

**DEWAN KHALID TEXTILE MILLS LIMITED**

**QUARTERLY REPORT**  
**SEPTEMBER 30, 2022**

## DEWAN KHALID TEXTILE MILLS LIMITED

### COMPANY INFORMATION

#### BOARD OF DIRECTORS

Executive Director	: Mr. Ishtiaq Ahmed - Chief Executive Officer & Director
Non-Executive Directors	: Syed Maqbool Ali - Chairman, Board of Directors Mr. Abdul Basit Mr. Mehmood-ul-Hassan Asghar Mr. Ghazanfar Baber Siddiqi Mrs. Nida Jamil
Independent Director	: Mr. Aziz-ul-Haque
Audit Committee	Mr. Aziz-ul-Haque (Chairman) Syed Maqbool Ali (Member) : Mr. Abdul Basit (Member)
Human Resources & Remuneration Committee	: Mr. Aziz-ul-Haque (Chairman) Mr. Abdul Basit (Member) Mr. Ishtiaq Ahmed (Member)
Auditor	: Feroze Sharif Tariq & Company Chartered Accountants 4/N/4 Block-6, P.E.C.H.S., Karachi
Company Secretary	: Mr. Muhammad Hanif German
Chief Financial Officer	: Mr. Muhammad Irfan Ali
Tax Advisor	: Sharif & Co. Advocates
Legal Advisor	: Abbas & Atif Law Associates
Bankers	: Habib Bank Limited : Bank Islami Pakistan Limited : MCB Bank Limited : Silk Bank Limited : Bank Al Falah Limited : Askari Commercial 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	: G/11, S.I.T.E., Kotri, Sindh, Pakistan.
Website	: <a href="http://www.yousufdewan.com">www.yousufdewan.com</a>

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

The Board of Directors of your Company is pleased to present unaudited condensed interim financial statements for the first quarter ended September 30, 2022 in compliance with the requirements of section 237 of the Companies Act, 2017 and code of corporate governance issued by Securities and Exchange Commission of Pakistan.

**Industrial background**

Pakistan's domestic cotton crop production after flooding and devastating rains is estimated to be at 5.79 million bales, which is 36% less than earlier estimate of production of 9.03 million bales, the second lowest production level in past 40 years. Small-sized mills particularly those solely rely on domestic supply of cotton are unable to fully substitute their raw material with imported one. Imports are now projected at their second highest level of approximately 5.0 million bales.

In addition to above, currently textile industry is also facing challenges those include global recession, higher cost of production, increase in energy costs, decline in cotton crop, enhanced dependence on imported cotton, costlier labor, higher inflation, and continued rupee devaluation etc.

**Operating results (Factory Shutdown):**

Company's net sales during the current quarter remained nil as compared to net revenue of Rs.10.535 million of the corresponding period of last year due to closure of operations. The Company, for the time being, has suspended its manufacturing operations since August 2016 which could not be resumed due to adverse scenario faced by the industry and working capital constraints.

The condensed interim financial statements have been prepared using going concern assumption as the company has approached its lenders for further restructuring of its liabilities, which is in process. Management is hopeful that such revision will be finalized soon which will enable the company to resume its operations.

**Future Outlook**

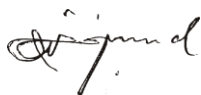
Global economic recession along with destroyed domestic cotton crops due to floods will remain a key challenge faced by textiles. Besides this, delay in the opening of LCs will further cause the firms and national economy to suffer badly. The raw material availability at competitive prices, currency stability and most importantly the ability to keep up the export orders' momentum will primarily determine the times ahead. Some further initiatives from the government are also expected for sustainable textile industry, especially smooth supply of Power at affordable tariff, continuation of long-term concessionary financing facility for boosting investments in new capacity expansion and up-gradation of technology. The government is expected to encourage the textile sector by inducing enhanced production, import substitution, duty cuts, tax incentives and early release of refunds etc.

