                     |                     |                     |  |           |
| Freehold land                     | 273,220,000               | -                         | -            | -                 | 273,220,000         | -                        | -                   | -                   | -                   | 273,220,000  | -         |
| Buildings                         | 40,451,606                | -                         | -            | -                 | 40,451,606          | 31,745,996               | 435,281             | -                   | 32,181,277          | 8,270,329  | 5%        |
| Electric installations            | 25,672,753                | -                         | -            | -                 | 25,672,753          | 23,332,753               | 234,000             | -                   | 23,566,753          | 2,106,000  | 10%       |
| Furniture, fixtures and equipment | 2,667,015                 | -                         | -            | -                 | 2,667,015           | 2,532,646                | 13,437              | -                   | 2,546,083           | 120,932  | 10%       |
| Vehicles                          | 20,598,367                | -                         | -            | -                 | 20,598,367          | 11,278,367               | 1,864,000           | -                   | 13,142,367          | 7,456,000  | 20%       |
|                                   | 362,609,741               | -                         | -            | -                 | 362,609,741         | 68,889,762               | 2,546,718           | -                   | 71,436,480          | 291,173,261  |           |

- 12.1 The revaluation of freehold land, non factory buildings, electric installations, furniture, fixtures, and equipment and

- 12.2 Had there been no revaluation book value of revalued property, and equipment would have been as follows:

|                                   | 2025<br>Rupees   | 2024<br>Rupees   |
|-----------------------------------|------------------|------------------|
| Freehold land                     | 1,437            | 36,819           |
| buildings                         | 230,047          | 1,601,487        |
| Electric installations            | 1,143,143        | 1,270,159        |
| Furniture, fixtures and equipment | 146,480          | 162,755          |
| Vehicles                          | 4,321,862        | 5,402,328        |
|                                   | <u>5,842,969</u> | <u>8,473,548</u> |

- 12.3 Forced sale value of Property & Equipment is given below:

| Description                              | Valuation date | Rupees    |
|--|----------------|-----------|
| Land freehold                            | 30 June 2025   | 9,494,920 |
| Buildings                                | 30 June 2025   | 1,253,777 |
| Electric installations                   | 30 June 2025   | 1,360,000 |
| Furniture, fixtures and office equipment | 30 June 2025   | 128,350   |
| Vehicles                                 | 30 June 2025   | 9,902,500 |

- 12.4 Particulars of immovable property (i.e. Land & building) in the name of the Company are as follows:

| Location                               | Usage of immovable property | Covered Area (Sqr feet) | Total Area (marlas) |
|--|-----------------------------|-------------------------|---------------------|
| Westridge, Industrial Area, Rawalpindi | Offices                     | 5,784                   | 21.26               |

### 13 INVESTMENT PROPERTIES

|                                  | Land               | Building          | Total              |
|----------------------------------|--------------------|-------------------|--------------------|
|                                  | ----- Rupees ----- |                   |                    |
| <b>Year ended 30 June 2025</b>   |                    |                   |                    |
| Fair value as at 01 July 2024    | 331,780,000        | 32,141,975        | 363,921,975        |
| Investment Property disposed off | -                  | -                 | -                  |
| Fair value gain/loss             | 16,820,000         | 8,694,275         | 25,514,275         |
| Fair value as at 30 June 2025    | <u>348,600,000</u> | <u>40,836,250</u> | <u>389,436,250</u> |
| <b>Year ended 30 June 2024</b>   |                    |                   |                    |
| Fair value as at 01 July 2023    | 411,780,000        | 37,645,000        | 449,425,000        |
| Investment Property disposed off | (80,000,000)       | (5,503,025)       | (85,503,025)       |
| Fair value gain                  | -                  | -                 | -                  |
| Fair value as at 30 June 2024    | <u>331,780,000</u> | <u>32,141,975</u> | <u>363,921,975</u> |

- 13.1 The fair value of investment properties comprising land and buildings situated at Westridge, Industrial Area, Rawalpindi have been determined by an independent valuer, Danish Enterprises as at 30 June 2025.

Forced sale value of these properties as at 30 June 2025 was:

|           | Rupees             |
|-----------|--------------------|
| Land      | 296,310,000        |
| Buildings | 34,710,813         |
|           | <u>331,020,813</u> |

- 13.2 Particulars of investment properties are as follows:

| Description | Address                                | Total Area       |
|-------------|--|------------------|
| Land        | Westridge, Industrial Area, Rawalpindi | 662 Marla        |
| Buildings   | Westridge, Industrial Area, Rawalpindi | 163,345 Sq. Feet |

- 13.3 **Rental income**

The rental income in respect of these properties amounting to Rupees 32.481 million (2024: Rupees 32.440 million) has been recognized in the statement of profit or loss and included in 'revenue' (Note 24).

#### 13.4 Leasing arrangement

The Company as a lessor has entered into operating leases on its investment properties portfolio consisting of buildings (i.e. godowns). These leases have terms between 1 to 12 years. All lease arrangements include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Future minimum rentals receivable under non-cancelable operating leases as at 30 June are as follows:

|  | 2025<br>Rupees     | 2024<br>Rupees     |
|--|--------------------|--------------------|
| Upto one year                            | 12,324,800         | 32,049,306         |
| After one year but not more than 3 years | 27,114,560         | 42,682,860         |
| More than 3 years                        | 134,217,072        | 143,320,590        |
|  | <b>173,656,432</b> | <b>218,052,756</b> |

#### 14 ADVANCE AGAINST PROPERTY

An amount of Rupees 51.150 million was given by the Company as advance against purchase of property. The property could not be transferred in the Company's name due to the want of completion of legal formalities. With reference to this advance, the Director (Enforcement) of Securities and Exchange Commission of Pakistan (SECP) vide his Order dated 29 November 2007 imposed a penalty of Rupees 100,000 on each of the director except one (nominee NIT) of the Company for contravention of section 196(2j) of the repealed Companies Ordinance, 1984. Further directions were given under section 473 for transferring the property in the name of the Company within thirty days from the Order date. The Chief Executive Officer (C.E.O) of the Company filed a revision application with the Appellate Bench of SECP under section 484 of the repealed Companies Ordinance, 1984 against this Order on 10 January 2008, where the Appellate Bench decided not to interfere with the impugned order.

The C.E.O also filed an appeal under section 485 of the repealed Companies Ordinance, 1984 read with section 34 of the Securities and Exchange Commission of Pakistan Act, 1997 before the Lahore High Court, Rawalpindi Bench whereby stay order was granted to suspend the operation of above said impugned order. The Lahore High Court, Rawalpindi Bench, in its interim order dated 06 February 2015, granted adjournment with the directions not to transfer / alienate the property / undertaking of the Company meanwhile. Further, the court, through its order dated 09 December 2015 transferred the case to Islamabad High Court (IHC), Islamabad.

