

ANNUAL REPORT

2024



DEWAN MUSHTAQ TEXTILE MILLS LIMITED

 YD | A YOUSUF DEWAN COMPANY

## *Vision Statement*

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

## *Mission Statement*

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

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

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

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

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

**YD**

A YOUSUF DEWAN COMPANY

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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Executive Director	:	Mr. Ishtiaq Ahmed - Chief Executive Officer & Director
Non-Executive Directors	:	Syed Asim Abid Ali - Chairman, Board of Directors Mr. Ghazanfar Baber Siddiqi Syed Maqbool Ali Mr. Waseem ul - Haque Ansari Mrs. Nida Jamil
Independent Director	:	Mr. Aziz-ul-Haque
Audit Committee	:	Mr. Aziz-ul-Haque (Chairman) Syed Maqbool Ali (Member) Syed Asim Abid Ali (Member)
Human Resources & Remuneration Committee	:	Mr. Aziz-ul-Haque (Chairman) Syed Maqbool Ali (Member) Mr. Ishtiaq Ahmed (Member)
Auditor	:	Feroze Sharif Tariq & Co. Chartered Accountants 4/N/4 Block-6, P.E.C.H.S., Karachi 75400, Pakistan.
Company Secretary	:	Mr. Muhammad Hanif German
Chief Financial Officer	:	Mr. Muhammad Irfan Ali
Tax Advisor	:	Sharif & Co. Advocates
Legal Advisor	:	Abbas & Atif Law Associates
Bankers	:	Habib Bank Limited Bank Islami Pakistan Limited MCB Bank Limited Silk Bank Limited
Registered Office	:	Dewan Centre, 3-A Lalazar Beach Hotel Road, Karachi
Shares Registrar & Transfer Agent	:	BMF Consultants Pakistan (Private) Limited Anum Estate Building, Room No. 310 & 311, 3rd Floor, 49, Darul Aman Society, Main Shahrah-e- Faisal, adjacent to Baloch Colony Bridge, Karachi 75350, Pakistan
Factory Office	:	A-30, S.I.T.E., Hyderabad, Sindh, Pakistan.
Website	:	<a href="http://www.yousufdewan.com">www.yousufdewan.com</a>

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 63th Annual General Meeting of **Dewan Mushtaq Textile Mills Limited** will be held at Dewan Cement Limited Factory Site, at Deh Dhando, Dhabeji, District Malir, Karachi, Pakistan on Thursday, March 26, 2026 at 3:00 p.m. to transact the following businesses;

1. To confirm the minutes of the preceding Annual General Meeting of the Company held on Monday, April 14, 2025;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2024, together with the Directors' and Auditors' Reports thereon;
3. To confirm the appointment of the Statutory Auditors of the Company for the year ended June 30, 2025, and to fix their remuneration;
4. To consider any other business with the permission of the Chair.

By order of the Board



**Muhammad Hanif German**  
(Company Secretary)

**Karachi**

March 5, 2026

### Notes:

- a. The share transfer books of the company will remain closed from March 19, 2026 to March 26, 2026 (both days inclusive). Transfers received in order at the share registrar office M/s. BMF Consultants Pakistan (Private) Limited, Located at Anum Estate Building, Room No.310 & 311, 3<sup>rd</sup> Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal, adjacent to Baloch Colony Bridge, Karachi, Pakistan.
- b. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend the meeting and vote for his/her behalf. proxies in order to be effective must be received at the Shares Registrar Office duly stamped and signed not less than 48 hours (Working days only) before the time of holding of the meeting.  
**CDC Account Holder will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by Securities and Exchange commission of Pakistan for attending the meeting and appointment of proxies.**

### c. Video Conference Facility:

Pursuant to the provisions of the Companies Act, 2017, member can avail video conference facility to participate in this Annual General Meeting provided that the company receives consent from the members holding in aggregate 10% or more shareholding, residing in a city, at least seven (7) days prior to the date of meeting.

Subject to the fulfillment of the above conditions, members shall be informed of the venue along with complete information necessary to access the facility. Format of request form has been placed on the Company's website.

### **d. Attendance through Zoom:**

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

- (i) The member shall get himself/herself registered by sending his/her request to the Company at e-mail ID [dmtml.corp@yousufdewan.com](mailto:dmtml.corp@yousufdewan.com) as per Standard Request Form available on the Company's website (<http://www.yousufdewan.com/DMTML/index.html>) or can send his/her request to the Company Secretary at Dewan Centre, 3-A Lalazar Beach Hotel Road Karachi along with a legible copy of CNIC not later than March 24, 2026.
- (ii) Zoom link shall be sent by the Company only on email ID or Mobile/WhatsApp Number mentioned in Standard request Form.

### **e. Deposit of physical Shares into CDC Account;**

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

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

### **f. Particulars of Physical Shareholders:**

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

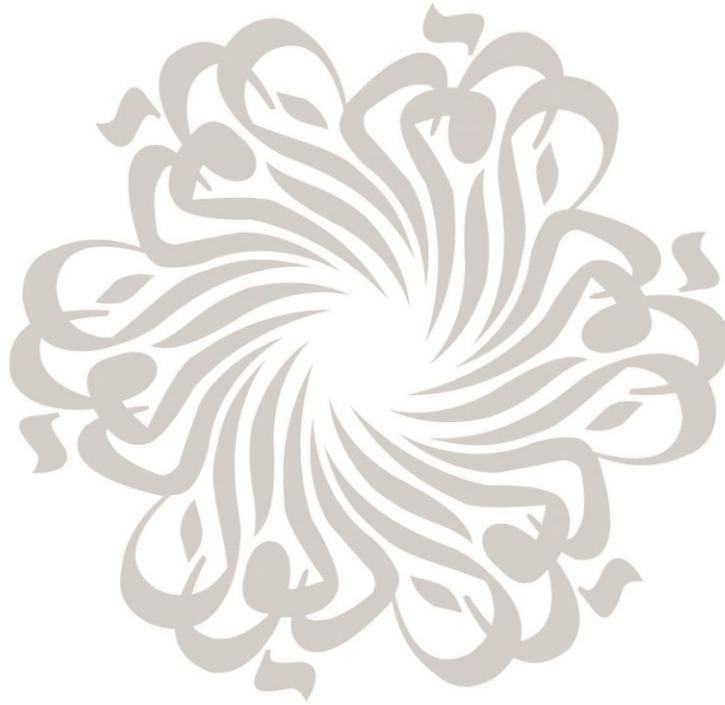
### **g. Updating of Particulars:**

The Shareholders are requested to promptly notify change in their address, if any, to the Company's Share Registrar. In case of corporate entity, the shareholders are requested

to promptly notify change in their particulars of their authorized representative, if applicable.

**h. Restriction on Distribution of Gifts:**

In accordance with the directive issued by the SECP Vide SRO 452 (1)/2025 dated 17<sup>th</sup> March 2025 the Company would like to inform all the shareholders that no gifts will be distributed at the AGM.



## CHAIRMAN'S REVIEW

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

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

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

During financial year ended June 30, 2024, six board meetings were held. The Board of Directors of the Company received agendas and supporting material in advance prior to the board and its committee meetings. All Directors are equally involved in important decisions. The Board's overall performance and effectiveness for the year under review was satisfactory.



**Syed Asim Abid Ali**  
Chairman Board of Directors

Dated: February 09, 2026  
Place: Karachi.

## DIRECTORS' REPORT

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**IN THE NAME OF ALLAH;  
THE MOST GRACIOUS AND THE MERCIFUL**

IF YE GIVE THANKS, I WILL GIVE YOU MORE (HOLY QURAN)

Dear Shareholder(s),

Assalam-o-Alykum!

The Board of Directors of your Company are pleased to present the Annual Audited Financial Statements of the Company for the year ended June 30, 2024 together with the Auditors' Report thereon.

### **Economic & Industrial Overview**

The restoration of macroeconomic stability is imperative for establishing a platform to stimulate growth, enhance employment, and improve the overall quality of life for the people. The year was marked by numerous challenges and uncertainties, including low foreign exchange reserves, international economic slowdown, unprecedented surge in energy prices and finance costs, and political instability. The operating environment was further complicated by a slowdown in economic activity due to high production costs. However, in the latter part of fiscal year 2024, despite of these challenges Pakistan's economy experienced a resurgence in moderate growth and a reduction in external pressures due to government's disciplined fiscal and monetary policies that played a key role in restoring market confidence and boosting growth across various sectors. In fiscal year 2024, Pakistan's GDP increased by 2.38 percent.

Textile, being a major sector of Pakistan's economy account for around 60% of the country's exports and employing 40% of the labor force. Despite challenges, the sector recorded a slight growth of 0.93% in FY 2024, with exports totaling USD 16.5 billion. However, the spinning industry faced a setback due to a significant decline in cotton production, with a negative growth of 63.55%. Adverse weather conditions, including rains, damaged around 25% of the cotton crop, prompting the industry to import approximately 1.6 million bales to meet domestic demand, consequently burdening the national economy by billions of dollars.

### **Operating results and performance (Factory shutdown):**

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

	<b>"Rupees"</b>
SALES (NET)	-
COST OF SALES	(31,281,972)
<b>GROSS LOSS</b>	<b>(31,281,972)</b>
OPERATING EXPENSES	(15,882,724)
<b>OPERATING LOSS</b>	<b>(47,164,696)</b>
FINANCE COST	(5,558)
OTHER INCOME	17,052,859
<b>LOSS BEFORE TAXATION</b>	<b>(30,117,395)</b>
TAXATION	2,425,831
<b>LOSS AFTER TAXATION</b>	<b>(27,691,564)</b>

Company's sales for the year remained nil due to closure of operations. The Company, for the time being, has suspended its manufacturing operations since July 2016 which could not be resumed due to liquidity crunch and working capital constraints.

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

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

The financial statements have been prepared on going concern assumption as the company has approached its lenders for further restructuring of its liabilities without markup, which is in process. Management is hopeful that such revision will be finalized soon as explained in note 7.3 to the financial statements. Moreover, the markup outstanding up to the date of restructuring is Rs.119.824 million, for which the company would be liable to pay in the event of default of terms of agreement, the management is confident that upon finalization of revised restructuring, this amount will remain eligible for waiver, hence no provision of the same has been made in these financial statements. Therefore, the preparation of financial statements using going concern assumption is justified, as explained in note 2 to the financial statements.