**Conclusion**

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

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

By and under Authority of the Board of Directors



**Ishtiaq Ahmed**  
Chief Executive Officer & Director



**Syed Maqbool Ali**  
Chairman Board of Directors

**Dated: October 24, 2022**

## دیوان خالد ٹیکسٹائلز لمیٹڈ ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز،  
السلام علیکم،

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز تختہ سہ ماہی 30 ستمبر 2022ء کیلئے پینیز ایکٹ 2017ء کے سیکشن 237 اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ کوڈ آف کارپوریٹ گورننس کی تعمیل کرتے ہوئے غیر میعاد عبوری مالیاتی حسابات پیش کرنے پر خوشی محسوس کر رہے ہیں۔  
صنعت کا پس منظر:

سیلاب اور بارشوں کے بعد پاکستان میں کپاس کی مقامی پیداوار کا تخمینہ 5.79 ملین گانٹھیں لگایا گیا ہے، جو کہ 9.03 ملین گانٹھوں کی پیداوار کے پہلے تخمینہ سے 36 فیصد کم ہے، جو کہ گزشتہ 40 سالوں میں دوسری سب سے کم پیداواری سطح ہے۔ چھوٹی ملز خاص طور پر جو ملک بھر میں کپاس کی سپلائی پر انحصار کرتی ہیں وہ اپنے خام مال کو درآمد شدہ کے ساتھ مکمل طور پر تبدیل کرنے سے قاصر ہیں تو قیاساً 5.0 ملین گانٹھوں کی دوسری بلند ترین سطح پر ہوگی۔

مندرجہ بالا عوامل کے علاوہ، فی الحال ٹیکسٹائل انڈسٹری کو بھی چینلجز کا سامنا ہے جن میں عالمی کساد بازاری، زیادہ پیداواری لاگت، توانائی کی لاگت میں اضافہ، کپاس کی فصل میں کمی، درآمد شدہ کپاس پر بڑھتا ہوا انحصار، مہنگی مزدوری، زیادہ مہنگائی، اور روپے کی قدر میں مسلسل کمی وغیرہ شامل ہیں۔

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

پیداوار معطل ہونے کی وجہ سے پہلی سہ ماہی کے دوران کمپنی کے خالص فروخت صفر سی اور گزشتہ سال کی پہلی سہ ماہی میں مبلغ 10.535 ملین روپے رہی۔ کمپنی نے وقتی طور پر اگست 2016ء سے اپنی پیداوار کے عمل کو معطل کر دیا ہے جو کہ صنعت میں نا مساعد مشکلات، مارکیٹ میں طلب کی کمی اور کام چلانے کے لیے سرمایہ میں کمی کی وجہ سے ہے۔

مالیاتی حسابات چلتی ہوئی کمپنی کے جاری کردہ امور کے تحت مرتب کئے گئے ہیں کیونکہ کمپنی نے اپنے قرضہ جات کے حوالے سے دوبارہ ترتیب کیلئے قرض خواہوں سے رابطہ کیا ہے جو ان کے زیر غور ہے۔ انتظامیہ کو امید ہے کہ یہ نظر ثانی جلد مکمل ہو جائے گی جس سے کمپنی کو اپنی پیداوار بحال کرنے میں مدد ملے گی۔