The Board of Directors in the meeting held on 23 April 2014, after getting valuation at forced sale value of Rupees 72.007 million of said property from NAKMS Associates (Private) Limited, resolved that the right in property along with fixtures and fittings to be offered to the C.E.O on the basis of "first right of refusal" at the fixed floor price of Rupees 75.00 million. The Board further decided that an amount of Rupees 48.570 million be adjusted from interest free loan given by C.E.O and his close family members to the Company and the balance amount to be paid in three equal annual instalments of Rupees 8.810 million commencing from 01 May 2015. Accordingly, agreement was made between the Company and the C.E.O under the directions given by the Board of Directors of the Company.

However, the C.E.O in the case proceedings before the Islamabad High Court (IHC), Islamabad on 03 May 2016 has submitted to transfer the property in the name of the Company within sixty days there from. The C.E.O filed a petition before the Islamabad High Court to seek relief on the grounds that the said property has already been attached in the cases titled The Bank of Punjab versus Bilal Fibers Limited and The Bank of Punjab versus Bilal Textiles (Private) Limited wherein the C.E.O was a guarantor. Meanwhile, the Board of directors and the shareholders in their meetings held on 09 October 2016 and 31 October 2016 respectively resolved to reverse the transaction of sale of property to C.E.O, subject to completion of legal formalities and in accordance with rules / law / procedures.

The Company filed a suit before the court of Civil Judge 1st Class (West), Islamabad dated 17 October 2017 against the C.E.O. while making Securities and Exchange Commission of Pakistan and Capital Development Authority parties to the case for directions to transfer the property in the name of the Company. Civil Judge 1st Class (West), Islamabad, vide order dated 28 July 2021 accepted the Company's appeal and directed to submit evidence and vide order dated 13 July 2024, partially decreed the case of the Company to the extent of recovery of remaining amount from the C.E.O. The Company has filed an appeal on 28 September 2024 against the said order before Islamabad High Court (IHC). On 25 October 2024 IHC, Islamabad, suspended the operation of the impugned judgment and decree dated 13 July 2024 until the next date of hearing.

The IHC vide its order dated 16 November 2017, reduced the penalty from Rupees 100,000 to Rupees 50,000 to be paid by each director of the Company within the period of thirty days.

The Company also filed an appeal before the Lahore High Court, Lahore Bench in May 2018 for detachment of the property, so that property can be transferred in the name of the Company, which is pending adjudication.

The Securities and Exchange Commission of Pakistan filed an appeal before the IHC, Islamabad, dated 13 September 2018 for execution of IHC decision dated 16 November 2017 to appoint statutory auditors to conduct a special audit to calculate the amount of profit which could have been earned on the amount of Rupees 51.150 million, if invested with any scheduled bank on daily product basis in the relevant period, and further requested the IHC to send notice to Lahore High Court, Lahore, for release of the property. The matter is pending adjudication.

The Bank of Punjab filed an appeal before the Islamabad High Court, Islamabad to set-aside orders dated 03 May 2016 and 16 November 2017. The matter is pending adjudication.

On 24 May 2022, the Company filed an application before Islamabad High Court, Islamabad praying that The Bank of Punjab and Bilal Fibers Limited and Bilal Textiles (Private) Limited have entered into a settlement agreements, hence, the said property may please be declared as lawful property of D.M. Textile Mills Limited. The matter is pending adjudication.

|  | NOTE                                   | 2025<br>Rupees     | 2024<br>Rupees    |             |         |            |      |  |            |           |  |                    |
|--|--|--------------------|-------------------|-------------|---------|------------|------|--|------------|-----------|--|--------------------|
| <b>15 LONG TERM INVESTMENT</b>   |  |                    |                   |             |         |            |      |  |            |           |  |                    |
| <b>At amortized cost:</b>  |  |                    |                   |             |         |            |      |  |            |           |  |                    |
| Term deposit receipts  | 15.1                                   | 6,000,000          | 6,000,000         |             |         |            |      |  |            |           |  |                    |
| Markup accrued to date   |  | 2,171,915          | 1,526,915         |             |         |            |      |  |            |           |  |                    |
|  |  | <u>8,171,915</u>   | <u>7,526,915</u>  |             |         |            |      |  |            |           |  |                    |
| 15.1 These represent term deposit receipts from Habib Metropolitan Bank Limited for the period of five years ending in February 2027, carrying effective interest rate at the rate of 10.75% (2024: 10.75%) per annum. These are under lien with the bank against guarantee given on behalf of the Company.  |  |                    |                   |             |         |            |      |  |            |           |  |                    |
| <b>16 LONG TERM DEPOSITS</b>   |  |                    |                   |             |         |            |      |  |            |           |  |                    |
| WAPDA  |  | -                  | 2,013,310         |             |         |            |      |  |            |           |  |                    |
| Sui Gas  |  | 6,899,951          | 7,006,424         |             |         |            |      |  |            |           |  |                    |
| Telephone  |  | 7,200              | 7,200             |             |         |            |      |  |            |           |  |                    |
| Others   |  | 128,100            | 128,100           |             |         |            |      |  |            |           |  |                    |
| Considered doubtful  | 16.1                                   | 15,293,000         | 15,293,000        |             |         |            |      |  |            |           |  |                    |
|  |  | <u>22,328,251</u>  | <u>24,448,034</u> |             |         |            |      |  |            |           |  |                    |
| Less: Provision against doubtful deposit   |  | (15,293,000)       | (15,293,000)      |             |         |            |      |  |            |           |  |                    |
|  |  | <u>7,035,251</u>   | <u>9,155,034</u>  |             |         |            |      |  |            |           |  |                    |
| 16.1 Sui Northern Gas Pipelines Limited (SNGPL) Islamabad demanded arrears of Rupees 10.405 million for the period from November 2006 to November 2007 due to doubt on accuracy of meter. The Company filed a case in the Court of Senior Civil Judge Islamabad on 18 December 2007. SNGPL encashed the bank guarantee amounting to Rupees 15.293 million issued to it by NIB Bank Limited on behalf of the Company. However, Civil Judge Islamabad rejected SNGPL claim for excessive billing vide order dated 18 December 2012. SNGPL filed appeal before Additional District and Session Judge, Islamabad. Additional District and Session Judge, Islamabad vide order dated 18 April 2018 rejected the plaint by stating that an alternate remedy is available to the Company to agitate its grievances before the Oil and Gas Regulatory Authority (OGRA) under section 11 of the OGRA Ordinance, 2002. The Company filed Complaint No. 2495/2021 before OGRA. Executive Director (Complaints) OGRA vide Order No. OGRA-8(2) C-2495/2021 dated 29 April 2024 did not accept the claim of the company. Aggrieved by the Order, the Company has filed Appeal before the OGRA which is pending adjudication. |  |                    |                   |             |         |            |      |  |            |           |  |                    |
| 16.2 These deposits are with various utility companies and others. These are not being carried at amortized cost as required by IFRS-9 as the impact was immaterial.   |  |                    |                   |             |         |            |      |  |            |           |  |                    |
| <b>17 INVENTORY</b>  |  |                    |                   |             |         |            |      |  |            |           |  |                    |
| Land   | 17.1                                   | 262,581,434        | -                 |             |         |            |      |  |            |           |  |                    |
| Building   | 17.1                                   | 6,813,043          | -                 |             |         |            |      |  |            |           |  |                    |
|  |  | <u>269,394,477</u> | <u>-</u>          |             |         |            |      |  |            |           |  |                    |
| 17.1 During the year, the company changed its principal line of business from textile to real estate segment. Accordingly, the Companys land & Building previously classified under Property, and Equipment has been reclassified to Inventories in accordance with IAS 2.   |  |                    |                   |             |         |            |      |  |            |           |  |                    |
| 17.2 <b>Particulars of Land and Building are as follows:</b>   |  |                    |                   |             |         |            |      |  |            |           |  |                    |
| <table><tr><th>Description</th><th>Address</th><th>Total Area</th></tr><tr><td>Land</td><td>Westridge, Industrial Area, Rawalpindi</td><td>525 Marlas</td></tr><tr><td>Buildings</td><td>Westridge, Industrial Area, Rawalpindi</td><td>31,512 Square feet</td></tr></table>   |  |                    |                   | Description | Address | Total Area | Land | Westridge, Industrial Area, Rawalpindi | 525 Marlas | Buildings | Westridge, Industrial Area, Rawalpindi | 31,512 Square feet |
| Description  | Address                                | Total Area         |                   |             |         |            |      |  |            |           |  |                    |
| Land   | Westridge, Industrial Area, Rawalpindi | 525 Marlas         |                   |             |         |            |      |  |            |           |  |                    |
| Buildings  | Westridge, Industrial Area, Rawalpindi | 31,512 Square feet |                   |             |         |            |      |  |            |           |  |                    |
| <b>18 ADVANCES</b>   |  |                    |                   |             |         |            |      |  |            |           |  |                    |
| <b>Unsecured</b>   |  |                    |                   |             |         |            |      |  |            |           |  |                    |
| <b>Considered good:</b>  |  |                    |                   |             |         |            |      |  |            |           |  |                    |
| Advance to employees against:  |  |                    |                   |             |         |            |      |  |            |           |  |                    |
| - salaries - interest free   | 18.1                                   | 11,000             | 36,000            |             |         |            |      |  |            |           |  |                    |
| - expenses   |  | 5,000              | 5,000             |             |         |            |      |  |            |           |  |                    |
|  |  | <u>16,000</u>      | <u>41,000</u>     |             |         |            |      |  |            |           |  |                    |
| Advance to suppliers   |  | -                  | 153,600           |             |         |            |      |  |            |           |  |                    |
|  |  | <u>16,000</u>      | <u>194,600</u>    |             |         |            |      |  |            |           |  |                    |
| <b>Considered doubtful:</b>  |  |                    |                   |             |         |            |      |  |            |           |  |                    |
| Advances to employees against salaries   |  | 33,110             | 25,110            |             |         |            |      |  |            |           |  |                    |
| Advances to suppliers  |  | 267,002            | 113,402           |             |         |            |      |  |            |           |  |                    |
|  |  | <u>300,112</u>     | <u>138,512</u>    |             |         |            |      |  |            |           |  |                    |
| Less: Provision against doubtful advances  |  | (300,112)          | (138,512)         |             |         |            |      |  |            |           |  |                    |
|  |  | <u>16,000</u>      | <u>194,600</u>    |             |         |            |      |  |            |           |  |                    |
| 18.1 These represent interest free advances given to employees as per the Company's policy for general purpose.  |  |                    |                   |             |         |            |      |  |            |           |  |                    |