## **Future Outlook**

The country's economic stability relies heavily on political firmness and proactive monetary policy. However, the path ahead poses challenges for the economy and industries, particularly the textile sector. The withdrawal of subsidies and recent budgetary measures, such as withdrawal of zero-rating on local supplies under the Export Facilitation Scheme (EFS), imposition of duties on raw material imports and shift from Final Tax Regime (FTR) to Normal Tax Regime (NTR) may impact the industry's profitability. To remain globally competitive, we expect the government to focus on structural reforms and address underlying economic issues.

## **Corporate Social Responsibilities**

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

## **Health, Safety and Environment**

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

### Human Resource

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

### Corporate and Financial Reporting

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

1. The financial Statements presented by the management of the Company give, subject to Auditors' Report, a fair account of the state of affairs, the results of its operations, cash flow and changes in equity.
2. Proper books of accounts have been maintained.
3. Accounting policies have been consistently applied in the preparation of financial statements, except for certain changes whose impact have been appropriately disclosed in the financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of financial statements and any departure there from, if any, has been adequately disclosed.
5. The system of internal controls, which is in place, is sound in design and has been effectively implemented and monitored.
6. There has been no material departure from the best practices of the corporate governance, except as disclosed in auditors review report.
7. The Company has constituted an Audit Committee from amongst the non-executive members of its Board.
8. The Board has prepared and circulated a Statement of Ethics and Business Practices amongst its members and the company's employees.
9. There are no doubts upon the company's Going Concern except as disclosed in note 2 to the financial statements.
10. Information regarding the outstanding taxes and levies is given in the notes to the financial statements.
11. As required under the Code of Corporate Governance, the following information has been presented in this report:
  - i) Pattern of Shareholding;
  - ii) Shares held by associated undertaking and related persons;

### Board

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

The Board of Directors as of June 30, 2024, consisted of the following:

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

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

<b>Names</b>	<b>No. of Meetings attended</b>
Mr. Aziz-ul-Haq	6
Mr. Ishtiaq Ahmed	6
Mr. Ghazanfar Baber Siddiqi	6
Mr. Waseem-ul-Haque Ansari	6
Syed Asim Abid Ali	5
Syed Maqbool Ali	6
Mr. Mehmood-ul-Hassan Asghar	1
Mrs. Nida Jamil	6

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

#### **Audit Committee**

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

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

<b>Names</b>	<b>No. of Meetings attended / Eligibility to attend meeting</b>
Mr. Aziz-Ul Haque – Chairman	4
Syed Maqbool Ali	4
Syed Asim Abid Ali	4

#### **Human Resource and Remuneration Committee**

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

During the year one Human Resource and Remuneration committee meeting was held and attendance was as follows

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

#### **Earnings per Share**

Loss per share during the period under report worked out to Rs. (2.40) [2023: Rs. (3.10)]

#### **Appointment of Auditors**

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

**Pattern of Shareholding**

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

**Key operating and financial data**

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

**Subsequent Events**

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

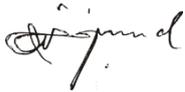
**Vote of Thanks & Conclusion**

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

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

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

By and under Authority of the Board of Directors



Ishtiaq Ahmed  
**CEO & Director**



Syed Asim Abid Ali  
**Chairman Board of Directors**

Karachi, February 09, 2026

## FINANCIAL HIGHLIGHTS

	2019	2020	2021	2022	2023	2024
Sales (Net)	-	-	-	22	4	-
Gross (Loss) / Profit	(70)	(60)	(52)	(55)	(43.75)	(31.28)
(Loss) / Profit Before Tax	(115)	(113)	(61)	(72)	(38.53)	(30.12)
(Loss) / Profit After Tax	(105)	(104)	(53)	66	(35.81)	(27.69)
Current Assets	159	136	114	64	44.51	37.42
Shareholder's Equity & Surplus	268	164	111	274	238.61	210.92
Current Liabilities	404	592	585	566	590.35	584.29
(Loss) / Earning per Share	(11.50)	(9.00)	(4.57)	(5.74)	3.10	(2.40)
Breakup value per share (Rs.)	29.45	14.21	10.00	24.00	21.00	18.24
Current Ratio (Times)	0.39	0.23	0.20	0.11	0.08	0.06
Gross (Loss) / Profit (%)	-	-	-	-	-	-
Net (Loss) / Profit %	-	-	-	-	-	-

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

For the Year Ended June 30, 2024

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

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

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

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

a) Audit Committee	: 4 meetings during the financial year ended June 30, 2024
b) HR and Remuneration Committee	: 1 annual meeting held during the financial year ended June 30, 2024
15. The board has set up an effective internal audit function. The staffs are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with: and
19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33, and 36 are below:

S.No.	Non-Mandatory Requirement	Reg No.	Explanation
1	<p><b>Director's Training:</b></p> <p><b>All the Directors are required to acquire the prescribed certification under Directors' Training Program.</b></p>	19	<p>Currently, three Directors are qualified under the directors training program. The Company is encouraging and planning to arrange DTP certification for the remaining Directors.</p>

By and under Authority of the Board of Directors



**Ishtiaq Ahmed**  
CEO & Director



**Syed Asim Abid Ali**  
Chairman Board of Directors

Dated: February 09, 2026  
Place: Karachi

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

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Dewan Mushtaq Textile Mills Limited (the Company) for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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

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

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

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

1. one of the Director of the company is serving as directors in more than seven listed Companies as reflected in Paragraph 3 of statement of Compliance
2. Three of the directors are qualified under the Directors' Training Program as reflect in Paragraph 9 of statement of Compliance as on June 30, 2024 as required by the Code all the directors are required to acquire Prescribed Certification.

  
Chartered Accountants

Place: Karachi  
UDIN: CR202410161O6UgknTq7  
Dated: February 12, 2026

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

Report on the Audit of the Financial Statements

**Adverse Opinion**

We have audited the annexed financial statements of Dewan Mushtaq Textile mills Limited (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, Statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters described in Basis for Adverse opinion section, the statement of financial position, the statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017, in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the loss and other comprehensive Income, the changes in equity and its cash flows for the year then ended.

**Basis for Adverse Opinion**

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

- a) The financial statements of the company for the year ended June 30, 2024 as disclosed in note 2 to the financial Statements reflect loss after taxation of Rs. 27.692 (2023: Rs. 35.810) million and as of that date it has accumulated losses of Rs 718.900 (2023: Rs. 697.148) million and its current liabilities exceeded its current assets by Rs. 546.870 (2023: Rs. 545.840) million without providing the markup of Restructured liabilities and as refer in below para (b). The operations of the company were closed from July 2016 due to working capital constraints. Furthermore, the company defaulted in repayments of installments of restructured liabilities and short-term finance facilities have expired and not been renewed by banks amounting to Rs. 100.00 million, hence as per the terms of the restructuring as per clause 10.2 of the compromise agreement the entire restructured debt amounting to Rs. 176.356 million along with mark up of Rs. 119.824 million (eligible for waiver outstanding as of date of restructuring) have immediately become payable therefore provision for markup should be made in these financial statements. Further some of the Lenders filled suit for execution of the decree as disclosed in note 13.1 to the financial Statements therefore, the banks/ financial institutions not confirmed their balances. These conditions lead us to believe that the going concern assumption used in preparation of these financial Statements is inappropriate; consequently, the assets and liabilities should have been stated at their realizable and settlement amounts respectively.
- b) The Company has not made provision of markup for the year amounting to Rs.35.70 million (up to year ended 30 June 2023: Rs.159.889 million) (refer note 24.1) on account of restructuring proposal offered to the lenders. In our opinion, since the proposal has not been accepted by the lenders so far and the lenders, instead of accepting the restructuring proposal, have preferred filing suits against the Company, therefore the provision of markup should be made in these financial statements. Had the provisions of markups been made in these financial statements, the loss before taxation would have been higher by Rs. 35.70 million and markup payable would have been higher and shareholders equity would have been lower by Rs. 195.58 million.

**Matter of Emphasis**

We draw attention to Note 1.1 to the Financial Statements, which explains that the Financial Statements were approved by management on February 9, 2026, later than usual. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

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

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

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

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

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

### Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

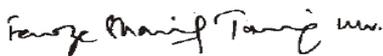
From the matters communicated the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes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

### Report on Other Legal and Regulatory Requirements

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

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) because of the significance of matters described in Basis for Adverse Opinion section, the statement of financial position, the statement of profit or loss, Statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have not been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) however, the same are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

  
Chartered Accountants

Chartered Accountants  
Place: Karachi

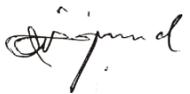
UDIN: AR202410161dh045UTN6

Dated: February 12, 2026

**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2024**

	Notes	June 30, 2024	June 30, 2023
----- (Rupees) -----			
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>CAPITAL &amp; RESERVES</u></b>			
<b><u>Authorized</u></b>			
12,000,000 (June 30, 2023 : 12,000,000) Ordinary shares of Rs.10/- each		<u>120,000,000</u>	<u>120,000,000</u>
Issued, subscribed and paid-up capital	5	<u>115,610,280</u>	115,610,280
Revenue reserves			
General reserve		45,000,000	45,000,000
Accumulated losses		(718,900,257)	(697,147,797)
Capital reserve			
Surplus on revaluation of property, plant and equipment	6	<u>769,209,979</u>	775,149,083
		<u>210,920,002</u>	238,611,566
<b><u>NON-CURRENT LIABILITIES</u></b>			
<b><u>Deferred Liabilities</u></b>			
Provision for staff gratuity	8	<u>6,344,076</u>	6,624,076
Deferred taxation	9	<u>20,975,241</u>	23,401,072
		27,319,317	30,025,148
<b><u>CURRENT LIABILITIES</u></b>			
Trade and other payables	10	<u>38,521,776</u>	44,587,781
Mark-up accrued on loans		136,900,151	136,900,151
Unclaimed dividend	11	308,319	308,319
Short term borrowings	12	232,201,499	232,201,499
Over due portion long term loans	7	<u>176,355,579</u>	176,355,579
		584,287,324	590,353,329
<b><u>CONTINGENCIES AND COMMITMENTS</u></b>			
	13	-	-
		<u>822,526,643</u>	<u>858,990,043</u>
<b><u>ASSETS</u></b>			
<b><u>NON-CURRENT ASSETS</u></b>			
Property, plant and equipment	14	785,069,599	813,659,473
Long term deposits		40,088	816,862
<b><u>CURRENT ASSETS</u></b>			
Stores and spares	15	<u>1,251,256</u>	6,256,282
Trade debts - considered good	17	12,640,194	14,243,984
Short term deposits and sales tax receivables	19	5,373,355	8,955,592
Income tax recoverable - net		11,511,519	11,511,519
Cash and bank balances	20	<u>6,640,632</u>	3,546,331
		37,416,956	44,513,708
		<u>822,526,643</u>	<u>858,990,043</u>

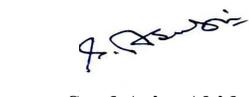
The annexed notes form an integral part of these financial statements.