### مستقبل پر ایک نظر:

عالمی معاشی کساد بازاری کے ساتھ ساتھ سیلاب کے باعث کپاس کی مقامی فصلوں کا تباہ ہونا ٹیکسٹائل کو درپیش ایک اہم چیلنج رہے گا۔ اس کے علاوہ LCS کھولنے میں تاخیر ہونے سے فرمز اور قومی معیشت کو مزید نقصان پہنچے گا۔ مسابقتی قیمتوں پر خام مال کی دستیابی، کرنسی کا استحکام اور سب سے اہم برآمدی آرڈرز کی رفتار کو برقرار رکھنے کی صلاحیت بنیادی طور پر آنے والے وقت کا تعین کرے گی۔ حکومت کی جانب سے مستحکم ٹیکسٹائل انڈسٹری کے لیے مزید اقدامات کی بھی توقع ہے، خاص طور پر سٹے ٹیرف پر بجلی کی مسلسل فراہمی، نئی صلاحیت میں توسیع اور ٹیکنالوجی کی اپ گریڈیشن میں سرمایہ کاری کو بڑھانے کے لیے طویل مدتی رعایتی مالیاتی سہولت کا تسلسل۔ توقع ہے کہ حکومت ٹیکسٹائل کے شعبے کی حوصلہ افزائی کرے گی تاکہ پیداوار میں اضافہ، درآمدی متبادل، ڈیوٹی میں کٹوتی، ٹیکس مراعات اور جلد از جلد رقم کی واپسی وغیرہ کو فروغ دیا جاسکے۔

### اکھبار تشکر اور نتیجہ:

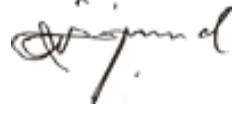
آخر میں ہم اللہ تعالیٰ رحمن و رحیم سے دعا کرتے ہیں کہ وہ اپنے حبیب حضرت محمد ﷺ کے طفیل اپنی رحمت، ہدایات اور فضل و کرم ہم پر اسی طرح قائم رکھے

جو کہ نہ صرف ہم پر بلکہ ہماری کمپنی اور ہمارے ملک و قوم پر بھی اپنی رحمت نازل کرے، ہم اللہ تعالیٰ سے یہ بھی دعا کرتے ہیں کہ تمام مسلم ائمہ کے مابین صحیح اسلامی جذبہ، اخوت اور بھائی چارگی پیدا کرے۔ آمین ثناء آمین۔

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



سید مقبول علی  
چیئرمین بورڈ آف ڈائریکٹرز



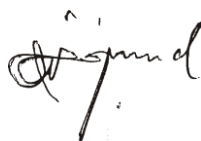
اشتیاق احمد  
چیف ایگزیکٹو آفیسر  
کراچی؛

مورخہ: 24 اکتوبر 2022ء

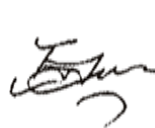
**DEWAN KHALID TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH SEPTEMBER, 2022**

		(Un-Audited) Sep 30, 2022	(Audited) June 30, 2022
		----- (Rupees) -----	
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>SHARE CAPITAL &amp; RESERVES</b>			
Authorized share capital 15,000,000 (June 30, 2022: 15,000,000) Ordinary shares of Rs. 10/- each		<b>150,000,000</b>	150,000,000
Issued, subscribed and paid-up capital		<b>96,107,590</b>	96,107,590
Revenue reserves	6	<b>(699,484,548)</b>	(687,543,073)
Revaluation surplus on property, plant and equipment (capital reserve)		<b>683,814,966</b>	686,621,962
		<b>80,438,008</b>	95,186,479
<b>NON CURRENT LIABILITIES</b>			
Provision for staff gratuity		<b>17,287,399</b>	17,287,399
Deferred taxation		<b>40,798,210</b>	41,944,730
		<b>58,085,609</b>	59,232,129
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<b>144,396,091</b>	145,700,076
Mark-up accrued on loans		<b>113,100,735</b>	109,430,547
Short term borrowings		<b>320,100,117</b>	320,100,117
Unclaimed dividend		<b>334,741</b>	334,741
Over due portion of syndicated long term loan		<b>104,007,672</b>	104,007,672
		<b>681,939,356</b>	679,573,153
<b>CONTINGENCIES AND COMMITMENTS</b>	7	-	-
		<b>820,462,973</b>	833,991,761
<b><u>ASSETS</u></b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipments	8	<b>789,362,705</b>	797,784,047
<b>CURRENT ASSETS</b>			
Stores and spares		<b>11,726,124</b>	11,726,124
Trade debts - unsecured		<b>2,056,678</b>	2,104,349
Short term deposit & other receivable		<b>6,088,518</b>	6,094,056
Taxes recoverable - net		<b>10,041,981</b>	10,083,927
Cash and bank balances	10	<b>1,186,967</b>	6,199,258
		<b>31,100,268</b>	36,207,714
		<b>820,462,973</b>	833,991,761

