

DEWAN TEXTILE MILLS LIMITED

QUARTERLY REPORT

SEPTEMBER 30, 2021

DEWAN TEXTILE MILLS LIMITED**DIRECTORS' REPORT****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. 90.224 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 December 2015 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


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/-Maund) 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
Director

Dated: October 26, 2021

دیوان ٹیکسٹائل انڈیا ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز،

السلام علیکم،

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی میٹنگ، 2017 کی دفعہ 237 اور ریگولیشن اینڈ ایگزیکٹو کمیشن آف پاکستان کے جاری کردہ کوڈ آف کارپوریٹ گورننس کے تحت 30 ستمبر 2021ء کو ختم 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 (اشاک) مبلغ 90.224 ملین روپے رہی اور گزشتہ سال کی پہلی سرمایہ میں پیداوار معطل ہونے کی وجہ سے صفر رہی۔ کمپنی نے وقتی طور پر دسمبر 2015ء 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 کاشن مارکیٹس (نیویارک کاشن \$1.09/Lbs) کی زیادہ قیمتوں، زیادہ پیداواری لاگت، کرنسی کی قدر میں کمی اور فراطر میں اضافہ، معاشی اور سیاسی عدم استحکام کے باعث بین الاقوامی مارکیٹ میں مقابلہ کرنا مشکل ہوتا 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 فنانس سہولت کے نتیجے میں اگلے مالی سال کے آغاز سے پیداواری صلاحیتوں میں اضافہ ہوگا۔ برآمدی آرڈرز کی موجودگی برصغیر کی 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 پریس 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 پریکٹس 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۔

اعمال و 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 ثمہ آمین۔

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

بورڈ آف ڈائریکٹرز کی جانب سے

ہارون اقبال
ڈائریکٹر


اشتیاق احمد
چیف ایگزیکٹو آفیسر
کراچی


مورخہ: 26 اکتوبر 2021ء

DEWAN 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)			
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
Authorized share capital 50,000,000 (2021 :50,000,000) Ordinary shares of Rs. 10/- each		<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid-up share capital		460,646,090	460,646,090
Revenue Reserves			
General reserve		333,000,000	333,000,000
Accumulated losses	6	(5,457,891,397)	(5,405,352,214)
Capital reserve			
Surplus on revaluation of property, plant and equipment		<u>696,171,224</u>	<u>705,345,865</u>
		<u>(3,968,074,083)</u>	<u>(3,906,360,259)</u>
NON CURRENT LIABILITIES			
Long term financing		152,322,499	148,133,893
Deferred taxation		<u>137,627,147</u>	<u>141,374,536</u>
		289,949,646	288,708,429
CURRENT LIABILITIES			
Trade and other payables		181,062,493	183,592,245
Mark-up accrued		1,676,822,844	1,618,893,156
Short term borrowings		423,867,726	490,192,726
Liability for staff gratuity		50,664,588	50,701,788
Unclaimed dividend		254,206	254,206
Current and overdue portion of long term financing		2,944,682,769	2,944,682,769
		5,277,354,626	5,289,116,890
CONTINGENCIES AND COMMITMENTS			
	7	-	-
		<u>1,599,230,189</u>	<u>1,671,465,060</u>
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,370,298,115	1,396,885,763
Long term Investment	9	-	-
Long term deposits		<u>12,012,134</u>	<u>12,012,134</u>
		1,382,310,249	1,408,897,897
CURRENT ASSETS			
Stores and spares		22,390,172	22,390,172
Stock in trade	10	136,512,843	196,772,409
Trade debtors - Unsecured		10,410,698	5,649,823
Advances - Considered good		1,709,645	1,804,815
Short term deposits and other receivable		2,676,686	2,676,686
Taxes recoverable - Net		22,581,725	23,129,092
Cash and bank balances		<u>20,638,171</u>	<u>10,144,166</u>
		216,919,940	262,567,163
		<u>1,599,230,189</u>	<u>1,671,465,060</u>

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
Director


DEWAN 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		90,224,449	-
Cost of sales		<u>(90,114,592)</u>	<u>(32,237,362)</u>
Gross (Loss)		109,857	(32,237,362)
Operating expenses			
Administrative & general expenses		(1,633,767)	(978,162)
Operating (Loss)		<u>(1,523,910)</u>	<u>(33,215,524)</u>
Finance cost	11	(62,809,497)	(60,363,654)
(Loss) before taxation		<u>(64,333,407)</u>	<u>(93,579,178)</u>
Taxation			
- Current		(1,127,806)	-
- Deferred		3,747,389	4,242,663
		2,619,583	4,242,663
(Loss) for the period		<u><u>(61,713,824)</u></u>	<u><u>(89,336,515)</u></u>
(Loss) per share - Basic and diluted	12	<u><u>(1.34)</u></u>	<u><u>(1.94)</u></u>