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irfan Ali**  
Chief Financial Officer

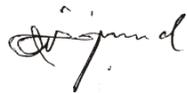


**Syed Asim Abid Ali**  
Chairman Board of Directors

**STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED JUNE 30, 2024**

	June 30, 2024	June 30, 2023
Notes -----	(Rupees) -----	
Sales - Net	21 -	3,866,660
Cost of sales	22 (31,281,972)	(47,612,017)
Gross (Loss)	(31,281,972)	(43,745,357)
<b>Operating expenses</b>		
Administrative and general expenses	23 (15,882,724)	(14,641,101)
<b>Operating (loss)</b>	(47,164,696)	(58,386,458)
Finance cost	24 (5,558)	(138,894)
Other income	25 17,052,859	20,000,000
<b>(Loss) before income tax &amp; levies</b>	(30,117,395)	(38,525,352)
<b>Levies</b>	-	(48,333)
<b>(Loss) before prior tax</b>	(30,117,395)	(38,573,685)
<b>Taxation</b>		
- Prior	26 -	-
- Deferred	2,425,831	2,763,306
	2,425,831	2,763,306
<b>(Loss) after taxation</b>	(27,691,564)	(35,810,379)
<b>(Loss) per share - basic and diluted (rupees)</b>	27 (2.40)	(3.10)

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



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irfan Ali**  
Chief Financial Officer

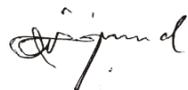


**Syed Asim Abid Ali**  
Chairman Board of Directors

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2024**

	June 30, 2024	June 30, 2023
<b>(Loss) for the year</b>	<b>(27,691,564)</b>	<b>(35,810,379)</b>
Items that will not be subsequently reclassified to profit or loss :		
<b>Other comprehensive income:</b>	-	-
<b>Total comprehensive (loss) for the year</b>	<b><u>(27,691,564)</u></b>	<b><u>(35,810,379)</u></b>

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



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irfan Ali**  
Chief Financial Officer



**Syed Asim Abid Ali**  
Chairman Board of Directors

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2024**

	June 30, 2024	June 30, 2023
	----- (Rupees) -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) before taxation	<b>(30,117,395)</b>	(38,525,352)
<b>Adjustment for non-cash and other items:</b>		
Depreciation	<b>28,557,733</b>	30,546,560
Provision for slow moving stores and spares	<b>5,005,026</b>	6,256,283
Provision for short term deposit and sales tax receivables	<b>3,582,237</b>	-
Gain on disposal of fixed assets	<b>(1,167,859)</b>	-
Advances, deposits & other a/c written off	<b>776,774</b>	375,789
(Reversal) of provision for doubtful debts	<b>(15,885,000)</b>	(20,000,000)
Finance cost	<b>5,558</b>	138,894
	<b>20,874,469</b>	17,317,526
	<b>(9,242,926)</b>	(21,207,826)
<b>Working Capital Changes</b>		
<i>(Increase) / decrease in current assets</i>		
Stock in Trade	-	7,704,790
Trade debts	<b>17,488,790</b>	24,554,284
Other receivable - unsecured - considered good	-	639,911
<i>Increase/(decrease) in current liabilities</i>		
Trade creditors, and other payables	<b>(6,066,005)</b>	(37,449,872)
Short term borrowings	-	61,500,016
	<b>11,422,785</b>	56,949,129
Payments for :		
Taxes	-	(48,333)
Gratuity	<b>(280,000)</b>	(35,621,438)
	<b>(280,000)</b>	(35,669,771)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>1,899,859</b>	71,532
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	-	(85,018)
Sales proceed on disposal of fixed assets	<b>1,200,000</b>	-
<b>Net cash inflow / (outflow) from investing activities</b>	<b>1,200,000</b>	(85,018)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Bank charges	<b>(5,558)</b>	(138,894)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>(5,558)</b>	(138,894)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>3,094,301</b>	(152,380)
Cash and cash equivalents at the beginning of the year	<b>3,546,331</b>	3,698,711
<b>Cash and cash equivalents at the end of the year</b>	<b>6,640,632</b>	3,546,331

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



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irfan Ali**  
Chief Financial Officer

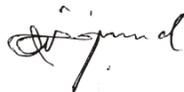


**Syed Asim Abid Ali**  
Chairman Board of Directors

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2024**

Issued, subscribed and paid-up capital	Revenue reserves		Capital reserves	Total Equity	
	General reserve	Accumulated losses	Surplus on revaluation of property, plant & equipment		
----- (Rupees) -----					
<b>Balance as at 1st July 2022</b>	<b>115,610,280</b>	<b>45,000,000</b>	<b>(668,102,753)</b>	<b>781,914,418</b>	<b>274,421,945</b>
Total comprehensive Income / (loss) for the year					-
(Loss) for the year	-	-	(35,810,379)	-	(35,810,379)
Other comprehensive income	-	-	-	-	-
	-	-	(35,810,379)	-	(35,810,379)
Transfer to accumulated loss in respect of incremental depreciation - net of tax	-	-	6,765,335	(6,765,335)	-
<b>Balance as at June 30, 2023</b>	<b>115,610,280</b>	<b>45,000,000</b>	<b>(697,147,797)</b>	<b>775,149,083</b>	<b>238,611,566</b>
<b>Balance as at July 01, 2023</b>	<b>115,610,280</b>	<b>45,000,000</b>	<b>(697,147,797)</b>	<b>775,149,083</b>	<b>238,611,566</b>
Total comprehensive Income / (loss) for the year					-
(Loss) for the year	-	-	(27,691,564)	-	(27,691,564)
Other comprehensive income	-	-	-	-	-
	-	-	(27,691,564)	-	(27,691,564)
Transfer to accumulated loss in respect of incremental depreciation - net of tax	-	-	5,939,104	(5,939,104)	-
<b>Balance as at June 30, 2024</b>	<b>115,610,280</b>	<b>45,000,000</b>	<b>(718,900,257)</b>	<b>769,209,979</b>	<b>210,920,002</b>

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



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irfan Ali**  
Chief Financial Officer



**Syed Asim Abid Ali**  
Chairman Board of Directors

# DEWAN MUSHTAQ TEXTILE MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE, 2024

### 1. CORPORATE INFORMATION

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

#### The geographical Location and address of the company's business units, including mill/plant are as under:

- Company's registered office is located at Dewan Centre, 3-A Lalazar, Beach Hotel Road, Karachi.
- Company's production plant is situated at A-30, S.I.T.E., Hyderabad, Sindh, Pakistan.

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

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

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

### 2 GOING CONCERN ASSUMPTION

The financial statements of the company for the year ended June 30, 2024 reflect that company has sustained a net loss after taxation of Rs.27.692 million (2023: Rs.35.810 million) and as of that date company has negative reserves of Rs. 673.900 (2023: 652.148 million) and current liabilities exceed its current assets by 546.870 (2023: Rs. 545.840 ) million . Further the company's short term borrowing facilities having limit to the extent of Rs.100 million have expired and not been renewed. Company defaulted in repayment of its restructured liabilities due to liquidity crunch and working Capital Constraints as a result the Company, for the time being, has suspended its manufacturing operations since July 2016. Accordingly, as per the terms of the agreement / Consent decree the entire restructured liabilities along with markup eligible for waiver become immediately repayable as disclosed in note 7 and 13.1 to the Financial Statements. These conditions indicate the existence of material uncertainty which may cast significant doubt about the company's ability to continue as a going concern, therefore the company may not be able to realize its assets and discharge its liabilities during the normal course of business.

The financial have statements been prepared on going concern assumption as the Company approached its lenders for further restructuring of its liabilities which is in process. Company is hopeful that such restructuring will be effective soon and will further streamline the funding requirements of the Company which will ultimately help the management to run the operations smoothly with optimum utilization of production capacity. As the conditions mentioned in the foregoing paragraph are temporary and would reverse therefore the preparation of financial statements using going concern assumption is justified.

### 3 BASIS OF PREPARATION

#### **3.1 Statement of compliance**

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

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

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

#### **3.2 Accounting convention**

These financial statements have been prepared under the historical cost convention except certain items of property, plant and equipment which are carried at revalued amounts.

### 3.3 Changes in accounting standards, interpretations and pronouncements

Standards, interpretations and amendments to approved accounting standards which became effective during the year.

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the company's operations or not expected to have significant impact on the company's financial statements other than certain additional disclosures.

	<b>Effective Date (Period beginning on or after)</b>
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	1 January 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	1 January 2023
Amendments to IAS 12 'Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
Amendments to IAS 12 'Income Taxes' - International Tax Reform — Pillar Two Model Rules	1 January 2023

#### **Standards, interpretation and amendments to approved accounting standards that are not yet effective**

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	1 January 2024
Amendments to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions	1 January 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	1 January 2024
Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' - Supplier Finance Arrangements	1 January 2024
Amendments to IAS 21 'The effects of changes in foreign exchange rates' - Lack of exchangeability	1 January 2025
Amendments to IFRS 7 'Financial instruments - Disclosures' and IFRS 9 'Financial Instruments' - classification and measurement of financial instruments	1 January 2026
Standard IFRS 17 'Insurance Contract'	1 January 2026
Amendment to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

# DEWAN MUSHTAQ TEXTILE MILLS LIMITED

Other than the aforesaid standards, interpretations and amendments, the IASB has also issued the following standards which have not been adopted locally by the SECP:

- IFRS 1 'First Time Adoption of International Financial Reporting Standards'
- IFRS 18 'Presentation and Disclosures in Financial Statements'
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

## 3.4 Adoption of new accounting policy

### Accounting for minimum taxes and final taxes

The guide was issued by Institute of Chartered Accountants of Pakistan (ICAP) in May 2024 'IAS 12 Application Guidance on Accounting for Minimum taxes and Final taxes' (the guide).