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



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irfan Ali**  
Chief Financial Officer




**Syed Maqbool Ali**  
Chairman Board of Directors

**DEWAN KHALID TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER, 2022**

	July-Sept, 2022	July-Sept, 2021		
Notes	----- (Rupees) -----			
Sales - net	-	10,534,833		
Cost of sales	<u>(9,908,434)</u>	<u>(19,976,604)</u>		
Gross loss	<b>(9,908,434)</b>	<b>(9,441,771)</b>		
<b>Operating Expenses</b>				
Administrative and general expenses	<u>(2,316,369)</u>	<u>(1,987,896)</u>		
<b>Operating loss</b>	<b>(12,224,803)</b>	<b>(11,429,667)</b>		
Finance cost	<sup>9</sup> <u>(3,670,188)</u>	<u>(2,666,529)</u>		
<b>Loss before taxation</b>	<b>(15,894,991)</b>	<b>(14,096,196)</b>		
Taxation				
- Current	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">-</td></tr></table>	-	<table border="1" style="display: inline-table;"><tr><td style="text-align: right;">(131,685)</td></tr></table>	(131,685)
-				
(131,685)				
- Deferred	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;"><b>1,146,520</b></td></tr></table>	<b>1,146,520</b>	<table border="1" style="display: inline-table;"><tr><td style="text-align: right;">2,715,907</td></tr></table>	2,715,907
<b>1,146,520</b>				
2,715,907				
	<b>1,146,520</b>	<b>2,584,222</b>		
<b>Loss after taxation</b>	<u><b>(14,748,471)</b></u>	<u><b>(11,511,974)</b></u>		
<b>Loss per share - basic and diluted</b>	<sup>12</sup> <u><b>(1.53)</b></u>	<u><b>(1.20)</b></u>		

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



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irfan Ali**  
Chief Financial Officer

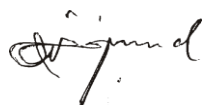


**Syed Maqbool Ali**  
Chairman Board of Directors

**DEWAN KHALID TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER, 2022**

	Notes	July-Sept, 2022	July-Sept, 2021
		----- (Rupees) -----	-----
Loss for the period		(14,748,471)	(11,511,974)
<b>Other comprehensive income:</b>			
Effect of change in tax rates on balance			
of revaluation on property, plant and equipment		-	-
<b>Total comprehensive loss for the period</b>		<u>(14,748,471)</u>	<u>(11,511,974)</u>

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



**Ishtiaq Ahmed**  
**CEO & Director**



**Muhammad Irfan Ali**  
**Chief Financial Officer**



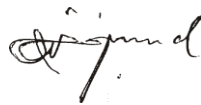
**Syed Maqbool Ali**  
**Chairman Board of Directors**



**DEWAN KHALID TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER, 2022**

	Note	July-Sept, 2022	July-Sept, 2021
----- (Rupees) -----			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Loss before taxation		(15,894,991)	(14,096,196)
<i>Adjustment for Non-Cash and Other Items:</i>			
Depreciation		8,421,342	12,313,196
Advance of income tax written off		41,946	--
Finance cost		3,670,188	2,666,529
		12,133,476	14,979,725
		(3,761,515)	883,529
<i>Working Capital Charges</i>			
<i>(Increase) / decrease in current assets</i>			
Stock-in-Trade		-	6,201,170
Trade debts		47,671	40,377
Short term deposits and other receivables		5,538	2,043,764
<i>Increase / (decrease) in current liabilities</i>			
Trade and other payables		(1,303,985)	1,264,333
Short term borrowings		-	(3,499,999)
		(1,250,776)	6,049,645
Taxes paid		-	(75,066)
<b>Net cash inflow / (outflow) from operating activities</b>		<b>(5,012,291)</b>	<b>6,858,108</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
		-	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Finance cost paid		-	(74,506)
<b>Net cash inflow / (outflow) from financing activities</b>		<b>-</b>	<b>(74,506)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(5,012,291)</b>	<b>6,783,602</b>
Cash and cash equivalents at the beginning of the period		<b>6,199,258</b>	995,259
<b>Cash and cash equivalents at the end of the period</b>	<b>10</b>	<b>1,186,967</b>	7,778,861

