

**DEWAN KHALID TEXTILE MILLS LIMITED**

**QUARTERLY REPORT**

**SEPTEMBER 30, 2021**

**IN THE NAME OF ALLAH; THE MOST GRACIOUS AND 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, 2021 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 net revenue (Stock Sales) for first quarter was Rs. 10.535 million as compared to net revenue of nil 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, lesser market demand 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**


Management is endeavoring to resume the production of the company as soon as the situation in near future improves, restructuring of the company is finalized and sufficient working capital is provided. At present, it is becoming more difficult to compete in international market, due to continues increase in cotton prices i.e., local (KCA Rate Rs.15,300/-Maunder) as well as international cotton markets (New York Cotton @ \$1.09/Lbs.) both are touching to a decade high price, higher cost of production, uncertainties in currency devaluation, increase in inflation and overall political & economic conditions. Even though the Government implemented policy measures to control the inflation, however, still a lot needs to be done to bring it to quite manageable level. The raw material availability at competitive prices, currency stability and most importantly the Country's ability to keep up the export orders' momentum will primarily determine the times ahead. Some further initiatives from the government are also expected to make the textile industry sustainable, 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 should also encourage local production and import substitution through duty cut, tax incentives on investment in manufacturing and early release of tax refunds, and it should create a level playing field for domestic supplies compared to imports.

**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



**Haroon Iqbal**  
Chairman Board of Directors

Dated: October 26, 2021

## دیوان خالد ٹیکسٹائل ملز لمیٹڈ ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز،  
السلام علیکم،

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کیپٹنیز ایکٹ، 2017 کی دفعہ 237 اور سیکیورٹی اینڈ انویسٹمنٹ کمیشن آف پاکستان کے جاری کردہ کوڈ آف کارپوریٹ گورننس کے تحت 30 ستمبر 2021ء کو تمہارے ہونے والی پہلی سرمایہ کے غیر آڈٹ شدہ عبوری مالیاتی حسابات پیش کر رہے ہیں۔

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

پہلی سرمایہ کے دوران کمپنی کے خالص فروخت (اسٹاک) مبلغ 10.535 ملین روپے رہی اور گزشتہ سال کی پہلی سرمایہ میں پیداوار معطل ہونے کی وجہ سے 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۔

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 کا 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:

اس وقت مقامی روٹی (KCA ریٹ 15,300 روپے من) کے ساتھ ساتھ انٹرنیشنل کائون مارکیٹس (نیویارک کائون \$1.09/Lbs) کی زیادہ قیمتوں، زیادہ پیداواری لاگت، کرنسی کی قدر میں کمی اور افراط زر میں اضافہ، معاشی اور سیاسی عدم استحکام کے باعث بین الاقوامی مارکیٹ میں مقابلہ کرنا مشکل ہونا جا رہا ہے۔ اگرچہ حکومت نے مہنگائی پر قابو پانے کے لئے پالیسی اقدامات پر عمل درآمد کیا، تاہم اسے قابل انتظام سطح پر لانے کے لئے ابھی بہت کچھ کرنے کی ضرورت ہے۔ خام مال کی دستیابی اور قیمتیں، کرنسی کو مستحکم اور سب سے اہم یہ ہے کہ برآمداتی آرڈرز کی رفتار کو برقرار رکھنے کی ملکی صلاحیت بنیادی طور پر آنے والے وقت کا تعین کرے گی۔ اسٹیٹ بینک آف پاکستان کی طرف سے دی جانے والی عارضی اقتصادی ری فننس سہولت کے نتیجے میں اگلے مالی سال کے آغاز سے پیداواری صلاحیتوں میں اضافہ ہوگا۔ برآمدی آرڈرز کی موجودگی بڑھتی ہوئی صلاحیتوں کو پورا کرنے اور ملک کی معاشی خوشحالی کے لیے اہم ہوں گی۔ ٹیکسٹائل انڈسٹری کو مستحکم بنانے کے لیے حکومت کی جانب سے مزید اقدامات خاص طور پر سستی قیمت پر گیس کی مستقل فراہمی، نئی صلاحیت میں توسیع اور ٹیکنالوجی کی اپ گریڈیشن میں سرمایہ کاری میں اضافہ کیلئے طویل مدتی رعایتی فنانسنگ سہولت کا تسلسل کی توقع ہے۔ حکومت کو ڈیوٹی کٹ، مینوفیکچرنگ میں سرمایہ کاری پر ٹیکس کی مراعات اور برآمد کنندگان کے لیے ٹیکس ریفرنڈ کی جلد اجراء کے ذریعے مقامی پیداوار اور درآمد کے متبادل کی بھی حوصلہ افزائی کرنی چاہیے اور اسے درآمدات کے مقابلے میں گھریلو رسد کے لیے برابری کا میدان بنانا چاہئے۔