In view of the clarifications from ICAP, it has been established that minimum tax and final taxes do not meet the criteria of income tax expense as per IAS 12 hence it should be accounted for under IFRIC 21 'Levies' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

The guide issued by ICAP provides two (2) approaches to account for minimum and final regime taxes, which is a choice of accounting policy of which the Company has chosen the following:

Designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. Any excess over the amount designated as income tax, is then recognised as a levy falling under the scope of IFRIC 21/IAS 37.

Therefore, the effective rate of income tax is equal to the enacted rate of income tax.

Similarly, any amount deducted as final taxes will be classified as a levy in the statement of profit or loss and there would be no deferred tax liability / (asset) recognised in case of final taxes.

Super tax charged to entities as per provisions of Income Tax Ordinance, 2001, will be classified as either 'Income Tax' or 'levy'. If super tax calculation is based on taxable profits as defined in IAS 12, then, such super tax shall be recognised as 'income tax' otherwise such super tax shall qualify for recognition as 'levy' as per IFRIC 21 / IAS 37.

Advance taxes paid under any section of the Income Tax Ordinance, 2001 have been netted off with the levy amount and the net position is shown in the statement of financial position.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of financial position, the statement of changes in equity, the statement of cash flows and earning per share as a result of this change.

	For the year June 30, 2024			For the year June 30, 2023		
	Had there been no change in Accounting Policy	Impact of change in Accounting Policy	After Incorporating effects of change in Accounting Policy	Had there been no change in Accounting Policy	Impact of change in Accounting Policy	After Incorporating effects of change in Accounting Policy
<b>Levies</b>	-	-	-	-	(48,333)	(48,333)
<b>Profit before income tax</b>	(30,117,395)	-	(30,117,395)	(38,525,352)	(48,333)	(38,573,685)
<b>Income tax expense</b>	2,425,831	-	2,425,831	2,714,973	48,333	2,763,306

## 3.5 Use of estimates and judgements

The preparation of the financial statements in conformity with approved accounting standards as applicable in Pakistan,

requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities and income and expenses. Actual results may differ from these estimates.

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

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

**3.5.1 Operating fixed assets, revaluation and depreciation**

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

**3.5.2 Trade debts**

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

**3.5.3 Income tax**

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

**3.5.4 Stock in trade**

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

**3.5.5 Stores and spares**

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

**3.5.6 Contingencies**

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

**4 SIGNIFICANT ACCOUNTING POLICIES**

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

**4.1 Property, plant and equipment**

*Owned*

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

An item of property, plant and equipment, which qualifies for recognition as an asset, is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent to initial recognition items of

property, plant and equipment are carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using the fair value at the balance sheet date.

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

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

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

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

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

#### ***Intangible assets***

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

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

#### **4.2 Capital work-in-progress**

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

#### **4.3 Lease**

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

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

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

**4.3.1 Right of use asset**

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

**4.3.2 Lease liabilities**

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

fixed payments (including in-substance fixed payments), less any lease incentives receivable;  
variable lease payment that are based on an index or a rate;

amounts expected to be payable by the lessee under residual value guarantees;  
the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and  
payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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

**4.3.3 Short term leases and low-value assets**

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

**4.4 Stores and spares**

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

**4.5 Stock in trade**

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

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

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

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

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

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

**4.6 Investment in associates**

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

**4.7 Staff retirement benefits**

***Defined Benefit Plan***

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

During the year and subsequent to the year company paid gratuity to most of the employees, therefore the provision of gratuity made in the financial statement on actual liability basis which is last drawn on gross salary multiplied by no. of years served till 2016.

***Defined Contribution Plan***

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

**4.8 Taxation**

***Current***

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

***Deferred***

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

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

**4.9 Provision**

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

**4.10 Financial instruments**

**4.10.1 Initial measurement of financial asset**

The Company classifies its financial assets into following three categories:

- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVTPL); and

- Measured at amortised cost.

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

**Subsequent measurement**

**Debt Investments at FVOCI**

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

**Equity Investments at FVOCI**

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

**Financial assets at FVTPL**

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

**Financial assets measured at amortised cost**

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

**4.10.2 Non-derivative financial assets**

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

**4.10.2.1 Trade debts, advances and other receivables**

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

**4.10.2.2 Cash and cash equivalents**

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

**4.10.3 Financial liabilities**

Financial liabilities are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings and trade

and other payables. The Company derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

**4.10.3.1 Mark-up bearing borrowings and borrowing costs**

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

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

**4.10.3.2 Trade and other payables**

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

**4.10.4 Derivative financial instruments - other than hedging**

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

**4.10.5 Derivative financial instruments - cash flow hedges**

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

**4.10.6 Offsetting of financial assets and financial liabilities**

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

**4.11 Impairment**

**4.11.1 Financial assets**

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

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

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

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative

information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

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

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

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

#### **4.11.2 Non-financial assets**

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

#### **4.12 Foreign currency translation**

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

#### **4.13 Transactions with related parties**

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

#### **4.14 Revenue recognition**

##### ***Sale of goods***

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

#### **4.15 Trade debts and other receivables**

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

#### **4.16 Cash and cash equivalents**

balances and short term investments with a maturity of three months or less from the date of acquisition. The cash and cash

equivalents are readily convertible to known amount of cash and are therefore subject to insignificant risk of changes in value.

**4.17 Borrowing costs**

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

**4.18 Dividends and appropriation to reserve**

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

**4.19 Earnings per share**

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

**4.20 Contingent Liability**

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

**4.21 Operating segments**

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

5 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	June 30, 2024	June 30, 2023
	(Rupees)	
8,817,000 (2023: 8,817,000) Ordinary Shares of Rs. 10/- each fully paid in cash	<b>88,170,000</b>	88,170,000
<u>2,744,028</u> (2023: 2,744,028) Ordinary Shares of Rs. 10/- each issued as fully paid bonus shares	<u><b>27,440,280</b></u>	<u>27,440,280</u>
	<u><b>115,610,280</b></u>	<u>115,610,280</u>
5.1 Dewan motors (private) limited, an associated company held 231,099 ordinary shares of Rs.10 each.		
5.2 All ordinary shares rank equally with regard to the Company's residual assets. Holders of the shares are entitled to dividends from time to time and are entitled to one vote per share at the general meetings of the Company.		
5.3 As of the reporting date 231,099 (2023: 231,099) and 1500 (2023: 2000) ordinary shares of Rs. 10 each were held by associated companies and directors of the Company respectively.		
<b>6 SURPLUS ON REVALUATION OF PROPERTY PLANT AND EQUIPMENT</b>		
Opening balance	798,550,153	808,078,794
Transferred to accumulated losses in respect of incremental depreciation for the year	(8,364,935)	(9,528,641)
	<u>790,185,218</u>	<u>798,550,153</u>
<b>Less: related deferred tax liability on:</b>		
Opening balance	<u>23,401,070</u>	26,164,376
- Incremental depreciation charged during the year	<u>(2,425,831)</u>	(2,763,306)
	<u><b>20,975,239</b></u>	<u>23,401,070</u>
	<u><b>769,209,979</b></u>	<u>775,149,083</u>

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

**Leasehold Land**

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

**Building**

Valuation of building has been determined by assessment of type of construction, current condition of construction and by applying current construction rates for current replacement value and taking into account depreciation involving the year of construction, physical condition, usage and maintenance.

**Plant and Machinery**

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

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

**7 OVER DUE PORTION LONG TERM LOANS**

**7.1 Syndicated Long term Loan**

Opening balance	<b>176,355,579</b>	176,355,579
Less :		
Over due portion of syndicated Long term loan	<u><b>(176,355,579)</b></u>	<u>(176,355,579)</u>
	<u><b>-</b></u>	<u>-</u>

**7.2** The Compromise Agreement dated December 23, 2011 had been executed between the banks and the company against which consent decrees had been granted by the Honorable High Court of Sindh, Karachi. As per the terms, Company's short term and long term loans had been rescheduled in the form of long term loans of Rs. 526.081 million which is to be repaid in six and half years from the date of restructuring with progressive mark up ranging from 4% to 14% (or KIBOR whichever is lower) over the period on outstanding principal. This loan is secured by way of mortgage charge over immovable properties and hypothecation of movable assets of the company. Moreover banks / financial institutions have also provided further working capital facility against pledge of stocks to the Company as fully explained in note 13.1 to these financial statements. However, in case of default by the company the entire outstanding mark up as disclosed in the agreement will remain outstanding liability of the company and all amounts in respect of its liabilities shall become payable with immediate effect as disclosed in clause 10.2 of the Compromise Agreement of the company.

