

**Half Yearly Report**  
December 31, 2022



**DEWAN KHALID TEXTILE MILLS LIMITED**



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## 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 half year ended December 31, 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.

**Operating results (Factory Shutdown):**

Company's operational sales for the period remained nil 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 auditors of the Company have expressed adverse conclusion in their review report on going concern assumption due to closure of operations, default in repayment of installments of restructured liabilities and related non-provisioning of mark-up as explained in their review report. 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**

There is a need for a rationalized policy of the government for taxes, smooth supply of Power at affordable tariff and making cost-effective borrowing facilities available to the textile sector. In the wake of current hyper inflationary situation government is further planning to increase energy prices and interest rates which will also be going to raise further costs badly in coming days. Due to prevailing situation in local as well as international market coupled with political scenario in Pakistan, the current financial year entails many challenges to deal with. The industry performance mainly depends on consistency in government policies and constant provision of utilities at affordable rates. This, along with restrictive issuance of LCs may further cause the firms and national economy to suffer badly and if the government decides to withdraw subsidy or increase the prices of electricity and Gas/RLNG, there would more reverse challenges to be faced by the industry.

**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 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



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

Dated: February 24, 2023

**REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**  
**INDEPENDENT AUDITORS' REVIEW REPORT**  
**TO THE MEMBERS OF DEWAN KHALID TEXTILE MILLS LIMITED**

**Introduction**

We have reviewed the accompanying Condensed interim Statement of financial Position of Dewan Khalid Textile Mills Limited ("the company") as at December 31, 2022 and the related Condensed interim statement of profit or loss, Condensed interim statement of comprehensive income, Condensed interim Statement of cash flow, Condensed interim statement of changes in equity and the notes to the Condensed interim financial statements for the six months period then ended (hereinafter referred to as the "interim financial statements"). Management is responsible for the preparation and Presentation of these Condensed interim financial statement in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with the International Standard on review engagements 2410, "Review of interim financial Information performed by the independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Basis of qualified Opinion**

- a) The Condensed interim financial statements of the company for the Six months ended December 31, 2022 as disclosed in note 2 to the Condensed interim financial Statements reflect loss after taxation of Rs. 31.503 (December 31, 2021:Rs. 10.668) million and as of that date it has accumulated losses of Rs. 848.432 (June 30, 2022: Rs. 822.543) million and its current liabilities exceeded its current assets by Rs. 660.319 (June 30, 2022 Rs. 643.365) million without providing markups of Restructured and other liabilities and as refer in below para (b). The operations of the company were closed from August 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. 403.90 million, hence as per the terms of the restructuring under clause 10.2 of the compromise agreement the entire restructured debt amounting to Rs. 104.008 million along with mark up of Rs. 85.516 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. Moreover, certain lenders are in litigation with the company, the aggregate suit amount is Rs.275.008 million (the company have also not provided markup on the same Loan). Further, one of the lender have also filed winding up petition also some of the financial Institutions filed suit for execution of consent decree. Accordingly, the financial institutions have not provided bank confirmations as at reporting date. These conditions lead us to believe that the going concern assumption used in preparation of these Condensed interim financial Statements is inappropriate; consequently the assets and liabilities should have been stated at their realizable and settlement amounts respectively.

b) In addition to above, since the proposal, has not been accepted so far and the lenders, instead of the accepting the restructuring Proposal, have preferred to filed suit against the company, therefore the provision of mark up should be made in the Condensed interim financial statements as fully disclosed in note 9 and preceding Para of the report to Condensed interim Financial Statements. Had the provisions for the mark up, as discussed in preceding paragraph (a), been made in these financial statements, the loss after taxation would have been higher by Rs. 638.310 (June 30, 2022: Rs. 612.374) million and markup payable would have been higher and shareholders' equity would have been lower by Rs. 638.310 ( June 30, 2022: Rs. . 612.374) million.

**Adverse Conclusion**

Our review indicates that, because of the significance of the matter discussed in paragraph (a) coupled with financial impact of matter discussed in paragraph (b) above, these accompanying interim financial Statements as of and for the six months period ended December 31, 2022 is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial Reporting.

**Other matter**

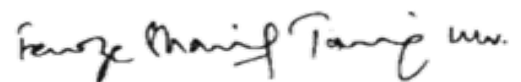
The figures of the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income and the notes forming part thereof for the quarters ended December 31, 2022 and December 31, 2021 have not been reviewed and we do not express a conclusion on them, we are required to review only the cumulative figures for the Six month ended December 31, 2022.

The engagement partner on the review resulting in this independent auditor's review report is Mohammad Tariq.