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
Director

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

	July-Sept 2021	July-Sept 2020
	----- (Rupees) -----	-----
(Loss) for the period	(61,713,824)	(89,336,515)
Other comprehensive income:		
Effect of change in tax rates on balance of revaluation on property, plant and equipment	-	--
Total comprehensive (loss) for the period	<u><u>(61,713,824)</u></u>	<u><u>(89,336,515)</u></u>

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
Director

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

Notes	July-Sept 2021 ----- (Rupees) -----	July-Sept 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before taxation	(64,333,407)	(93,579,178)
Adjustment for non-cash and other items:		
Depreciation / amortisation expense	26,587,648	29,870,992
Unwinding of discount	4,488,606	3,360,290
Finance Cost	58,320,891	57,003,364
	<u>89,397,145</u>	<u>90,234,646</u>
Cash outflows before working capital changes	25,063,738	(3,344,532)
Working capital charges		
<i>(Increase) / decrease in current assets</i>		
Stock In Trade	60,259,566	--
Trade debtors	(4,760,875)	4,333,954
Advances	95,170	50,310
	<u>55,593,861</u>	<u>4,384,264</u>
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payable	(2,529,752)	400,912
Short term borrowings	(66,325,000)	--
	<u>(68,854,752)</u>	<u>400,912</u>
Cash (used in) generated from operations	<u>11,802,847</u>	<u>1,440,644</u>
Payments for:		
Income taxes (paid) / refund - Net	(580,439)	(8,221)
Gratuity Paid	(37,200)	--
Finance cost paid	(391,203)	(862,079)
	<u>(1,008,842)</u>	<u>(870,300)</u>
Net cash generated from/used in operation activities	<u>10,794,005</u>	<u>570,344</u>
Cash flows from investing activities		
Net cash outflow from investing activities	-	-
Cash flows from financing activities		
Long term financing paid	(300,000)	--
Net increase/(decrease) in cash and cash equivalents	<u>10,494,005</u>	<u>570,344</u>
Cash and cash equivalents at beginning of the period	<u>10,144,166</u>	<u>5,068,481</u>
Cash and cash equivalents at the end of period	<u><u>20,638,171</u></u>	<u><u>5,638,825</u></u>

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
Director

DEWAN TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER 2021

	Revenue reserves			Capital reserves	Total equity	
	General reserve	Accumulated losses	Total revenue reserves	Surplus on revaluation of property, plant and equipment		
	----- (Rupees) -----					
Balance as at 1st July 2020	460,646,090	333,000,000	(4,941,820,473)	(4,608,829,473)	746,894,701	(3,401,279,682)
Total comprehensive (loss) for the period						
(Loss) for the period			(89,336,515)	(89,336,515)		(89,336,515)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	--	(89,336,515)	(89,336,515)	--	(89,336,515)
Balance as at 30th September 2020	460,646,090	333,000,000	(5,020,769,779)	(4,687,778,779)	736,507,492	(3,490,616,197)
Balance as at 1st July 2021	460,646,090	333,000,000	(5,405,352,214)	(5,072,352,214)	705,345,865	(3,906,360,259)
Total comprehensive (loss) for the period		--				
(Loss) for the period	--	--	(61,713,824)	(61,713,824)	--	(61,713,824)
Other comprehensive income	--	--	-	--	--	-
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	--	(61,713,824)	(61,713,824)	--	(61,713,824)
Balance as at 30 September 2021	460,646,090	333,000,000	(5,457,891,397)	(5,124,891,397)	696,171,224	(3,968,074,083)

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
Director

DEWAN TEXTILE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN - AUDITED)
FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER 2021

1 Status and Nature of Business

Dewan Textile Mills Limited ('the Company') was incorporated in Pakistan on 16 April 1970 as a public limited company and is listed on the Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of yarn. However, the Company has suspended its manufacturing operations since December 2015.

The geographical location and address of Company's business units including plant is 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 H/20 & H/26, S.I.T.E., Kotri, District Jamshoro, Sindh, Pakistan.