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



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irfan Ali**  
Chief Financial Officer



**Syed Maqbool Ali**  
Chairman Board of Directors

**DEWAN KHALID TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER, 2022**

	Issued, subscribed and paid-up capital	Revenue Reserves		Capital Reserves	Total
		General Reserve	Accumulated Losses	Revaluation Surplus on property, plant & equipment	
		----- (Rupees) -----			
<b>Balance as on 1 July 2021</b>	96,107,590	135,000,000	(789,144,410)	381,143,840	(176,892,980)
<b>Total comprehensive income/(loss) for the period</b>					
Loss for the period	-	-	(11,511,974)	-	(11,511,974)
Other comprehensive income for the period	-	-	-	-	-
	-	-	(11,511,974)	-	(11,511,974)
Transfer to accumulated loss in respect of incremental depreciation - net of tax	-	-	6,649,291	(6,649,291)	-
<b>Balance as on 30, September, 2021</b>	<b>96,107,590</b>	<b>135,000,000</b>	<b>(794,007,093)</b>	<b>374,494,549</b>	<b>(188,404,954)</b>
<b>Balance as on July 01, 2022</b>	<b>96,107,590</b>	<b>135,000,000</b>	<b>(822,543,073)</b>	<b>686,621,962</b>	<b>95,186,479</b>
<b>Total comprehensive income/(loss) for the period</b>					
Loss for the period	-	-	(14,748,471)	-	(14,748,471)
Other comprehensive income for the period	-	-	-	-	-
	-	-	(14,748,471)	-	(14,748,471)
Transfer to accumulated loss in respect of incremental depreciation - net of tax	-	-	2,806,996	(2,806,996)	-
<b>Balance as on 30, September 2022</b>	<b>96,107,590</b>	<b>135,000,000</b>	<b>(834,484,548)</b>	<b>683,814,966</b>	<b>80,438,008</b>

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



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irfan Ali**  
Chief Financial Officer



**Syed Maqbool Ali**  
Chairman Board of Directors

**DEWAN KHALID TEXTILE MILLS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER, 2022**

**1 CORPORATE INFORMATION Sep 30,**

**Dewan Khalid Textile Mills Limited** (the Company) was incorporated in Pakistan, as a public limited company on April 03, 1978, under the Companies Act, 1913 (Now the Companies Act, 2017) and its shares are listed in Pakistan Stock Exchange Limited. The Principal activity of the Company is trading, manufacturing and sale of yarn. However, the Operations of the company are suspended since August 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 G-11, S.I.T.E., Kotri, District Jamshoro, Sindh, Pakistan.

**2 GOING CONCERN ASSUMPTION**

These condensed interim financial statements of the company for the first quarter ended September 30, 2022 reflect that company has sustained a net loss after taxation of Rs.14.748 million (2022: Rs.56.573 million) and as of that date company has negative reserves of Rs.699.485 million which have resulted in equity of Rs.80.438 million. Further the company's short term borrowing facilities have expired and not been renewed. Company defaulted in repayment of its restructured liabilities due to liquidity crunch faced by the Company and adverse factors being faced by the overall textile industry in the country and working capital constraints faced by the company as a result the Company, for the time being, has suspended its manufacturing operations since August 2016. Accordingly, the entire restructured liabilities along with markup eligible for waiver have become immediately repayable. These conditions indicate the existence of material uncertainty which may cast significant doubt about the company's ability to continue as a going concern, therefore the company may not be able to realize its assets and discharge its liabilities during the normal course of business.