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

**8 PROVISION FOR STAFF GRATUITY**

	<b>June 30, 2024</b>	June 30, 2023
		<b>(Rupees)</b>
Opening balance	<b>6,624,076</b>	42,245,514
Payments during the year	<u><b>(280,000)</b></u>	<u>(35,621,438)</u>
	<u><b>6,344,076</b></u>	<u>6,624,076</u>

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

# DEWAN MUSHTAQ TEXTILE MILLS LIMITED

	June 30, 2024	June 30, 2023
<b>9 DEFERRED TAXATION</b>		
Credit balance arising due to:		(Rupees)
- accelerated tax depreciation	4,346,863	6,116,475
- revaluation on property plant & equipment	20,975,241	23,401,072
- staff gratuity	(1,839,782)	(1,920,982)
- carried over losses and provisions	<u>(187,728,442)</u>	<u>(201,459,046)</u>
	<u>(164,246,120)</u>	<u>(173,862,481)</u>
Deferred tax asset not recognized	<u>(185,221,361)</u>	<u>(197,263,553)</u>
	<u>20,975,241</u>	<u>23,401,072</u>
<b>9.1 Movement of deferred tax liabilities</b>		
Balance as at beginning of the year	23,401,071	26,164,377
Tax charge recognized in other comprehensive income	<u>(2,425,831)</u>	<u>(2,763,306)</u>
Balance as at end of the year	<u>20,975,240</u>	<u>23,401,071</u>
<b>10 TRADE AND OTHER PAYABLES</b>		
Trade creditors	24,739,474	24,739,474
Accrued expenses	13,762,821	19,826,677
Employees provident fund	10.1      19,481	21,630
	<u>38,521,776</u>	<u>44,587,781</u>

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

## 11 UN CLAIMED DIVIDEND

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

## 12 SHORT TERM BORROWINGS

Short term sponsor loan	12.1	<u>232,201,499</u>	<u>232,201,499</u>
		<u>232,201,499</u>	<u>232,201,499</u>
<b>12.1 Short Term Sponsor Loan</b>			
Balance at the beginning		232,201,499	159,701,499
Received during the year from sponsor	12.1.1	-	72,500,000
		<u>232,201,499</u>	<u>232,201,499</u>

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

## 13 CONTINGENCIES AND COMMITMENTS

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

**13.2** The Government of Pakistan has promulgated the Gas Infrastructure Development Cess Ordinance, 2014 (GIDC) against which the Company filed suit in the Honourable Sindh High Court challenging its legality and applicability on the Company and the Honourable Sindh High Court had issued stay against the recovery of GIDC. The Honourable Sindh High Court decided the case in favour of the Company and directed to refund / adjust in bills the amounts already collected, against which the Sui Southern Gas Company Limited (SSGC) has filed appeal in Honourable Sindh High Court, which was also rejected. The Government enacted GIDC Act, 2015 which had also been challenged by the Company through writ petition

rejected. The Government enacted GIDC Act, 2015 which had also been challenged by the Company through writ petition before the Honourable Sindh High Court, which granted the stay against collection of GIDC arrears. The SCP has decided the case in favour of government on 13 August 2020, with directions to recover the arrears under GIDC Act 2015 from the Companies who have passed their burden to the consumers. SSGC has not charged GIDC on its bills and also the Company has not passed on the same to the consumers. There is no need for any provision in these financial statements.

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

		<b>June 30,</b>		June 30,
		<b>2024</b>		2023
<b>14</b>	<b>PROPERTY PLANT AND EQUIPMENT</b>		<b>(Rupees)</b>	
	<b>Operating Assets</b>	14.1	<b>785,069,599</b>	813,659,473
			<b>785,069,599</b>	<b>813,659,473</b>

**14.1 Operating Assets**

June 30, 2024									
Particulars	Cost				Depreciation / Amortization			Written Down	
	As at July 01, 2023	Additions / (Deletions)	As at June'2024	Rate %	As at July 01, 2023	For the year	As at June'2024	Value as at June'2024	-
	RUPEES				RUPEES				
OWNED									
Lease Hold Land	718,586,802	--	718,586,802	--	59,336,650	12,831,907	72,168,557	646,418,245	
Factory Building	220,255,497	--	220,255,497	10%	177,236,410	4,301,909	181,538,319	38,717,178	
Non Factory Building	21,971,733	--	21,971,733	5%	12,934,687	451,852	13,386,539	8,585,194	
Labour Quarters	56,685,112	--	56,685,112	25%	52,080,116	1,151,249	53,231,365	3,453,747	
Plant and Machinery	851,169,072	--	851,169,072	10%	754,827,138	9,634,193	764,461,331	86,707,741	
Factory and Office Equipmts	1,803,843	--	1,803,843	10%	1,650,848	15,300	1,666,148	137,695	
Vehicles	27,117,401	(1,250,000)	25,867,401	20%	26,594,265	(1,217,859)	25,474,716	392,685	
Furniture and Fixture	7,872,354	--	7,872,354	10%	7,142,227	73,013	7,215,240	657,114	
<b>June 30, 2024</b>	<b>1,905,461,814</b>	<b>(1,250,000)</b>	<b>1,904,211,814</b>		<b>1,091,802,341</b>	<b>(1,217,859)</b>	<b>28,557,733</b>	<b>1,119,142,215</b>	<b>785,069,599</b>

June 30, 2023									
Particulars	Cost				Depreciation / Amortization			Written Down	
	As at July 01, 2022	Additions / (Deletions)	As at June'2023	Rate %	As at July 01, 2022	For the year	As at June'2023	Value as at June'2023	-
	RUPEES				RUPEES				
OWNED									
Lease Hold Land	718,586,802	--	718,586,802	--	46,504,743	12,831,907	59,336,650	659,250,152	
Factory Building	220,255,497	--	220,255,497	10%	172,456,511	4,779,899	177,236,410	43,019,087	
Non Factory Building	21,971,733	--	21,971,733	5%	12,459,053	475,634	12,934,687	9,037,046	
Labour Quarters	56,685,112	--	56,685,112	25%	50,545,117	1,534,999	52,080,116	4,604,996	
Plant and Machinery	851,169,072	--	851,169,072	10%	744,122,479	10,704,659	754,827,138	96,341,934	
Factory and Office Equipmts	1,718,825	85,018	1,803,843	10%	1,643,295	7,553	1,650,848	152,995	
Vehicles	27,117,401	--	27,117,401	20%	26,463,481	130,784	26,594,265	523,136	
Furniture and Fixture	7,872,354	--	7,872,354	10%	7,061,102	81,125	7,142,227	730,127	
<b>June 30, 2023</b>	<b>1,905,376,796</b>	<b>85,018</b>	<b>1,905,461,814</b>		<b>1,061,255,781</b>	<b>30,546,560</b>	<b>1,091,802,341</b>	<b>813,659,473</b>	

		<b>June 30,</b>		June 30,
		<b>2024</b>		2023
<b>14.2</b>	<b><u>Allocation of Depreciation</u></b>		<b>(Rupees)</b>	
	Cost of sales	<b>28,386,410</b>		30,334,651
	Administrative and general expenses	<b>171,323</b>		211,909
		<b>28,557,733</b>		<b>30,546,560</b>

# DEWAN MUSHTAQ TEXTILE MILLS LIMITED

<b>14.3</b>	Had there been no revaluation the carrying amounts of revalued assets would have been as follows.	<b>June 30, 2024</b>	June 30, 2023
		<b>(Rupees)</b>	
	Lease hold land	730,000	730,000
	Factory building on lease hold land	12,370,508	13,745,009
	Non - factory building	983,210	1,034,958
	Labour quarters	156	164
	Plant & machinery	47,928,583	57,562,776
		<b>62,012,457</b>	<b>73,072,907</b>
<b>14.4</b>	Immovable property (i.e. leasehold land and factory building, non-factory building and labour quarters thereon) is located in the Area of Hyderabad, Sindh having total area of 15 Acres.		
<b>15 STORES AND SPARES</b>			
	Stores and spares	15,046,851	15,046,851
	Packing material	1,636,569	1,636,569
		<b>16,683,420</b>	<b>16,683,420</b>
	Provision for slow moving stores & spares	<b>15.1</b> (15,432,164)	(10,427,138)
		<b>1,251,256</b>	<b>6,256,282</b>
	<b>15.1</b> Provision for slow moving stores & spares		
	Opening balance	(10,427,138)	(4,170,855)
	Provision during the year	(5,005,026)	(6,256,283)
		<b>(15,432,164)</b>	<b>(10,427,138)</b>
<b>16 STOCK-IN-TRADE</b>			
	Raw materials	-	-
	Finished goods	-	-
	Waste	-	-
		-	-
	Provision for raw material obsolete stock	<b>16.1</b> -	-
		-	-
	<b>16.1</b> Provision for stock in trade		
	Opening balance	-	1,980,977
	Provision written off	-	(1,980,977)
		-	-
	<b>16.2</b> Stocks valuing Rs. Nil (2023: Rs Nil) was pledged with the banks against the restructured finance facilities obtained by the Company.		
<b>17 TRADE DEBTS - CONSIDERED GOOD</b>			
	- considered good	12,640,194	14,243,984
	- considered doubtful	28,846,933	44,731,933
		<b>41,487,127</b>	<b>58,975,917</b>
	Provision for doubtful debts	<b>17.1</b> (28,846,933)	(44,731,933)
		<b>12,640,194</b>	<b>14,243,984</b>
	<b>17.1</b> Provision for doubtful debts		
	Opening balance	44,731,933	64,731,933
	Less: Reversal of provision	(15,885,000)	(20,000,000)
		<b>28,846,933</b>	<b>44,731,933</b>
<b>17.2</b>	The Company every year substantially recovering from receivable consider good and considered doubtful therefore the chance of the credit loss in good receivables are negligible therefore the management of the company feels no further provision / impairment required in the receivable amounts.		

	June 30, 2024	June 30, 2023
	<b>(Rupees)</b>	
<b>18 ADVANCES - CONSIDERED GOOD</b>		
Advances for expenses/suppliers	-	375,789
Loans and advances to employees	-	-
	<u>-</u>	<u>375,789</u>
Written off during the year	-	(375,789)
	<u>-</u>	<u>-</u>
<b>19 SHORT TERM DEPOSITS AND SALES TAX RECEIVABLE</b>		
Sales tax receivable	<b>11,940,790</b>	11,940,790
Less: Provision for sales tax	<b>(6,567,435)</b>	(2,985,198)
	<u><b>5,373,355</b></u>	<u>8,955,592</u>
<b>19.1</b> Provision for Sales tax		
Opening balance	<b>(2,985,198)</b>	(2,985,198)
Provision during the year	<b>(3,582,237)</b>	-
	<u><b>(6,567,435)</b></u>	<u>(2,985,198)</u>
<b>20 CASH AND BANK BALANCES</b>		
Cash in hand	<b>30,027</b>	21,520
Cash at banks - Current accounts	<b>6,610,605</b>	3,524,811
	<u><b>6,640,632</b></u>	<u>3,546,331</u>
	<b>2024</b>	<b>2023</b>
	<b>(Rupees)</b>	
<b>21 SALES - NET</b>		
Local sales	-	4,523,992
Less sales tax	-	(657,332)
	<u>-</u>	<u>3,866,660</u>
<b>22 COST OF SALES</b>		
Raw material consumed/sales	-	7,704,790
Salaries, wages and other benefits	<b>2,211,087</b>	7,550,614
Fuel, power & water consumed	<b>222,000</b>	737,545
Rent, rates and taxes	<b>399,445</b>	917,358
Repair & maintenance	<b>63,030</b>	367,059
Depreciation	<b>14.2 28,386,410</b>	30,334,651
	<u><b>31,281,972</b></u>	<u>47,612,017</u>
Work-in-process - opening	-	-
Work-in-process - closing	-	-
Cost of goods manufactured	<u><b>31,281,972</b></u>	<u>47,612,017</u>
Finished goods - opening	-	-
Finished goods - closing	-	-
	<u><b>31,281,972</b></u>	<u>47,612,017</u>
<b>23 ADMINISTRATIVE AND GENERAL EXPENSES</b>		
Salaries, allowances and other benefits	<b>23.1 2,857,975</b>	2,752,295
Traveling, conveyance and entertainment	<b>371,040</b>	663,291
Printing and stationery	<b>9,783</b>	269,731
Postage, telephone and telex	<b>88,759</b>	68,785
Vehicles expenses	<b>1,073,727</b>	1,486,973
Legal and professional charges	<b>1,079,120</b>	1,758,840
Fees and subscription	<b>366,960</b>	296,605
Depreciation and amortization	<b>14.2 171,323</b>	211,909
Auditors remuneration	<b>23.2 500,000</b>	500,000
Repairs and maintenance	-	600
Provision for slow moving stores and spares	<b>15.1 5,005,026</b>	6,256,283
Provision for short term deposits & sales tax receivables	<b>19.1 3,582,237</b>	-
Advances - long term deposits & other a/c written off	<b>776,774</b>	375,789
	<u><b>15,882,724</b></u>	<u>14,641,101</u>