2 GOING CONCERN ASSUMPTION

These condensed interim financial statements of the Company for the period ended 30th September 2021 reflects that the Company has sustained a net loss after taxation of Rs. 61.714 million (2021: Rs.505.072 million) and as of that date the Company's negative reserves of Rs. 5,124.891 million (2021: Rs.5,072.352 million) have resulted in negative equity of Rs. 3,968.074 million (2021: Rs.3,906,360 million). Further the Company's short term borrowing facilities have expired and not been renewed and the Company has been unable to ensure scheduled payments of liabilities due to the liquidity problems. Following course, majority of the lenders had gone into litigation for repayment of liabilities through attachment and sale of Company's hypothecated / mortgaged properties and one lender had also filed winding up petitions under section 301 of the Companies Act, 2017 as more fully explained in note 12.1 and note 12.2 to the annual financial statements for the year ended 30 June 2021. The Company has suspended its manufacturing operations since December 2015. 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 streamline the funding requirements of the Company which will ultimately help the management to resume the operations with optimum utilisation of production capacity. As the conditions mentioned in the foregoing paragraph are temporary and would reverse therefore, the preparation of condensed interim financial statement 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 Judgments 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) Jun 30, 2021
	----- (Rupees) -----	
6 REVENUE RESERVES		
General reserves		
Accumulated losses	333,000,000	333,000,000
	(5,457,891,397)	(5,405,352,214)
	<u>(5,124,891,397)</u>	<u>(5,072,352,214)</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

	July-Sept 2021	30 June 2021
	----- (Rupees) -----	
8 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets		
Capital work in progress - At cost	8.1 1,359,992,726	1,386,580,374
	10,305,389	10,305,389
	<u>1,370,298,115</u>	<u>1,396,885,763</u>
8.1 Operating fixed assets		
Opening net book value (NBV)		
Disposal (NBV) during the period / year	1,386,580,374	1,506,064,338
Depreciation charged for the period / year	-	-
Closing net book value (NBV)	<u>(26,587,648)</u>	<u>(119,483,964)</u>
	<u>1,359,992,726</u>	<u>1,386,580,374</u>

9 LONG TERM INVESTMENT

Investment in associate

Dewan Salman Fibre Limited

- 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 28.47% in investee company.

9.2 Investment in Dewan Salman Fibre Limited - at equity method

Number of shares held		
Cost of investment (Rupees)	104,288,773	104,288,773
Fair value of investment (Rupees)	<u>210,000,000</u>	<u>210,000,000</u>
Ownership interest	<u>91,774,120</u>	<u>91,774,120</u>
	<u>28.47%</u>	<u>28.47%</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

Ordinance, 1987. 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.

10 STOCK IN TRADE

10.1 Entire stock of raw material and finished goods is pledged with the banks against the financing facilities obtained by the Company

11 FINANCE COST AND MARK-UP ACCRUED

In addition to the non-provisioning of mark-up eligible for waiver as disclosed in note 25.1 of the annual financial statement for the year ended 30 June 2021, Company has not made the provision of mark-up for the period amounting to Rs.10.463 million (up to 30 June 2021: Rs.558.970 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 10.463 million and accrued mark-up would have been higher and shareholders' equity would have been lower by 569.433 million. The said non-provisioning is departure from the requirements of IAS 23 - 'Borrowing Costs'.

	(Un-Audited) July-Sept 2021	(Un-Audited) July-Sept 2020
	----- (Rupees) -----	
12 (LOSS) PER SHARE - Basic and diluted		
(Loss) after taxation	<u>(61,713,824)</u>	<u>(89,336,515)</u>
Weighted average number of shares	<u>46,064,609</u>	<u>46,064,609</u>
(Loss) per share - Basic and diluted (Rupees)	<u>(1.34)</u>	<u>(1.94)</u>

13 TRANSACTIONS WITH RELATED PARTIES

Related parties include associated group companies, director, executives. Key management personnel and staff retirement funds. Details of transactions with related parties during the period other than those which have been disclosed elsewhere in these condensed interim financial statements are given below.

	July-Sept 2021	July-Sept 2020
	----- (Rupees) -----	
Staff retirement benefits	<u>25,404</u>	<u>23,088</u>

14 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", balance sheet has been compared with the balances of annual financial statements, whereas profit and loss account, statement of comprehensive income, cash flow statement 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 financial statements.


16 DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial statements was authorized for issue on 26th September, 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
Director