Dated: February 28, 2023

Place: Karachi

UDIN Number: RR202210129XmARj6LOP



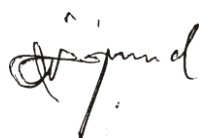
CHARTERED ACCOUNTANTS

(Mohammad Tariq)

**DEWAN KHALID TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER, 2022**

		(Un-Audited) Dec 31, 2022	(Audited) June 30, 2022
	Notes	----- (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>135,000,000</b>	135,000,000
General reserve		<b>(848,432,199)</b>	(822,543,073)
Accumulated Losses			
Capital reserve		<b>681,007,969</b>	686,621,962
Surplus on revaluation of property, plant and equipment		<b>63,683,360</b>	95,186,479
<b>NON CURRENT LIABILITIES</b>			
Provision for staff gratuity		<b>17,287,399</b>	17,287,399
Deferred tax		<b>39,651,691</b>	41,944,730
		<b>56,939,090</b>	59,232,129
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<b>130,835,407</b>	145,700,076
Mark-up accrued on loans		<b>116,770,923</b>	109,430,547
Short term borrowings		<b>340,100,117</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>692,048,860</b>	679,573,153
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	-	-
		<b>812,671,310</b>	833,991,761
<b><u>ASSETS</u></b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipments	8	<b>780,941,361</b>	797,784,047
<b>CURRENT ASSETS</b>			
Stores and spares		<b>11,726,124</b>	11,726,124
Trade debts - unsecured		<b>1,538,444</b>	2,104,349
Short term deposit & other receivable		<b>6,082,841</b>	6,094,056
Taxes recoverable - net		<b>10,041,981</b>	10,083,927
Cash and bank balances	10	<b>2,340,559</b>	6,199,258
		<b>31,729,949</b>	36,207,714
		<b>812,671,310</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

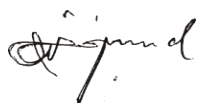


**Syed Maqbool Ali**  
Chairman Board of Directors

**DEWAN KHALID TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Notes	Half Year Ended		Quarter Ended	
		July-Dec, 2022	July-Dec, 2021	Oct-Dec, 2022	Oct-Dec, 2021
		----- (Rupees) -----		----- (Rupees) -----	
Sales - net		-	54,214,476	--	43,679,643
Cost of sales		<b>(21,919,533)</b>	(60,315,831)	<b>(12,011,099)</b>	(40,339,227)
Gross (loss) / profit		<b>(21,919,533)</b>	(6,101,355)	<b>(12,011,099)</b>	3,340,416
<b>Operating Expenses</b>					
Administrative and general expenses		<b>(4,530,624)</b>	(4,251,140)	<b>(2,214,255)</b>	(2,263,244)
<b>Operating (loss) / profit</b>		<b>(26,450,157)</b>	(10,352,495)	<b>(14,225,354)</b>	1,077,172
Finance cost	9	<b>(7,346,001)</b>	(5,069,619)	<b>(3,675,813)</b>	(2,403,090)
<b>Loss before taxation</b>		<b>(33,796,158)</b>	(15,422,114)	<b>(17,901,167)</b>	(1,325,918)
Taxation					
- Current		-	(677,681)	--	(545,996)
- Deferred		<b>2,293,039</b>	5,431,815	<b>1,146,519</b>	2,715,908
		<b>2,293,039</b>	4,754,134	<b>1,146,519</b>	2,169,912
<b>(Loss) / profit after taxation</b>		<b>(31,503,119)</b>	(10,667,980)	<b>(16,754,648)</b>	843,994
<b>Loss per share - basic and diluted (rupees)</b>	12	<b>(3.28)</b>	(1.11)	<b>(1.74)</b>	(0.09)

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



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



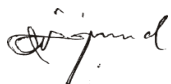
**Syed Maqbool Ali**  
**Chairman Board of Directors**



**DEWAN KHALID TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

Notes	Half Year Ended		Quarter Ended	
	July-Dec,	July-Dec,	Oct-Dec,	Oct-Dec,
	2022	2021	2022	2021
	----- (Rupees) -----		----- (Rupees) -----	
<b>(Loss)/profit for the period</b>	<b>(31,503,119)</b>	<b>(10,667,980)</b>	<b>(1,667,980)</b>	<b>843,994</b>
Item that will not be subsequently reclassified to profit or loss :				
<b>Other comprehensive income:</b>				
Accumulated Losses				
of revaluation on property, plant and equipment	-	-	-	-
<b>Total comprehensive (loss)/profit for the period</b>	<b><u>(31,503,119)</u></b>	<b><u>(10,667,980)</u></b>	<b><u>(1,667,980)</u></b>	<b><u>843,994</u></b>