**23.1** Salaries, allowances and other benefits include Rs. 0.156 million (2023: Rs. 0.130 million) relating to staff retirement

# DEWAN MUSHTAQ TEXTILE MILLS LIMITED

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

	2024	2023
<b>24 FINANCE COST</b>		
Bank charges	5,558	138,894
	5,558	138,894

24.1 The company has not provided the markup on long term and short term borrowings for the year ended June 2024, amounting to Rs. 35.70 on (Up to June 30, 2023: Rs.159.89) in respect of borrowings of certain banks who have not yet accepted the restructuring proposal. The Management of the company is quite hopeful that these banks will also accept restructuring proposal in near future. Had the provision been made the loss for the year would have been higher by Rs.35.70 million and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs. 195.58 million. The said non provisioning is departure from the requirement of IAS 23- 'Borrowing Costs'.

## 25 OTHER INCOME

Bed debts recovered	15,885,000	20,000,000
Gain on sales of fixed assets	1,167,859	-
	17,052,859	20,000,000

## 26 TAXATION

### 26.1 Current

The Income tax assessment of the Company deemed to have been finalized up to and including tax year 2023.

### 26.2 Relationship between income tax expense and accounting profit

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

## 27 LOSS PER SHARE - BASIC AND DILUTED

(Loss) after taxation	Rupees	(27,691,564)	(35,810,379)
Weighted average number of ordinary shares	Nos	11,561,028	11,561,028
(Loss) per share - basic and diluted	Rupees	(2.40)	(3.10)

## 28 REMUNERATION OF CHIEF EXECUTIVE DIRECTORS AND EXECUTIVES

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

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

## 29 RELATED PARTY TRANSACTIONS

Related parties includes associated group companies, directors, executives, key management personals and staff retirement funds. The statement regarding remuneration of chief executive, directors, executive and key management personal is disclosed in note 28 to the financial statements.

During the year aggregate transactions made by the company with the related parties were provident fund contribution of Rs. 0.311 million (2023: Rs.0.259 million) .

	June 30, 2024	June 30, 2023
<b>30 NUMBER OF EMPLOYEES</b>		
Total number of employees at the end of year	7	13
Average number of employees	8	14
<b>31 PLANT CAPACITY AND PRODUCTION</b>		
Attainable capacity converted to 20 count (Kgs)	12,077,988	12,077,988
Number of spindles installed	25,776	25,776

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

		June 30, 2024	June 30, 2023
<b>32 CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	20	(Rupees) <u>6,640,632</u>	<u>3,546,331</u>
		<u><b>6,640,632</b></u>	<u><b>3,546,331</b></u>

### 33 FINANCIAL INSTRUMENTS

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

- Credit risk
- Liquidity risk
- Market risk

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

#### 33.1 Credit risk

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

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

Trade debts - considered good	<b>12,640,194</b>	14,243,984
Cash and bank balances	<u>6,640,632</u>	<u>3,546,331</u>
	<u><b>19,280,826</b></u>	<u><b>17,790,315</b></u>

In respect of trade debts and other receivables the management, based on past experience, believes that no further impairment allowance is necessary as management believes that the same will be recovered in short course of time. The credit quality of the company's receivable can be measured with their past performance of minimum default, and dealing banks possess good credit ratings.

#### 33.2 Liquidity Risk

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

	2024					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One year onward	Two to five years
Rupees						
<b>Financial liabilities</b>						
Long term loans	176,355,579	371,939,870	371,939,870	-	-	-
Trade and other payables	38,521,776	38,521,776	38,521,776	-	-	-
Short term borrowings	232,201,499	232,201,499	232,201,499	-	-	-
Mark-up accrued on loans	<u>136,900,151</u>	<u>136,900,151</u>	<u>136,900,151</u>	-	-	-
	<u><b>583,979,005</b></u>	<u><b>779,563,296</b></u>	<u><b>779,563,296</b></u>	-	-	-

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

**33.3 Market risk**

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

**33.4 Currency risk**

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

**33.5 Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates, majority of the interest rate exposure arises from short and long term borrowings from bank and term deposits and deposits in profit and loss sharing accounts with banks. At the balance sheet date the interest rate profile of the company's interest-bearing financial instruments are:

	Carrying amounts	
	June 30, 2024	June 30, 2023
<i>Fixed rate instruments</i>		
Financial liabilities	-	-
<i>Variable rate instruments</i>		
Financial liabilities	<u>176,355,579</u>	<u>176,355,579</u>
	<u>176,355,579</u>	<u>176,355,579</u>

**33.6 Risk management policies**

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

**33.7 Capital risk management**

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

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

	June 30, 2024	June 30, 2023
	(Rupees)	
Total borrowings	408,557,078	408,557,078
Less cash and bank balances	<u>(6,640,632)</u>	<u>(3,546,331)</u>
Net debt	401,916,446	405,010,747
Total equity	<u>210,920,002</u>	<u>238,611,566</u>
Total Capital	<u>612,836,448</u>	<u>643,622,313</u>
Gearing ratio	<u>65.6%</u>	<u>62.9%</u>

**33.8 Fair value of financial instruments**

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

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

**34 APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by the Board of Directors and authorized for issue on 9th February, 2026.

**35 GENERAL**

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



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irfan Ali**  
Chief Financial Officer



**Syed Asim Abid Ali**  
Chairman Board of Directors

**PATTERN OF SHAREHOLDING UNDER REGULATION  
37(XX)(I) OF THE CODE OF CORPORATE GOVERNANCE  
AS AT JUNE 30, 2024**

Categories	Number of Shareholders	Number of Shares held	Percentage of Shareholding
<b>Directors, CEO, their Spouses &amp; Minor Children</b>			
Mr. Ishtiaq Ahmed	1	500	0.00%
Mr. Syed Maqbool Ali	1	500	0.00%
Mr. Aziz ul Haque	1	500	0.00%
Mr. Waseem-ul-Haque Ansari (Nominee Director DMPL)	-	-	0.00%
Mr. Ghazanfar Baber Siddiqui (Nominee Director DMPL)	-	-	0.00%
Mrs. Nida Jamil (Nominee Director DMPL)	-	-	0.00%
Mr. Mehmood-ul-Hassan Asghar (Nominee Director DMPL)	-	-	0.00%
<b>Associated Companies</b>			
Dewan Motors (Pvt.) Limited	1	231,099	2.00%
<b>NIT and ICP</b>	6	205,879	1.78%
<b>Executives</b>	-	-	0.00%
<b>Banks, Development Financial Institutions, Non-Banking Finance Companies</b>	-	-	0.00%
<b>Insurance Companies</b>	1	185	0.00%
<b>Modarabas and Mutual Funds</b>	1	121	0.00%
<b>General Public</b>			
a. Local	639	11,107,274	96.08%
b. Foreign	-	-	0.00%
<b>Others (Joint Stock Companies, Brokrage Houses, Employees Funds &amp; Trustees)</b>	9	14,970	0.13%
<b>TOTAL</b>	<b>660</b>	<b>11,561,028</b>	<b>100.00%</b>

**SHAREHOLDERS HOLDING FIVE PERCENT OT MORE VOTING RIGHTS**

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

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

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

**DEWAN MUSHTAQ TEXTILE MILLS LIMITED**  
**PATTERN OF SHAREHOLDING**  
**AS AT 30TH JUNE 2024**

Number of Shareholders	Shareholding Slab		Total Shares Held	Percentage
	From	To		
315	1	100	6,297	0.05%
198	101	500	51,838	0.45%
50	501	1,000	40,795	0.35%
44	1,001	5,000	107,111	0.93%
21	5,001	10,000	171,294	1.48%
7	10,001	15,000	87,907	0.76%
1	15,001	20,000	20,000	0.17%
2	20,001	25,000	44,502	0.38%
2	25,001	30,000	54,008	0.47%
1	30,001	35,000	30,100	0.26%
2	35,001	50,000	94,147	0.81%
3	50,001	55,000	161,901	1.40%
1	55,001	60,000	60,000	0.52%
1	60,001	70,000	69,707	0.60%
1	70,001	80,000	78,072	0.68%
1	80,001	90,000	80,770	0.70%
1	90,001	150,000	144,974	1.25%
2	150,001	200,000	382,424	3.31%
1	200,001	225,000	224,217	1.94%
2	225,001	235,000	465,494	4.03%
1	235,001	250,000	236,973	2.05%
1	250,001	300,000	288,999	2.50%
1	300,001	800,000	725,553	6.28%
1	800,001	3,000,000	7,933,945	68.63%
<b>660</b>	<b>TOTAL</b>		<b>11,561,028</b>	<b>100.00%</b>

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

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

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

آمدنی فی شیئر:

زیر جائزہ مدت کے دوران مبلغ (2.40) 2023: مبلغ (3.10) فی شیئر خسار چھاپا گیا۔

آڈیٹرز کی تقرری

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

شیئر ہولڈنگ کا پتھر:

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

اہم آپریٹنگ اور مالیاتی تحویل:

چھ سالہ اہم آپریٹنگ اور مالیاتی تفصیل منسلک ہے۔

بعد از واقعات:

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

اکہمبار تشکر اور نتیجہ:

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

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

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

بورڈ آف ڈائریکٹرز کی جانب سے

سید عاصم عابد علی

چیئر مین بورڈ آف ڈائریکٹرز

اشتیاق احمد

چیف ایگزیکٹو اور ڈائریکٹر

کراچی، مورخہ: 09 فروری 2026

- ۸- بورڈ نے اپنے ممبران اور کمپنی کے ملازمین میں سے اسٹیٹمنٹ برائے اصول اور کاروباری عمل کیلئے مرتب کر کے جاری کیا ہے۔
- ۹- آنے والے سالوں میں کمپنی کے کاروباری تسلسل پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں ماسوائے وہ جس کا انکشاف مالیاتی حسابات کے نوٹ نمبر 2 میں کیا گیا ہے۔
- ۱۰- ٹیکسز، ڈیوٹیز اور دیگر چارجز سے متعلق معلومات مالیاتی گوشواروں میں دی گئی ہیں۔
- ۱۱- کوڈ آف کارپوریشن گورننس کے حوالے سے مندرجہ ذیل معلومات منسلک ہیں:
- (۱) شیئر ہولڈنگ کا پیٹرن
- (۲) متعلقین اور دیگر افراد کے شیئرز

بورڈ:

بورڈ آف ڈائریکٹرز متنوع علم کے حامل افراد اور ماہرین پر مشتمل ہے جو کہ اپنی بہترین مہارت کے تحت کمپنی کے مقاصد پر عملدرآمد کرتے ہیں۔

30 جون 2024 تک بورڈ آف ڈائریکٹرز درج ذیل پر مشتمل تھے:

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

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

نام:	میٹنگ میں شرکت کنندہ کی تعداد
جناب عزیز الحق	6
جناب اشتیاق احمد	6
جناب غضنفر باہر صدیقی	6
جناب وسیم الحق انصاری	6
جناب محمود احسن اصغر	1
سید مقبول علی	6
سید عاصم عابد علی	5
محترمہ مداحہ جمیل	6

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

### آڈٹ کمیٹی:

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

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

نام:	میٹنگ میں شرکت کنندہ کی تعداد
جناب عزیز الحق - چیئرمین	4
سید مقبول علی	4
سید عاصم عابد علی	4

بیومن ریورس اور اتھورٹی کمیٹی:

مالیاتی حسابات چلتی ہوئی کمپنی کے جاری کردہ امور کے تحت مرتب کئے گئے ہیں کیونکہ کمپنی نے اپنے قرضہ جات کو دوبارہ مرتب کرنے کے لئے اپنے قرض خواہوں سے رابطہ کیا ہے جو کہ زیر غور ہے۔ ماہنامہ پرامید ہے کہ مالیاتی حسابات کے نوٹ 7.3 میں مکمل طور پر وضاحت کردہ طریقہ کار کے تحت جلد از جلد سے مکمل کر دیا جائے گا اس کے علاوہ دوبارہ ترتیب کردہ تاریخ تک مبلغ 119.824 ملین روپے وا جب الا دامارک اپ پر لازم ہوئے اور کمپنی معاہدہ کی شرائط میں کوتاہی کی صورت میں یہ ادائیگی کرنے کی ذمہ دار ہوگی۔ چونکہ دوبارہ ترتیب کا عمل زیر غور ہے لہذا انتظامیہ کو یقین ہے کہ یہ رقم وا جب الا دائیں ہوگی۔ اسی لئے ان مالیاتی حسابات میں مذکورہ مارک اپ کو ریکارڈ نہیں کیا گیا ہے۔ لہذا مالیاتی حسابات کو چلتی ہوئی کمپنی کے طور پر مرتب کرنا جائز ہے جس کی وضاحت نوٹ 2 میں کی گئی ہے۔

### مستقبل کا نظریہ:

ملکی اقتصادی استحکام زیادہ تر سیاسی مضبوطی، پیشگیرانہ اور حفاظتی مالیاتی پالیسی پر منحصر ہوتا ہے آنے والا راستہ معیشت اور صنعتوں کے لئے کئی چیلنجز بھی پیش کرتا ہے۔ مختلف سہسڈیوں کے خاتمے، حالیہ بجٹ اقدامات کے اثرات، جیسے کہ برآمدی سہولت اسکیم (EFS) کے تحت مقامی سپلائی پوزیٹو ریٹنگ کا خاتمہ، کچھ خام مال کی درآمد پر ڈیوٹی عائد کرنا، اور حتمی ٹیکس نظام (FTR) سے عام ٹیکس نظام (NTR) میں تبدیلی، جو صنعت کی منافع میں کمی کا سبب بن سکتی ہے۔ عالمی سطح پر مسابقت کے لیے، ہم توقع کرتے ہیں کہ حکومت بنیادی اصلاحات پر توجہ دے گی، جو باہر باہر اقتصادی بحرانوں کا سبب بنتی ہیں۔

### کارپوریٹ معاشرتی ذمہ داریاں:

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

### صحت، حفاظت اور ماحول:

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

### انسانی ذرائع (ہیومن ریسورس):

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

### کوڈ آف کارپوریٹ گورننس پر عملدرآمد:

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

- ۱۔ کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے حالات، اس کے کاروباری نتائج، نقد رقم کی ترسیل اور ایکویٹی میں تبدیلی کی شفاف عکاسی کرتے ہیں۔
- ۲۔ کھاتے مناسب طریقہ سے مرتب کئے جاتے ہیں۔
- ۳۔ اکاؤنٹنگ پالیسیوں کے تسلسل کو مالیاتی گوشوارے کی تیاری میں لاگو کیا گیا ہے۔ محاسبی کے اندازے ماہرانا و جھٹاٹ فیصلوں پر مبنی ہوتے ہیں۔
- ۴۔ مالیاتی گوشوارے کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیارات جیسے پاکستان میں نافذ العمل ہیں، اور باقاعدہ طور پر اس کا لحاظ رکھا جاتا ہے۔
- ۵۔ اندرونی کنٹرول کے نظام منظم ہیں اور اس کی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- ۶۔ کارپوریٹ گورننس پر عملدرآمد کے حوالے سے کوئی بھی انحراف نہیں کیا گیا سوائے ان کے جن کا ذکر آڈیٹرز کی جائزہ رپورٹ میں ہے۔
- ۷۔ کمپنی نے اپنے بورڈ کے غیر ایگزیکٹو ممبران میں سے ایک آڈٹ کمیٹی تشکیل دی ہے۔

## دیوان مشاق ٹیکسٹائل ٹولمینڈ

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

محترم شیئر ہولڈرز،  
السلام علیکم،

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز اختتامی مالیاتی سال 30 جون 2024ء کے لئے سالانہ آڈٹ شدہ مالیاتی حسابات بمع آڈیٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

### معاشی و صنعتی جائزہ:

معیاری اقتصادی استحکام کی بحالی ضروری ہے تاکہ ترقی کو فروغ دینے، روزگار بڑھانے اور عوام کے مجموعی معیار زندگی کو بہتر بنانے کے لیے ایک مضبوط بنیاد قائم کی جاسکے۔ یہ سال بے شمار مشکلات اور غیر یقینی صورتحال سے بھرا ہوا تھا، جن میں کم غیر ملکی زرمبادلہ کے ذخائر، عالمی اقتصادی سست روی، توانائی کی قیمتوں اور مالیاتی اخراجات میں بے پناہ اضافہ، اور سیاسی عدم استحکام شامل ہیں۔ آپریٹنگ ماحول مزید پیچیدہ ہو گیا تھا کیونکہ زیادہ پیداواری لاگتوں کے باعث معاشی سرگرمیوں میں سست روی آئی۔ تاہم، مالی سال 2024ء کے آخری حصے میں، ان مشکلات کے باوجود، پاکستان کی معیشت میں معتدل ترقی اور بیرونی دباؤ میں کمی دیکھنے میں آئی۔ اس میں حکومت کی منظم مالیاتی اور مانیٹری پالیسیوں نے اہم کردار ادا کیا، جس سے مارکیٹ کے اعتماد کی بحالی اور مختلف شعبوں میں ترقی کو فروغ دینے میں مدد ملی۔ مالی سال 2024ء میں، پاکستان کی جی ڈی پی میں 2.38 فیصد اضافہ ہوا۔ ٹیکسٹائل، پاکستان کی معیشت کا ایک اہم شعبہ، ملک کی مجموعی برآمدات میں تقریباً 60 فیصد کا حصہ ڈالتا ہے اور مجموعی لیبر فورس کے 40 فیصد کو روزگار فراہم کرتا ہے۔ مالی سال 2024ء میں ٹیکسٹائل کے شعبے میں معمولی ترقی دیکھی گئی، اور اس کی برآمدات میں 0.93 فیصد اضافہ ہوا، جس کی کل مالیت 16.5 بلین امریکی ڈالر رہی۔ تاہم سال کے دوسرے حصے میں اسپننگ کی صنعت کو کافی چھپکا لگا اور ملک میں کپاس کی پیداوار میں 63.55 فیصد کی نمایاں کمی دیکھنے میں آئی۔ شدید موسمی حالات بشمول موسلا دھار بارشوں کے باعث کپاس کی مجموعی فصل کا 25 فیصد حصہ خراب ہو چکا ہے، جس کی وجہ سے ٹیکسٹائل کی صنعت نے تقریباً 1.6 بلین بیلز کی درآمدی آرڈرز دیے ہیں تاکہ ملکی طلب کو پورا کیا جاسکے جس سے ملکی معیشت پر اربوں ڈالر کا بوجھ پڑا۔

### مالیاتی نتائج اور کارکردگی:

زیر جائزہ سال کے دوران مالیاتی نتائج درج ذیل ہیں:	(روپے)
فروخت (صافی)	-
فروخت کی لاگت	(31,281,972)
<b>کل خسارہ</b>	<b>(31,281,972)</b>
آپریٹنگ اخراجات	(15,882,724)
<b>آپریٹنگ خسارہ</b>	<b>(47,164,696)</b>
مالیاتی لاگت	(5,558)
اضافی آمدنی	17,052,859
<b>قبل از ٹیکس خسارہ</b>	<b>(30,117,395)</b>
ٹیکسیشن	2,425,831
<b>بعد از ٹیکس خسارہ</b>	<b>(27,691,564)</b>