**19 DUE FROM RELATED PARTY**

It represents receivable from C.E.O against sale of property as more fully explained in Note 14. The maximum amount due from C.E.O at the end of any month during the year was Rupees 17.62 Millions (2024: Rupees 17.62 million) and is outstanding since 2016.

|  | NOTE | 2025<br>Rupees     | 2024<br>Rupees |
|--|------|--------------------|----------------|
| <b>20 SHORT TERM DEPOSIT</b>             |      |                    |                |
| Short term deposit                       | 20.1 | 2,000,000          | 2,000,000      |
| Sui Gas Deposit                          | 20.2 | 106,473            | -              |
| WAPDA                                    | 20.3 | 2,013,310          | -              |
|  |      | <b>4,119,783</b>   | 2,000,000      |
| Less: Provision against doubtful deposit |      | <b>(2,000,000)</b> | (2,000,000)    |
|  |      | <b>2,119,783</b>   | -              |

**20.1** It represents advance given to Messrs. Fauji Foundation for purchase of mill. The Court decided the case in favor of the Company on 10 June 1999. Fauji Foundation filed appeal before Honorable Lahore High Court, Rawalpindi Bench, against the aforesaid order, and provided bank guarantee of Rupees 2 million to the Court. Honorable Lahore High Court remanded the case to the Civil Court who decided the case against the Company. The Company has filed petition in Lahore High Court, Rawalpindi Bench, where the case is still pending.

**20.2** The Company had previously classified a security deposit of Rupee 0.106 million with Sui Northern Gas Pipelines Limited (SNGPL) under long-term deposits. Following the disconnection of the gas connection, the deposit is now expected to be recovered within twelve months and has accordingly been reclassified as a current asset.

**20.3** The Company had previously classified a security deposit of PKR 2,013,310 with WAPDA under long-term deposits. Following the disconnection, the deposit is now expected to be recovered within twelve months and has accordingly been reclassified as a current asset.

**21 OTHER RECEIVABLES**

**Considered good:**

|  |                    |             |
|--|--------------------|-------------|
| Sales tax refundable                         | 3,887,414          | 3,887,414   |
| Less: Provision against sales tax refundable | <b>(3,887,414)</b> | (3,887,414) |

|   |                  |           |
|---|------------------|-----------|
| Export rebate and claims                                  | 134,667          | 134,667   |
| Less: Provision against doubtful export rebate and claims | <b>(134,667)</b> | (134,667) |

|  |                 |        |
|--|-----------------|--------|
| Receivable against sale of solar panels                                  | 20,000          | 20,000 |
| Less: Provision against doubtful receivable against sale of solar panels | <b>(20,000)</b> | -      |
|  | -               | 20,000 |
|  | -               | 20,000 |

**22 SHORT TERM INVESTMENTS**

**Investment in DM Ventures**

|                            |      |                    |            |
|----------------------------|------|--------------------|------------|
| Opening Balance            | 22.1 | 92,950,670         | -          |
| Investment during the year |      | -                  | 92,950,670 |
| Repayment                  |      | <b>(6,073,000)</b> | -          |
| Closing Balance            |      | <b>86,877,670</b>  | 92,950,670 |

**At amortized cost:**

|                           |      |                  |           |
|---------------------------|------|------------------|-----------|
| Fixed deposit certificate | 22.2 | 1,288,381        | 1,288,381 |
| Accrued markup            |      | 199,675          | 228,825   |
|                           |      | <b>1,488,056</b> | 1,517,206 |

|                                   |      |                   |            |
|-----------------------------------|------|-------------------|------------|
| <b>Investment in Mutual Funds</b> | 22.3 | 2,277,838         | -          |
| <b>Total Investments</b>          |      | <b>90,643,564</b> | 94,467,876 |

**22.1** During the year ended June 30, 2024, the Company entered into a short-term investment arrangement with DM Venture (a related party). As per the terms of the agreement, profit is to be determined and settled within 30 days of the completion of the investment period. Accordingly, an amount of Rs. 1.8 million has been recognized as income in these financial statements for the year ended June 30, 2025.