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



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



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

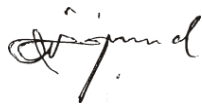


**Syed Maqbool Ali**  
**Chairman Board of Directors**

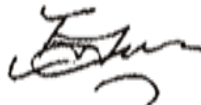
**DEWAN KHALID TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Note	July-Dec, 2022	July-Dec, 2021
		----- (Rupees) -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Loss before taxation		(33,796,158)	(15,422,114)
<i>Adjustment for Non-Cash and Other Items:</i>			
Depreciation		16,842,686	24,626,391
Finance cost		7,346,001	5,069,619
		24,188,687	29,696,010
		(9,607,471)	14,273,896
<i>Accumulated Losses</i>			
<i>(Increase) / decrease in current assets</i>			
Stock-in-Trade		-	32,169,310
Trade debts		565,905	(4,553,998)
Advances		-	(1,143)
Short term deposits and other receivables		11,215	2,046,806
<i>Increase / (decrease) in current liabilities</i>			
Trade and other payables		(14,864,669)	767,072
Short term borrowings		20,000,000	(31,149,999)
		5,712,451	(721,952)
Taxes - net of refunds		41,946	(523,769)
<b>Net cash inflow / (outflow) from operating activities</b>		<b>(3,853,074)</b>	<b>13,028,175</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
		-	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Finance cost paid		(5,625)	(159,403)
<b>Net cash inflow / (outflow) from financing activities</b>		<b>(5,625)</b>	<b>(159,403)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(3,858,699)</b>	12,868,772
Cash and cash equivalents at the beginning of the period		6,199,258	995,259
<b>Cash and cash equivalents at the end of the period</b>	<b>10</b>	<b>2,340,559</b>	13,864,031

*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 HALF YEAR ENDED DECEMBER 31, 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 loss for the period</b>					
Loss for the period	-	-	(10,667,980)	-	(10,667,980)
Other comprehensive income for the period	-	-	-	-	-
Accumulated Losses	-	-	(10,667,980)	-	(10,667,980)
Transfer to accumulated loss in respect of incremental depreciation - net of tax	-	-	13,298,581	(13,298,581)	-
<b>Balance as on 31 December, 2021</b>	<b>96,107,590</b>	<b>135,000,000</b>	<b>(786,513,809)</b>	<b>367,845,259</b>	<b>(187,560,960)</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 loss for the period</b>					
Loss for the period	-	-	(31,503,119)	-	(31,503,119)
Other comprehensive income for the period	-	-	-	-	-
	-	-	(31,503,119)	-	(31,503,119)
Transfer to accumulated loss in respect of incremental depreciation - net of tax	-	-	5,613,993	(5,613,993)	-
<b>Balance as on 31 December, 2022</b>	<b>96,107,590</b>	<b>135,000,000</b>	<b>(848,432,199)</b>	<b>681,007,969</b>	<b>63,683,360</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 HALF YEAR ENDED DECEMBER 31, 2022**

**1 CORPORATE INFORMATION**

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.

**GOING CONCERN ASSUMPTION**

These condensed interim financial statements of the company for the half year ended 31st December, 2022 reflect that company has sustained a net loss after taxation of Rs.31.503 million (June 2022: Rs.56.573 million) and as of that date company has negative reserves of Rs.713.432 million which have resulted in equity of Rs.63.683 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 for the half year ended 31 December 2022 have been prepared in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as 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 the provisions of and directives issued under the Companies Act, 2017 differ with 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.

- 3.3** The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 December 2022 and 2021 and the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half years ended 31 December 2022 and 2021.

#### 4 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

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

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

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the Company's annual audited financial statements for the year ended 30 June 2022.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited financial statements for the year ended 30 June 2022.

	(Un-Audited) Dec 31, 2022	(Audited) June 30, 2022
	----- (Rupees) -----	
<b>6 RESERVES</b>		
<b>Revenue reserves</b>		
General reserves	135,000,000	135,000,000
Accumulated losses	(848,432,199)	(822,543,073)
	<u>(713,432,199)</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>780,941,361</u>	<u>797,784,047</u>
	<u>780,941,361</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	(16,842,686)	(46,828,119)
<b>Closing balance</b>	<u>780,941,361</u>	<u>797,784,047</u>

#### 9 FINANCE COST

The company has not provided the markup on long term and short term borrowings for the period amounting to Rs. 25.936 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.25.936 million and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs. 552.794 million. The said non provisioning is departure from the requirement of IAS 23- 'Borrowing Costs'.