### الحمد والشکر 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 اہمہ 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

بارون اقبال  
چیئر مین بورڈ آف ڈائریکٹرز


اشتیاق احمد  
چیف ایگزیکٹو  
کراچی

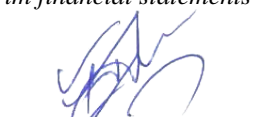
مورخہ: 26 اکتوبر 2021ء

**DEWAN KHALID TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH SEPTEMBER, 2021**

		(Un- Audited) July-Sept 2021	(Audited) June 30, 2021
	Notes	----- (Rupees) -----	
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>SHARE CAPITAL &amp; RESERVES</b>			
Authorized share capital 15,000,000 (June 30, 2021: 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>(659,007,093)</b>	(654,144,410)
Revaluation surplus on property plant and equipment (Capital reserve)		<b>374,494,549</b>	381,143,840
		<b>(188,404,954)</b>	(176,892,980)
<b>NON CURRENT LIABILITIES</b>			
Provision for staff gratuity		<b>17,295,063</b>	17,295,063
Deferred taxation		<b>98,784,132</b>	101,500,039
		<b>116,079,195</b>	118,795,102
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<b>152,765,543</b>	151,501,210
Mark-up accrued on loans		<b>102,017,570</b>	99,425,547
Short term borrowings		<b>352,083,141</b>	355,583,140
Unclaimed dividend		<b>334,741</b>	334,741
Current and over due portion of syndicated long term loan		<b>104,007,672</b>	104,007,672
		<b>711,208,667</b>	710,852,310
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	-	--
		<b>638,882,908</b>	<b>652,754,432</b>
<b><u>ASSETS</u></b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipments	8	<b>553,735,156</b>	566,048,352
Long term investment	9	-	--
<b>CURRENT ASSETS</b>			
Stores and spares		<b>14,071,348</b>	14,071,348
Stock-in-Trade		<b>42,876,975</b>	49,078,145
Trade debtors - Unsecured		<b>2,076,484</b>	2,116,861
Advances - Considered good		<b>70,000</b>	70,000
Short term deposit & other receivable		<b>8,141,758</b>	10,185,522
Taxes recoverable - Net		<b>10,132,326</b>	10,188,945
Cash and bank balances		<b>7,778,861</b>	995,259
		<b>85,147,752</b>	86,706,080
		<b>638,882,908</b>	<b>652,754,432</b>

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

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

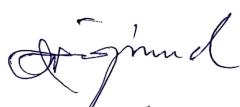
  
**Muhammad Irfan Ali**  
**Chief Financial Officer**


  
**Haroon Iqbal**  
**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 2021**

	Notes	July-Sept 2021 ----- (Rupees) -----	July-Sept 2020 -----
Sales - net		10,534,833	--
Cost of sales		<u>(19,976,604)</u>	<u>(14,931,462)</u>
Gross (loss)		(9,441,771)	(14,931,462)
<b>Operating Expenses</b>			
Administrative and general expenses		<u>(1,987,896)</u>	<u>(2,129,169)</u>
Reversal of provision against doubtful debts		-	3,865,000
		<u>(1,987,896)</u>	<u>1,735,831</u>
<b>Operating (loss)</b>		<b>(11,429,667)</b>	<b>(13,195,631)</b>
Finance cost	10	<u>(2,666,529)</u>	<u>(2,595,602)</u>
<b>(Loss) before taxation</b>		<b>(14,096,196)</b>	<b>(15,791,233)</b>
Taxation			
- Current		<u>(131,685)</u>	-
- Deferred		2,715,907	3,083,752
		2,584,222	3,083,752
<b>(Loss) after taxation</b>		<b><u>(11,511,974)</u></b>	<b><u>(12,707,481)</u></b>
(Loss) per share - basic and diluted	13	<b><u>(1.20)</u></b>	<b><u>(1.32)</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**