**22.2** This represents fixed deposit certificates of Habib Metropolitan Bank Limited for a period of one year commenced from 28 August 2024 and 30 October 2024. Return on these certificates will be paid on maturity at the effective rate of 17.5% (2024: 20.00%) per annum. These are under lien with the bank against guarantee given on behalf of the Company.

**22.3** The Company has invested in Al Meezan Mutual Fund managed by Al Meezan Investment Management Limited. As at the reporting date, the Company holds 45,556.7564 units having a Net Asset Value (NAV) of PKR 50 per unit.

|  | NOTE | 2025<br>Rupees    | 2024<br>Rupees    |
|--|------|-------------------|-------------------|
| <b>23 CASH AND BANK BALANCES</b>   |      |                   |                   |
| <b>Cash at bank:</b>   |      |                   |                   |
| - saving accounts  | 23.1 | 8,819             | 2,076,466         |
| - current accounts   |      | <u>14,565</u>     | <u>29,462</u>     |
|  |      | <b>23,384</b>     | <b>2,105,928</b>  |
| <b>Cash in hand</b>  |      | <u>1,829</u>      | <u>133,175</u>    |
|  |      | <b>25,213</b>     | <b>2,239,103</b>  |
| 23.1 The balances in saving accounts carry interest at the rate of 9.5% to 10.5% (2024: 14% to 19%) per annum.             |      |                   |                   |
| <b>24 REVENUE</b>  |      |                   |                   |
| Revenue from Rent  |      | <u>32,481,104</u> | -                 |
|  |      | <b>32,481,104</b> | -                 |
| <b>25 COST OF REVENUE</b>  |      |                   |                   |
| Directors Remuneration   |      | 6,876,000         |                   |
| Salaries, wages and other benefits   | 25.1 | 4,682,176         | -                 |
| Rent, Rate and Taxes   |      | 2,446,052         | -                 |
| Fuel and power   |      | 3,340,458         | -                 |
| Travelling and conveyance  |      | 6,374,929         | -                 |
| Vehicles' running  |      | 3,455,301         | -                 |
| Repair and maintenance   |      | 5,075,917         | -                 |
| Miscellaneous  |      | 1,732,954         | -                 |
|  |      | <u>33,983,788</u> | -                 |
| 25.1 Salaries, wages and other benefits include provision for gratuity amounting to Rupees 955,810 (2024: Rupees 896,946). |      |                   |                   |
| <b>26 ADMINISTRATIVE AND GENERAL EXPENSES</b>  |      |                   |                   |
| Salaries, wages and other benefits   |      | -                 | 10,205,533        |
| Property tax   |      | -                 | 9,599,200         |
| Printing and stationery  |      | 247,491           | 279,378           |
| Fuel and power   |      | -                 | 4,833,154         |
| Postage and telephone  |      | 544,174           | 531,117           |
| Travelling and conveyance  |      | -                 | 5,556,642         |
| Vehicles' running  |      | -                 | 3,395,093         |
| Repair and maintenance   |      |                   | 1,047,160         |
| Entertainment  |      |                   | 680,890           |
| Advertisement  |      | 177,400           | 55,100            |
| Legal and professional   |      | 920,800           | 2,600,200         |
| Auditor's remuneration   | 26.1 | 635,000           | 635,000           |
| Fees and subscription  |      | 1,773,317         | 1,946,123         |
| Depreciation   | 12   | 1,922,882         | 2,546,718         |
| Miscellaneous  |      | 2,056,591         | 1,433,791         |
| Donations  | 26.2 | <u>108,600</u>    | <u>288,280</u>    |
|  |      | <b>8,386,255</b>  | <b>45,633,379</b> |
| 26.1 <b>Auditor's remuneration</b>   |      |                   |                   |
| Audit fee  |      | 455,000           | 455,000           |
| Half yearly review   |      | 55,000            | 55,000            |
| Other certification  |      | <u>125,000</u>    | <u>125,000</u>    |
|  |      | <b>635,000</b>    | <b>635,000</b>    |
| 26.2 None of the directors and their spouses have any interest in the donne's fund.  |      |                   |                   |
| <b>27 OTHER EXPENSES</b>   |      |                   |                   |
| Commission   |      | -                 | 361,237           |
| Revaluation loss on operating fixed assets   | 12   | 295,400           | -                 |
| Allowance for ECL against the advances   |      | 161,600           | -                 |
| Allowance for ECL against the doubtful receivables   | 21   | <u>20,000</u>     | -                 |
|  |      | <b>477,000</b>    | <b>361,237</b>    |