	(Un-Audited) Dec 31, 2022	(Un-Audited) Dec 31, 2021
	(Rupees)	

#### 10 CASH AND CASH EQUIVALENTS

Cash and Bank Balances	<u>2,340,559</u>	13,864,031
	<u>2,340,559</u>	<u>13,864,031</u>

**11 RELATED PARTY TRANSACTIONS**

Provident Fund contributions	<u>164,784</u>	<u>148,836</u>
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**12 LOSS PER SHARE - BASIC AND DILUTED**

Net loss for the period	<u>(31,503,119)</u>	<u>(10,667,980)</u>
Number of ordinary shares	<u>9,610,759</u>	<u>9,610,759</u>
<b>Loss per share - basic and diluted</b>	<u>(3.28)</u>	<u>(1.11)</u>

**13 CORRESPONDING FIGURES**

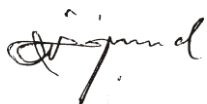
In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", condensed interim statement of financial position has been compared with the balances of annual financial statements, whereas condensed interim statement of profit or loss, statement of cash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

**14 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements have been authorized for issue on February 24, 2023 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

## دیوان خالد ٹیکسٹائل لمیٹڈ ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز،  
السلام علیکم،

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز 31 دسمبر 2022ء کو ختم ہونے والی ششماہی کیلئے کمپنیز 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۔

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

پیداوار معطل ہونے کی وجہ سے اس سال بھی کمپنی کی صافی پیداواری فروخت صفر رہی۔ کمپنی نے وقتی طور پر اگست 2016ء سے اپنی پیداوار کے عمل کو معطل کر دیا ہے جو کہ صنعت میں نامساعد مشکلات، مارکیٹ میں طلب کی کمی اور کام چلانے کے لیے سرمایہ میں کمی کی وجہ سے ہے۔

کمپنی کے آڈیٹرز نے آپریشن کی بندش، قرضہ جات کی قسطوں کی ادائیگی اور مارک اپ سے متعلق غیر عدم فراہمی اور مشکوک قرضوں کے لئے فراہمی جو کہ ان کی جائزہ رپورٹ میں بیان کیا گیا ہے، کے باعث مستقبل کی تشویش سے متعلق اپنی جائزہ رپورٹ میں منفی نتیجہ کا اظہار کیا ہے۔ مجموعی عبوری مالی بیانات تشویش کا اظہار کرتے ہوئے تیار کیئے گئے ہیں کیونکہ کمپنی نے اپنے قرض دہندگان سے اپنی ذمہ داریوں کی مزید تنظیم نو کے لئے رابطہ کیا ہے جو کہ جاری ہے۔ انتظامیہ کو امید ہے کہ جلد ہی اس طرح کی نظر ثانی کو حتمی شکل دے دی جائے گی جس سے کمپنی اپنے آپریٹرز دوبارہ شروع کر سکے گی۔

### مستقبل کا نظریہ:

ٹیکسٹائل سیکٹر کو سستے قرضے لینے کی سہولتیں فراہم کرنے کے لیے حکومت کی معقول پالیسی کی ضرورت ہے۔ موجودہ مہنگائی کی صورتحال کے تناظر میں حکومت توانائی کی قیمتوں اور شرح سود میں مزید اضافہ کرنے کی منصوبہ بندی کر رہی ہے جس سے آنے والے دنوں میں قیمتوں میں مزید اضافہ ہوگا۔ پاکستان کی سیاسی صورتحال کے پیش نظر مقامی اور بین الاقوامی مارکیٹ کی موجودہ صورتحال کے باعث موجودہ مالی سال میں کافی چیلنجز سے نمٹنا ہے۔ صنعت کی کارکردگی بنیادی طور پر حکومتی پالیسیوں میں مستقل مزاجی اور سستی شرحوں پر پمپلیٹی کی مسلسل فراہمی پر منحصر ہے۔ اس کے ساتھ ساتھ LCS کے محدود اجراء سے فرمز اور قومی معیشت کو مزید نقصان پہنچ سکتا ہے اور اگر حکومت سبسڈی واپس لینے یا بجلی اور گیس/آرائل این جی کی قیمتوں میں اضافہ کرنے کا فیصلہ کرتی ہے تو صنعت کو مزید چیلنجز کا سامنا کرنا پڑے گا۔

### اظہار 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  
چیئر مین بورڈ آف ڈائریکٹرز

Handwritten signature of Ashfaq Ahmad

اشتیاق احمد  
چیف ایگزیکٹو آفیسر

کراچی؛

مورخہ: 24 فروری 2023ء