  
**Haroon Iqbal**  
**Chairman Board of Directors**


**DEWAN KHALID TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER 2021**

	<b>July-Sept 2021</b>	<b>July-Sept 2020</b>
	----- (Rupees) -----	
<b>(Loss) for the period</b>	<b>(11,511,974)</b>	<b>(12,707,481)</b>
<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>	<b><u>(11,511,974)</u></b>	<b><u>(12,707,481)</u></b>

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**Muhammad Irfan Ali**  
Chief Financial Officer


  
**Haroon Iqbal**  
Chairman Board of Directors


**DEWAN KHALID TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER 2021**

	Note	July-Sept 2021	July-Sept 2020
----- (Rupees) -----			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
(Loss) before Taxation		(14,096,196)	(15,791,233)
<b>Adjustment for Non-Cash and Other Items:</b>			
Depreciation		12,313,196	13,854,919
(Reversal) of provision for doubtful debts		-	(3,865,000)
Finance Cost		2,666,529	2,595,602
		14,979,725	12,585,521
		883,529	(3,205,712)
<b>Working Capital Charges</b>			
<i>(Increase) / Decrease in Current Assets</i>			
Stock-in-Trade		6,201,170	--
Trade debts		40,377	3,885,789
Advances		-	60,030
Short term deposits and other receivables		2,043,764	--
<i>Increase / (Decrease) in Current Liabilities</i>			
Trade and other payables		1,264,333	78,806
Short term borrowings		(3,499,999)	--
		6,049,645	4,024,625
Taxes paid		(75,066)	--
<b>Net Cash Inflow / (Outflow) from operating activities</b>		<b>6,858,108</b>	<b>818,913</b>
<b>Net Cash Inflow / (Outflow) from investing activities</b>		-	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Finance cost paid		(74,506)	(589,573)
<b>Net Cash Inflow / (Outflow) from Financing Activities</b>		<b>(74,506)</b>	<b>(589,573)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>		<b>6,783,602</b>	<b>229,340</b>
Cash and cash equivalents at the beginning of the period		<b>995,259</b>	<b>933,703</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>11</b>	<b>7,778,861</b>	<b>1,163,043</b>

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**CEO & Director**

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

  
**Haroon Iqbal**  
**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 2021

Issued, subscribed and paid-up capital	Revenue Reserves		Capital Reserves	Total	
	General Reserve	Accumulated Losses	Revaluation Surplus on property, plant & equipment		
(Rupees)					
Balance as on 1 July 2020	96,107,590	135,000,000	(773,468,575)	411,343,336	(131,017,649)
<b>Total comprehensive (loss) for period</b>					
(Loss) for the period	-	-	(12,707,481)	-	(12,707,481)
Other comprehensive income for the period	-	-	-	-	-
	-	-	(12,707,481)	-	(12,707,481)
Transfer to accumulated loss in respect of incremental depreciation - net of tax	-	-	7,549,874	(7,549,874)	-
<b>Balance as on 30, September 2020</b>	<b>96,107,590</b>	<b>135,000,000</b>	<b>(778,626,182)</b>	<b>403,793,462</b>	<b>(143,725,130)</b>
<b>Balance as on July 01, 2021</b>	<b>96,107,590</b>	<b>135,000,000</b>	<b>(789,144,410)</b>	<b>381,143,840</b>	<b>(176,892,980)</b>
<b>Total comprehensive (loss) for 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>

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

  
**Ishtiaq Ahmed**  
CEO & Director

  
**Muhammad Irfan Ali**  
Chief Financial Officer

  
**Haroon Iqbal**  
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 2021**

**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 Acts, 2017) and its shares are listed in Pakistan Stock Exchange Limited. The registered office of the company is located at 3-A, Lalazar, Beach Hotel Road, Karachi, Pakistan; while its manufacturing facilities are located at G-11, S.I.T.E., Kotri, Sindh, Pakistan. The Principal activity of the Company is trading, manufacturing and sale of yarn, however operations are suspended since August, 2016.

**2 GOING CONCERN ASSUMPTION**

These condensed interim financial statements of the company for the period ended 30th September 2021 reflect that company has sustained a net loss after taxation of Rs.11.512 million (2021: Rs.45.875 million) and as of that date company has negative reserves of Rs.659.007 million which have resulted in negative equity of Rs.188.405 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 2021.