|  | NOTE      | 2025<br>Rupees     | 2024<br>Rupees     |
|--|-----------|--------------------|--------------------|
| <b>28 OTHER INCOME</b>   |           |                    |                    |
| <b>Income from financial assets</b>  |           |                    |                    |
| Dividend Income  |           | 276,424            | -                  |
| Return on deposits with banks  |           | 1,780              | 83,341             |
| Return on investments  |           | 844,675            | 873,825            |
| Profit from DM venture   |           | 1,800,000          | 2,500,000          |
|  |           | <b>2,922,879</b>   | <b>3,457,166</b>   |
| <b>Income from non-financial assets</b>  |           |                    |                    |
| Gain on Disposal of Investment Properties  |           | -                  | 26,846,975         |
| Fair value gain on investment property   |           | 25,514,275         | -                  |
| Liability written back   |           | 30,332,103         | -                  |
| Rental income  | 28.1      | -                  | 32,439,585         |
| Interest Sui Gas   |           | 283,135            | -                  |
| Mud sale   |           | -                  | 1,311,000          |
|  |           | <b>56,129,513</b>  | <b>60,597,560</b>  |
|  |           | <b>59,052,392</b>  | <b>64,054,726</b>  |
| <b>29 LEVIES</b>   | 29.1      | <b>8,273,011</b>   | <b>3,059,888</b>   |
|  |           | <b>8,273,011</b>   | <b>3,059,888</b>   |
| 29.1 These represent minimum tax under section 113C of Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21/IAS 37.  |           |                    |                    |
| <b>30 TAXATION</b>   |           |                    |                    |
| current year   | 30.1      | -                  | -                  |
| prior year   |           | (3,047,801)        | -                  |
|  |           | <b>(3,047,801)</b> | <b>-</b>           |
| Deferred income tax  |           | (1,860,361)        | 85,893             |
|  |           | <b>(4,908,162)</b> | <b>85,893</b>      |
| 30.1 Provision for current tax represents alternative corporate tax only because of gross loss for the year and in view of available tax losses of Rupees 83.6 million (2024: Rupees 117.243 million). Consequently, tax charge reconciliation is not being presented. |           |                    |                    |
| <b>31 EARNINGS PER SHARE - BASIC AND DILUTED</b>   |           |                    |                    |
| There is no dilutive effect on the basic earnings / (loss) per share which is based on:  |           |                    |                    |
| (Loss) / profit attributable to ordinary shares  | (Rupees)  | <b>45,299,924</b>  | 14,853,558         |
| Weighted average number of ordinary shares   | (Numbers) | <b>3,052,429</b>   | 3,052,429          |
| (Loss) / earning per share   | (Rupees)  | <b>14.84</b>       | 4.87               |
| <b>32 CASH USED IN OPERATIONS</b>  |           |                    |                    |
| <b>PROFIT BEFORE LEVIES AND TAXATION</b>   |           | <b>48,664,773</b>  | 17,999,339         |
| <b>Adjustments for non-cash charges and other items:</b>   |           |                    |                    |
| Depreciation   |           | 1,922,882          | 2,546,718          |
| Provision for gratuity   |           | 955,810            | 896,946            |
| Gain on disposal of Investment Properties  |           | -                  | (26,846,975)       |
| Revaluation Loss on PPE  |           | 295,400            | -                  |
| Liability written back   |           | (30,332,103)       | -                  |
| Fair value gain on investment property   |           | (25,514,275)       | -                  |
| Return on investments  |           | (645,000)          | (873,825)          |
| Finance cost   |           | 21,680             | 60,771             |
| Dividend Income  |           | (276,424)          | (83,341)           |
| Working capital changes  | 32.1      | 1,210,369          | (3,576,138)        |
|  |           | <b>(3,696,888)</b> | <b>(9,876,505)</b> |
| 32.1 <b>Working capital changes</b>  |           |                    |                    |
| <b>(Increase) / decrease in current assets:</b>  |           |                    |                    |
| Advances   |           | 178,600            | 3,077,600          |
| Short Term Deposits  |           | (2,119,783)        | -                  |
| Other receivables  |           | 20,000             | 1,568,206          |
|  |           | <b>(1,921,183)</b> | <b>4,645,806</b>   |
| <b>Increase / (decrease) in current liabilities</b>  |           |                    |                    |
| Trade and other payables   |           | 772,375            | 6,947,499          |
| Due to related parties   |           | 2,359,177          | (15,169,443)       |
|  |           | <b>3,131,552</b>   | <b>(8,221,944)</b> |
|  |           | <b>1,210,369</b>   | <b>(3,576,138)</b> |



### 33 SHARIAH COMPLIANT DISCLOSURE

|  | NOTE | 2025<br>Rupees   | 2024<br>Rupees |
|--|------|------------------|----------------|
| <b>Statement of Financial Position</b>                   |      | <b>2,277,838</b> | <b>-</b>       |
| Short term Shariah compliant investments                 | 22   | 3,421            | 6,611          |
| Shariah compliant bank deposits, bank balances           | 23   |                  |                |
| <b>Statement of comprehensive income</b>                 |      | <b>276,424</b>   | <b>-</b>       |
| Dividend on Shariah compliant investments                | 22   | 1,780            | 83,341         |
| Return on Shariah compliant bank deposits, bank balances |      |                  |                |

#### Relationship with Shariah Compliant Financial Institutions

The Company maintains its bank deposits with Meezan Bank Limited, an Islamic bank, and has investments in Shariah-compliant mutual funds of Al Meezan Mutual Fund managed by Al Meezan Investment Management Limited.

### 34 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER AND DIRECTORS

The aggregate amount charged in the financial statements for the year for remuneration including certain benefits to the chief executive officer and directors of the Company are as follows:

|                            | Chief Executive Officer |                   | Director       |                |
|----------------------------|-------------------------|-------------------|----------------|----------------|
|                            | 2025                    | 2024              | 2025           | 2024           |
|                            | -----Rupees-----        |                   |                |                |
| Managerial remuneration    | 6,000,000               | 6,000,000         | 876,000        | 776,000        |
| Allowances and Perquisites | 2,933,666               | 2,376,172         | -              | -              |
|                            | <b>8,933,666</b>        | <b>10,752,344</b> | <b>876,000</b> | <b>776,000</b> |
| <b>Number of persons</b>   | <b>1</b>                | <b>1</b>          | <b>1</b>       | <b>1</b>       |

34.1 Chief Executive Officer is provided with the Company's maintained vehicle, personal and family's free medical facilities, personal and family's travelling, residential telephone facilities for both business and personal use and entertainment expenses at actual and 1 (2024: 1) director is provided with the Company's maintained vehicle.

34.2 The aggregate amount charged in the financial statements in respect of directors' meeting fee was Rupees Nil (2024: Rupees Nil).

34.3 No remuneration was paid to non-executive directors.

### 35 TRANSACTIONS WITH RELATED PARTIES

35.1 The company has related party relationship with its directors and key management personnel. Remuneration given to chief executive, directors and executives are in accordance with their terms of employment as disclosed in note 33 to the financial statements. Following are the relationship with related parties. Balances and transactions with related parties are disclosed in relevant notes to these financial statements.

| Name                              | Basis of relationship | Name of Director | Percentage of shareholding |
|-----------------------------------|-----------------------|------------------|----------------------------|
| Sam Corporation (Private) Limited | Common directorship   | Mr. Sami Ullah   | N/A                        |
| DM Ventures                       | Common directorship   | Mr. Sami Ullah   | N/A                        |

|   | 2025 | 2024 |
|---|------|------|
| <b>36 NUMBER OF EMPLOYEES</b>               |      |      |
| Number of employees as at 30 June           | 6    | 7    |
| Average number of employees during the year | 7    | 8    |

### 37 FINANCIAL RISK MANAGEMENT

#### 37.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

(a) **Market risk**

(i) **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is not exposed to currency risk as it has no receivables and payables denominated in foreign currency.

(ii) **Other price risk**

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. As at 30 June 2025, the Company is not exposed to commodity price risks.

(iii) **Interest rate risk**

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from investments and bank balances in saving accounts. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

|                                  | 2025<br>Rupees | 2024<br>Rupees |
|----------------------------------|----------------|----------------|
| <b>Fixed rate instruments</b>    |                |                |
| <b>Financial assets</b>          |                |                |
| Long term investment             | 8,171,915      | 7,526,915      |
| Short term investments           | 1,488,056      | 1,517,206      |
| <b>Floating rate instruments</b> |                |                |
| <b>Financial assets</b>          |                |                |
| Short term investments           | 2,277,838      | -              |
| Bank balances - saving accounts  | 8,819          | 2,076,466      |

**Fair value sensitivity analysis for fixed rate instruments**

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

**Cash flow sensitivity analysis for variable rate instruments**

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rupees 22,867 (2024: Rupees 20,765) higher / lower, mainly as a result of higher / lower interest on floating rate instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting date were outstanding for the whole year.