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

**3 BASIS OF PREPARATION**

**3.1** These condensed interim financial statements of the Company have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**3.2** These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2022.

**4 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES**

**4.1** The accounting policies and methods of computation adopted and applied in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2022.

**4.2 Application of new and revised International Financial Reporting Standards**

**4.2.1 Standards, amendments to standards and interpretations becoming effective during the period**

There are certain new standards, amendments to existing standards and new interpretations on approved accounting standards that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2022 but are considered not to be relevant or not to have any material effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial

statements.

#### 4.2.2 Standards, amendments to standards and interpretations becoming effective in future periods

There are certain new standards, amendments to standards and interpretations that will become effective in future accounting periods but are considered not to be relevant or not to have any material effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

### 5 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

5.1 The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.

5.2 Judgements and estimates made by management in the preparation of these condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended June 30, 2022.

5.3 The Company's financial risk management objectives and policies are consistent with those objectives and policies which were disclosed in the financial statements of the Company for the year ended June 30, 2022

	(Un-Audited) Sep 30, 2022	(Audited) June 30, 2022
	----- (Rupees) -----	
<b>6 RESERVES</b>		
<b>Revenue reserves</b>		
General reserves	135,000,000	135,000,000
Accumulated losses	(834,484,548)	(822,543,073)
	<u>(699,484,548)</u>	<u>(687,543,073)</u>

### 7 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the contingencies and commitments since the last audited financial statements for the year ended June 30, 2022.

### 8 PROPERTY, PLANT & EQUIPMENTS

Operating fixed assets	8.1	<u>789,362,705</u>	<u>797,784,047</u>
		<u>789,362,705</u>	<u>797,784,047</u>
<b>8.1 Operating fixed assets</b>			
Opening balance		797,784,047	566,048,352
Additions during the period / year		--	278,563,814
Depreciation during the period / year		(8,421,342)	(46,828,119)
Closing balance		<u>789,362,705</u>	<u>797,784,047</u>

### 9 FINANCE COST

The company has not provided the markup on long term and short term borrowings from certain banks for the period amounting to Rs. 12.109 on (Up to June 30, 2022: Rs. 526.858 million) in respect of borrowings of certain banks who have not yet accepted the restructuring proposal. The Management of the company is quite hopeful that these banks will also accept restructuring proposal in near future. Had the provision been made the loss for the period would have been higher by Rs.12.109 million and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs. 538.967 million. The said non provisioning is departure from the requirement of IAS 23- 'Borrowing Costs'.

(Un-Audited) July-Sept, 2022	(Un-Audited) July-Sept, 2021
(Rupees)	

**10 CASH AND CASH EQUIVALENTS**

Cash and Bank Balances

<u>1,186,967</u>	<u>7,778,861</u>
<u><u>1,186,967</u></u>	<u><u>7,778,861</u></u>

**11 RELATED PARTY TRANSACTIONS**

Provident Fund contributions

<u>82,392</u>	<u>74,412</u>
---------------	---------------

**12 LOSS PER SHARE -BASIC AND DILUTED**

Net loss for the period

<u>(14,748,471)</u>	<u>(11,511,974)</u>
---------------------	---------------------

Number of ordinary shares

<u>9,610,759</u>	<u>9,610,759</u>
------------------	------------------

**Loss per share - basic and diluted**

<u><u>(1.53)</u></u>	<u><u>(1.20)</u></u>
----------------------	----------------------

**13 CORRESPONDING FIGURES**

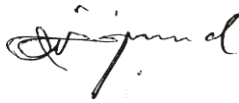
In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", Statement of Financial Position has been compared with the Statement of financial position of annual financial statements, whereas statement of profit or loss , statement of comprehensive income,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

**14 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements have been authorized for issue on October 24, 2022 by the Board of Directors of the company.

**15 GENERAL**

Figures have been rounded off to the nearest rupee.



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irfan Ali**  
Chief Financial Officer



**Syed Maqbool Ali**  
Chairman Board of Directors