دوران سال کمپنی کی خالص فروخت آپریشن بند ہونے کے باعث صفر رہی۔ کمپنی نے اس وقت جولائی 2016ء سے اپنی مینوفیکچرنگ آپریشنز معطل کر دیے ہیں جن پر صنعت کو درپیش منفی صورتحال اور ورکنگ کپیکلٹی کی رکاوٹوں کے باعث دوبارہ کام نہیں ہو سکا۔

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

کمپنی کے آڈیٹرز نے اپنی جاری کردہ رپورٹ میں تحفظات کا اظہار کیا ہے جن میں کمپنی کی مستقبل میں چلنے کی اہلیت، مارک اپ کو ریکارڈ نہ کرنا، قرضہ جات کی اقساط میں واپسی کی کوتاہی شامل ہیں۔



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

e. سی ڈی سی اکاؤنٹ میں فیزیکل شیئرز کی منتقلی

کمپنیز ایکٹ 2017 کی دفعہ 72 کے تحت تمام ہر لسٹڈ کمپنی کیلئے ضروری ہے کہ وہ کمیشن کی طرف سے جاری کردہ نوٹیفیکیشن کی تاریخ اور کمپنیز ایکٹ 2017 کے آغاز یعنی 30 مئی 2017 سے چار سال کے اندر فیزیکل سرٹیفیکیشن کو بک انٹری فارم میں منتقل کریں۔  
فیزیکل حصص رکھنے والے حصص یافتگان اپنے فیزیکل سرٹیفیکیشن کو سکرپٹ لیس فارم میں منتقل کرنے کیلئے کسی بھی سی ڈی سی یا سی ڈی سی ذیلی اکاؤنٹ کے ساتھ سی ڈی سی انویسٹر اکاؤنٹ کھول سکتے ہیں۔

f. فیزیکل شیئرز ہولڈرز کی تفصیلات:

کمپنیز ایکٹ، 2017 کی دفعہ 119 اور کمپنیز (جنرل پروویڈنزا اینڈ فارمز) ریگولیشنز، 2018 کے ضابطہ 19 کے مطابق تمام فیزیکل شیئرز ہولڈرز کو ہدایت کی جاتی ہے کہ وہ اپنی لازمی معلومات جیسے کہ قومی شناختی کارڈ نمبر، پتہ، ای میل ایڈریس، موبائل / ٹیلی فون نمبر، انٹرنیشنل بینک اکاؤنٹ نمبر (آئی بی اے این) وغیرہ فوری طور پر کمپنی کے شیئرز رجسٹرار کو فراہم کریں۔

شیئرز رجسٹرار کا پتہ: میسرز بی ایم ایف کنسلٹنٹس پاکستان (پرائیویٹ) لمیٹڈ، انعم اسٹیٹ بلڈنگ، کمرہ نمبر 310 اور 311، تیسری منزل، 49، دارالامان سوسائٹی، مرکزی شاہراہ فیصل، نزد بلوچ کالونی، کراچی ای میل:

(bmfconsultantspakistan@gmail.com) یہ معلومات بروقت فراہم نہ کرنے کی صورت میں قانونی تقاضوں کی عدم تعمیل یا مستقبل میں کسی قسم کی دشواری کا سامنا کرنا پڑ سکتا ہے۔

g. کوائف کی تبدیلی

حصص یافتگان سے درخواست ہے کہ اپنے رجسٹرڈ ڈاک کے پتے میں کسی تبدیلی کے متعلق کمپنی کے شیئرز رجسٹرار کو باری ادارے کی صورت میں شیئرز ہولڈرز سے درخواست ہے کہ اپنے مجاز نمائندے کو بروقت مطلع کر دیں۔ کوائف میں کسی تبدیلی سے متعلق مطلع کریں، اگر قابل اطلاق ہو۔

h. تحائف کی تقسیم پر پابندی

ایس ای سی پی کی طرف سے جاری کردہ ہدایت نامہ SRO 452(I)/2025 مورخہ 17 مارچ 2025 کے مطابق کمپنی تمام شیئرز ہولڈرز کو مطلع کرنا چاہتی ہے کہ سالانہ اجلاس عام میں کوئی تحائف تقسیم نہیں کیے جائیں گے۔

## دیوان مشتاق ٹیکسٹائل ملز لمیٹڈ سالانہ اجلاس عام

بذریعہ نوٹس ہذا کو مطلع کیا جاتا ہے کہ دیوان مشتاق ٹیکسٹائل ملز لمیٹڈ کا 63 واں سالانہ اجلاس عام بروز جمعرات 26 مارچ، 2026 دوپہر 03:00 بجے دیوان سینٹ فیکٹری سائٹ، دیپہ ڈھنڈو، دھاتیجی، ضلع ملیر، کراچی میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

### عمومی امور

- (1) پیر 04 اپریل، 2025 کو منعقدہ کمپنی کے سالانہ اجلاس عام کی کارروائی کی توثیق۔
- (2) 30 جون، 2024 کو مکمل ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ مالی گوشواروں مع ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری۔
- (3) 30 جون، 2025 کو مکمل ہونے والے سال کیلئے کمپنی کے قانونی آڈیٹرز کی تقرری اور ان کے مشاہرہ کا تعین۔
- (4) چیئرمین کی اجازت سے دیگر امور کی انجام دہی۔

بحکم بورڈ



محمد حنیف جومان  
کمپنی سیکریٹری

کراچی 05 مارچ، 2026

### نوٹ:

- (a) کمپنی کی حصص منقولہ کی کتب 19 جنوری، 2026 سے 26 جنوری، 2026 تک (بشمول دونوں دن) بند رہیں گی۔ شیئرز رجسٹرار کے دفتر واقع میسرز بی ایم ایف کنسلٹنٹ پاکستان (پرائیویٹ) لمیٹڈ، واقع انعم اسٹیٹ بلڈنگ، کمرہ نمبر 310 اور 311، تیسری منزل، 49 دارالامان سوسائٹی، مرکزی شاہراہ فیصل، نزد بلوچ کالونی پل، کراچی پاکستان میں موصول ہونے والی منگلیاں اجلاس میں شرکت اور رائے دی کیلئے بروقت بھیجی جائیں گی۔
- (b) اجلاس ہذا میں شرکت اور رائے دی کا اہل ممبر اپنی جانب سے شرکت اور رائے دی کیلئے دوسرے ممبر کو اپنا پراکسی مقرر کر سکتا ہے۔ مکمل پراکسی فارم اجلاس کے انعقاد کے وقت سے 48 گھنٹے قبل کمپنی کے شیئرز رجسٹرار آفس میں جمع کرانا ہوگا۔
- (c) سی ڈی سی حصص یافتگان کو اجلاس میں شرکت اور پراکسیوں کی تعیناتی کیلئے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے مورخہ 26 جنوری، 2000 کو جاری کردہ سرکلر 1 میں دی گئیں مندرجہ ذیل ہدایات پر عمل درآمد کرنا ہوگا۔

### (c) ویڈیو کانفرنس کی سہولت

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

### (d) زوم اپیلی کیشن کے ذریعے اجلاس میں شرکت

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

### (i) اراکین 24 مارچ، 2026 سے قبل کمپنی کی ویب سائٹ

پر دستیاب معیاری درخواست فارم کے مطابق اپنی درخواست ای میل (<http://www.yousufdewan.com/DMTML/index.html>) پر یا دیاوان سینٹر، 3-A، لالہ زار چھ ہول روڈ کراچی میں کمپنی سیکریٹری کے نام پر اپنی درخواست ارسال کر کے خود رجسٹر کر سکتے ہیں۔

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\*Mobile apps are also available for download for android and ios devices

# DEWAN MUSHTAQ TEXTILE MILLS LIMITED

## 63TH ANNUAL GENERAL MEETING

### FORM OF PROXY

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

I/we \_\_\_\_\_

of \_\_\_\_\_ being a member (s) of

**DEWAN MUSHTAQ TEXTILE MILLS LIMITED** and holder of \_\_\_\_\_

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

hereby appoint \_\_\_\_\_

of \_\_\_\_\_

or failing him \_\_\_\_\_

Of \_\_\_\_\_

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

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

on my/our behalf at the 63th Annual General Meeting of the Company to be held on

**Thursday, 26th March, 2026 at 03:00 p.m.** and any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2026.

Affix  
Revenue  
Stamp  
Rs. 5/-

Signature \_\_\_\_\_

Witness: \_\_\_\_\_

Signature

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Witness: \_\_\_\_\_

Signature

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

## پراکسی فارم ۶۳ واں سالانہ اجلاس عام

### اہم اعلان

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

میں / ہم \_\_\_\_\_ کا (مکمل پتہ)

\_\_\_\_\_ بحیثیت ممبر

دیوان مشتاق ٹیکسٹائل ملز لمیٹڈ کے \_\_\_\_\_ حصص کے مالک، رجسٹرڈ فولیو نمبر /

سی ڈی سی آئی ڈی اور کھاتہ نمبر \_\_\_\_\_ میں

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

جو بذات خود بھی \_\_\_\_\_

\_\_\_\_\_ دیوان مشتاق ٹیکسٹائل ملز لمیٹڈ

\_\_\_\_\_ سی ڈی سی آئی ڈی اور کھاتہ نمبر

جو کہ میری / ہماری غیر موجودگی کی صورت میں کمپنی کے ۶۳ واں سالانہ اجلاس عام جو کہ بروز جمعرات، ۲۶ مارچ ۲۰۲۶ کو دوپہر 3:00 بجے ہے، میری / ہماری جانب سے ووٹ دے۔

بطور گواہ میں / ہم نے بروز \_\_\_\_\_ بتاریخ \_\_\_\_\_ ۲۰۲۶ کو میرے / ہمارے ہاتھ سے مہر لگائی۔

Affix  
Revenue  
Stamp  
Rs. 5/-

دستخط \_\_\_\_\_

گواہ: \_\_\_\_\_

نام: \_\_\_\_\_

مکمل پتہ: \_\_\_\_\_

گواہ: \_\_\_\_\_

نام: \_\_\_\_\_

مکمل پتہ: \_\_\_\_\_