(b) **Credit risk**

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

|                        | 2025<br>Rupees     | 2024<br>Rupees     |
|------------------------|--------------------|--------------------|
| Long term investment   | 8,171,915          | 7,526,915          |
| Short term investments | 90,643,564         | 94,467,876         |
| Due from related party | 17,619,962         | 17,619,962         |
| Deposits               | 7,035,251          | 9,155,034          |
| Advances               | 11,000             | 36,000             |
| Other receivables      | -                  | 20,000             |
| Bank balances          | 23,384             | 2,105,928          |
|                        | <u>123,505,076</u> | <u>130,931,715</u> |

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

|                                 | Rating     |           |        | 2025             | 2024              |
|---------------------------------|------------|-----------|--------|------------------|-------------------|
|                                 | Short term | Long term | Agency | Rupees           | Rupees            |
| <b>Banks</b>                    |            |           |        |                  |                   |
| Habib Bank Limited              | A1+        | AAA       | VIS    | 2,487            | 2,487             |
| Habib Metropolitan Bank Limited | A1+        | AA+       | PACRA  | 2,307            | 1,218             |
| MCB Bank Limited                | A1+        | AAA       | PACRA  | 6,184            | 7,093             |
| Silkbank Limited                | A2         | A-        | VIS    | -                | 8,265             |
| The Bank of Khyber              | A1         | AA-       | VIS    | 2,050            | 2,050             |
| Faysal Bank Limited             | A1+        | AA+       | PACRA  | 3,648            | 3,364             |
| Askari Bank Limited             | A1+        | AA+       | PACRA  | 3,288            | 6,349             |
| Meezan Bank Limited             | A1+        | AAA       | VIS    | 3,421            | 2,075,102         |
|                                 |            |           |        | <b>23,385</b>    | <b>2,105,928</b>  |
| <b>Investments</b>              |            |           |        |                  |                   |
| Habib Metropolitan Bank Limited | A1+        | AA+       | PACRA  | 9,659,971        | 9,044,121         |
|                                 |            |           |        | <b>9,683,356</b> | <b>11,150,049</b> |

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

#### Deposits, advances, other receivables and due from related parties

The Company has made deposits with the utility companies and others. The management does not expect to incur material losses on such deposit and consider such amount is receivable upon termination of service contract with respective parties expect for the provisions made and are disclosed in relevant notes.

With respect to advances to employees, other receivables and due from related parties, management has assessed that there is no impairment loss and these are recoverable in full expect for the provisions made and are disclosed in relevant notes.

#### (c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash, short term investment and the availability of funding through sponsors' support. As at 30 June 2025, the Company had Rupees 25,213 (2024: Rupees 2,239,103) cash and bank balances. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2025.

|  | Carrying amount   | Contractual cash flows | 6 months or less  |
|--|-------------------|------------------------|-------------------|
| ----- Rupees -----                           |                   |                        |                   |
| <b>Non-derivative financial liabilities:</b> |                   |                        |                   |
| Trade and other payables                     | 71,324,441        | 71,324,441             | 71,324,441        |
| Due to related parties                       | 3,459,177         | 3,459,177              | 3,459,177         |
| Unclaimed dividend                           | 144,947           | 144,947                | 144,947           |
|  | <b>74,928,565</b> | <b>74,928,565</b>      | <b>74,928,565</b> |

Contractual maturities of financial liabilities as at 30 June 2024.

|  | Carrying amount   | Contractual cash flows | 6 months or less  |
|--|-------------------|------------------------|-------------------|
| ----- Rupees -----                           |                   |                        |                   |
| <b>Non-derivative financial liabilities:</b> |                   |                        |                   |
| Trade and other payables                     | 71,063,111        | 71,063,111             | 71,063,111        |
| Due to related parties                       | 1,100,000         | 1,100,000              | 1,100,000         |
| Unclaimed dividend                           | 144,947           | 144,947                | 144,947           |
|  | <b>72,308,058</b> | <b>72,308,058</b>      | <b>72,308,058</b> |

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at 30 June.

### 37.2 Financial instruments by categories

| As at 30 June            | Financial assets at amortized cost      |                    |
|--------------------------|---|--------------------|
|                          | 2025                                    | 2024               |
|                          | Rupees                                  | Rupees             |
| Long term investment     | 8,171,915                               | 7,526,915          |
| Short Term Investments   | 90,643,564                              | 94,467,876         |
| Due from related party   | 17,619,962                              | 17,619,962         |
| Deposits                 | 9,155,034                               | 9,155,034          |
| Advances                 | 11,000                                  | 36,000             |
| Other receivables        | 20,000                                  | 20,000             |
| Cash and bank balances   | 25,213                                  | 2,239,103          |
|                          | <u>125,646,688</u>                      | <u>131,064,890</u> |
|                          | Financial liabilities at amortized cost |                    |
|                          | 2025                                    | 2024               |
|                          | Rupees                                  | Rupees             |
| Trade and other payables | 71,324,441                              | 71,063,111         |
| Due to related parties   | 3,459,177                               | 1,100,000          |
| Unclaimed dividend       | 144,947                                 | 144,947            |
|                          | <u>74,928,565</u>                       | <u>72,308,058</u>  |

### 37.3 Reconciliation to the line items presented in the statement of financial position is as follows:

|  | 2025                  |                           |  | 2024                  |                           |  |
|--|-----------------------|---------------------------|--|-----------------------|---------------------------|--|
|  | Financial assets      | Non-financial assets      | Total as per statement of financial position | Financial assets      | Non-financial assets      | Total as per statement of financial position |
|  | ----- Rupees -----    |                           |  | ----- Rupees -----    |                           |  |
| Assets as per statement of financial position      |                       |                           |  |                       |                           |  |
| Advances   | 11,000                | 5,000                     | 16,000                                       | 36,000                | 158,600                   | 194,600                                      |
| Other receivables                                  | -                     | -                         | -  | 20,000                | -                         | 20,000                                       |
| Long term investment                               | 8,171,915             | -                         | 8,171,915                                    | 7,226,915             | -                         | 7,226,915                                    |
| Short term investment                              | 90,643,564            |                           | 90,643,564                                   | 94,467,876            |                           | 94,467,876                                   |
| Deposits   | 7,035,251             | -                         | 7,035,251                                    | 9,155,034             | -                         | 9,155,034                                    |
| Cash and bank balances                             | 25,213                | -                         | 25,213                                       | 2,239,103             | -                         | 2,239,103                                    |
|  | 105,886,943           | 5,000                     | 105,891,943                                  | 113,144,928           | 158,600                   | 113,303,528                                  |
|  |                       |                           |  |                       |                           |  |
|  | 2025                  |                           |  | 2024                  |                           |  |
|  | Financial liabilities | Non-financial liabilities | Total as per statement of financial position | Financial liabilities | Non-financial liabilities | Total as per statement of financial position |
|  | ----- Rupees -----    |                           |  | ----- Rupees -----    |                           |  |
| Liabilities as per statement of financial position |                       |                           |  |                       |                           |  |
| Trade and other payables                           | 71,324,441            | 13,964,036                | 85,288,477                                   | 62,920,004            | 51,712,201                | 114,632,205                                  |
| Due to related parties                             | 3,459,177             | -                         | 3,459,177                                    | 1,100,000             | -                         | 1,100,000                                    |
| Unclaimed dividend                                 | 144,947               | -                         | 144,947                                      | 144,947               | -                         | 144,947                                      |
|  | 74,928,565            | 13,964,036                | 88,892,601                                   | 64,164,951            | 51,712,201                | 115,877,152                                  |

### 37.4 Offsetting financial assets and liabilities

As on reporting date, recognized financial instruments are not subject to offsetting as there are no enforceable master netting arrangements and similar agreements.