**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 2021.

**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, 2021 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, 2021.
- 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, 2021

	(Un-Audited) July-Sept 2021	(Audited) June 30, 2021
	----- (Rupees) -----	
<b>6 RESERVES</b>		
<b>Revenue reserves</b>		
General reserves	135,000,000	135,000,000
Accumulated losses	<u>(794,007,093)</u>	<u>(789,144,410)</u>
	<u><u>(659,007,093)</u></u>	<u><u>(654,144,410)</u></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, 2021.

	Notes	July-Sept 2021	June 30, 2021
		(Rupees )	
<b>8 PROPERTY, PLANT &amp; EQUIPMENTS</b>			
Operating Fixed Assets	8.1	<u>553,735,156</u>	<u>566,048,352</u>
		<u><u>553,735,156</u></u>	<u><u>566,048,352</u></u>
<b>8.1 Operating Fixed Assets</b>			
Opening written down value		566,048,352	621,468,028
Additions during the period / year		--	--
Depreciation during the period / year		<u>(12,313,196)</u>	<u>(55,419,676)</u>
Closing written down value		<u><u>553,735,156</u></u>	<u><u>566,048,352</u></u>

## 9 LONG TERM INVESTMENT

### Investment in associate

Dewan Salman Fibre Limited	<u>    --    </u>	<u>    --    </u>
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- 9.1 Associate is an entity over which the Company has significant influence but no control. Company's investee company is considered to be its associate by virtue of common directorship, member of yousuf dewan companies and its ownership interest of 8.81% in investee company.

### 9.2 Investment in Dewan Salman Fibre Limited - at equity method

Number of shares held	32,279,849	32,279,849
Cost of investment (Rupees)	<u>40,000,000</u>	<u>40,000,000</u>
Fair value of investment (Rupees)	<u>28,406,267</u>	<u>28,406,267</u>
Ownership interest	<u>8.81%</u>	<u>8.81%</u>

- 9.3 Investment in associated company was made in accordance with the requirement of then effective Companies Ordinance, 1984. As the Company's share of losses exceed its interest in the associate, the Company has discontinued recognising its share of further losses. Market value is based on last available quoted price as of February 19, 2018.

The Company vide its Board Resolution dated April 26, 2021 has approved to sell the investment of shares 32,279,849 in associate namely Dewan Salman Fibre Limited at a Price of Rs. 1/ per share. The share selling price has approved by the Board of Directors because of suspension of trading of shares of DSFL at Pakistan Stock Exchange. The approved share

selling price is higher than the last traded price of February 19, 2018 at Rs. 0.88 per share. The management is of the opinion that if the suspension will be lifted the starting trading price would have been lesser than the last traded price. The company had sold its shares at agreed Price i.e. Rs. 1 per share to its sponsor vide agreement dated June 17, 2021.

## 10 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. 6.864 million (Up to June 30, 2021: Rs. 479.986 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.6.864 million and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs. 486.850 million. The said non provisioning is departure from the requirement of IAS 23- 'Borrowing Costs'.

	(Un-Audited) July-Sept 2021	(Un-Audited) July-Sept 2020
	(Rupees)	
<b>11 CASH AND CASH EQUIVALENTS</b>		
Cash and Bank Balances	<u>7,778,861</u>	<u>1,163,043</u>
	<u><u>7,778,861</u></u>	<u><u>1,163,043</u></u>
<b>12 RELATED PARTY TRANSACTIONS</b>		
	July-Sept 2021	July-Sept 2020
	(Rupees)	
Provident Fund contributions	<u>74,412</u>	<u>93,756</u>
<b>13 (LOSS) PER SHARE -BASIC AND DILUTED</b>		
	July-Sept 2021	July-Sept 2020
Net (Loss) for the period	<u>(11,511,974)</u>	<u>(12,707,481)</u>
Number of ordinary shares	<u>9,610,759</u>	<u>9,610,759</u>
<b>(Loss) Per Share - Basic and diluted (Rs.)</b>	<u><u>(1.20)</u></u>	<u><u>(1.32)</u></u>

## 14 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

## 15 COVID-19 OUTBREAK

Based on assessment, there is no significant accounting impact of the effects of COVID-19 in these condensed interim financial statements.

## 16 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on 26th October, 2021 by the Board of Directors of the company.

## 17 GENERAL

Figures have been rounded off to the nearest rupee.



**Ishtiaq Ahmed**  
CEO & Director



**Muhammad Irfan Ali**  
Chief Financial Officer



**Haroon Iqbal**  
Chairman Board of Directors