#### Valuation processes

The Company engages external, independent and qualified valuers to determine the fair value of the Company's property plant and equipment and investment properties after regular intervals. The fair values of property plant and equipment and investment properties, have been determined by Danish Enterprises and Construction (the valuer) as at 30 June 2023 and 30 June 2025 respectively.

Changes in fair values are analyzed at each reporting date during the annual valuation discussion between the Chief Financial Officer and the valuers. As part of this discussion the team presents a report that explains the reason for the fair value movements.

#### 40 NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

There are no events after the statement of financial position date that require adjustment to these financial statements. The matter disclosed in Note 1, relating to the Company's removal from the Defaulters Segment of PSX, is a non-adjusting event and has been presented for disclosure purposes only.

#### 41 Segment information

The Company has assessed the applicability of IFRS 8 Operating Segments reporting is not applicable, as the Company has only one principal source of revenue and operates under a single line of business.

#### 42 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 03, 2025 by the Board of Directors of the Company.

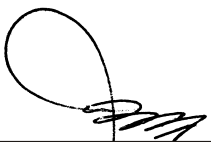
#### 43 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, wherever considered necessary, to reflect more appropriate presentation and to facilitate comparison with the current years financial statements. Such reclassifications do not have any impact on the reported results of the current or prior periods.

#### 44 GENERAL

Figures have been rounded off to the nearest Rupee.

  
 CHIEF EXECUTIVE OFFICER

  
 DIRECTOR

  
 CHIEF FINANCIAL OFFICER

## KEY OPERATING AND FINANCIAL DATA

(Rupees in 000)

| Period ended<br>Particulars            | 30 June        |                |                 |                |                 |                |
|--|----------------|----------------|-----------------|----------------|-----------------|----------------|
|  | 2025           | 2024           | 2023            | 2022           | 2021            | 2020           |
| Fixed Assets                           | 415,482        | 655,095        | 743,145         | 746,208        | 582,280         | 577,869        |
| Long term deposits/investments         | 15,207         | 16,681         | 16,037          | 15,389         | 9,151           | 16,509         |
| Current assets                         | 379,819        | 114,541        | 24,031          | 29,457         | 41,636          | 82,781         |
| <b>Total</b>                           | <b>810,508</b> | <b>786,317</b> | <b>783,213</b>  | <b>791,054</b> | <b>633,067</b>  | <b>677,159</b> |
| Shareholder's equity                   | 415,572        | 114,557        | 40,642          | 54,267         | (17,829)        | (67,036)       |
| Surplus on revaluation of fixed assets | 267,120        | 517,748        | 577,020         | 577,710        | 512,149         | 574,875        |
|  | 682,692        | 632,305        | 617,662         | 631,977        | 494,320         | 507,839        |
| Long term liabilities                  | 5,411          | 5,131          | 4,479           | 3,587          | 3,999           | 3,817          |
| Deferred liabilities                   | -              | -              | -               | -              | 2,907           | 4,517          |
| Current liabilities                    | 91,881         | 118,356        | 130,546         | 124,965        | 108,586         | 131,694        |
| <b>Total</b>                           | <b>97,292</b>  | <b>123,487</b> | <b>135,025</b>  | <b>128,552</b> | <b>115,492</b>  | <b>140,028</b> |
| <b>Profit &amp; (Loss)</b>             |                |                |                 |                |                 |                |
| Turn over                              | 32,481         | -              | -               | -              | -               | -              |
| Cost of Sales                          | 33,984         |                |                 |                |                 |                |
| Gross profit/(Loss)                    | (1,503)        | -              | -               | -              | (28)            | 46,800         |
| Operating profit/(loss)                | 48,686         | 18,060         | (27,363)        | 81,292         | (8,817)         | 19,061         |
| Finance charges                        | 22             | (61)           | (175)           | (185)          | (175)           | (213)          |
| Profit/(loss) before taxation          | 40,391         | 14,939         | (27,538)        | 81,106         | (8,992)         | 18,847         |
| Profit/(loss) after taxation           | 45,300         | 14,853         | (14,193)        | 71,193         | (13,666)        | 13,509         |
| <b>Net profit/(loss)</b>               | <b>45,300</b>  | <b>14,853</b>  | <b>(14,193)</b> | <b>71,193</b>  | <b>(13,666)</b> | <b>13,509</b>  |
| Earning/(loss) per share               | 14.84          | 4.87           | (4.65)          | 23.32          | (4.48)          | 4.43           |

**FORM 20**

**THE COMPANIES ACT, 2017  
(Section 227(2)(f))  
PATTERN OF SHAREHOLDING**

1.1 Name of the Company **D.M. CORPORATION LIMITED**

2.1. Pattern of holding of the shares held by the shareholders as at

**30-06-2025**

| PHY        | CDC 4. No. of Shareholders |            | -----Shareholdings----- |         | Total Shares Held |
|------------|----------------------------|------------|-------------------------|---------|-------------------|
|            |                            |            | From                    | To      |                   |
| 133        | 39                         | 172        | 1                       | 100     | 7,714             |
| 59         | 16                         | 75         | 101                     | 500     | 21,531            |
| 18         | 7                          | 25         | 501                     | 1,000   | 19,833            |
| 13         | 10                         | 23         | 1,001                   | 5,000   | 48,910            |
| 6          | 4                          | 10         | 5,001                   | 10,000  | 75,200            |
| 1          | 1                          | 2          | 10,001                  | 15,000  | 21,907            |
|            | 2                          | 2          | 15,001                  | 20,000  | 33,600            |
| 1          | 3                          | 4          | 20,001                  | 25,000  | 95,651            |
|            | 1                          | 1          | 25,001                  | 30,000  | 25,169            |
|            | 2                          | 2          | 30,001                  | 35,000  | 61,275            |
|            | 2                          | 2          | 40,001                  | 45,000  | 86,000            |
| 1          |                            | 1          | 75,001                  | 80,000  | 77,700            |
| 3          |                            | 3          | 85,001                  | 90,000  | 262,948           |
| 2          |                            | 2          | 95,001                  | 100,000 | 197,530           |
|            | 1                          | 1          | 100,001                 | 105,000 | 100,715           |
| 1          |                            | 1          | 130,001                 | 135,000 | 130,124           |
| 1          | 1                          | 2          | 135,001                 | 140,000 | 275,652           |
| 1          | 1                          | 2          | 150,001                 | 155,000 | 303,189           |
|            | 1                          | 1          | 260,001                 | 265,000 | 263,508           |
|            | 1                          | 1          | 265,001                 | 270,000 | 269,614           |
| 1          |                            | 1          | 670,001                 | 675,000 | 674,659           |
| <b>241</b> | <b>92</b>                  | <b>333</b> |                         |         | <b>3,052,429</b>  |

**2.3 Categories of Shareholders**

**Shares Held**

**Percentage**

|   |           |          |
|---|-----------|----------|
| 2.3.1 Directors, Chief Executive Officer, and their spouse and minor children       | 1,288,387 | 42.2086% |
| 2.3.2 Associated Companies, undertakings and related parties. (Parent Company)      | 0         | 0.0000%  |
| 2.3.3 NIT and ICP   | 269,876   | 8.8414%  |
| 2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions. | 1,474     | 0.0483%  |
| 2.3.5 Insurance Companies   | 0         | 0.0000%  |
| 2.3.6 Modarabas and Mutual Funds  | 0         | 0.0000%  |
| 2.3.7 Shareholders holding 10% or more  | 674,659   | 22.1024% |
| 2.3.8 General Public  |           |          |
| a. Local  | 1,453,407 | 47.6148% |
| b. Foreign  | 0         | 0.0000%  |
| 2.3.9 Others (to be specified)  |           |          |
| - Joint Stock Companies   | 7,430     | 0.2434%  |
| - Pension Funds   | 30,775    | 1.0082%  |
| - Others  | 1,080     | 0.0354%  |



**D.M. CORPORATION LIMITED**

**Categories of Shareholding required under Code of Corporate Governance (CCG)  
As on June 30, 2025**

| Sr. No. | Name | No. of<br>Shares Held | Percentage |
|---------|------|-----------------------|------------|
|---------|------|-----------------------|------------|

**Associated Companies, Undertakings and Related Parties (Name Wise Detail):** - -

**Mutual Funds (Name Wise Detail)** - -

**Directors and their Spouse and Minor Children (Name Wise Detail):**

|   |                                   |         |         |
|---|-----------------------------------|---------|---------|
| 1 | MIAN HABIB ULLAH (CDC)            | 263,508 | 8.6327  |
| 2 | MR. ABRAR ALAM                    | 108,200 | 3.5447  |
| 3 | MR. MOHAMMAD SULEMAN KHAN         | 100     | 0.0033  |
| 4 | MR. AMEER ZEB (CDC)               | 139,500 | 4.5701  |
| 5 | MR. SAMI ULLAH                    | 674,659 | 22.1024 |
| 6 | RAO KHALID PERVAIZ                | 650     | 0.0213  |
| 7 | SYED HAMEED UL HAQ (CDC)          | 1,770   | 0.0580  |
| 8 | MRS. RIFFAT HABIB W/O HABIB ULLAH | 100,000 | 3.2761  |

**Executives:** - -

**Public Sector Companies & Corporations:** - -

**Banks, Development Finance Institutions, Non Banking Finance  
Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:** 32,249 1.0565

**Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)**

|   |  |         |         |
|---|--|---------|---------|
| 1 | MR. SAMI ULLAH                                       | 674,659 | 22.1024 |
| 2 | MIAN HABIB ULLAH (CDC)                               | 263,508 | 8.6327  |
| 3 | CDC -TRUSTEE NATIOANAL INVESTMENT (UNIT) TRUST (CDC) | 269,614 | 8.8328  |
| 4 | MST. NARGIS SHAUKAT (CDC)                            | 153,173 | 5.0181  |

**All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:**

| S.No | NAME | SALE | PURCHASE |
|------|------|------|----------|
| -    | -    | -    | -        |

# PROXY FORM

I/We \_\_\_\_\_ S/o, W/o, D/o \_\_\_\_\_

residence of \_\_\_\_\_

being a member of **D.M. Corporation Limited (Formerly D.M. Textile Mills Ltd.)** and holder of \_\_\_\_\_

ordinary share as per Share Register Folio No. / Account No. \_\_\_\_\_ hereby appoint

Mr./Mrs./Ms. \_\_\_\_\_ S/o \_\_\_\_\_

residence of \_\_\_\_\_ or failing him \_\_\_\_\_

S/o \_\_\_\_\_ residence of \_\_\_\_\_

as my proxy to attend and vote on my behalf at the Annual General Meeting / Extra Ordinary General Meeting

of the Company to be held on **28th October 2025** and or at any adjournment thereof

Signed this \_\_\_\_\_ day of **October** 2025

1. Witness:

Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

CNIC No. \_\_\_\_\_

Affix  
Revenue  
Stamps of  
Rs. 5/-

2. Witness:

Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

CNIC No. \_\_\_\_\_

Signature of Member as per specimen  
signature registered with the Company

Shareholder's Folio No. \_\_\_\_\_

CDC A/c No. \_\_\_\_\_

CNIC No. \_\_\_\_\_

**Note:**

- Proxies in order to be effective, must be received at the company's Registered office, Westridge Rawalpindi, not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
- CDC shareholders are requested to bring with them their National Identity Cards along with the participants' ID numbers and their account numbers at the time of attending the AGM/EOGM in order to facilitate identification of the respective shareholders.

# PROXY FORM

I/We \_\_\_\_\_ S/o, W/o, D/o \_\_\_\_\_

residence of \_\_\_\_\_

being a member of **D.M. Corporation Limited (Formerly D.M. Textile Mills Ltd.)** and holder of \_\_\_\_\_

ordinary share as per Share Register Folio No. / Account No. \_\_\_\_\_ hereby appoint

Mr./Mrs./Ms. \_\_\_\_\_ S/o \_\_\_\_\_

residence of \_\_\_\_\_ or failing him \_\_\_\_\_

S/o \_\_\_\_\_ residence of \_\_\_\_\_

as my proxy to attend and vote on my behalf at the Annual General Meeting / Extra Ordinary General Meeting

of the Company to be held on **28th October 2025** and or at any adjournment thereof

Signed this \_\_\_\_\_ day of **October** 2025

1. Witness:

Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

CNIC No. \_\_\_\_\_

Affix  
Revenue  
Stamps of  
Rs. 5/-

2. Witness:

Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

CNIC No. \_\_\_\_\_

Signature of Member as per specimen  
signature registered with the Company

Shareholder's Folio No. \_\_\_\_\_

CDC A/c No. \_\_\_\_\_

CNIC No. \_\_\_\_\_

## Note:

- Proxies in order to be effective, must be received at the company's Registered office, Westridge Rawalpindi, not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
- CDC shareholders are requested to bring with them their National Identity Cards along with the participants' ID numbers and their account numbers at the time of attending the AGM/EOGM in order to facilitate identification of the respective shareholders.